IOSR Journal Of Humanities And Social Science (IOSR-JHSS)
Volume 20, Issue 3, Ver. III (Mar. 2015), PP 27-34
e-ISSN: 2279-0837, p-ISSN: 2279-0845.
www.iosrjournals.org

Nigeria's Rebased 2013 GDP: Contending the Debate

Cornelius N. Kwanga
Lecturer - Department of Economics, Yobe State University, Damaturu
P.M.B 1044 Damarutu, Yobe State - Nigeria

Abstract: *At the dawn of the second quarter of 2014, a wave of heated debate gripped the country when the results of a rebased GDP for 2013 were made public. The intensity of the debate were fanned by the fact that Nigeria emerged the largest economy in Africa and the 26th in the world, yet exhibiting unimaginable poverty realities. This paper seeks to examine the economic rationale for rebasing, the timeliness of the exercise and its link with poverty – all questions raised in the debate. The deductive approach (using descriptive statistics on data drawn from 1986 to 2013) and inductive reasoning are adopted. The main conclusions reached indicate that; a broad base data capture that aligns economic activities in the nation and enhance accurate measurement of the size and structure of the economy provides overwhelming economic justification for the exercise; the timing cannot be put to question; the 2013 economic growth comes more from the private sector, so little is expected in terms of employment that can reduce poverty in Nigeria; and finally the mismatch between economic growth and poverty are exacerbated by national orientation. The paper recommends that to curb the disparity between economic growth and poverty, the appetite for foreign goods should be discouraged through embargo not tariffs; and to promote growth in the employment intensive sectors, the government sector should be made less appealing by inflicting heavy punishment on corrupt culprits.*

Keywords: *Rebased GDP, Economic growth, Unemployment, Poverty.*

I. Introduction

Changes are an integral part of human life but accepting them irrespective of how good they may be, is an uphill task. The rebasing of the Nigerian GDP in April 2014 was a departure from the 1990 base year for the country to new one pegged in 2010. This entails that subsequent references to constant prices (RGDP) are to be based on the 2010 price level. The National Bureau of Statistics (NBS) in conjunction with some governmental agencies carried out the rebasing exercising, aimed at re-aligning the economy to present day realities for a better appreciation of the nation's economic performance with likely policy implications. This exercise placed Nigerian among the top 26 performing economies in the world and the largest and fastest growing in Africa.

Like it is the case with most public policies, especially in this country, this economic event attracted a wave of widespread debates from almost all facets of the population. Different postures were drawn based on ideological and sentimental inclinations, especially as it was done at a time when the country was submerged in security challenges and at the verge of a political election. Thus, the glaring interpretations became so obvious, as there appear to be a wide mismatch between economic theory and national realities - a soaring poverty pitched against a proud 2013 GDP. Salient among the contending issues in the debate are those centred on economic justification, periodicity and its implication on the country's soaring poverty and employment scenarios. Some of the questions generated from the debates for consideration in this paper are:

- Why rebased the GDP?
- Was it out of place to reconsider a base year in 2014?
- What justifications can be advanced for the wide disparity between poverty/unemployment and GDP in Nigeria?

The questions above are translated to mean that in the minds of many in Nigeria, GDP seems no longer a good measure of economic performance and an index of welfare as portrayed by the realities on ground. In contributing to understanding the web in GDP/Unemployment/Poverty relationship, this paper sets forth to advance economic justifications on the rationale for rebasing, the timeliness of the exercise and its link with poverty.

II. Theoretical Framework

The GDP / poverty relationship is the economic and social extension and result of GDP / unemployment analysis. Various social science and management disciplines have course to advance input into debates on this issue. For the purposes of this paper, there is the imperative to delineate the topic from a social discourse to an economic one by situating it within an economic context.

The economic foundation for output (GDP)/Unemployment analysis is based on Okun's law. Okun's law investigates the statistical relationship between a country's unemployment rate and the growth rate of its economy. Output depends on the amount of labour used in the production process, so there is a positive relationship between output and employment, signifying a negative relationship between output and unemployment '(conditional on the labour force)'. Okun's Law is in essence, a rule of thumb to explain and analyze the relationship between jobs and growth. This rule of thumb describes the observed relationship between changes in the unemployment rate and the growth rate of real gross domestic product (GDP). Okun noted that, because of ongoing increases in the size of the labour force and in the level of productivity, real GDP growth close to the rate of growth of its potential is normally required, just to hold the unemployment rate steady. To reduce the unemployment rate, therefore, the economy must grow at a pace above its potential, (Fuhrmann, 2012).

This law is quantitative in nature and specifies the desirable coefficients of growth and unemployment. It postulates a bi-directional relationship revertible from the position that a 1% increase in the growth rate (that is above the natural growth rate of 3%) will lead to at least a 0.3% decrease in unemployment. Suffice it to add ceteris paribus, implying Fuhrmann's conditionality on labour force.

This established relationship as exposed by Okun's law, sets the economic premise for this paper.

III. Literature Review

Much has been written on GDP, GDP and Unemployment, GDP and poverty. A modest review of some of the works is considered in this section.

Ofili (2014) in buttressing the importance of the rebasing exercise begins by upholding that Gross Domestic Product (GDP) is the standard measure of the value of final goods and services produced by a country within a specified period. It combines in a single figure and without double counting, all the output (of production) carried out by all the firms, government, non-profit institutions and households within the country's economic territory. It is the single most important indicator used to capture these economic activities. The need for such data is a call for high quality data for effective developmental planning, implementation and evaluation. Standards have been internationalised to help capture such data. Eminent among such standards are International Standard Industrial Classification (ISIC), Central Product Classifications (CPC), the Balance of Payment Manual (BPM), the Government Finance Statistics Manual (GFSM) and System of National Accounts (SNA). These standards are constantly being updated and broaden to match changes in economic activities. Embedded in these changes are changes in prices – which capture the real GDP over time. To track RGDP in line with changing activities and standards, the base for its consideration (constant prices) are also updated (rebased) regularly. Thus, the concept of rebasing entails movement from an old base year to a new one that is more reflective of present day changes in the general level of price. Ofili (2014) in asserting the importance of GDP as it ascertains the size and structure of any economy, points out the rationale for rebasing to include: (i) Obtaining a more accurate estimate of the size and structure of the economy through the incorporation of new economic activities which were not previously in the compilation framework. This brings into force the issue of exhaustiveness meant to reduce the size of the informal sector as well as that of including new activities and deleting extinguished activities. The recent classification of the economy into forty-six economic activities justifies this position; (ii) Availing government, and investors understanding of the structure of the economy for effective channelling of resources to grow the economy; and (iii) A base for international comparison of economies.

Unemployment is the state of an individual looking for a paid job but not having one. The International Labour Organization (ILO) defines the unemployed as numbers of the economically active population who are without work but available for and seeking work, including people who have lost their jobs and those who have voluntarily left work. The unemployment rate is expressed as a percentage of the total number of persons available for employment at any time. That is, total employment equals the labour force minus the unemployed. From these views, unemployment does not include full-time students, the retired, children, or those not actively looking for a paying job. The NBS measures unemployment rate by the number of people actively looking for a job as a percentage of the labour force – (Obadan - 1997).

Aigbokhan (2008) in examining Growth – Inequality – Poverty nexus in Nigeria for the period 1982 to 2006, acknowledged the debates in the definition of poverty, and upholds that poverty is defined today as a state of long-term deprivation of well-being, a situation considered inadequate for decent living. The empirical evidence from Aigbokhan's analysis indicates that economic growth did not change much of the depth of poverty or poverty gap as well as the severity of poverty and buttresses the view that distribution of income in favour of the poor is essential for strong growth to translate into rapid poverty reduction.

Njoku and Ihugba (2011) acknowledging the economic reality that the size of the workforce directly impacts on a country's GDP (growth) and vice versa, looked at the relationship between unemployment and growth in Nigeria (1985-2009) and concluded that growth over time rather than reducing the rate of unemployment, it increased it by 74.8 percent. In line with theory the research recommends harnessing the potentials of a job intensive sector like agriculture as a means of curbing unemployment.

Kale (2014) in analysing the rebased GDP for Nigeria in the position of the Statistician General of the Federation and Chief Executive Officer of the National Bureau of Statistics, emphasizes that GDP growth is not synonymous with development (in which poverty is embedded), but it is required for development, as rising output increases tax revenue for developing infrastructure (public goods). The presentation submits that the rebased GDP numbers imply that the level of economic activity is much higher than previously reported, indicating a clearer picture of Nigeria's economic landscape, and the significant opportunity for growth and wealth creation. However, the impressive figures will not make poverty and unemployment disappear overnight but it will provide the tools and the policy ability to fight the malaise.

Osinubi (2006) observes that Nigeria is bedeviled with unemployment and poverty in spite its multifarious and multitudinous resources-both human and material endowments. Economic growth, which is supposed to be a solution to the problems of unemployment and poverty, appears not to be so in Nigeria. Using time series data from 1970 – 2000, the study shows that economic growth has not always been accompanied by decline in unemployment and poverty in Nigeria. Thus growth is weakly pro – poor and those that are far below the poverty line have not really been enjoying the benefits of economic growth.

Obadan and Odusola (2006) in an analysis of productivity and unemployment in Nigeria, found evidence that productivity is low in Nigeria, Unemployment, on the other hand is very high. The results of the relationship between productivity and unemployment are mixed across sectors– industrial/ agriculture – showing bi-causal relationships in the industrial sector, no linkage in the agricultural sector, while a unidirectional relationship (running from productivity to unemployment) is established at the national level. A major finding of the study is that productivity and unemployment are inversely related. This suggests the need for policies to enhance productivity. Thus, recommends the need to put in place a systematic manpower development programme (especially the skill acquisition type) both in the public and private sectors; the institutionalization of adequate penal and reward system is a sine-qua-non to improved productivity. Sequel to this is the need to adopt a satisfactory income policy. This income policy should meet certain requirements deemed commensurate with the levels of maximum utilization of labour input; and government should create appropriate enabling environment to promote a sustained effective aggregate demand in order to maintain the required level of domestic production. The policy implication discernible from the findings generate that since more employment means more income for the poor, which in turn implies a greater demand for locally produced basic consumption goods, it is imperative for government to ensure growth and development of the rural and small-scale urban sectors.

A leading authority on output and poverty issues - Aboagye (2012) holds that so long as there are no genuine efforts to deal with, and analyse the sources of growth, the poor will have very little benefit from growth. The declining role of agriculture in most developing countries and the undue emphasis on industry as if it has little or no link with agriculture has resulted in large and rapid growth rates but with little impact on the majority that remains at the periphery of the economies. Recent discoveries of oil in some African countries have resulted in sudden and unprecedented growth rates with very little effect on agricultural population. The contradiction is that benefits of rapid growth and increased per capita incomes have resulted in consumption patterns and imports that compete and destroy the agricultural activities of a large portion of the poor. In a follow up analysis the same writer - Aboagye (2014) illuminates that invariably, economic growth has been proven to have a predictable impact on poverty. The main issue relates to the extent of the impact or how the growth is distributed. Usually the sectors that generate growth will influence the extent of the impact on the poor. Thus, if growth comes from the agricultural sector where the poor often congregates, they are more likely to benefit from the growth. In many African countries, growth seems to be emanating from the service sector, and the impact on the poor is quite limited. Hence, for economic growth to impact the poor, there must be deliberate policy measures that are targeted to the poor, else, growth in itself will not guarantee equity in distribution. Aboagye's positions above are calls for more focus on the pro-poor oriented growth policies which may be quite insightful for Nigeria.

Seater (2012) submits that economic growth, at least if defined in terms of per capita income, reduces poverty by definition. The "natural state" of humanity is poverty. It is economic growth that gives the concept of poverty meaning in the first place. In shading light on the poor, Seater raises the fact that the poor are those whose incomes do not grow as fast as the incomes of others. In other words, the poor are those who stay where everybody was before economic growth started, maintaining that over the last few hundred years, economic growth has increased income inequality. The reason is not that growth made anybody poorer but rather that it made only a subset of the population richer. Seater identifies the reasons for the above disparity to be choice of career, life cycle (dominant young and old population age composition) and bad governance. Pangannavar (2014) looks at the same relation between economic-growth and poverty and submits that it depends on the fair distribution of income and wealth that is generated through economic growth and the technology that is used to achieve economic growth. These positions narrow down output and poverty issues to one of income distribution. Relating it to the Nigerian context, only bad governance may have a place in the analysis, as there is a teaming working age population and career choices are income oriented.

Mohanty (2014) contrastingly holds that other things remaining fixed, economic growth will only have a positive relationship with poverty, i.e. more growth, more poverty. Based on some conventional understanding in economic relations between variables this scholar reveals that based on existing skills, technological change as profit orientation moves towards capital intensive mode of production is likely to limit unemployment reduction. This will enhance the productivity of employed workers but at a predetermined and fixed wage level leading to surpluses for those who own the capital. This will make the aggregate domestic demand fall in the economy vis-a-vis the increased output leading to an increase in exports and income of a section of producers producing for export. Consequently, this will attract a policy focused on more export and an investment focused on exportable production leading to a decline in the availability of goods for meeting domestic demand and probably leading to a decline in income of the workers in the sectors producing for domestic consumption. In a nutshell, economic growth leads to a decline in income of a section of workers and a decline in the employment in specific sectors and furthermore a decline in availability of goods for mass consumption and finally an increase in poverty. Though Mohanty's analysis presents viable links on the relationships, there are gaps in the technology – employment relationship. The realistic experiences from computer age debunk Mohanty's analysis. With the introduction of wide spread use of computers in the late 1990s and early 2000 the same view was expressed, but the emanating results show a positive link between technology and employment in almost all economies. However, this Mohanty's position which seems far from reality may hold for Nigeria owing to its unique peculiarities.

Hull (2009) examines the relationship between economic growth, employment and poverty reduction and concludes that growth in one sector of the economy will not automatically translate into benefits for the poor, as much will depend on the profile of growth (its employment – or productivity - intensity), the sectoral location of the poor, and the extent of mobility across sectors; Another conclusion reached is that for employment-intensive growth to translate into poverty reduction it must occur in a "more productive" sector, while "less productive" sectors may require productivity-intensive growth to ensure a decline in headcount poverty. For countries to benefit from the above understanding, country-specific quantitative and qualitative analysis is required to identify constraints to job creation, productivity and mobility, to ensure that the poor are able to participate in more and better job opportunities. This serves as a guiding principle in determining policies that could be implemented to boost poverty reduction.

The above selected literature presents mixed results on the GDP/Unemployment/poverty relationship and calls for country specific analysis of the relationship for better policy guidance.

IV. Methodology

Data for the work is generated from varied secondary sources. The paper employs both deductive and inductive approaches to data analysis. For the deductive approach, the method adopted is that of descriptive statistics, where recourse is given to the use of percentages, averages and ranges where there is the need to support the theory based facts with relevant statistics. However, the inductive approach is used in some of the aspects. In these aspects, the analysis is based on the hope that an appropriate theory may one day be developed to accommodate the trend. The adoption of these approaches has the potentials to effectively drive the analysis of the issues in question to logical conclusions.

V. Data Analysis

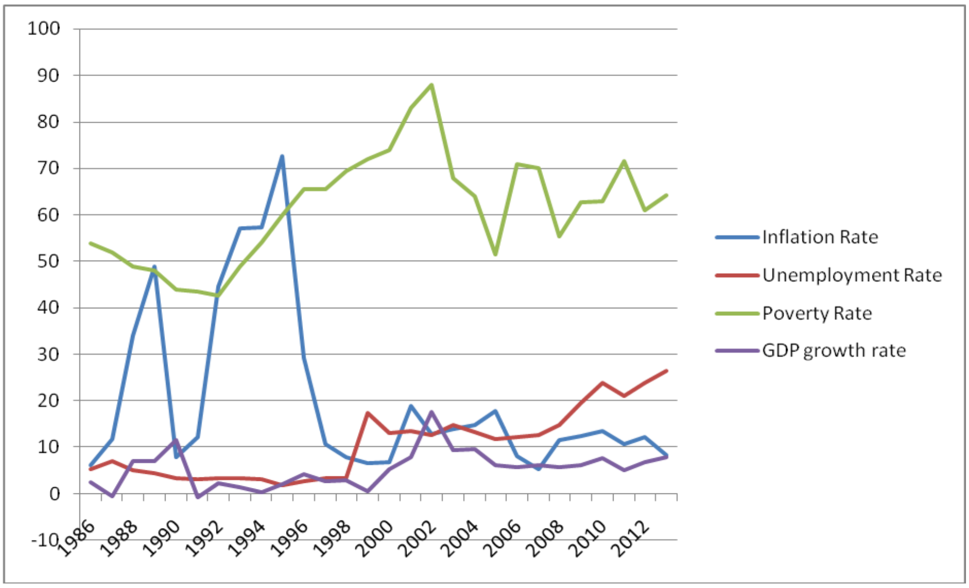
The analysis that follows here is an attempt to directly address the questions raised for the research. They are considered under four subsections:

i. Economic Justification of rebasing:

Kale (2014) and Ofili (2014) have pointed out the justifications for considering a change in the base year. These justifications include: Broadening the base for data capture and aligning economic activities in the nation to keep track with realities while enhancing a more accurate estimate of the size and structure of the economy through the incorporation of new economic activities which were not previously in the compilation framework. This entails eliminating extinct activities and inclusion of new activities which hitherto were not adequately accommodated in the data capture. Examples of such new activities that have found their way into the data base are mobile telecommunication and the entertainment industry. A careful look at the 1990 base year and 2010 base year activity sectors (See Ofili 2014 and Kale 2014) reveal that the classification of economic activities increased from 33 used in the 1990 based year to 46 for the 2010 base year. In essence, 14 activities were detailed into the NBS 2010 base. They included 10 sub activities of the manufacturing sector (Food/beverages/tobacco, Textile/apparel/footwear, wood/wood products, Pulp/paper/paper products. Chemical,

chemical products/pharmaceutical products, Non-metallic products, plastic/rubber products, electrical/electronics, basic metal/iron and steel, and motor assembly), 2 sub sectors in the Information and Communication Sector (publishing and motion picture/sound recording/music production) 1 new Sector entirely - Arts/entertainment/recreation and administrative support services. Electricity subsector was redefined to include electricity, gas, steam and air conditioning supply. Though other sectors maintained their nomenclature, they were broaden and deepened to capture more data in related domains. For instance, Telecommunications was broadened to include information services (mobile telecommunication) that were earlier not previewed. Business services were re-coined to professional, scientific and technical services capable of capturing more economic activities than before. Health and Private Social Services because they are relatively and intensely interwoven were merged to be a single activity sector. For all intents and purposes, this expansion and detailing will capture a good proportion of the informal sector activities and enhance reliability of data on the Nigerian economy. The importance of such a comprehensive data base will avail government, and investors and other stakeholders a deeper understanding of the structure of the economy for effective channelling of resources to grow the economy, create jobs, improve infrastructure, and reduce poverty. In a nutshell, the modus-operandi of the exercise is to boost the fight against poverty making use of a well guided data base. As Kale (2014) puts it, the goal is "to reduce poverty and improve the welfare of Nigerians." To further buttress the justification of the rebasing exercise, an analysis of selected macroeconomic indicators (Inflation, GDP growth rate, GDP Per Capita, Unemployment rate and Poverty Rate from 1986 to 2013) may be instructive.

Chart 1: Trend of Some selected Macroeconomic Variables 1986 to 2013



Author's computations (2014) from varied sources

The chart above indicates glaringly that macroeconomic variables are constantly changing (upwards and downwards). Inflation which is one of such variables and has a significant bearing on the base year has also been very volatile. From 1986 to 1990 (5 years) it recorded values ranging between 6.3% and 49%, averaging at 21.84% for the period. This must have occasioned the rebasing from 1984 to 1990 which was fairly stable after the hikes. From 1991, the hikes continued at unprecedented rates pitching at 74. 5% in 1995 and declined rapidly to single digits till 2000. There after the double digit inflationary trends recommenced till 2013 with exception only in 2006, 2007 and 2013. After all the upsurges, one would have expected rebasings in 1999/2000, 2006/2007 and 2013 to tally with the realities in changing price levels. However, this was not the case, as the government decided to dent the image of the nation by hiding its true economic picture over the period in order to pass for a highly indebted poor country. The goal for this gimmick was to benefit from the debt relief initiative accorded to highly indebted poor country by the Brettonwood Institutions. With this goal achieved, the long awaited reform came to pass only in 2014. Thus, it can be submitted that the rebasing exercise which was effected 24years after the last exercise in 1990, was long overdue. Though late, it is a welcome development to the Nigerian economy.

Per Capita GDP which is a function of GDP against population has been on a constant rise from USD 852.2 in 1986 to USD 2831.5 in 2013, with the exception of 1987, 1995 and 1999. This ought to be reflected in the lives of ordinary Nigerians as the Per Capita GDP across all the years exceeds the USD 2 per day absolute poverty benchmark. The lowest per capita income for the period under consideration is USD 2.1 in 1987 and highest being USD7.74 in 2013. This indicates an increase of 72.8% from 1986 to 2013 Per Capita GDP.

Poverty rates over the period have not only remained high but have exhibited a rising trend contrary to expectations. From 1986 the poverty rates ranged from 42.7% recorded in 1992 against 88% in 1996. The trend leaves an average of 53.6% over the period in question – which is too high for a country with such high per capita GDP.

From 1986 to 2013, GDP growth rate became evidently higher from 2000 with the exceptions of 1988, 1989 and 1990. However, the unemployment trend did not follow a similar pattern. Till 1998, unemployment figures were single digits which passed into double digits in 1999 and have since then maintained this status with only varying rates. Between 1986 and 1998 unemployment rates were between 3.1% and 7% with an average of 3.86% for the period. Contrastingly, between the period 1999 and 2013, unemployment figures were consistently 2 digits and ranged from 11.9% to 26.5% leaving an average 16.84% for the period.

ii. Periodicity of exercise

Periodicity indicates the required time frame needed to change from one base year to another. This issue came into the scene because political pundits hold that there was basically no need for the exercise at this particularly moment. The claim is that instead of devoting attention to serious insecurity challenge facing the country, the exercise was carried out at this particular period as a means of giving unachieved credibility to the government in place in the face of upcoming elections. Table 1 below is data on some selected countries, to assess this aspect of the debate.

Table 1: Base Year trends for selected countries.

Country	Last Base Year	Present Base Year	Time Gap (Years)
Tunisia	1990	1997	7
Maldives	1995	2003	8
Ghana	1993	2006	13
Paraguay	1982	1994	12
Venezuela	1984	1997	13
South Africa	1996	2008	14
Brazil	1985	2000	15
Ecuador	1975	1994	19
Nigeria	1990	2010	24
Guatemala	1958	2001	43

Source: Culled from Kale (2014) and other sources.

Table 1 reveals no uniformity in terms time frame for any of the above countries. From the selected countries, it ranges from 7years for Tunisia to 43years recorded for Guatemala. This suggests that rebasing is country specific. By implication there is no standard time frame for rebasing. Though UNDP recommends a five year gap for rebasing, it is subject to the vagaries of each country. Factors other than time are the deciding considerations. A look at the inflationary trend suggests that inflation is a major economic consideration for rebasing. Other factors that could be considered as important for rebasing are changes in technology and taste. This is consistent with economic wisdom as rebasing is meant to adjust inflationary trend (constant prices) to reflect contemporary realities. However, while countries like Canada and England have settled for five year periodic gap for rebasing, others embarked on it as determined by some other economic considerations.

iii. GDP/Unemployment/Poverty Debate

The questions on the GDP/unemployment/Poverty relationship are magnified by a misunderstanding of the Nigeria's economic system and its structure. To clarify this point, it is worth highlighting that in purely capitalist economies, the question will not arise because ownership of means of production and distribution is in private hands. For a mixed economy like Nigeria the question of distribution is expected. Balami (2008) upholds a mixed economic system as one in which the means of production are both privately and government owned emphasizing that the functions of the economy are shared between the private sector and government. By implication the role of the government as well as that of the private sector (capitalist) in the resource ownership, active production and distribution processes needs to be reflected in the economy. Given such a dichotomy in the system, the source of economic growth counts in addressing poverty in the country. If the growth comes from the government's domain, there is reason that everything being equal, there will be initiatives that will reduce poverty through employment especially in the real sector. On the other hand, if the growth comes from the capitalist controlled activities, which exhibit more of output intensive than labour intense modes of production, the masses are likely not to benefit from the growth. The rebased statistics indicate that the service sector did stimulate the growth by contributing 52.23% to the GDP. This sector is dominated by private sector activities as public administration's contribution was quite meager at 3.69% - (Kale, 2014; Ofili, 2014). From this, it is evident that the benefits from economic growth as magnified by the rebased figures must escape the masses especially in the short run. Thus, little is expected in terms of employment that can reduce poverty from the rebased GDP.

iv. The Overlooked Twist in Unemployment and Poverty in Nigeria

Most popular and sound economic postulations that may work so well in other countries fail in Nigeria. The twin relationship between economic growth, Unemployment and Poverty is an insight. There are local realities that are overlooked and they impact significantly on the results. Two twists – Unemployment and poverty as they relate to Nigeria's GDP are discussed below.

a. Unemployment which is upheld to mean the inability to find suitable paid jobs by those able and willing to work, does not capture the Nigerian reality, though NBS narrows down this definition to the number of people actively looking for a job as a percentage of the labour force. This is accounted for by two strands of thought:
   - ✓ Nigeria has a large informal sector with a good number of people involved in it. It also has a moderate private sector employing quite a good number of people. Some of the jobs in the above areas are well paid but not suitable to the applicants. The reasons are simple – almost everyone in Nigeria envies the rich and desires to be rich without work. The suitable jobs are found in the government sector (State/Federal Levels) where riches could be attained overnight at the expense of the poor masses. With this mindset, unemployment figures are bound to remain high since the public sector cannot absorb all the population.

   - ✓ Also, when GDP increases as aforementioned, just a meager section of the population benefits from it directly. The expectations are that through its multiplier effects, employment opportunities are generated, unemployment reduced and poverty curbed. However, this is not the link for Nigeria. Clinical observations indicates that a good number of the minority that benefit directly from economic growth windfalls, do not invest in the real sector that stimulates anticipated multiplier effects but in the social (family) sector. They marry more wives within the permissible thresholds and litter concubines. These wives and concubines are no longer in the labour market, as their daily stipends exceed the monthly salary of any well paid job. Thus, marriage and 'concubination' become suitable paid jobs but escape unemployment data capture. This does not suggest that the wives and concubines are not productive in the local economy. They are highly productive in the sense of reproduction, as they increase the population rapidly. The basis for this across all regions in the country lies in the fact that preparatory clamours for power to control national resources hinges not on sound/attractive political ideology but on the off-springs that make the number.

b. Economic wisdom holds that these high incomes from (a) above, implies higher consumption patterns (Higher MPC), irrespective of the macroeconomic theory of consumption invoked. The multiplier effect of increased consumption due to higher incomes is expected to stimulate employment in response to increasing demands. Nigeria is far from this line of thought. For Nigeria, increased incomes mean increasing consumption/demand, but not for endogenous goods nor from within the country. For an average Nigerian a windfall from economic growth is immediately translated to consumption only of foreign made goods from cars, food, drinks and houses, boosted by trips abroad for purchases. This leaves little for domestic consumption. Thus, benefits from economic growth are most likely to skip the poor. Hence, economic growth in Nigeria is often described as jobless and unfruitful as it creates no jobs and opportunities for the teaming young population.

Windfall gains used as indicated above, are like temporally incomes and change spontaneously. When this happens, with many mouths to feed, poverty trend is bound to increase. That is the picture of Nigeria.

VI. Conclusion And Recommendations

The controversies raised after the rebasing of the country's GDP as it relates to economic justification exercise have been found wanting by this paper. The exercise is justified as it aims at broadening the base for data capture and aligning economic activities in the nation to keep track with realities while enhancing a more accurate estimate of the size and structure of the economy.

The analysis reveals no uniformity in terms time frame for any of the above countries, which is suggestive that rebasing is country specific and is determined by factors other than time, like inflationary trend, technology, changes in taste etc. This paper also establishes that ownership of resources and mode of production are crucial considerations in the GDP / poverty analysis. Growth will be pro-poor if it stems from the government sector. This brings to light the fact that it is not growth per se that matters but the structure of growth. The 2013 economic growth comes more from the private sector domain which is productive intensive not employment intensive, so little is expected in terms of employment that can reduce poverty in Nigeria.

The analysis also reveals that the poverty situation in Nigeria is exacerbated by the mindset of most Nigerians who see all other jobs in the informal and private sector as not suitable as all hopes are to join the public for 'quick money'. This dimension is not captured in the definition of unemployment for the country and thus, will always overshoot the figures. In an extension, analysis also reveals that desires to invest more in the family sector than in the real sector ends up aggravating the poverty situation in the country. Furthermore, the unprecedented passion for foreign goods and external purchases are likely not to translate economic growth into reduced poverty.

It is recommended that unemployment in the country should be redefined and the data capture should exclude those who are willing to work but whose suitable paid jobs by definition are of an unprecedented scale and generally unattainable. The appetite for foreign goods should be discouraged through embargo not tariffs as increased tariff seems to create more value in foreign goods for the rich class. Corruption which makes the government sector quite appealing to many should be met with severe punishment, to encourage initiatives in the informal and private sector.

References

[1]. Aboagye A. (2012): What is the impact of economic growth on poverty? Accessed on 22/7/2014, from http://www.researchgate.net/post/.

[2]. Aboagye A. (2014): What is the impact of economic growth on poverty? Accessed on 22/7/2014, from http://www.researchgate.net/post/.

[3]. Aigbokhan B. E. (2008): Growth, Inequality and Poverty in Nigeria, Economic Commission for Africa, ACGS/MPAMS Discussion Paper No.3, Addis Ababa.

[4]. Asoluka Njoku A. and Okezie A. Ihugba O. A. (2011): Unemployment and Nigerian Economic Growth (1985-2009), Proceedings of the 2011 International Conference on Teaching, Learning and Change (c) International Association for Teaching and Learning (IATEL).

[5]. Balami D. H. (2008): Comparative Economic System, Salawa Prints, Maiduguri.

[6]. Dwivedi D. N. (2008): Managerial Economics, Vikas Publishing House PVT, New Delhi.

[7]. Fuhrmann R. C. (2012) Okun's Law: Economic Growth and Unemployment, Investopedia.

[8]. Hull K. (2009): Understanding the Relationship between Economic Growth, Employment and Poverty Reduction: Promoting Pro-Poor Growth. OECD. Accessed on 23/7/2014, from http://www.oecd.org/development/povertyreduction/43280288.pdf..

[9]. Japan International Cooperation Agency (JICA) – Accessed on 13/08/2014 from www.jica.go.jp.

[10]. National Bureau of Statistics (2011): Profile on Poverty.

[11]. Kale Y. (2014): Measuring Better: Rebasing / Re-Benchmarking of Nigeria's Gross Domestic Product. A presentation at the Lagos Business School Breakfast Meeting, Lagos, 7th May.

[12]. Mohanty S. S. (2014): What is the impact of economic growth on poverty. Accessed on 22/7/2014, from http://www.researchgate.net/post/ .

[13]. Obadan M. I. and Odusola A. F. (2006): Productivity and Unemployment in Nigeria, National Centre for Economic Management & Administration (Ncema), Ibadan.

[14]. Ofili E. G. (2014): Rebasing the Nigerian Economy: Recent Developments and Policy Implications, CBN.

[15]. Osinubi T. S. (2006): An Economic Analysis Of Growth, Unemployment And Poverty In Nigeria, The IUP Journal of Applied Economics, The IUP Journal of Applied Economics. Accessed on August 5, 2014, from http://ideas.repec.org/a/icf/icfjae/v05y2006i1p53-68.html,.

[16]. Pangannavar A. (2014): What is the impact of economic growth on poverty? Accessed on 22/7/2014, from http://www.researchgate.net/post/ .

[17]. Seater J. J. (2012): What is the impact of economic growth on poverty? Accessed on 22/7/2014, from http://www.researchgate.net/post/ .

[18]. World Bank (2000). World Development Report, 2000/2001: Attacking Poverty". Washington D.C.