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Nigeria, Mono-Product Economy & The Global Economic Recession: Problems & Prospects

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Abstract - Nigeria, an ex-British colony had an independence date that was heralded by the discovery and gradual exploitation of oil in commercial quantity in 1956 and 1958 respectively at Oloibiri. The discovery of this product (black gold) in a number of other nations like Saudi Arabia, Kuwait and Libya among others has contributed immensely to the social, political and economic growth of those nations. For Nigeria, available daily production data shows that the nation has equally earned over $760 billion from the export and sales of crude oil. Paradoxically, this huge revenue profile has not positively impacted upon the lives and environment of majority of Nigerians as is the case in Kuwait, Libya and others, rather most of it have been siphoned into foreign accounts by corrupt government officials. To worsen matters, for more than forty years now, all other sources of revenue earnings have been virtually abandoned. The political class has constantly fallen on one another, fighting over how the foreign revenue accruing from the sales of crude oil should be shared.

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Abstract - Nigeria, an ex-British colony had an independence date that was heralded by the discovery and gradual exploitation of oil in commercial quantity in 1956 and 1958 respectively at Oloibiri. The discovery of this product (black gold) in a number of other nations like Saudi Arabia, Kuwait and Libya among others has contributed immensely to the social, political and economic growth of those nations. For Nigeria, available daily production data shows that the nation has equally earned over $760 billion from the export and sales of crude oil. Paradoxically, this huge revenue profile has not positively impacted upon the lives and environment of majority of Nigerians as is the case in Kuwait, Libya and others, rather most of it have been siphoned into foreign accounts by corrupt government officials. To worsen matters, for more than forty years now, all other sources of revenue earnings have been virtually abandoned. The political class has constantly fallen on one another, fighting over how the foreign revenue accruing from the sales of crude oil should be shared. The price of a barrel of crude oil shut up to about $150 from early 2008 to August of the same year. From this wind fall, Nigeria's excess crude accounts recorded unprecedented increase. These proceeds were largely shared among the three tiers of government. While still basking in that euphoria, however, the per barrel price of oil nose-dived to as low as $35 caused largely by the global economic recession. This study raises three major questions: what are the economic implications for a country that depends wholly on a non-replenishable product to earn revenue? With the fall in the price of crude oil, how much of bail out funds did Nigeria summon to support ailing industries and factories as was done in other organized economies? What major lessons should Nigeria learn from the internal crisis created by the global economic recession? While the paper argues that for too long has Nigeria depended almost solely on the production and export of crude oil for foreign exchange earnings, it recommends the diversification of the economy. The paper equally identified the absence of a special bureau for tracking down recession signals as a failure on the part of the leadership class and recommends strongly that a similar bureau be established by Nigeria, the act of arbitrarily sharing the excess crude account money with no tangible development projects targeted at is strongly condemned and should be discontinued with from hence, if the nation must advance economically and survive subsequent economic recessions with minor casualties.

I. Introduction

A contextual analysis of global history would showcase a world that has in the past recorded two major economic depressions that sent shock-waves through almost all the countries of the world.

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These occurred between 1910 and 1930s. The latter was referred to as the "Great Economic Depression". This though is not synonymous with economic recessions, which negatively impacts on national economies in lesser proportions than economic depressions. It is equally noteworthy that recessions occur more frequently than depressions. This economic experience (recession) which nations and indeed leaders alike dread so much (which though analysts argue is a cyclical occurrence), was to be experienced in recent times (2007-2009). Economic analysts, depending on available economic indicators began to warn of an impending recession in the economies of the world from middle 2007. These pointed at a number of predictive factors or indicators which were highlighted by these analysts.

It will suffice to state that by the last quarter of 2008, the reality of an economic recession had dawned on the economies of the world. International, multinational and local industries, firms, factories and companies had began to feel the harsh economic environment and began to draw up equally harsh measures aimed at tackling the problems posed by the world economic down turn. Some of these measures included staff rationalization, cut in the daily hours put into paid employment, temporary shut downs, and in some cases, out right shutting down of firms. These measures sent shock waves across the globe, especially beginning with the United States of America from where the entire problem emanated.

To partially face these economic problems frontally, some countries like the US, France, Germany, Britain and others, initiated policies aimed at giving life-lines to some of their ailing establishments. Thus was introduced the concept of "bail-out funds". This policy took the form of massive financial injection into some very important industries and firms in these countries. This policy, it was believed, would help shore up the financial base of such firms and put them back on stream. The government of the countries that took this bail-out measures, argued that capitalism or not, it was incumbent on the governments of these advanced countries to extend helping hand to these ailing industries, to save the entire economy from spill over effects that may be felt by the entire country. Failure to intervene, these governments came to agree, would result into increasing the burdens and responsibilities of the state, especially because of the social dangers excessive laying off of staff would expose these countries to.

The instrumentality of the bail out funds, it must be observed from the onset however, was to be monitored strictly by government agencies, to ensure strict compliance with the terms and conditions that were explicitly included. In the US for example, bail out funds were extended to major private employers of labour like Ford Motors and Crystler among others.

These intervention measures taken by countries to alleviate or cushion the effects of the global economic meltdown on their citizens, to a large extent, have been practiced by advanced western economies and some member countries of the Asian Tigers. It must be observed that in Africa in general and Nigeria in particular, little or no intervention measures were put in place to tackle these global economic problems, with the understanding that in the contemporary world, no country is insulated from the goings-on in other sections of the globe. The reason for this largely lack-lustre attitude of African countries to this global problem, vary from one country to the other. In this vein, Olayinka (TheNews, August 10, 2009) has regretted that "although many countries have provided various bail-out strategies to stop their economies from total collapse since the emergence of the global economic meltdown, the reverse seems to be the case in Nigeria"(p.38).

This paper intends to focus specifically on the Nigerian economy; to understand how the leaders demonstrated leadership in governance, before and during the last economic recession. Did the Yar'Adua administration in Nigeria act proactively in the face of the global economic recession? What dangers does maximum dependence on a natural resource (crude oil) portend for a country like Nigeria? Are there firms that the government of Nigeria can make reference to with regard to release of bail out funds during the period under review (2008 - 2009)? What lessons are there for African leaders to learn from the last global economic recession? Is the 2007-2009 economic recession likely to be the last to be recorded in the history of the world? These are some of the questions that will engage the lines of thesis that this paper sets out to project, before some conclusive remarks will be made.

Mono-Product economy: A clear understanding of the word economy would make for a better understanding of the major subject matter of this paper (mono-product economy). Igwe (2005) has observed strongly that the economy refers to "the system of production and production relations peculiar to a society, characterized in each epoch by identifiable means and modes of production" (p.130).

The economy thus refers to the chain (web) of economic activities that keep the economic life of man in a particular society, revolving. It is worthy of note that the economies of nations have moved from one economic type (relationship) to another, over generations. In this vein, the world has recorded periods when economies revolved around the post-wandering bands primitive-communal system, slave-owning societies of slavery and serfdom, to the feudal system. The latter gave way to a system based on trade by barter; mercantilism and then capitalism (see Igwe, 2005).

A mono-product economy, from the fore-going, implies an economic system that is essentially based on the existence of only one major economic product; depended upon for the economic sustenance of that economy. The implication is that the economic life and existence of that economy revolves around the existence, relevance and currency of that product. That economy remains a potentially buoyant one only if such product does fine in the international market. The reverse though would be the case, if it's showing at that level is poor.

Global economic recession: This refers to a period when the world's economy begins to experience a down-ward trend. To Biafore (2009), recession refers to a "slowing in economic growth" (p.1). The period in view showcases a world economy where jobs are lost in their numbers, much money chase few goods and currencies are largely devalued, among other harsh economic indices. It is in the light of these realities that Igwe (2005) has observed that recession refers to:

> *A backward march, or reversal, of the economy over a relatively long term, believed by some economists to be part of a regular cyclical phenomenon of decline which must inevitably follow some periods of sustained growth or "over-heating". There is no scientific basis for the cyclical theory of Recession, for such a theory must equally embrace a Recession in other spheres of existence, including the individual, family, group, as well as national and international. Recessions are an unavoidable crisis of any imperfect or unjust economic systems, such as the variants of capitalism, including unequal competitions, rivalries and mutual struggles, often develop a negative character, one of whose many consequences can be a Recession (p.375).*

In economic studies, "recession is referred to as a general slowdown in economic activity over a sustained period of time, or a business cycle contraction" (see http:www.merriam-webster.com/dictionary/recession). Economists thus argue seriously that during recessions, many macroeconomic indicators vary in a similar way. Hence, production as measured by Gross Domestic Product (GDP), employment, investment spending, capacity utilization, household incomes and business profits all fall during recessions. On the effects of recession on the state of a nation's economy, Biafore (2009) notes that while compounding the problem of the economy, "recessions lead to lower interest rates on savings because the Federal Reserve

Board cuts the federal funds rate to boost the economy. Worse yet, layoffs are common during recession…" (p. 1).

On the predictability or timing of the occurrence (of recessions), scholars are not fully agreed on whether it is predictable or not. To Biafore (2009) "the problem is, recessions are difficult to recognize when they arrive and almost impossible to predict. In fact, it takes a while, some times a long while, to find out that a recession has already began…" (p. 1). During the 2007-2009 recession though, economists identified a number of possible predictors before the world economy went fully slow. These predictors included a staggering fall in the mortgage market, a significant stock market (investment) drop, with that of Nigeria almost gone comatose, inverted yield curve and three-month change in the unemployment rate and initial jobless claims, among others. Shiskin (1974) in his analysis of recessions, talks about a "two down quarters of GDP" (p. 222).

II. Nigerian Economic History in Perspective

Nigeria, a post-colonial British creation has a long history of economic activities, especially based on agriculture and trading across the borders of the country.

An analysis of the pre-colonial history of Nigeria reveals a diverse set of people who were engaged in one economic activity or the other. The Oyo Empire, for example, was noted for its commercial prosperity and military prowess up to the 18th century. This prosperity was largely attributed to its agricultural/farm produce which was always in abundance. In the words of Webster (1967) "Oyo's prosperity was the result of its fertile soil and its position as the leading trade centre south of the Niger…. Oyo also developed as a manufacturing centre; its high quality cloth, leather and iron products finding ready sale" (pp. 91-92). The West became famous for its cocoa production.

The eastern part of the territory that would later be named Nigeria equally had a robust economic system which stemmed from the production and sale of palm produce. This was also characteristic of the Delta city-states of Bonny, Itsekiri, Brass and Calabar, among others. About the fame which the sale of palm produce brought to Bonny, Boahen (1967) has this to say; "Between 1830 and 1850, when twelve Liverpool firms were buying in Bonny, the price and demand for palm-oil kept rising steadily" (p. 197).

The story of the northern parts of the country was not different from the ones narrated above. Evidence abounds to prove that the northern region was famous for its agricultural activities and productivity. The Hausa-Fulani attained fame for the massive production of groundnut (leading to the famous groundnut pyramids), hides and skin and other essential farm produce like tomatoes, pepper and onions, among others.

It was the discovery of this abundant economic base of the territory to be later known as Nigeria that informed Great Britain's assiduous effort to colonize and control the area. This objective was fully facilitated by the merchants that came in from that part of the world to Africa. Colonialism was primarily propelled by the desire of the then industrializing nations to tap enough raw materials from the African soil to feed their newly established and ever growing factories in Europe and the Americas.

The major point to note from the thesis stated above is that from the pre-colonial to colonial epochs, the territory showcased a robust economic system that was not exclusively dependent on the production or exploitation of only one mineral or agricultural produce, to the exclusion of other viable sources of income generation. It was rather a highly diversified economic system that to a large extent, encouraged the exploitation of agricultural and mineral resources that the nation was endowed with, no matter where such was located, within the territory.

The Nigerian economic system continued on this diversified note for a number of decades, up to the middle 1950s, when crude oil was discovered in 1956 and in commercial quantity in 1958 at Oloibiri, in Brass Local government area of present Bayelsa State. Subsequently, Nigeria gained independence on October 1, 1960, with a diversified economy, even in the midst of crude oil exploration and exploitation. Unfortunately, not too long after that period, this history of diversification could not be sustained by the emerging ruling elite. The early 1970s witnessed a complete shift of economic focus from other sources of revenue earnings for the state, to a natural resource (crude oil). This act of abandoning, to a large extent, all other sources of revenue generation and societal sustenance to concentrate on only oil has continued till date. The data available in this regard shows that for the past three decades, oil has accounted for between 80% and 90% of the country's foreign exchange earnings. This practice is not healthy for any nation that must record growth and development in all spheres of human endeavours. The chronicled history above, to some extent, explains how the Nigerian nation and economy found itself in the multidimensional problems it had to contend with during the last global economic recession.

III. History and Causes of Global Economic Recession

Most literature on the history of recessions in the world usually takes off from the experiences of the United States of America (USA). This is necessitated by the reality that, from historical evidence, recession

Global Journal of Human Social Science (C) Volume XII Issue XI Version I Year 2012

elements have a way of showing up first in the USA, before it begins to spread to other parts of the globe, as a result of its leading role in the world economy. This paper toes that line of analysis by attempting a historical review of recessions in the U.S.A.

1945 Recession: This recession is recorded to have lasted only eight months, between February and October 1945. Its occurrence was said to have been a natural result of the demobilization from World War II (WWII), as the huge demand for military weapons were no longer needed.

1949 Recession: This recession lasted for eleven months, between November 1948 and October 1949. It was attributed to a natural down cycle, caused by the economy adjusting to peace-time production.

1953 Recession: The 1953 recession lasted for ten months, being a result of the end of the Korean War.

Recession of 1957: This lasted for eight months (August 1957 – April 1958). It was caused by a contractionary monetary policy.

1960 Recession: This economic melt down lasted for ten months.

Recession of 1970: This recession was described as a relatively mild one, lasting eleven months.

1973 – 1975 Recession: This one was described as a deep recession, caused by a number of factors, lasting sixteen months (November 1973 – March 1975). OPEC quadrupled prices (of crude oil) for a few months; the US went off the gold standard and printed more money, among other measures.

1980 - 1982 Recession: This was described as technically two recessions; the first six months of 1980 and sixteen months from July 1981 – November 1982. It was partially caused by the Iranian oil embargo, which reduced US oil supplies driving up prices.

1990 – 1991 Recession: This recession lasted for a period of eight months (July 1990 to March 1991), caused by the Savings and Loan Crisis in 1989.

Recession of 2001: This one lasted for eight months (March – November 2001). It was assumed to have been largely caused by the Y2K scare, which created a boom and subsequent burst in Internet business. It was aggravated by the 9/11/01 attack of the twin towers in the US.

2008 – 2009 Recession: The current recession has been largely described by analysts as the worst since the last Depression (1930s). This period, major world economies are recorded to have shrunk seriously, leading to unprecedented shut-downs. It has been analyzed to have began in quarter 4 of 2007, caused largely by the Subprime Mortgage Crisis, which subsequently led to a global banking credit crisis (see: Kimberly Amadeo, 2009).

The history of recessions in the US in particular and the world in general since the Great Depression, indicates a pattern that shows that they are a natural though painful part of the business cycle.

IV. Bail out Measures Adopted by the US and Some Other Economies Aimed at Tackling the 2007 – 2009 Recession Conundrums

One of the most rational actions nations take as they begin to receive signals of impending economic slowdown (recession) is that of drawing up proactive measures (policies) aimed at cushioning the resultant effects on their economies and citizens. It is from this perspective that this paper intends to examine the usefulness or otherwise of a mono-product economy during a recession and whether the Nigerian government adopted or contemplated any bailout measures for the country's ailing firms. It must be observed here that this analysis is not oblivious of the argument by some analysts that due to the dominant role played by the non-formal sector of the Nigerian economy, the 2007 -2009 recession could not impact negatively on it as it had on advanced western democracies and others. This paper argues though that as long as Nigeria forms part of the current global space and economy, it can not be completely insulated from the effects of the current global economic slowdown. Before this reality dawned on Nigerian policy makers, with special regard to the banking sector, one Olubanji (2009) boasted:

> *The healthiness experienced in the nation's banking institution (sic) ever since the Central Bank of Nigeria (CBN) implemented a banking consolidation programme some years ago has given Nigeria's Bank (sic) a 'high-tech' foundation in the advent of the global economic meltdown…. All of these moves by the CBN under the piloting activities of Prof. Chukuemeka Soludo conspire to fulfill the aspirations of a largely stable, healthy, and unshakable bank amidst the floods of the global economic crunch (p.1).*

Available literature on recessions and the world economy show that "Governments usually respond to recessions by adopting expansionary macroeconomic policies, such as increasing money supply, increasing government spending and decreasing taxation" (*www.wikipedia*-Recession).

The governments of European and North American countries, whether socialist or capitalist react to signals of recession by acting quickly to make their effect(s) mild on their citizens and economy. This, such countries do by adopting necessary macroeconomic measures aimed at making sure that the anticipated slowdown does not completely cripple their economies and lead to social problems. The Nigerian case seems to be slightly different from the western countries practice. The reality in Nigeria was that as at the first quarter of 2009, the managers of the nation's economic policies were not alive to the realities of the recession.

This discovery came to the fore when the former Central Bank Governor, standing before the Senate Committee on finance declared that the Nigerian economy was completely insulated from the 2007 – 2009 global economic recession, which had crippled a number of industrial giants in Europe and the US. Unfortunately, barely one month after the former CBN Governor (Soludo) made his analysis known on the floor of the Senate; some of the effects of the recession began to show up in the Nigerian economy. Africa as a whole began to experience the effects of the global economic slowdown. Paramount among these effects were the serious fall in the price of crude oil in the international market and the devaluation (still on going) of the Naira in the face of major currencies like the US Dollar, the Euro and British Pounds Sterling, among others.

The analysis above alluded to the fact that as a relief measure to reduce the negative impact of the recession on their citizens, western industrialized countries amongst others, reduced the amount of tax payable by their citizens and firms. This was deemed necessary to enable consumers purchase more. In Nigeria however, the reverse of this policy initiative played out, especially at the state and local government levels. Some states chose that same period of economic hardship to increase their tax regime; raising the percentage of tax payable by the citizens. In the case of the FCT administration, various charges on land and building erection were increased astronomically. Some of these charges went up by 200% and above. Utomwen, writing for TheNews Magazine (September 07, 2009) observed inter alia:

> *There are fears that the recent increase in all fees in the nation's capital city by the Minister of the FCT, Senator Adamu Aliero, with about 100 percent for processing and 900 percent for premium charges, will only take the situation from bad to worse. The minister also introduced property tax for all property owners. In the new fee regime, a prospective land owner is expected to pay a flat rate fee of #100,000 for the processing application of both residential and commercial properties as against the former fee of #50,000 … and #20,000 (pp.29-30).*

The same practice played out in most local government areas in Nigeria, where a number of rates and dues payable by the citizens were heavily increased as a result of low earnings accruing from the monthly Federal allocation (Federation Account). Two more major examples (Edo and Lagos States) in this regard will be used to authenticate this assertion. As a result of their ambitious and insensitive tax regimes, many firms in these states had to go under. Instead of devising means and ways of raising their revenue base and save the firms operating in their jurisdiction from collapse, these states adopted measures that virtually crippled the existing firms that employ a good number of their citizens. The major reason for this tax regime, most of these governments argued, was the dwindling income derivable from the Federation Account as a result of the economic recession, fall in the price of crude oil and reduction in the barrels of crude oil produced on daily basis, because of the state of insecurity prevalent in the Niger Delta region at that time. The latter led to the loss of more than one million barrels of crude oil production per day. This paper had observed that currently, crude oil accounts for more than 80% of Nigeria's foreign exchange earnings.

The poor show of Nigeria's economy during the 2007 - 2009 recession was largely caused by the nature of its economic base which has virtually depended on the export of crude oil for more than forty years now. The Nigerian political elite have to a large extent shown lack of foresight and incompetence in preparing for and managing an economy during a recession.

While expressing the level of frustration faced by industries in Nigeria during that recession, Olayinka (2009) regrets that "although many countries have provided various bail-out strategies to stop their economies from total collapse since the emergence of the global economic meltdown, the reverse seems to be the case in Nigeria" (p.38). This happens to be one of the consequences (economic implications) of depending almost solely on a non-replenishable resource to earn foreign revenue. Apart from the administrative shortsightedness of not setting up an agency that would be responsible for intercepting signals of an impending recession and thus blow the whistle, the falling price of crude oil came to compound Nigeria's economic problems. If the economy were diversified, the nation may have had the benefit of surviving from revenue coming in from other sources.

The above illustrated could to a large extent, explain why the government of Nigeria could not summon the needed bailout funds to support ailing industries and save them from going under.

It has been severally argued that an administration gets credit or blame for the state of the economy during its time (see *www.wikipedia.Recession*). Hence, government action or inaction has serious consequences on the presence or degree of a recession in a given country. It is thus expected of modern government administrations to attempt to take steps to soften a recession. The major question with regard to the Nigerian experience is what measures did the Yar'Adua administration adopt to cushion the effects of the 2007-2009 recession on the Nigerian economy? An x-ray of available data on the management of the 2007-2009 recession would expose an administration that was taken unawares and that lacked the resources to act appropriately. That administration rather pointed regularly at a seven point agenda that seems not to have solved a tangible national problem, three years and more into the life of that administration and the death of the former president.

The US, among a number of other countries on the other hand, got the correct signals before the full blown recession and began to apply likely remedial policies ahead of time. To buttress how ready it was, concerning the impending economic uncertainties, the US has in place, a statutory body dedicated to tracking recession signals. This task is handled by the Business Cycle Dating Committee of the National Bureau of Economic Research (NBER). This body takes responsibility for dating US recessions. It was on the basis of the activities of such bodies that analysts of the US economy observed among others that the last recession (2007 – 2009) saw private consumption fall for the first time in nearly 20 years. This analysis indicated the depth and severity of the recession. Consumers in the US got hard hit by the recession; with the value of their houses (real estate) dropping and their pension savings decimated on the world market. Records have it that lots more lost their jobs as unemployment rose (see Buczynski and Bright, 2009).

To cushion the effects of the economic and social problems caused by the recession in the US, the government began to exchange ideas with experts and stakeholders on the way forward. This resulted in a policy initiative aimed at bailing out ailing firms in the US. Few examples of steps taken by the US government in this direction will be spotlighted in this paper.

The US government, based on the expert advice received from stake holders, decided to concentrate on what to do with major private employers of labour. Among the firms spotlighted were those in the banking industry, auto manufacturing majors and insurance conglomerates. Consequently, as far back as the first quarter of 2008, the Bank of America directed to inject $20 billion in funds from the "Troubled Assets Relief Programme (TARP)" as bail out fund into the American banking sector. At the same time, the Federal Deposit Insurance Corporation (FDIC) agreed to extend its temporary loan guarantee programme, which issues debts beyond current limits, in exchange for expanding lending to consumers (see *www.US.*government bailout fund for Bank of America). As indicated above, some of the firms that accessed this bailout fund included the Lehman Brothers (which filed for bankruptcy in mid-September 2008 and closed in January 1, 2009), Citigroup (rescue package), Ford Motors, Chrysler Motors, and GM (the last two surviving on $17.4 billion in government loans, as at March 2009). (see Mail online-Barrack Obama set to announce bailout package for troubled car firms).

To demonstrate the satisfaction and commendation of the US government with the way the 2007-2009 recession was successfully managed, during the tail end of the third quarter of 2009, the President (Obama) renewed the engagement tenure of the US Head of the Exchequer (Central Bank), Ben Benaike. The latter was commended for his matured and calm disposition in managing the US economy while the crisis lasted. Recent economic data posted in the web indicates that the US and a number of other countries that acted fast in the face of the 2007-2009 recession are already showing signs of recovery (by September, 2009).

To survive future recession occurrences, the Nigerian state may have to take a deep look at the US initiative, see what can be learnt from that formula and adapt such to the Nigerian system for better management of sich economic crisis in future.

V. Conclusion

This paper set out to among others; identify the dangers posed to a nation by economic recession, especially, where the country operates a mono-product economy. A number of questions were raised and addressed in the body of the work.

This paper observed that for too long, Nigeria has depended on the export of oil for more than 90% of its foreign exchange earners. For the country to come out of this peculiar problem there has to be an aggressive reversal of the economic system aimed at achieving diversification, as was the practice before oil became the dominant economic mainstay of the nation.

The Nigerian policy makers have for a long time ignored the need for the setting up of a special bureau that would shoulder the responsibility of trapping recession signals as they approach and suggest likely policy initiatives to cushion the effects of such occurrence. This recommendation is considered utmost because from the analysis above, recessions are cyclical phenomena, meaning, more are likely to occur in the near future. The last recession (2007 – 2009) is not likely to be the last that human history will record.

The paper observes further that it is not late for the governments of Nigeria to mop up and release bailout funds to ailing private firms that shoulders part of the responsibility of employing labour. The Four Hundred and Thirty (430) billion naira given to five ailing banks by the Central Bank of Nigeria (2009) though a right step in that direction was not good enough, more needed to be done.

The Nigerian ruling class did not show good leadership with regard to how the excess crude account funds were shared while the recession lasted (2008). The country should start investing such funds in other sections of the economy and the purchase of shares in international multinational corporations, among others.

Global Journal of Human Social Science (C) Volume XII Issue XI Version I Year 2012

Such steps would form a base upon which the country can depend in future rainy days.

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