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MACROECONOMIC DEVELOPMENT OF NIGERIA

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Technology's ability to transform all of the economy's key sectors, especially agriculture and industry, is often credited with national progress. Thus, it is the main driver of transformation, i.e., the innovations and adaptations needed to improve production processes, which are essential for growth and development. Since Solow's [1] work on how technological developments are essential to economic growth, many studies have examined the role of technology and its development in growth disparities [2]. In a developing country like Nigeria that has adopted macroeconomic adjustment and deregulation, the macroeconomic environment significantly affects agricultural performance and policy.By influencing monetary and fiscal conditions across the economy, macroeconomic policy promotes full employment, low or zero inflation, and economic growth. Trade, fiscal, and monetary policies make up macroeconomic policy. Due to their interdependence, monetary, fiscal, and trade policies are sometimes called a «policy mix» for macroeconomic policy.

Agriculture is affected by monetary, fiscal, foreign currency, factor pricing (interest, wage, and land rental rates), and natural resource and land use policies. Income and demand, interest rates, and the impact of other monetary and macroeconomic variables on the agriculture sector have been considered in macroeconomic assessments in developed countries. The weaker Nigerian Naira (or Naira depreciation) helps Nigerian agricultural exports by lowering agricultural prices and increasing farm revenue. Even though nominal interest rates had no effect on agricultural output, the industry's credit availability is highly dependent on them. The Consumer Price Index (CPI), unemployment rate, gross domestic product (GDP), stock market index, inflation rate, exchange rate, corporation tax rate (interest rate), and interest rate can affect manufacturing firms' growth and prosperity. Recent productivity declines in some Nigerian manufacturing sectors have been caused by unreliable energy, illegal importation of commodities, liberalization of trade, globalization, a high currency rate, and insufficient government funding. Thus, monetary policy is crucial to the development of Nigeria's manufacturing sector, which is necessary for economic growth [1].

Conclusions: This article suggests that Nigerian officials should boost output by increasing productivity and supply to lower inflation and boost economic growth. GDP growth is the only way to lower inflation. If the government reduces imports and boosts local production and consumption to boost home industries, Nigeria's unemployment rate, inflation rate, output, and economic growth will improve. Macroeconomic policy that allows interest rate and exchange rate flexibility and is less expansionary in fiscal policy is best for agricultural development and productivity.

References

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