

POLITICAL INSTABILITY AS A CURRENT PROBLEM OF ECONOMIC GROWTH TO SOME COUNTRIES – NIGERIA

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This paper shall give a brief history of Political Instability as a current problem of economic growth in Nigeria, how political instability tends to divert the attention of the government from development projects to the maintenance of law, order and security, leading to heavy expenditure on them.

Also foreign and indigenous entrepreneurs are discouraged from investing in productive ventures since the safety and profitability of their investments are not guaranteed during period of political instability.

Economic growth can be either positive or negative.

Positive growth. Positive growth can be referred to the increase level of economic activity in a country from one year to another, this shows the level of economic development or economic growth of a country.

Negative growth. Negative growth can be seen as economic recession and economic depression of a country. In this case, the economy is not favorable.

Shot History

The federal republic of Nigeria have a vast potential of natural resources and mineral wealth, it is noted that Nigeria exports some of these natural resources to other parts of the world, yet the economy development of Nigeria has been negative due to some political instabilities.

The government of Nigeria have be experiencing frequent crises which has drastically contributed to the poor economy of the country.

Statistically the current economic growth of this country is not favorable.

Current Account Balance (% GDP) for Nigeria in year 2009 is 6.939 %

This makes Nigeria No. 19 in world rankings according to Current Account Balance (% GDP) in year 2009. The world's average Current Account Balance (% GDP) value is %; Nigeria is 6.94 more than the average.

In the previous year, 2008, Current Account Balance (% GDP) for Nigeria was 20.41 % Current Account Balance (% GDP) for Nigeria in 2009 was or will be 65.99% less than it was or will be in 2008.

In the following or forecasted year, 2010, Current Account Balance (% GDP) for Nigeria was or will be 13.79 %, which is 98.76% more than the 2009 figure.

Causes of Political Instability

Let us look at some frequent crises which diverts government attention, internal religious uprising, civil wars and got fatherism.

Conclusion

Nigeria need creation of more stable political climate. Political stability will lead to the direction of efforts towards Projects which will help to stimulate economic development.