International Journal of Arts, Humanities and Social Studies

ISSN Print: 2664-8652
ISSN Online: 2664-8660
Impact Factor: RJIF 8
IJAHSS 2023; 5(1): 41-47
www.socialstudiesjournal.com
Received: 13-11-2022
Accepted: 18-12-2022

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A critical review of the Nigerian inflationary factors

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DOI: https://doi.org/10.33545/26648652.2023.v5.i1a.46

Abstract
The results of this study have demonstrated that regardless the government's efforts to regulate and control the economy and prevent inflation, inflation still happens in Nigeria. If the Nigerian government fails to establish new industries that could manufacture our goods, the country's reliance on imports will increase and inflation will continue to occur. Government policies are another factor that contributes to inflation. This happens as an outcome of the Naira's (N) depreciation, which causes the currency to lose its worth due to excessive demand for imports of goods like fuel, electronics, weapons, and other items that cannot be manufactured adequately in Nigeria due to weak or absent industries and labour requirements. These goods are then imported by Nigerians. If the right policies are in place, inflation can be managed and controlled to the advantage of both high and low income people. To prevent inflation and deflation, the government should implement policies that will run the economy. To reduce excessive importation, the private sector should concentrate more on developing the industries that we rely on the most. To address the issue of an increase in fuel importation, which is also one of the elements that contributes to inflation, an oil refinery ought to be established. Additionally, it is advised that government policies be used to control the prices of some goods that Nigerians most frequently need as well as the amount of money that circulates.

Keywords: Nigerian, inflationary, factors, critical, review, country

Introduction
Every aspect of life and every sector of the economy is affected by inflation. Any country's administration is responsible for making sure that its goals and programmes are not derailed by erratic and rapidly rising prices. Every company wants an economic system that is stable, free of relentless pricing fluctuation, and that enables accurate forecasting and planning. A person also works hard to avoid becoming financially disadvantaged due to an unanticipated price increase. All of these highlight the necessity of investigating the subject of inflation in order to create a reliable and eternal model of its tendency. (Taiwo, 2011) [37]. Inflation is a well-known term, but few consider the scope of its causes or the magnitude of its consequences. It is without question that ranks among the most extensively studied topics in economic study and literature. The repercussions and causes are numerous, diverse, and thoroughly documented in the literature (Fullerton and Ikhide 1998; Odusunya and Atanda 2010; Okpara and Nwaoha 2010) [17, 25, 26].
Every nation in the world strives for economic development and expansion, which is only feasible if that nation has enough resources. Particularly in countries that are developing in sub-Saharan Africa. There aren't enough funds to support economic development and growth at their ideal levels. The notions of inflation, economic expansion, and interest rates are crucial and intertwined in macroeconomics. To fully comprehend how inflation and interest rates have affected the development of Nigeria over the past years, an adequate comprehension of these concepts is consequently essential. From this point of view, several persons have presented what they believe to be a theoretical and empirically measured connection among them. When the overall level of prices grows quickly and steadily over an extended period of time, inflation is considered to have occurred. Both the general population and lawmakers dislike this. According to this viewpoint, inflation creates uncertainty over future prices. This has an impact on judgements on spending, saving, investing, and resource misallocation (Maisule, Bamidele, & Sennuga, 2023) [20].

Additionally, it permits large transfers of assets and earnings from savers to debtors. According to policymakers, inflation impedes economic development and progress by discouraging saving and investment. This frame of view contends that inflation breeds ambiguity regarding future prices. This affects decisions about how much to spend, to save, invest, and allocate resources inefficiently. It also allows for significant transfers of incomes and property from savers to debtors. Policymakers contend that inflation prevents economic growth and advancement by discouraging investment and saving. These variables explain why policymakers work so hard to lower inflation and why a number of academics pay close attention to this subject. One of the most difficult issues the Nigerian economy is now dealing with is inflation (Owoicho, *et al*., 2023; Akomolafe, *et al*., 2023) [32, 4].

In the few years' right after its independence, Nigeria's economy saw modest rates of inflation, only reaching double digits in 1960. The civil war was the cause of this. The third sort of inflation is cost push, which happens when prices go up and is caused by supply-side factors such as profit-push or wages-push brought on by trade union activity. It aims to clarify the long-term trajectory of prices, particularly in the industrialized western world, through structural inflation. It analyses and compares the growth rates of the money supply in various nations' inflation rates. Whenever a nation engages in trade with other nations, imported inflation, also known as foreign inflation, can spread from one nation to another. Economic growth and interest rates are two of the repercussions of inflation affecting the economy as a whole that are very significant. These three factors are linked to one another. Indicators of economic growth come in a variety of forms for this research project (Ijachi *et al*., 2023; Abdulkarim *et al*., 2023) [19, 1].

We shall thoroughly investigate the connection between inflation and economic expansion. In Nigeria's economic system or the global economy as a whole, inflation is nothing new. Variations in size or frequency were identified and noted to exist. Simply put, inflation is a steady increase in prices. Inflation is described as an increase in the amount of money and credit compared to the amount of accessible goods leading to a significant and ongoing increase in the overall cost of goods in Webster's seventh updated college dictionary. This definition emphasises the simple fact is that inflation cannot happen without an excessive growth in the amount of credit and money in circulation. Due to this, the overall cost of commodities continues to climb, but the economy's corresponding standard of goods and services is not keeping up (Iheonu, *et al*., 2023) [18].

Although it may have existed for an extended period before to the Nigerian civil war, inflation only becomes prominent there later. Prices increased from their prior level right after the civil war in Nigeria because there was a scarcity of products and services due to the interruption of manufacturing brought on by the conflict. Additionally, it is important to emphasise how salary and compensation reviews were a contributing role. The Adhoc Award from 1970 was followed by the Udoji and William Awards from 1974 to begin the review. These awards increased inflationary pressure overall. Additionally, the high cost of importing goods due to growing foreign pricing and unstable currency exchange rates. Post-congestion fees, storage costs, marketing agreements, as well as distribution network fees. The most recent inflationary factor in the Nigerian economic system is the question of gradually eliminating the final 20% of the oil subsidy. Assuming everyone were impacted by inflation in a comparable manner and to the same extent, it would be completely irrelevant. Due to how differently it always impacts the poor, it has societal significance (Achichi, *et al*., 2023) [2].

Review of related literature

Concept of Inflation

All stakeholders are extremely concerned about inflation, which is defined as an economic system's general rate of increase in the prices of goods and services. despite absence of economic shocks, inflation exhibits a propensity to repeat itself over time. Inflation affects everyone equally and has a negative social impact on society in addition to being a ubiquitous economic activity. Inflation concerns have been so challenging to tackle since any approach would need a trade-off between competing macroeconomic and social variables like employment, economic development, balance of payments, social safety net, etc. jean, When inflation first appeared in Western Europe, Boding first blamed it on the large amounts of currency received from Spanish colonies in South Africa (Onyinwa 2013) [31]. The traditional monetary system adopted this theory after John Luck, David Hune, and Richard Contillon conducted extensive study in the 18th century. The basic argument for this theory is the quantity theory of money. According to American economist Professor Lurving Fisher, "alterations in the overall trajectory of commodity prices are mainly caused by changes in the amount of money in circulation." According to the notion, the total amount of money in a given economy determines the value of its currency.

Theoretically, when money grows increasingly plentiful, its monetary value (values) decreases, which causes an increase in the average price of commodities. On the other hand, if money is in short supply, the value of money increases and the level of prices often declines (Okene 2016) [27]. The theory's equation is written as follows: MV=PT, where M is the amount of limited money in circulation, V is the cost of goods, and T is the amount of trade. The equation indicates that the price of a good (the value of trade) is determined by the speed of money in circulation. In favour of this argument, emphasises that when a nation's inflation rate remains elevated for any extended period of time, the pace of money supply expansion is similarly high. The paper was given at a symposium hosted by the Federal Reserve of Kass City. So, inflation is an occurrence related to money.

Inflation and Economic Growth.

It is impossible to overstate the effect that inflation has on economic activity. Inflation is a major topic in policymaking since it has an impact on economic activities and eventually wellbeing. Economists have argued over whether or not an increase in inflation speeds up or slows down economic growth. In his 2011 article on inflation and economic growth, Kaldor observed persisting differences between nations in terms of both growth rate per capita and production. His research shows that slower economic growth is caused by higher inflation rates. Hasley (2017), a veteran economist and policy adviser to the Federal Reserve Bank of the United States, argued that there is a link between inflation and economic growth. He emphasises once more that the primary driver is a favourable correlation

between overall demand and the rate of money expansion. As a result, quicker money growth is a co-product of both inflation and faster output growth (Ezeanyeji and Ugochukwu, 2015) [14].

Inflation is an economic phenomenon, according to Friedman (1963) [16], because it is and can only be caused by a more rapid growth in the quantity of money than in output. Additionally, a number of empirical studies have backed the monetarist thesis that money is an important factor that determines how consumer prices behave and a crucial conduit for the dissemination of monetary policy in both developed and developing countries. Additionally, Chimobi (2010) [11] uses annual data for the years 1970 to 2005 to examine whether there is a connection between inflation and economic growth. There is no co-integrating connection among the two variables, according to the study. Yet, the research proved unidirectional causality linking inflation to economic growth using the Granger causality test. According to the core or traditional contradiction of economic growth under the framework of a capitalist economy is inflation. He believes that every aspect of social strikes and growth in a capitalist economy concentrate on this issue.

In his concept, the Purtforlus mechanism, neoclassical economist Tobin (1999) [39] asserts that inflation has an impact on economic development and performance. He describes the way individuals evacuate money capital as inflation increases. According to the connection involving inflation and economic growth is explained by a human process. They arrived at the conclusion that inflation has no impact on economic expansion. when a result, economic growth declines when inflation rises (Muhammad *et al*., 2011) [23].

Has the contrary opinion, in his opinion; he expresses that a rise in inflation rate may damage people's actual income without influencing the regular rate of economic growth. According to Gbosi and Omoke (2004) [40], an inflationary economy makes it challenging for money to function as both a medium of exchange and a store of value, which has a negative influence on outputs, employment, and income distribution. As a result, inflation rise has a detrimental effect on economic growth. Standard neoclassical economic development was viewed as erogenous and steady. Even while the level of income is impacted by inflation, the growth rate of income is specifically unaffected. Therefore, a particular degree of inflation may not always result in a reduction in per-capita income below the level achievable at an inflation rate that is lower (Billi *et al*., 2008) [8]. This is because there is no significant relationship between inflation and the long-run growth rate of the economy.

High inflation in an economy has been shown by Phillips (1958) [33] to favourably benefit domestic economic growth by lowering the unemployment rate. According to this, Prasanna and Gopakumar (2012) [34] claimed that countries with high inflation saw a decline in the pace of economic growth; as a result, inflation has a negative impact on economic growth. According to Kilindo (1997) [41], factors that prevent economic growth include high inflation, low savings within the country, current account payments deficits, low agricultural production, rising public spending, and a decline in industry capacity utilisation. According to Fischer (1993) [15], unpredictability of inflation is a key sign of economic instability and has a detrimental impact on a nation's ability to build its economy. Dotsey & Sarte, however, (2000) hypothesised that variations result in economic growth via a drive for precautionary saving. The continual increase in the cost of products and services, according to Awogbemi & Taiwo (2012) [6], is one of the most significant problems facing every economic unit. As a result, every country works to attain price stability, which is the key element needed to foster national economic progress. They highlighted monetary policy, fiscal policy, and a country's position in its balance of payments as some of the changeable causes of inflation. They maintained that the rise in the money flow causes inflation in their justification of monetary policy which was one of its drivers. According to the authors, the basic causes of inflation in an economy are tied to fiscal policy. They made the case that fiscal policy involves a government budget deficit, which is frequently financed by the creation of new money in less developed countries, which in turn feeds inflation. The status of the balance of payments, on the other hand, was determined by the exchange rate. If the currency rate falls, inflation will result, which may show up as increased import costs or as an increased wage bill (Akinbobola, 2012) [3].

According to Wai (1959) [38], there is no correlation between inflation and economic growth, observing that in some nations, growth has proven possible without inflation while in others, inflation has occurred without growth. Similar to this, Asserts that there is not enough proof for a connection connecting the rate of inflation and the rate of economic growth, either in a positive or negative direction. He contends that the implementation of knowledge through changes in technology, management, and human capabilities, rather than inflation, affects economic progress.

Causes of Inflation in Nigeria

For a while, research like Baro (1995) [37], Moser (1995) [21], and Bruno (1998) [9] may be used to pinpoint the reasons of inflation in Nigeria. The rise of the money supply, which in turn (with a lag effect) leads to inflationary tendencies, may also be caused by an increase in government spending supported by the monetization of oil revenue and credit from the banking system. Another variable contributing to inflation is an increase in the money supply. When the growth of the money supply accelerates significantly, inflation also accelerates; conversely, when the rate of monetary expansion slows, there is a strong correlation between the growth of the money supply and inflation. Increasing prices of commodities are sometimes considered counterproductive and harmful to an economy.

A presentation made during a seminar organized by the Kassa City Federal Reserve Bank. A greater inflation rate results from a high money growth rate. He claimed that a high employment rate, an increase in government spending, and low tax rates would all contribute to high inflation. The study by CBN (2011) on the impact of inflation on the economy of Nigeria is consistent with Mishkin's hypothesis. The report claims that the government is one of the main causes for hardship and inflation. It emphasises that the significant depreciation of the naira in the autonomously foreign exchange market (AFEM) is one of the major contributing elements to the high increase in the overall price level. The delayed effects of the 1994 increase in petroleum product prices, value-added tax (VAT), and seasoned storage on the availability of particular foods.

The causes of inflation on the infusion of bank credit were linked to the domestic economy by Awogbemi and Ajao (2011) [5]. They claim that this results in an unsustainable economic situation where their prices continue to rise. According to Taiwo (2011) [37], the depreciation of the naira by the government has contributed to the rising cost of living in Nigeria.

According to classical and neoclassical economics, inflation is brought about by an increase in the amount or volume of money in flow, with the assumption that the production level and circulating velocity are constant and that MV=PQ is the exchange equation. The Keynesians believe that when money supply increases, the first thing people notice is an increase in interest rates rather than an increase in price levels and that inflation is produced by persistently increasing demand for goods and services on the assumption that circulation velocity and output level are not constant. The structuralist school believes that financial factors spread inflation rather than cause it, which is in stark contrast to the monetarist view. According to the structuralist thinking school of thought, inflation is possible in emerging nations due to a variety of unique issues as well as uncontrollable money growth. Their "structural" explanations for inflation frequently focus on issues like supply constraints or a heavy reliance on imported intermediate products. Cost-related inflation is another possibility. A supply shock, a boost in local purchasing power brought on by an upsurge in export revenues (such as the oil boom in Nigeria), or a devaluation could all affect prices. Any of these might lead to an effort to raise nominal salaries, which raises manufacturing costs and boosts the cost of finished items (Omoke 2010) [30].

In a study of OECD nations, Sani and Abdullahi (2011) [35] discovered that variations in the rates of growth and productivity in the industrial and service sectors can be used to explain the long-term pattern of rising price levels. Varying costs and elasticities across the two sectors, a consistent rise in nominal wages across the board, and price and wage limitations are other factors contributing to price increases. Cost-push inflation is the outcome of these issues. Conflict theory is the approach used by post-Keynesian perspectives on the factors causing inflation, and it is typically compatible with a structuralist paradigm. Sweidan (2004) [36], Rosenberg and Weisskopf (1981) [42] and other authors subscribe to the conflict hypothesis, which views inflation as the result of conflicts between economic groupings over income distributions. They predicted that capitalists and labour had respective goal real incomes, which might or might not be comparable. Price stability is feasible if the overall real income claims made by all groups do not exceed the real output that was actually created. However, inflation occurs when total claims exceed the real output that is available. The pace at which the money wage increases exceeds the growth in average labour productivity is then the primary cause of inflation (Dokubo *et al*., 2023) [12].

A post-Keynesian and structuralist both expect an internal money supply. However, whereas structuralists argue that the inflation rate may rise irrespective of overall demand, making stagflation probable, monetarists hold that excessive aggregate demand induced by an excess supply of money drives inflation. Cost-push factors might also create inflation. Structuralism holds that money is endogenous since it increases after a preceding price increase. Prasanna and Gopakumar (2012) [34] state. Nigeria's economy is relatively open, which could allow for the importation of inflated goods and services; raises in salaries, such as the recent rise in the minimum wage to 18 naira; a lack of supply of goods and services; excessive demand for goods and services; and a high price elasticity in the market for foreign goods are some of the factors that contribute to inflation in the country. According to Olafin (2011) [29], the disregard of the agricultural sector, the country's involvement in the civil war between 1967 and 1970, which raised government expenditures, particularly on weapons, the enormous wage increases given to Nigerian workers as an outcome of the Udoji suggestions, and the oil boom of the 1970s all contributed to the country's rising prices since independence from Britain.

Muhammad *et al*. (2014) [24] identified the key factors that influence inflation in Nigeria in their study. He proposed an evolving model for correction of errors as well as a long run model. The anticipated signs were present in each coefficient estimate. At the 1% level, the financial impact was quite strong and significant, and actual earnings and the exchange rate were also important. On the contrary, raindrops didn't matter in the long term. In a different analysis of Nigeria's inflation, Ezeanyeji and Ugochukwu (2015) [14] make the case that inflation is influenced by broad money growth, the naira's exchange rate with the dollar, actual revenue growth, the amount of precipitation, and the level of anticipated inflation, which is based on the stage of inflation from the previous year. He provided a practical structure that presupposes which the lag time value of broad money and prices are the pertinent series to be taken into account. The estimated delayed value of prices and money.

Dotsey and Sarte (2010) [13] assert that an array of variables, including fiscal opulence, an absence of operational autonomy of the central bank, a dearth of adequate and high-quality statistics, a frail dissemination mechanism, and a frail financial system, have exacerbated the execution of monetary policy in Nigeria. According to his analysis, Nigeria wasn't especially interested in the stable prices/free float or stable exchange rate solutions over the long term. He stated that a variety of factors still tended to favour targeting inflation with an unlimited float as the best course of action. According to financial controls and measures that initially went in place throughout the Nigerian Civil War of 1967–1970 are to blame for the high rate of inflation that Nigeria has been facing since the 1970s. He clarified that these economic measures and controls included, among other things, the setting of import volumes and their distribution between capital and consumer goods, the direct involvement in the production and marketing of goods, the estimation of the proportion of wages in income and the management of profits, and the more stringent oversight of foreign investment in the Nigerian economy. He emphasised that inflation would always result from carelessly increasing the money supply without taking into account the economy's capacity for absorption. According to Balami (2006) [43], poor harvests, outmoded practises utilized in an economy, and declining productivity all contribute to inflation.

Inflation Reduction Strategies

By 1993, it was evident that the macroeconomic policies adopted could no longer be sustained and required significant reform, as stated in CBN communiqué No. 78 (2011). In 1994, the government switched back to a

controlled de-regulation in reaction with the subsequent macroeconomic turmoil. Once more, the interest rate was set unilaterally. In 1995, the currency rate system was altered, an independent foreign exchange market (AFEM) was established, and deficit-reducing fiscal measures were also put in place. But given that these steps were taken at a time of a surplus of cash supply, scarcity of foreign currency, severe commodity shortages, ongoing labour unrest, and political instability following the invalidation of the June 1993 presidential elections, there was a notable increase in the overall rate of inflation. To foster wealth creation and boost output, the government has created a complex food strategy that will encourage the production and export of food crops as well as give SME growth greater attention. Any nation's central bank has the authority to carry out tasks that will guarantee the stability of the financial and monetary system. It is never easy to choose the best course of action to take in order to attain the desired result when trying to create monetary stability. Exchange rate aiming for, monetary targeting, nominal GDP targeting, and inflation targeting are some of the most well-liked tactics. While monetary targeting is a means of regulating the accessibility, price, and utility of money, exchange rate targeting entails manipulating the exchange rate and the price of foreign currencies, particularly the dollar, as a foundation for influencing the macro-economic variables.

Additionally, the exchange rate has remained mostly steady while real values have significantly increased. The Central Bank of Nigeria (CBN) implemented steps in 2009 and 2010 to encourage growth and financial stability as a reaction to the global economic problems. To combat elevated liquidity in the banking system and prevent inflationary pressures brought on by high spending on taxes, the implementation of a new minimum wage, and the infusion of funds directly into the banking system via the acquisition of loans that are not performing through the issuance of bonds by the Asset Management Corporation of Nigeria (AMCON), the central bank tightened monetary policy in 2011. The monetary policy rate raised six times in 2011 to reach 12 percent in December from its previous level of 6.25 percent in September 2010. With the help of all these efforts, inflation decreased from 13.7 percent in 2010 towards 10.2 percent at the culmination of 2011, and it is predicted that it would decrease even further to 10.1 percent in 2012 and 8.4 percent in 2013 as a result of the central bank's adjustment of monetary policy and lowering of food prices. (2011) CBN communiqué No. 78. With these changes, the inertia of inflation has been reduced, and if they continue, high inflation may become a thing of the past. The commercialization of public firms and the privatization of public enterprises were further methods used to stabilize the economy.

Theoretical Framework

One of the main topics of discussion worldwide, in both established and emerging nations, is the subject of inflation in an economy. It is the key idea that typically captures the interest of academics, policymakers, monetary authorities, and economists in any economy. The governing bodies frequently use inflation targeting strategies to achieve price stabilization, stimulate private savings, which encourages investments and raises a nation's output level. Together with various economists and decision-makers, Friedman attributes inflation to monetary reasons while others attribute it to production processes. A one-unit rise in the money supply raises the overall price level, according to the classical economists, who also link shifts in monetary demand and supply circumstances to inflation. Fiscal policy is not as effective a tool of economic harmony in the eyes of the monetary economists. A unit increase in wages and prices of goods and services places pressure on the monetary authorities to increase the amount of money in circulation and support productivity, according to Keynesian economists, who also link inflation to the demand factors of an increase in aggregate demand (consumption + investment + government spending) over aggregate supply. Agricultural value chain effects, foreign exchange, the saving-investment gap, economic, political, and social imbalances, the inconsistent reaction of output to investment, money supply, and deficit financing are all recognized as factors that affect inflation by economists (Okoye, Olokoyo, Ezeji, Okoh & Evbuomwan, 2019) [29].

The Impact of Inflation on the Nigerian Economy

Different people are impacted by inflation in various ways. The decline in the value of money is the reason of this.

Social effect

The gap between the rich and the poor is wider as a result of inflation. The wealthy get richer as the poor get impoverished. In Nigeria, where poverty is prevalent, rising costs lead to discontent among the populace.

Businesses

Due to the rise in the cost of goods and services, all business kinds benefit from inflation.

Debtors and Creditors

Debtors (borrowers) benefit from inflation while creditors (lenders) suffer. This is because when there is inflation, debtors repay the creditors with money that has less value.

Fixed income earners

Those on fixed incomes are all affected by inflation. This is the case because, while their salaries remain constant, the purchasing power of money continues to diminish as prices rise.

Reduction in savings

Because consumers require additional funds to buy goods and services, their tendency to save decreases as prices rise. As a result, capital formation and investment decline, which slows down production and, in turn, economic growth.

The study looked at how inflation affected Nigeria's economic growth throughout that time. Since inflation is statistically small in the Nigerian economy, it is projected that any economic policy that increases it by 1% will result in a 0.58% fall in real gross domestic product (RGDP). Additionally, the findings showed that total export and government investment spending have a negative and considerable impact on the economy's real gross domestic product (RGDP). Therefore, it is predicted that a 1% rise in government investment spending and total export will result in a 0.41% and 0.02% fall in real GDP, respectively, for Nigeria. More importantly, the outcome showed that private investment spending has a positive and considerable impact on real GDP in Nigeria. This finding indicates that every government economic initiative that may boost private

investment spending by 1% will result in a 0.03% boost to real GDP. Finally, the Granger causality test result showed that there was no correlation between Nigerian inflation and economic growth. This suggests that any economic strategy intended to raise inflation by 1% will not significantly affect Nigeria's economic growth.

Conclusion

The results of this study have demonstrated that notwithstanding the government's efforts to control and regulate the economy in order to prevent inflation, inflation still happens in Nigeria. If the Nigerian government does not develop new industries that would produce our goods, the country's reliance on imports will increase and inflation will keep on happening. Government initiatives also contribute to inflation. This happens as an effect of Naira (N) devaluation, causing the currency to lose value due to excess demand for imports of goods like fuel, electronics, weapons, etc. that aren't sufficiently manufactured in Nigeria owing it to weak or an absence of the industries and labour needed to produce those goods. Finally, with the right policies in place, inflation may be managed and controlled to the benefit of both high and low income people. High inflation creates unpredictability, has a negative impact on the growth of the financial sector and the vulnerable impoverished people. As a result, it faces major dangers to macroeconomic stability and raises social costs. The study also discovered compelling evidence supporting the supremacy of the monetarist hypothesis on inflation dynamics and the significance of the money supply in the Nigerian inflation process. Therefore, given its potential to place an undue burden on Nigerian consumer prices, we advise the monetary authorities to consistently restrict the increase of the money supply. The central bank should also take the proper efforts to collect, examine, and incorporate consumer demands onto the monetary policy process. The government should also implement plans and initiatives to guarantee the stability of agricultural product pricing.

Recommendation

According to the findings of this research, the following advice is given:

To prevent inflation and deflation, the government should implement policies that will regulate the economy. To reduce excessive imports, private individuals should concentrate more on developing the industries on which we rely the most. Establishing a refinery is one way to address the issue of excessive demand for fuel imports, which is also one of the elements that contributes to inflation. The Nigerian government needs to take expense control and strict budgeting seriously. This can be accomplished by making sure that all outlays match up with receipts. The Nigerian government should also make a positive effort to balance its monetary and fiscal policies in addition to institutional interventions in light of inflation expectations. This will stop prices from reacting in an unforeseen and unplanned way, which could hurt the economy. Last but not least, government policies should control the costs of those goods that Nigerians primarily require and also control the amount of money in circulation.

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