

RESOLVING NIGERIA'S ECONOMIC RECESSION THROUGH TECHNOLOGY AND PROPER MANAGEMENT OF ENVIRONMENTAL RESOURCES

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Abstract

This study examines the strength of technology and environmental resources for economic growth in recession period. The aim is to ascertain the possibility of using technology and the natural endowment in solving the problem. Because Nigerian economy which is in recession has been observed to affect her citizens intensively. The data for the study were collected through the primary and secondary sources. The questionnaire was administered to three sets of respondents (Professionals Civil Servants and Industrialists). The data retrieved from the field were analyzed using tables and percentages; the hypothesis was tested using chi-square method of data analysis. The findings show that there is a significant relationship between technology and environmental resources in solving economic recession; also, the study recommends that there should be diversification of the economy to enhance stability or even increase the capital base of the Nigerian economy.

Keywords: Technology, Environmental Resources, Economic Recession.

Introduction

Technology as the name implies, is defined as the use of human understanding of natural laws and phenomena gathered since ancient times to fabricate or produce things that can perform specific functions to meet needs (Chima, 2001). According to Sogbaike (2015) science and technology represent powerful instruments of change which can assist in the economic, social and cultural developments of people such that the superiority of the rich countries interms of their living standards, better health services and educational facilities as generally attributed to the breath taking advances in science and technology. Recently, there has been a considerable growth of interest in the economic development of the less developed countries of the world, especially those that are richly endowed with natural resources. The issue is that, most of them,

especially in Africa, Asia and Latin America remain undeveloped inspite of the natural resource found in their soils, and that seems to suggest that there is no relationship between environmental (natural) resources and economic development or growth. The United States of America is richly endowed with natural resources and highly developed; western European countries are highly developed and continue to make rapid progress, despite the depletion of their once abundant stock of natural resources (Obasi, 2016).

Technology therefore is not just one source of growth for individual enterprises and nations, but the central source in many cases. Few years ago, there has been intensified awareness that it is technological application of the factors of land, labor, capital and education that determines a nation's potentials for

economic growth and development (Ezekwe, 1981). Therefore, advancement in technology and proper harnessing and management of environmental resources plays a key role to the

Statement of the Problem

It has been observed carefully that citizens and the economic base of the country is affected intensively due to the quagmire called "Economic Recession". Also, investors have lost confidence or hope in the Nigerian capital market other individuals; institutions are also

Aim and Objectives of the Study

The main aim of this study is to ascertain the possibility of using technology and environmental resources as a veritable tool for

- To identify the causes of economic recession in Nigeria.
- To identify the extent Technology and Environmental Resources can solve or reduce economic problems in Nigeria.

Research Questions

1. What are the causes of economic recession in Nigeria?
2. To what extent does technology and environmental resources can solve or reduce economics problems in Nigeria.

Hypothesis

H₀: There is no significant relationship between technological advancement and

Brief Literature Review

According to Nagpal (2008) an economic recession is a temporary collapse of a business cycle. In the words of Schultz (1965), a recession is a business cycle contraction or general slowdown in economic activities in a country over a sustainable period of time. Ogunleye (2009) is of the view that economic downturn or recession is typically shorter than the period of economic expansion, but it could be quite severe even if brief. Technological advances are now well underway and costs advantages of their applications are giving rise to major structural adjustments in all national economies, and are causing substantial shifts in the pattern of world

aspirations of any nation toward sustainable economic growth and prosperity even in the face of economic recession.

worried of losing even more than they have already lost because of the vacuum that the economy has created. Therefore, this study highlights the potency of technology and environmental resources in bridging the gap of economic recession.

an economy in recession. Therefore, the following objectives are used for the study.

- To identify the extent the present Nigerian economic downturn has affected its citizenry and the nation.

3. To what extent has the present Nigerian Economic downturn have affected its citizenry and the nation?

environmental resources in solving economic recession in Nigeria.

movement of goods and services including capital (Alan, 2010). Milliman (1965) described a recession as a decline in economic sectors which last at least six months. Also, the National Bureau of Economics Research defined economic recession as a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, individual production and whole sale-retail sales. It is also a prolonged economic retraction in a nation's economic activity.

Mitchell (1984) stated that even if a country's economy is expanding rapidly as

reflected in her growing gross national product, individual incomes and level of livings of many are declining. Therefore, to avert economic difficulties and make economic growth self-generating, the rate of economic growth must

Some Causes of Economic Recession

We are all aware that, the major sustenance of the Nigerian economy and the survival of its citizenry is dependant on "OIL". Akilo (2008) stated that Nigeria main export is

- Outright corporate greed exhibited by various companies and service providers has contributed majorly in depleting our national economy.
- High level reliance on importation to meet our basic physical, social, economic and environmental needs thereby boosting other foreign economies at the expense of our national economy.

In the statement of the former CBN Governor Charles Soludo, he attributed the recession to the pressure on the exchange rate, fall in crude

Consequences of Economic Recession on a Nation

The emergent economic crisis in Nigeria has impacted negatively on the nation's financial

- Decrease in sales of goods and services due to decreased finances available to individuals and families, which mean the purchase of goods and services decline.
- Increase in unemployment, due to decreased sales of goods and services by business owners and companies, a reduction in the workforce takes place, leading to loss of jobs (Abisagbo, 2010).
- High inflation rate, Nigeria have been experiencing high inflation rate due to scarcity of foreign exchange, a weak naira, high interest rates, poor electricity supply, dependent on importation and high cost of doing business (Crashew, 2009).

exceed the rate of population increase. But the uniqueness of this work is sacrosanct because it looks at the relevance of technology and environmental resources in finding a stable platform for our economy.

crude oil and since it is the highest contribution to the country's GDP, it is likely to impact negatively on the economy with the resultant decline in oil demand and price.

- Corruption or money laundering. This is a terrible draining pipe to our economy, a situation where trillions of naira are stolen by public officers and saved in foreign banks at the detriment of our economy.
- Stock market crash, fall in oil price, high interest rate, loss of investors and consumer confidence including inflation are indicators for a recessive economy (Cook, 1984).

oil price, declining capital flow in the economy in the areas of foreign direct investment (FDI) and high import dependence.

sector, triggering instability in banks, capital market and property market (Adamu, 2007).

- Increase in crime rate, as life gets hard or for many, living conditions get worse, crime rate growing exponentially.
- Recession puts families in strained conditions, as a result of unemployment which may lead to marital and family conflicts. Noted recently where the industrial sector retrenched workers unexpectedly in 2016.
- Budget deficit in government spending, the national and states budgets will experience spending deficit due to shortfall in government revenues. The government may decide to borrow to cover for the fall in revenues, and this will increase the debt burden of the

federal and state governments.

(Uchem,

2009).

Materials and Method

The study was conducted in two urban areas, Eleme and Bori Urban. What informed that decision was because of the presence of oil companies, institution of higher learning and a well developed market place? Reason been that these areas are highly populated, activity oriented and also feeling the impact of recession. The population of the study includes professionals, Civil Servants and Industrialists. A sample of two hundred (200) respondents out of

the entire population was selected using the simple random sampling techniques. The study utilizes two sources of data gathering, the primary source is the questionnaires and personal interview while the secondary sources are information from magazines and textbooks. Data retrieved from the field were analyzed using tables and percentages while the chi-square statistics was used to test the validity of hypothesis formulated in the work.

Results and Analysis

Table 1: Questionnaire Distribution and Response Rate

Category of respondents	No of questionnaire distributed	No of questionnaire retrieved	Percentage of retrieved questionnaire
Professionals	86	76	42.2
Civil Servants	43	40	22.2
Industrialists	71	64	35.6
Total	200	180	100

Source: Field work, 2021

The table above shows the total number of questionnaire distributed to the respondents. Professionals was given 86 retrieved 76 representing 42.2%, civil servants given 43

retrieved 40 representing 22.2% while industrialists were given 71 retrieved 64 representing 35.6% respectively.

Table 2: What are the Causes of Economic Recession?

CAUSES	(O)	(E)	(O - E)	(O - E) ²	$\left(\frac{O - E}{E}\right)^2$
Corporate greed	36	45	9	81	18
Reliance on importation	48	45	3	9	0.2
Corruption	50	45	5	25	0.6
Stock market crash	46	45	1	1	0.02

$\chi^2 = 18.82$

H₀: All these factors are not the causes of economic recession.

H₁: All these factors are the causes of economic recession

χ^2 cal. = 18.82

χ^2 at 5% degree of freedom (n - 1) (4 - 1) = 3

χ^2 tab. (3,0.05) = 7.82

Decision Rule

Since cal. Value > tab. Value 18.82 > 7.82, reject H₀ and accept H₁ which means all these factors causes economic recession.

Table 3: Response in which Technology and Environmental Resources can solve Economic Problem

Response	(O)	(E)	(O - E)	(O - E) ²	$\left(\frac{O - E}{E}\right)^2$
Agriculture	60	36	24	576	16
Power generation	41	36	5	25	0.7
ICT Development	19	36	17	289	0.03
Human Capital Development	10	36	26	676	18.8
Industries	50	36	14	196	5.4

$$X^2 = 40.93$$

H₀: Technology and Environmental Resources can not solve economic problem.

H₁: Technology and Environmental Resources can solve economic problem.

$$X^2 \text{ cal} = 40.93$$

$$X^2 \text{ tab. (4,0.05) = 9.49}$$

$$X^2 \text{ at 5\% degree of freedom (n - 1) (5 - 1) = 4}$$

Decision Rule

Since cal. value > tab. value 40.93 > 9.49, reject H₀ and accept H₁, which mean technology and environmental resources can be used to revamp an economy in recession.

Table 4: Response on the extent in which the present Nigerian economic downturn have affected its citizenry and the nation

Options	(O)	(E)	(O - E)	(O - E) ²	$\left(\frac{O - E}{E}\right)^2$
Unemployment	45	36	9	81	2.25
Inflation	51	36	15	225	6.25
Increase in crime rate	60	36	24	576	16
Reduction in income	19	36	17	289	8.03
Others	5	36	31	961	26.7

$$X^2 = 59.23$$

H₀: The percent economic recession in Nigeria do not affect the nation and its citizenry.

$$X^2 \text{ cal.} = 59.23$$

$$X^2 \text{ at 5\% degree of freedom (n - 1) (5 - 1) = 4}$$

$$X^2 \text{ tab. (4, 0.05) = 9.49}$$

H₁: The present economic recession in Nigeria affects the nation and its citizenry

Decision Rule:

Since cal. value > tab. value, 59.23 > 9.49, reject H₀ accept H₁ which mean the present economic

recession in Nigeria affects the nation and its citizenry.

Summary of Findings

From the questionnaire retrieved and analyzed, it was discovered that money laundering is a

major contributor to economic recession alongside others in our country.

- a. That if the Nigerian government still maintained and fund the agricultural sector, the issue of recession wouldn't have been so drastic even in the face of oil discovery.
- b. Economic recession experienced in Nigeria has triggered and put families into frustrations, unemployment, retrenchment, cases of kidnapping, divorce etc.
- c. The study found out that there is a significant relationship between technology and environmental resources in solving economic recession.

Recommendations

To tackle the issue of economic recession, the following recommendations are hereby proffered.

1. Government should provide money for agriculture, so that expenses incurred for food importation will be reduced.
2. Minimizing the importation of goods and encouraging the exportation of goods
3. Investment in renewable energy such as hydro-energy, solar energy, biofuels, wind energy and geothermal energy.
4. Commodity and raw materials price should be regulated through consumer protection agency to avoid further inflation.
5. Diversification of the economic base from oil to agriculture as it was in the 1960s.
6. Nigeria government should increase her expenditure on skill, enhance access to credit and eschew corruption of all kinds

Conclusion

The work has identified the challenges faced by citizens, impact faced by the nation, possible causes of economic recession and solution given and some recommendations have been made accordingly. The implementation of

these recommendations will stabilize if not increases the financial fortunes of the country. Therefore with the unforeseen circumstances experienced so far as a country, let us not lay our eggs in one basket again.

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