

An Empirical Analysis of the Contribution of Agriculture and Petroleum Sector to the Growth and Development of the Nigerian Economy from 1960-2010

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Abstract

This paper investigates the contribution of agricultural sector and petroleum sector to the economic growth and development (GDP) of the Nigerian economy between 1960 and 2010 through the application of Augmented Dickey-Fuller technique in testing the unit root property of the series; after which Chow breakpoint test was conducted to test the presence of structural change or break in the economy. The results of unit root suggest that all the variables in the model are stationary and the results of Chow breakpoint test suggest that there is no structural change or break in the period under review. The results also revealed that agricultural sector is contributing higher than the petroleum sector, though they both possessed a positive impact on economic growth and development of the economy. A good performance of an economy in terms of per capita growth may therefore be attributed to a well-developed agricultural sector capital. A major policy implication of this result is that concerted effort be made by policy makers to increase the level of productivity of agricultural sector in Nigeria by improving expenditure on the sector so as to boost the growth of the economy. Since the agricultural sector is the major contributor to GDP in Nigeria which is capable of changing social indicators of the economy, policies aimed at adequate financing of agricultural sector by government in order to boost its output, may result into a way forward. Government evolves policies toward diversifying the economy and encouraged the campaign for improvements in the non-oil sectors of the economy especially agricultural.

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