

## SELECTED MACRO-ECONOMIC VARIABLES AND ECONOMIC GROWTH IN NIGERIA (2000-2023)

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### ABSTRACT

*This study examined the effect of selected macroeconomic variables on economic growth of Nigeria (2000-2023). The study employed ex post facto research design. Various pre and post estimation test was conducted. While multiple regression analysis with the aid of e-views 10.0 statistical software was used to test the hypotheses. The study found that money supply has positive (24.96774) and significant (0.0000) effect on RGDP of Nigeria, the study also found that exchange rate has negative (-3.885370) and significant (0.0009) effect on RGDP of Nigeria and the study found that unemployment rate has negative (-3.885370) and significant (0.0009) effect on RGDP of Nigeria. The study concluded that selected macroeconomic variable affect economic growth of Nigeria. Based on the findings and conclusion, the study therefore recommended that Central Bank of Nigeria (CBN) should continue to implement prudent monetary policies that would ensure an adequate and balanced money supply in the economy. Policymakers should work towards reducing the country's reliance on imports and diversifying its foreign exchange earnings by promoting non-oil exports and investing in local industries. Policymakers should focus on creating sustainable employment opportunities that contribute to long-term economic growth.*

**Keywords:** Macroeconomic Variables. Economic Growth, Money Supply, Exchange Rate, Unemployment Rate and Real Gross Domestic Product

### INTRODUCTION

Economic growth is a central focus in macroeconomic policy and research, particularly in developing countries where the need for sustainable development is most acute. Across the globe, countries strive to achieve stable and consistent economic growth by managing various macroeconomic variables. Among these variables, money supply, exchange rate, and unemployment rate play an important role in shaping the economic trajectory of nations.

Globally, the relationship between macroeconomic variables and economic growth has been extensively studied, with varying conclusions. The money supply is often seen as a driver of economic growth. An increase in money supply typically lowers interest rates, stimulates investment, and increases aggregate demand (Mankiw, 2020). The Keynesian theory supports this view, suggesting that a well-managed expansionary monetary policy can lead to higher output and employment levels. However, monetarist

economists argue that an excessive increase in money supply can lead to inflationary pressures, eroding the purchasing power and potentially hampering long-term growth (Friedman, 1968; Taylor, 2019). The global financial crisis of 2008 serves as an example where the mismanagement of money supply contributed to economic instability.

Nigeria has faced challenges in managing its money supply, with periods of rapid expansion leading to inflationary pressures. For instance, between 2010 and 2020, Nigeria's broad money supply (M2) saw significant growth, often outpacing GDP growth, leading to concerns about inflation and currency depreciation (Central Bank of Nigeria, 2020). The debate over the appropriate level of money supply growth remains contentious, with some arguing for expansionary policies to stimulate growth, while others caution against the inflationary risks associated with such policies (Ogunmuyiwa & Ekone, 2010).

Nigeria continues to grapple with exchange rate instability, largely attributable to its heavy dependence on petroleum exports. The dramatic drops in international crude oil prices during 2014 and 2020 triggered substantial devaluation of the Naira, fueling inflation and eroding household consumption capacity (Oladipo & Alege, 2021). Although currency depreciation could theoretically enhance the competitiveness of domestic exports, Nigeria's undiversified economic structure limits its ability to capitalize on this potential advantage.

Unemployment in Nigeria has been on the rise, particularly among the youth, with the unemployment rate reaching 33.3% in 2021 (National Bureau of Statistics, 2021). High unemployment rates indicate underutilization of the labor force, contributing to lower economic output. Efforts to create jobs have been hampered by structural issues, including a mismatch between the skills of graduates and the needs of the labor market, as well as insufficient investment in sectors that can generate significant employment.

As Africa's second-largest economy, Nigeria faces persistent structural constraints that undermine its development trajectory. The nation's economic performance remains susceptible to instability across key macroeconomic variables particularly monetary aggregates, currency fluctuations, and labor market imbalances prompting ongoing scholarly and policy debates about their growth implications. Recent economic trends reveal a pattern of inconsistent development, characterized by alternating cycles of robust growth and economic slowdowns (World Bank, 2023).

Nigeria continues to face significant difficulties in regulating its money supply effectively. The Central Bank of Nigeria (CBN) has implemented multiple monetary measures to manage liquidity levels, with the dual objectives of maintaining price stability and supporting economic expansion. Nevertheless, these initiatives frequently encounter disruptions from global economic fluctuations and inconsistent domestic fiscal strategies (Eze & Okpala, 2021). A notable example includes episodes of accelerated monetary growth that have correlated with heightened inflation, diminishing consumer purchasing capacity and generating economic instability. Such inflationary trends may discourage investment and impede sustainable development, presenting a counterargument to Keynesian economics, which posits that expanded money circulation can boost economic performance (Mankiw, 2020).

The relationship between macroeconomic variables and Nigeria's economic development remains a subject of ongoing debate among economists. Advocates of expansionary monetary approaches suggest that greater

liquidity in the financial system can reduce borrowing costs, encourage capital formation, and accelerate economic expansion (Mankiw, 2020). Conversely, critics maintain that in economies with fragile financial systems and inflationary tendencies, such measures may exacerbate economic volatility (Adedokun, 2022). This dichotomy is equally evident in exchange rate policy, where theoretical advantages of currency depreciation for export competitiveness often fail to materialize in Nigeria's case due to its narrow export base (Rodrik, 2008).

Owing to the above problem raised, this study sought to investigate the effect of selected macroeconomic variables on economic growth of Nigeria.

The study aimed to access the nexus between selected macroeconomic variables and economic growth in Nigeria (2000-2023). The Specific objectives are to:

- i. To evaluate effect of money supply on RGDP in Nigeria.
- ii. To access effect of exchange rate on RGDP in Nigeria.
- iii. To analyze effect of unemployment on RGDP in Nigeria.

To address the research question designed for this study, the following hypotheses was formulated and tested in null form;

**H<sub>01</sub>:** Money supply does not have significant effect on RGDP in Nigeria.

**H<sub>02</sub>:** Exchange rate does not have significant effect on RGDP in Nigeria.

**H<sub>03</sub>:** Unemployment rate does not have significant effect on RGDP in Nigeria.

## REVIEW OF RELEATED LITERATURE

### Macroeconomic Variables

Macroeconomic indicators serve as crucial metrics for assessing a nation's economic performance. These quantitative measures offer valuable perspectives on economic conditions, enabling governments, financial institutions, and researchers to analyze trends and formulate evidence-based policies (Mankiw, 2022). Fundamental economic indicators encompass multiple dimensions, including production (GDP), price stability (inflation), labor market conditions (unemployment), monetary policy tools (interest rates and money supply), international trade metrics (exchange rates and trade balance), government finances (public debt and fiscal deficit), capital formation (investment), and social welfare measures (poverty levels).

### Money Supply

The concept of money supply is fundamental to understanding how economies function, as it represents the total amount of monetary assets available within an economy at a specific time. Money supply includes various forms of money, ranging from physical currency and coins (narrow money) to more liquid assets such as checking accounts and savings accounts (broad money) (Mankiw, 2023). Central banks, like the Central Bank of Nigeria (CBN), play a crucial role in controlling the money supply through monetary policy, which

aims to influence economic activity, stabilize prices, and achieve sustainable economic growth (Mishkin, 2023).

In Nigeria, the money supply is a critical tool for managing the economy, particularly given the country's challenges with inflation, exchange rate volatility, and economic diversification. The CBN uses several measures of money supply, commonly denoted as M1, M2, and M3. M1 includes the most liquid forms of money such as currency in circulation and demand deposits, while M2 includes M1 plus savings deposits and small-time deposits. M3 extends M2 to include larger time deposits and other financial instruments (Central Bank of Nigeria, 2023).

### **Exchange Rate**

Exchange rate is a key macroeconomic variable that represents the value of one currency relative to another. It plays a critical role in a country's economic performance by influencing trade balances, inflation rates, and overall economic stability. The concept of exchange rate encompasses different regimes, including fixed, floating, and managed exchange rates, each with specific implications for monetary policy and economic stability (Krugman & Obstfeld, 2023). In Nigeria, the exchange rate is particularly significant given the country's heavy reliance on oil exports and its impact on foreign exchange earnings.

Nigeria has experienced considerable fluctuations in its exchange rate over the years due to various internal and external factors. The country operates a managed float exchange rate system, where the Central Bank of Nigeria (CBN) intervenes in the foreign exchange market to stabilize the naira when necessary (Central Bank of Nigeria, 2023).

### **Unemployment Rate**

Unemployment rate is a crucial macroeconomic indicator that measures the percentage of the labor force that is actively seeking employment but unable to find work. It serves as a key gauge of an economy's health, reflecting the balance between labor supply and demand. High unemployment rates can indicate economic distress, inefficiencies in the labor market, or structural issues within an economy (Blanchard & Johnson, 2022).

In recent years, Nigeria has faced rising unemployment rates, which have become a critical concern for policymakers and economists. The National Bureau of Statistics (NBS) reported that Nigeria's unemployment rate reached an all-time high of 33.3% in the fourth quarter of 2022 (NBS, 2023).

### **Economic Growth**

A nation's economic progress is often gauged by its capacity to expand output over time, evidenced by greater production of goods and services. This expansion is commonly quantified through metrics such as Gross Domestic Product (GDP) or Gross National Product (GNP), which capture the creation of wealth within an economy (Jones & Klenow, 2023). Long-term economic expansion plays a pivotal role in elevating quality of life, alleviating poverty, and fostering societal welfare (Barro, 2022).

Multiple elements contribute to economic expansion, notably the buildup of capital resources, growth in workforce participation, innovation in technology, and gains in operational efficiency (Romer, 2023). The process of capital formation encompasses financial commitments to tangible productive assets like industrial equipment, transportation networks, and digital systems that collectively boost a nation's output potential. Infrastructure development serves as a prime illustration, where strategic investments can lower operational expenses while improving overall system performance, thereby stimulating greater economic activity (Solow, 2023).

### **Real Gross Domestic Product**

Real Gross Domestic Product (GDP) is a crucial measure of an economy's total economic output, adjusted for changes in price levels or inflation. Unlike nominal GDP, which measures the value of all finished goods and services produced within a country's borders using current prices, real GDP uses constant prices, providing a more accurate reflection of an economy's size and how it is growing over time (Jones & Klenow, 2023). By adjusting for inflation, real GDP allows for comparison of economic performance across different time periods and is essential for analyzing long-term economic growth and living standards.

In Nigeria, real GDP serves as an important indicator of economic performance and has been the focus of considerable attention due to the country's efforts to diversify its economy and achieve sustainable growth. Over the past decade, Nigeria has experienced fluctuating real GDP growth rates, influenced by various factors including global oil prices, economic policies, and internal socio-political dynamics (Noko, 2022).

### **Theoretical Framework**

#### **Monetary Growth Theory**

The theory's roots can be traced back to early classical economists such as David Hume in the 18th century and was further developed by economists like Irving Fisher in the early 20th century. Fisher's seminal work, *The Purchasing Power of Money* (1911), formalized the modern version of this theory. The theory posits that changes in the money supply have a direct and proportional impact on the level of economic activity and prices in the economy. According to this economic principle, a direct relationship exists between monetary expansion and price movements when other factors remain unchanged. Specifically, when a central bank increases currency circulation while the speed of money circulation and actual economic output stay fixed, a corresponding rise in general price levels typically occurs, resulting in inflationary pressures. In the inverse scenario, contraction of the money supply under these same conditions would produce downward pressure on prices, potentially causing deflationary effects.

This economic framework posits that aggregate monetary circulation serves as a fundamental determinant of both economic performance and general price stability. The theory maintains that monetary expansions may influence production levels temporarily, but their long-term effects are principally manifested through price adjustments rather than real output changes. A core postulate of this model is the relative stability of money's circulation speed, though empirical observations reveal variations stemming from evolving financial technologies and shifting economic circumstances. The theoretical construct further asserts the long-run neutrality of money – suggesting monetary policy ultimately impacts only nominal values (price levels) without

altering real economic fundamentals like employment or productivity. However, this perspective has limitations in practical economic management, particularly regarding its inability to explain transient economic disturbances or incorporate the significant role of anticipatory behavior in financial decision-making. Empirical evidence suggests a more nuanced interaction between monetary aggregates and economic activity when considering forward-looking expectations and additional macroeconomic variables (Lucas, 1972).

### **Adoption of Theory**

This study is anchored on Monetary Growth Theory. This theory was adopted because the theory assumed that the velocity of money remains constant. According to this assumption, the frequency with which money changes hands does not vary significantly over time. This implies that any changes in the money supply will directly lead to proportional changes in either the price level or real output, provided that all other factors are held constant

### **Empirical Review**

Omole and Adeyemi (2024) examined Exchange Rate Fluctuations and Economic Growth in Nigeria: An Empirical Analysis (2019-2023). Utilizing a quantitative research design. Vector Auto-regression (VAR) and Granger causality tests was used as the main estimation technique. Findings indicate that while moderate exchange rate fluctuations can enhance economic growth by boosting export competitiveness, excessive volatility negatively affects growth due to increased uncertainty and reduced investor confidence. The study concluded that exchange rate stability is crucial for sustained economic growth. Recommendations include implementing policies to stabilize the exchange rate and mitigate extreme fluctuations.

Adeoye and Akinlo (2023) studied the Impact of Money Supply on Economic Growth in Nigeria: Evidence from 2019 to 2022. The study made use of quantitative research design. Vector Autoregression (VAR) and Granger causality tests was used as the main estimation technique. The findings indicate that while an increase in money supply generally supports economic growth by enhancing liquidity and investment, excessive expansion can lead to inflationary pressures that negatively impact growth. The study concluded that managing money supply is crucial for balancing growth and inflation. Recommendations include adopting a targeted monetary policy to control excessive money supply growth.

Olawale and Sulaimon (2023) studied Impact of Inflation and Exchange Rate Fluctuations on Economic Growth in Nigeria (2019-2022). The study employed a quantitative research design. OLS regression and Vector Autoregression (VAR) models was used as the main estimation technique. Findings reveal that high inflation negatively impacts economic growth, while exchange rate fluctuations have a variable impact, showing both positive and negative effects depending on the economic context. The study concluded that inflation control is crucial for stable growth, while exchange rate management should be more adaptive. Recommendations include tighter inflation targeting and improved exchange rate policies.

Oladejo and Afolabi (2023) studied the Impact of Unemployment Rate on Economic Growth in Nigeria: A Quantitative Analysis (2019-2022). The study made use of ex-post facto research design. OLS regression was used as the main estimation technique. Findings reveal that high unemployment rates have a negative effect on economic growth due to reduced consumer spending and lower overall productivity. Conversely,

moderate levels of unemployment can indicate a dynamic labor market. The study concluded that addressing high unemployment is crucial for promoting economic growth. Recommendations include implementing job creation programs and investing in skill development.

Adebayo and Ahmed (2022) examined Monetary Policy and Economic Growth in Nigeria: An Empirical Investigation (2020-2022). The study employed a time series research design with methodologies including Cointegration analysis and Granger causality tests. Findings indicate that monetary policy adjustments have a significant short-term effect on economic growth, though long-term effects are less clear. The study concluded that monetary policy should be more strategically aligned with growth objectives. Recommendations focus on enhancing monetary policy flexibility and responsiveness.

Ibrahim and Yusuf (2022) analyzed effect of Money Supply and Economic Growth: A Time Series Analysis for Nigeria (2020-2022). The study made use of ex-post facto research design. Error Correction Models (ECM) was used as the main estimation technique. The findings reveal that an increase in money supply positively impacts economic growth in the short term, but excessive increases can lead to inflationary pressures that undermine long-term growth. The study concluded that a balanced approach to money supply expansion is essential for sustainable economic growth. Recommendations include enhancing monetary policy frameworks to ensure that money supply increases align with economic growth objectives.

Yusuf and Mohammed (2022) studied the Role of Exchange Rate Volatility in Economic Growth: Evidence from Nigeria (2020-2022). The study made use of ex-post facto research design. ARDL was used as the main estimation tool. Findings show that while exchange rate volatility can potentially stimulate economic growth by making exports more competitive, high volatility often leads to economic instability and decreased growth. The study concluded that managing exchange rate volatility is essential for achieving stable economic growth. Recommendations include enhancing exchange rate management policies and implementing measures to reduce volatility.

### Gap in Literature

Following a review of conceptual, theoretical and empirical review on macro-economic variables and economic growth in Nigeria, the study identified some gaps which would be filled by this study. This gap includes:

**Scope Gap:** The majority of existing research on macroeconomic variables and economic growth has either focused on developed economies or considered broad, cross-regional analyses that overlook the unique circumstances of Nigeria. There is a notable lack of studies that specifically examine the effect of macroeconomic variables and economic growth in Nigeria during the period from 2000 to 2023.

**Environmental Gap:** From the empirical works reviewed, most of the works on macroeconomic variables and economic growth were carried out in other clime which all the findings cannot be generalized due to environmental difference and country peculiarities.

**Theoretical Gap:** Also, from the reviewed works, to the best of the researchers’ knowledge, none of the works made used of monetary growth theory. This study made used of monetary growth theory to be able to explain the variables used by this study and how it impacts economic growth.

**Difference in Result:** From the reviewed works, they exist mixed findings on macroeconomic variables and economic growth. Hence the need for further studies. None of the reviewed works combined the three proxies such as money supply, exchange rate and unemployment rate to determine its joint impact on economic growth within the context of Nigeria.

**METHODOLOGY**

This study utilized an ex post-facto research design. Ex-post facto research design assesses the relationship between one or more variables. This design was chosen by this study because the independent variables in this study have already occurred and are currently in existence. This study made used of secondary data. Data for the study was sourced from CBN Statistical Bulletin. The study spanned for a period between 2000-2023. OLS regression was used as the main estimation technique. Various pre and post estimation test were conducted.

**Model Specification**

In order to ascertain the effect of selected macroeconomic variables on economic growth of Nigeria, multiple linear models were established.

The structural form of the model is stated as equation 1 below;

$$Y = f(x) \dots\dots\dots (1)$$

Where Y is the dependent variables, f is the functional and X represents independent variables.

The model was further expressed in mathematical equation (i) below;

$$RGDP = f(MNSP, EXCHR, UNMPR)\dots\dots\dots(ii)$$

To make the mathematical expression estimable, it is transformed as equation (iii) below:

$$RGDP_t = \beta_0 + \beta_1MNSP_t + \beta_2EXCHR_t + \beta_3UNMPR_t + \mu \dots\dots\dots(iii)$$

Where:

RGDP = Real Gross Domestic Product which is the dependent variable

MNSP = Money Supply is the independent variable

EXCHR= Exchange Rate which is the independent variable

UNMPR= Unemployment Rate which is the independent variable

$\beta_0$  = intercept

$\beta_1 - \beta_3$  = Coefficient

t = Time

U<sub>i</sub> = error terms

**Table 1: Variables Measurement and Description**

S/N	Variable Acronym	Description/Measure	Variable Type	Source	A-priori Expectation
1	RGDP	It measures to the total monetary value of goods and services produced in a nation. It is measured in Naira.	Dependent	Okonkwo & Nwosu (2024)	Nil
2	MNSP	It is the total money is circulation in any given economy. It is measured in Naira.	Independent	Adeoye & Akinlo (2023)	Positive
3	EXCHR	It is measured in Naira. It can be seen as Exchange Rate	Independent	Omole & Adeyemi (2024)	Positive
4	UNMPR	It is measured in ratio by this study. It can be seen as Unemployment Rate	Independent	Oladejo & Afolabi (2023)	Negative

**Source:** Researcher compilation from the Literature, 2025.

**DATA ANALYSIS AND DISCUSSION OF FINDINGS**

**Table 2: Raw Data**

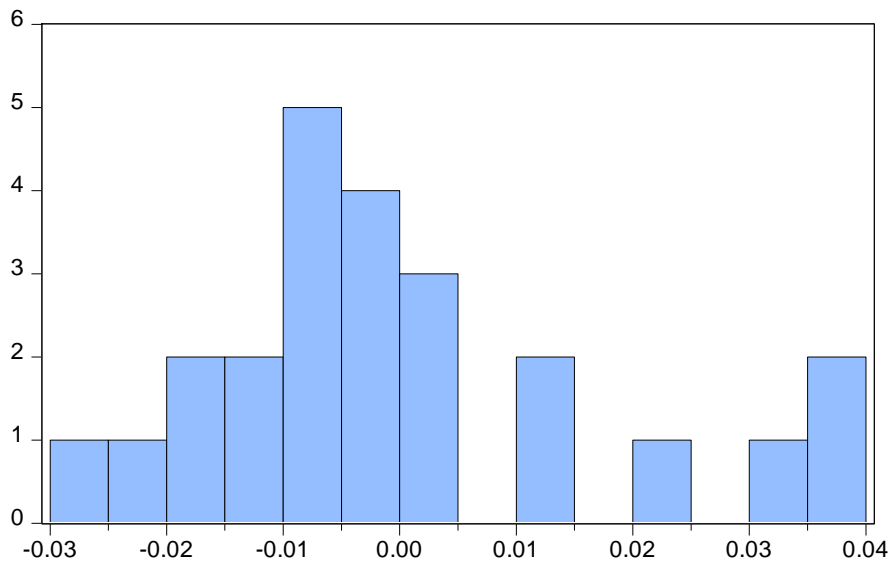
YEAR	RGDP	EXCHR	MNSP	UNMPR
2000	26658	101.7	1515.3	13.1
2001	28957.7	111.23	1961.5	13.6
2002	31357.1	120.58	2447.9	13.4
2003	33984.8	129.22	2975.1	13.4
2004	37161.5	133.5	3731.4	13.1
2005	40984.2	132.15	4700.2	12.9
2006	45206.6	128.65	5837	12.3
2007	49856.1	125.81	7656.4	12
2008	54612.3	118.57	9666.4	11.8
2009	57511	148.88	10501.3	12.5
2010	62980.4	150.3	12381.8	13.1
2011	68492.5	153.86	13722.4	21.1
2012	74765	157.5	15622.1	23.9
2013	80092.6	157.31	17413.9	25.1

2014	86076.8	164.77	18860.1	26.6
2015	89043.6	197	20351.9	29.2
2016	85387.6	253.49	22407.1	35.2
2017	87884.4	305.79	25365.8	37.7
2018	91026	306.08	27846.9	39
2019	95089	306.42	30017.8	37
2020	91841	358.81	33128.4	33.3
2021	94382.6	410.29	37281.6	34
2022	99000	448.61	41233.7	33.3
2023	104000	740	44800.5	33.5

Source: CBN Statistical Bulletin 2000-2023

### Data Analysis

Table 2: Normality Test



Series: Residuals	
Sample 2000 2023	
Observations 24	
Mean	-2.59e-16
Median	-0.004326
Maximum	0.036463
Minimum	-0.027259
Std. Dev.	0.017455
Skewness	0.776300
Kurtosis	2.889827
Jarque-Bera	2.422704
Probability	0.297794

Source: Survey; from E-view computation, 2024

The normality assessment yielded a Jarque-Bera statistic of 2.423 (p-value = 0.298), indicating no significant departure from normal distribution. The test results support the null hypothesis of normally distributed data at conventional significance levels. The distribution exhibits right-skewness, as evidenced by a positive skewness coefficient of 0.776.

### Stationarity Test

**Table 3: Unit Root Results**

Variables	t-statistics	Critical Values @5%	Order of Integration	Prob.	Remarks
RGDP	/4.078552/	/2.998064/	I(0)	0.0048	Stationary
MNSP	/7.276795/	/2.998064/	I(0)	0.0000	Stationary
EXCHR	/4.092841/	/3.040391/	I(0)	0.0000	Stationary
UNMPR	/3.862181/	/3.004861/	I(0)	0.0307	Stationary

Source: Survey; E-view computation, 2025

The result shows that the variables are stationary at levels order of integration. Based on this, the study would adopt OLS Regression Analysis method to test the hypotheses of this study.

**Test of Hypotheses**

**Table 4: Hypotheses Testing**

Relationship	Expected sign	Reported sign	Prob	Observation	Decision
MNSP	Positive	Positive sign	0.0000	P-value>0.05	Reject null
EXCHR	Positive	Negative sign	0.0009	P-value>0.05	Reject null
UNMPR	Negative	Positive sign	0.0155	P-value>0.05	Reject null

Source: Researcher’s compilation from E-VIEW 10.0 output, 2024.

**Discussion of Findings**

The result from Table 5 showed that money supply has positive (24.96774) and significant (0.0000) effect on RGDP of Nigeria. This implies that when there is a unit increase in money supply, it leads to increase in RGDP. Money serves as the lifeblood of any economy, playing a crucial role in facilitating transactions and stimulating economic activity. By providing a common measure of value, money simplifies pricing and enables consumers to make informed purchasing decisions. Money supports the economy by influencing consumption and investment. However, an excess of money in circulation can have detrimental effects, particularly leading to inflation. Inflation occurs when the supply of money outpaces the growth of goods and services in the economy, resulting in rising prices. As prices increase, the purchasing power of money declines, meaning that consumers can buy less with the same amount of money. This finding is in line with the a-prior expectation of this study. This finding also corresponds with the findings of Adeoye and Akinlo (2023) who found a positive relationship.

The result from Table 5 also showed that exchange rate has negative (-3.885370) and significant (0.0009) effect on real RGDP of Nigeria. This implies that a unit increase in exchange rate, would leads to increase in RGDP of Nigeria. The exchange rate of a nation's currency appreciates when that country is highly productive and competitive in the global market. A productive economy typically exports more goods and services than it imports, leading to a higher demand for its currency. When foreign countries purchase a nation's exports, they must exchange their local currency for the exporting country's currency, driving up demand and increasing the currency's value. As a result, a productive nation with a diversified economy can

enjoy a stronger exchange rate, which reflects its economic strength and stability. However, countries like Nigeria, which rely heavily on imports and have a mono-product economy, face significant challenges in maintaining a stable exchange rate. In Nigeria's case, the primary source of foreign exchange earnings comes from crude oil exports. The finding does not correspond with the findings of Omole and Adeyemi (2024) who found a positive relationship.

The result from Table 5 also showed that unemployment rate has positive (2.645280) and significant (0.0155) effect on RGDP of Nigeria. This implies that a unit increase in unemployment rate, would leads to increase in RGDP of Nigeria. Unemployment is one of the most critical challenges facing any economy, often referred to as an economic "enemy" because of its far-reaching negative consequences. When a significant portion of the population is unable to find gainful employment, it creates a ripple effect that impacts not just individual livelihoods but the overall social and economic fabric of a nation. Unemployment also fuels insecurity and social instability. When individuals are jobless and unable to support themselves or their families, frustration and discontent begin to grow. This sense of hopelessness can push people toward antisocial behavior, including involvement in criminal activities as a means of survival. In many societies, high unemployment rates are strongly correlated with increased crime rates. This finding does not correspond with the a-prior expectation of this study. The findings is not in line with the findings of Oladejo and Afolabi (2023).

## CONCLUSION AND RECOMMENDATIONS

In conclusion, this study on the effect of selected macroeconomic variables on Nigeria's economic growth highlights the complex and interrelated nature of the nation's economy. A stable exchange rate and controlled inflation are crucial for fostering a conducive environment for investment and sustainable growth. Additionally, an optimal money supply enhances liquidity, fueling economic activities without triggering inflationary pressures, while government spending plays a critical role in infrastructure development and public services, which support long-term growth.

However, the findings also emphasize the importance of effective policy interventions. Nigeria's economic growth has been constrained by fluctuations in these macroeconomic variables, often driven by external shocks and policy misalignments. The study concluded selected macroeconomic variable affect economic growth of Nigeria.

The following recommendations were made from the findings :

- i. CBN should continue to implement prudent monetary policies that would ensure an adequate and balanced money supply in the economy.
- ii. Policymakers should work towards reducing the country's reliance on imports and diversifying its foreign exchange earnings by promoting non-oil exports and investing in local industries.
- iii. Policymakers should focus on creating sustainable employment opportunities that contribute to long-term economic growth.

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