

Infrastructural Development and Economic Growth in Nigeria: Using Simultaneous Equation

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ABSTRACT Infrastructure is basic essential services that should be put in place to enable development to occur. Economic development of Nigeria can be facilitated and accelerated by the presence of infrastructure. If these facilities and services are not in place, development will be very difficult and in fact can be likened to a very scarce commodity that can only be secured at a very high price and cost. The provision and development of infrastructures have been the subject of much theoretical analysis and empirical studies. This study in line with has tried to evaluate infrastructural development and economic growth of Nigeria, using simultaneous analysis. In this study, two models are specified, and after applying the substitution method (reduce form equation), the two models collapsed to one which enabled researchers to use OLS to run the regression. From the result, it is clear that infrastructure is an integral part of Nigeria economic growth. Undermining it (infrastructure) is undermining the growth and development of Nigerian economy. The study has shown that infrastructure is an intermediate goods and service for the real sector and a finished goods and service for consumers. So, if the real sector which is the engine of growth is to propel Nigerian growth and development, infrastructure should be given qualitative and adequate attention.