A Comparative Analysis of Economic Growth between Nigeria and Ghana.

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**Introduction**

Ghana and Nigeria are two of the major African countries. When economies of both of the countries are discussed, Ghana’s economy is developed through proper management providing competitive environment and poverty reduction in the country. This country is blessed with natural resources and strong agricultural sector. On the other side, Nigeria is the oil-rich country. However, the political instability of the country, high-level corruption, improper infrastructure and very poor macroeconomic policies. The country official was working on economic reforms since 2008 but the Military rule of that time could not properly manage the economic policies at country level. However, this paper aims to study the economies of both of the countries comparatively through the evidences from different sources. Total five sources are chosen for this study. A short summary for every article is provided and there is comparative analysis on the basis of those articles.

**Discussion**

Likewise, Francah (2017) comparatively study the economic growth in few of the African states. According to his observation, Nigeria has been the biggest economy in the whole continent to move out the recession which hit the African countries in 2017. At the same time, he thoroughly observes the economic growth over the study period. The researcher also focuses different business treaties and regional trades with in the region. He uses Variance technique to examine the variations of the selected countries and the time period in rows. At last, the results show that economic variables were changed from each other for the selected countries in the same year period. The article also finds out that the economic growth for those countries has been stopped for specific time period (Francah, 2017). Although, the GDP of selected countries show variation but no growth in GDP is observed for each country for few years. However, there is economic integration among those countries, the can achieve economic growth by the existence of some common policies.

On the other side, three of the researchers; Nchor, Adamec and Kolman (2015) compared three countries including Ghana, UK and Nigeria to see the Economic shadows. The researchers have explained the under shadow economic activities like unofficial and under-reported economic activities which are taking place in different countries. However, the used a different model for their studies. They have used the multiple indicator and multiple causes model (MIMIC) to analysis the data. There two significances of the model; structural equation aspect and the measurement aspect. The structural equation can be used to find out the impact of the variables under observation during the level of shadow economic activities (Nchor, Adamec and Kolman, 2015). However, the measurement model finds out the coefficients of the effecting variables. The results from the study found out the size of shadow economy of Ghana is 36.73% and Nigeria at 47.75% in 2012.

However, the third source is from old literature but it is related to the topic. It might help find out so many things regarding the economic trends in both of the countries. The groups of researchers; Taaffe, Morrill and Gould (1963) talk about the transportation expansion in under developed countries and give it a comparative analysis in an economic term. According to the researchers, transportation system is one of the key factors of economic growth. After observing the geographical conditions of Ghana and Nigeria by using regression as a tool, come up with few results. The population of both of the countries is increasing, therefore the demand for transportation will also increase. Using the two models, the researchers try to identify whether transportation expansion depends on population or not. However, the ideal typical sequence model says that transportation expansion is independent of population growth. However, the regressions found that population increase makes the transport expansion. Different cities of Ghana and Nigeria were studied for this.

In the other paper, Benzing and Chu (2009) study the small businesses of Kenya, Ghana and Nigeria. The main objective of the paper is to compare the start-ups in three countries on the basis of gender. The Likert-scale questions were prepared to find out the motivation among those entrepreneurs. However, the collected data is compared by testing for significant differences. However, the findings show that the strongest motivation among all the starters in three countries was to earn money. Other factors were like family factor, an external validation factor and self-growth factor. However, people from Ghana mostly preferred family factor to get motivated to start a small business.

On the basis of the gender, female entrepreneurs seemed less motivated. Moreover, this article also recommends few things for the countries that gender specific programs should be started in all three countries. It will be beneficial for developing countries to encourage small businesses. However, Nigeria and Kenya need to develop some stronger laws for inheritance of business in a family.

The fifth which is chosen to study the economic activities of Ghana and Nigeria, is about energy consumption. Akinlo (2008) compares the energy consumption and economic growth of few African countries. Total 11 countries were selected for the study. Moreover, the autoregressive distributed lag test is used to find the relationship between energy consumption and economic growth. When results are found, it is indicated that energy consumption give a significant positive value for economic growth of Ghana along with other countries. It shows that the more energy consumption for Ghana, the more is economic growth. However, the other test i.e. vector error correction model also gives relationship of energy consumption and economic growth Ghana, Gambia, and Sengal (Akinlo, 2009). For some countries results were different. According granger test economic growth causes energy consumption in Sudan. Moreover, there was no any relationship between energy consumption and economic growth in Nigeria. On the basis of results each country needs an efficient energy conversation policy.

All of the above articles are summarized to provide some evidences regarding the economic progresses in both of the countries. The different elements of economy were discussed from literature to support the arguments.

**Conclusion**

In conclusion, Ghana and Nigeria are two of the developing countries from Africa. They faced different challenges regarding economy time to time. However, both of the countries have different resources, which give the opportunity to develop their economy. However, in order to check the economies of both countries different articles are discussed comparatively. Some of the articles suggest there has been no economic growth for few years in Africa. Now, Ghana and Nigeria can go for some mutual policies, in order to increase their economic growth. At the same time, other article gives the percentage for under shadow level business both in Ghana and Nigeria. More percent of Nigeria reflect on the weak laws regarding economic growth. In addition, transportation system is one of the key factors of economic growth. It is related growth in population for few countries. Another article shows that the more energy consumption for Ghana, the more is economic growth whereas there was no any relationship between energy consumption and economic growth in Nigeria. Still both of the countries need strong policies for energy conversation. At the same time, countries can give a chance to small businesses for their economic development. It will be beneficial for developing countries to encourage small businesses. However, Nigeria and Kenya need to develop some stronger laws for inheritance of business in a family.

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