*International Journal of Innovative Finance and Economics Research 13(3):561-577, July-Sept, 2025*
© SEAHI PUBLICATIONS, 2025 www.seahipublications.org ISSN: 2360-896X

**doi:10.5281/zenodo.17249427**

# Inflation Targeting And Economic Growth In Nigeria

**[1]Okoli, Ogechi Jane & [2]Prof. Mgbemena, Emilia Mukasolu**

**[1]Department of Commerce and Cooperative Education,**
**Federal college of Education (T), Umunze, Nigeria**

**[2]Department of Economics**
**Chukwuemeka Odumegwu Ojukwu University Igbariam, Anambra State, Nigeria**

**ABSTRACT**
This study analyzed the inflation targeting and economic growth in Nigeria. The specific objectives were to, ascertain the impact of inflation on Nigeria's economic growth; estimate the threshold effect of inflation on economic growth in Nigeria; determine the effect of inflation targeting on Nigeria's economic growth. The variables were economic growth as the dependent variables while fixed capital formation; human capital index; inflation rate; broad money supply and exchange rate were the independent variables. Autogressive Distributed Lag (ARDL) method of data analysis was used**.** The study also employed unit root test, bound cointegration. From the analysis result the study found that; Inflation has a significant impact on Nigeria's economic growth; there is threshold effect of inflation on economic growth in Nigeria; Inflation targeting does have a significant effect on Nigeria's economic growth. More realistic effort is necessary by the monetary authorities to target inflation strongly by reducing inflation to a single digit as contained in the economic recovery growth plan. Inflation threshold need not be necessarily the inflation target, the inflation objective for monetary policy should be set lower than the inflation threshold. Monetary authorities should make a more practical effort to manage inflation forcefully in order to avert its negative effects by assuring a bearable rate (Rate of unemployment at which money wage inflation is stable) that would boost Nigeria's economic growth
**Keywords:** inflation targeting, economic growth, Autogressive Distributed Lag, Inflation

## 1.1 INTRODUCTION

Maintaining economic stability is the primary goal of macroeconomic policy for all countries, industrialized and developing alike. A stable economy is defined as one that is growing steadily and has low inflation; it has low unemployment, enhanced productivity, and improved efficiency. Prolonged periods of recession or crisis, high inflation, and volatile currency exchange rates are typical indicators of instability. The primary objectives of all governments are frequently price stability, economic growth, and low unemployment, and the most crucial means of achieving these objectives are through comprehensive taxation, spending, regulations, and government management (Nwokoye, Uwajumogu, and Dimnwobi, 2019; Nwokoye, Igbanugo, and Dimnwobi, 2020, Nwangwu, Ohanyere, Nwangwu, & Atueyi, 2025).). Unpredictable economic conditions also lead to a decline in consumer confidence, which inhibits economic growth and discourages foreign investment. For most countries in the world today, the primary objective of macroeconomic policies is still to achieve price stability and sustainable economic development. Among other things, monetary policy aims to increase the purchasing power of the national

currency while simultaneously promoting sustainable economic growth (Umaru & Zubairu 2012, Ifechukwu-jacobs, & Atueyi, 2024)

Regrettably, the Nigerian growth rate has been relatively low. According to WDI (2021), economic growth in sub-Saharan Africa was 2.30% and 3.01% in 2017 and 2018 respectively. In the same period, economic growth was 0.83% and 1.92% in Nigeria. The report also noted that the average growth rate of low-income countries between 1980 and 2018 was 3.9% against 2.32% recorded in Nigeria, in 2020 and 2021 the Nigeria growth rate stood at -1.93% and 3.40% respectively. Since low economic growth is harmful to the economy, economists and policy makers are constantly worried about growth drivers: understanding growth drivers could tantamount to getting an economy into the desired growth trajectory. One of the identified growth drivers in the economic literature is price stability.

Economic theory holds that monetary policy is the most effective tool for controlling inflation and that low, stable inflation is essential for market-driven, long-term economic growth. Moreover, monetary policy has proven to be the most flexible tool for achieving medium-term stabilization goals out of all the government's tools for influencing and directing the economy (Nair &, Anand, 2020, Ifechukwu-Jacobs, Arinze, & Nwangwu, & Atueyi, 2025**).** Despite this, there are a number of economic theories on price stability as a tool for economic growth, and economists generally agree about the importance of low and steady inflation. Despite the existence of various economic theories regarding price stability as a tool, attaining price stability in Nigeria has remained a fundamental objective of monetary policy since the 1970s. Although the monetary authorities have set an inflation target, the country has encountered a significant macroeconomic problem due to a prolonged increase in prices. For instance, inflation targets have not been met over the years.

The inflation rates in the country are currently at double-digit. For instance, the inflation rate rose from 12.22% in 2012 and further to 18.60% in 2016. In 2019, the inflation rate fell slightly to 11.98%. More so, the inflation rate for 2020 and 2021 was at 12.30% respectively. It is widely agreed in the literature that inflation is inimical to growth; it readily follows that policymakers should aim at a low rate of inflation. But how low should inflation be (threshold level)? Should the target inflation be 10 percent, 5 percent, or for that matter, zero percent? More generally, at what level of inflation does the relationship between inflation and growth become negative?

This study will make several contributions to the literature. First, to our knowledge, studies examining the implication of inflation targeting on economic growth in the context of Nigeria lack current literature (i.e 2022). What we know so far on the subject matter is restricted to other economy. Secondly, most studies in other economy have only examined the subject matter without ascertaining the implication of inflation targeting pre and post introduction. However, it is pertinent to note that the ability of the government to achieve price stability in the country rests on the quality of policies undertaken by the monetary authorities. Hence, this study is expected to strengthen evidence-based decisions of Nigeria's monetary authorities on the impact of inflation targeting and economic growth. Third, it is also observed that most studies in Nigeria on inflation and economic growth utilized 2019; and this makes these studies relatively obsolete because the effect of policies and reforms keeps changing and also impact the economy differently with time - because these effects change the dynamics within the economy, hence making further studies a worthwhile task. The present study, therefore, extends the data span to 2024, and this helps to examine the phenomenon in a more contemporary setting, and also sheds new light on the impact of capital inflows on the economic growth of countries.

**1.2. Research Objectives**

The main objective of this study is to examine the inflation targeting and economic growth in Nigeria. The following are specific objectives

i. To ascertain the impact of inflation on Nigeria's economic growth.
ii. To estimate the threshold effect of inflation on economic growth in Nigeria.
iii. To determine the effect of inflation targeting on Nigeria's economic growth.

## LITERATURE REVIEW

### 2.1. Conceptual Literature

The key concepts of this study namely inflation; inflation targeting and economic growth are discussed in this section

#### 2.1.1 Inflation

According to Umaru and Zubairu (2012), inflation is the steady rise in the average price level of a wide range of goods and services over time in a nation. The adage "inflation is too much money chasing too few commodities" sums up how closely money has always been linked to inflation. Inflation is defined by Umar and Wen (2020) as an economic situation in which the expansion of the money supply exceeds the addition of goods and services to the economy. Yasuo, Takushi and Willem (2020) and Bianchi, Melosi, & Rottner, (2021) define inflation as the widespread and steady increase in the price of goods and services throughout an economy. There are many definitions of inflation in the literature; however, for the sake of this study, we accept Umaru & Zubairu (2012). The consumer price index, wholesale pricing index, producer price index, and other price indices all use the percentage change in the index to determine the inflation rate.

Eichengreen, Gupta and Choudhary, (2020) states that the consumer price index (CPI), for example, assesses the cost of a representative basket of goods and services purchased by the typical consumer and is developed based on a regular survey of consumer prices. Changes in the price of specific goods and services have varying degrees of impact on inflation data because of the diverse weights in the basket. As a measure of price level, the CPI has some shortcomings (Ekinci, Tüzün, & Ceylan, 2020). To start, it excludes goods and services, such machinery that are bought by companies and/or the government. Second, it doesn't take any adjustments into consideration. a possible deterioration in product quality over time. Finally, price changes in commodities that are interchangeable are not considered. The CPI basket also does not alter frequently.

#### 2.1.2 Inflation Targeting

Many central banks have adopted the technique of "inflation targeting" in recent years to control the general increase in the level of prices. Inflation targeting, according to Aboudi and Khanchaoui (2021), is a central banking strategy aimed at reaching predetermined, publicly stated goals for the annual rate of inflation. In a similar vein, (Kuttner 2014, Onya, Arinze, & Atueyi, 2025, Ohanyere Arinze, & Atueyi 2025**).** defined inflation targeting as a monetary policy framework in which a central bank has an explicit, publicly disclosed medium-term target inflation rate. A central bank projects and publishes a predicted inflation rate, sometimes known as a "target" inflation rate, and then attempts to influence actual inflation through instruments such as adjustments in interest rates.

Although different authors have provided different explanations of inflation targeting, Adaramola and Dada, (2020) are used in this study because they are believed to be representative of those found elsewhere in the literature. They assert that the five key elements of inflation targeting, a tool for monetary policy, are as follows: The first is the public declaration of numerical targets for medium-term inflation, and the second is an institutional commitment to price stability as the primary objective of monetary policy, with all other objectives being subjugated to it. Fourth, improved transparency of the monetary policy strategy through communication with the public and markets on the monetary authorities' plans, fifth, an information-inclusive method in which the choice of policy instruments is based on a variety of variables rather than just monetary aggregates or the exchange rate. Goals and choices; four, enhanced central bank accountability for achieving inflation targets; and five.

#### 2.1.3 Economic Growth

Instead of growth in aggregate demand, economic growth is defined as the rise in potential output, or production at full employment. It is the gradual rise in the volume of goods and services produced by an economy, typically a nation. A nation's potential to generate products and services is also increased (Tung & Thanh, 2015; Valera, Holmes & Hassan, 2018). According to conventional wisdom, economic growth is a good thing because it indicates an increase in national output from one era to the next. On the other side, economic growth changes from negative to positive during the sliding phase of the business cycle, indicating a prolonged decline in national production.

Economic growth, according to Suleiman, Yusuf, and Suleiman (2019), is a rise in the total amount of products and services generated by an economy during a specific time period. In this investigation, this definition is used. Economic growth can be described in terms of per capita income when compared to a nation's population. Per capita income is determined by dividing a nation's total annual output of goods and services by its populace. Economic growth, according to Ayele, Mitiku & Bayissa, (2023), is a steady increase in the net national product or national output per person over time; this suggests that the rate of growth of the total output must be higher than the rate of population growth.

## 2.2. Theoretical Literature

### 2.2.2 Structural Inflation Theory

In developing nations like Argentina, Brazil, and Chile, structural rigidities are cited by the structuralist school of South America as the primary contributor to inflation. Other developing nations like Nigeria also experience this kind of inflation. According to the structuralist, inflation is required for growth. This theory holds that rigidities emerge as the economy grows and eventually cause structural inflation. Due to an inelastic domestic supply, agricultural products' prices grow when demand for them increases. Because of the inelastic nature of their production due to a flawed system of land tenure and other rigidities, the output of these items does not grow as their prices rise (Ihingan 1997). The products can be imported to stop the growth. The cost of imported goods compared to their domestic price, are somewhat higher. This tension drives up prices even further across the economy. When the cost of goods and other items grows, wage earners push for wage rate increases to make up for the decline in their real incomes. As a result, the cost of industrial goods rises and inflation spreads across the entire economy.

According to this hypothesis, economic structural issues can cause an increase or reduction in supply as well as an increase or decrease in demand. Totonchi (2011) contends that rapid economic growth results from structural improvement, and that less developed nations will unavoidably experience inflation if they don't make any changes to their ingrained underdevelopment. He also links the expansion of the service sector brought on by immigration and population increase to structural inflation, as stressed by structuralism. Since Nigeria's population is expanding while the country's economic and social structures aren't changing, this argument applies to that nation. This may help to explain why it has proven challenging to combat the nation's inflationary surge.

When examining the effect of structural phenomena on inflation in Nigeria, Fashoyin (1986) in Fatukasi (2012) identified ten structural factors, including agricultural bottlenecks, industrial production, imports, exports, food import and production, trade union militancy, indirect taxation on companies, wage bill, government expenditure in the form of deficit financing, and money supply, as being the primary causes of inflation in Nigeria between 1970 and 1980. According to Totonchi (2011), common anti-inflation measures like contractionary monetary policy are frequently in contradiction with countries with structural problems, especially less developed countries, as such policies prescriptions end up slowing the economic growth of the less developed economies. Fundamentally, this is accurate given that less developed nations need to solve a number of shortcomings, including those related to infrastructure and Regarding the impact of structural phenomena on inflation in Nigeria.

**Table 2.1 webometric analysis on Empirical Studies**
**Inflation and Economic Growth**

| SN | Author(s) | Country | Topic | Variables | Method | Finding |
|---|---|---|---|---|---|---|
| 1 | Meni and Kimunio, (2024) | Kenya | investigated the effectiveness of inflation targeting in stabilizing food prices | **Dependent variable:** food prices **Independent variables:** inflation targeting | OLS | The findings indicate that, while inflation targeting has succeeded in controlling overall inflation, it has struggled to reduce food price volatility. |
| 2 | Aannerud and Friman, (2024) | Jordan | assessed the effectiveness of inflation targeting in promoting economic growth | **Dependent variable:** economic growth **Independent variables:** inflation targeting | OLS | Our findings suggest a positive effect of inflation targeting on economic growth in the static model, but autocorrelation issues necessitate the use of a dynamic model |
| 3 | Ikram, Mohamed and Sami (2023) | Pakistan | determined whether inflation targeting could improve economic growth and financial stability | **Dependent Variable:** economic growth and financial stability **variables:** inflation targeting | GMM | The results show that some structural and institutional preconditions, should be set up during the pre-adoption period. |
| 4 | Combes, Kaba and Minea, (2024) | Kenya | looked at the effects of inflation targeting on firm performance | **Dependent variable:** firm performance, **Independent variables:** inflation targeting | OLS | reveal that inflation targeting significantly increases firm performance, mainly measured by sales growth and productivity growth |
| 5 | Ozili, (2024) | Nigeria | identified the important success factors for an effective inflation targeting monetary policy regime in Nigeria | **Dependent variable:** economic growth, **Independent variables:** inflation targeting | Survey | The identified success factors include the size or number of economic agents monitoring the inflation target, the credibility of the central bank, the degree of central bank independence, reduction in budget deficit, limited dollarization of the Nigerian economy, effective central bank communication, avoidance of fiscal dominance, financial development, greater financial inclusion, |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | financial stability, and insecurity caused by farmer-herder clashes and terrorism |
| 6 | Achiyaale, et. al. (2023) | Ghana | examined the extent to which inflation targeting and inflation volatility impact on economic growth | **Dependent variable:** economic growth **Independent variables:** inflation targeting and inflation volatility | GARCH | The study found that inflation targeting had a positive significant effect on economic growth in Ghana. Also, despite the volatile nature of inflation in Ghana, inflation volatility had no significant effect on economic growth |
| 7 | Islam and Ahmed, (2023) | Pakistan | examined inflation targeting: a time-frequency causal investigation | **Dependent variable:** price levels **Independent variables:** inflation targeting | frequency scales methodology | a positive causal link between the policy rate and inflation, where an increase in the central bank's interest rates leads to an upsurge in price levels. |
| | | | | | | |
| 8 | Surjit, Karan and Prakash (2023) | United Arab Emirates | examined the impact of formal adoption of inflation targeting (IT) on inflation, growth | **Dependent variable:** growth **Independent variables:** inflation targeting | Survey | We find that while the early adopters of IT (pre-2000) all saw declines in inflation rates following adoption |
| 9 | Uloko, Oniore and Aigbedion M. (2024) | Nigeria | delved into the effects of monetary strategy on inflation benchmarks in Nigeria | **Dependent variable:** inflation **Independent variables:** monetary strategy . | ADRL | The findings revealed that both the volume of currency in circulation and the monetary policy rate demonstrated a negative yet substantial influence in the immediate term. |
| 10 | Thelile, Ilesanmi and Mashapa (2022) | Africa and Europe | assessed the effect of inflation targeting (IT) policy on inflation uncertainty and economic growth in African and European | **Dependent variable:** economic growth **Independent variables:** inflation targeting | **panel data analysis** | The results are as follows: (1) Inflation Targeting policy is insignificant in reducing inflation uncertainty in South Africa, and the effect of the policy in Ghana is inconclusive; |

| | | | | | | |
|---|---|---|---|---|---|---|
| 11 | Zhongxia and Shiyi (2022) | China | evaluated the effects of inflation targeting countries' track records on their macroeconomic performance | **Dependent variable:** artificial intelligence **Independent variables:** performance . | Survey | Results from the dynamic panel and local projection regressions suggest that better IT track records do not lead to superior growth and inflation rates in the short term. |
| 12 | Thuy, (2022) | Malaysia | re-examined the treatment effect of inflation targeting on two important macro indicators which are inflation rate and output growth | **Dependent variables:** output growth **Independent variables:** inflation targeting | Survey | The examination finds that there is no significant difference in terms of the inflation rate and gross domestic product growth over the whole research period between the treatment and control groups. |
| 13 | Kelebogile and Ravinder (2021) | South Africa | analyzing the influence of inflation on economic growth in South Africa | **Dependent variable:** economic growth **Independent variables:** inflation | VECM | The VECM results showed that GDP is explained by lagged values of GDP, inflation and the consumer price index control variable in the short run. |
| 14 | Yartel, (2021) | Ghana | investigated the relationship of inflation targeting monetary policy and economic growth in Ghana. | **Dependent variable:** economic growth **Independent variables:** inflation targeting | GARCH | The empirical results for the combined growth model were consistent with the findings for the two periods. |
| 15 | Hippolyte, Eric and René (2020) | | evaluated the impact of publication selection bias as for the macroeconomic effects of inflation targeting (IT) -a popular approach to implementing monetary policy- documented in the existing literature | **Dependent variable:** economic growth **Independent variables:** inflation targeting | Point estimates | showed that a significant part of the documented positive effects of IT on inflation and, to some extent, output growth volatility, is in fact due to publication selection bias |

## RESEARCH METHODS

### 3.1 Theoretical Framework

### 2.2.3 Phillips Curve

Altavilla (2007) describes the Philip Curve as the adverse relationship between the inflation and the unemployment rate.

Philips curve equation: $INFt = \beta 0 + \beta 1UNMPt + Ut$……...….....(1).

Historical studies, Phillips (1958), studies the wages inflation and unemployment in the UK from 1861 to 1958. In 1958, an adverse relationship between unemployment and inflation in a graphical or equation

formed discovered by William Phillips in a Britain. He found an unvarying negative relationship between the inflation and unemployment.

In other words, Phillips Curve shows that when there is a high rate of inflation that leads to lower unemployment (E.g., a tradeoff between inflation and unemployment).

Failure after 1970s, a number of countries (including Nigeria) encountered high levels of both inflation and unemployment that is known as stag inflation. He shows that this would not be occurred since inflation and unemployment cannot increase at the same time. Original form of Phillips curve is no longer in use by most academician since there is no zero inflation because of a flexible exchange rate, increase in oil prices and it was shown to be too simplistic. Now, this subsection of the thesis describes as the augmented Philips Curve.

As a result of systematic and continuous positive inflation rate that change the people's expectations for inflation rate leads to supplementary forms of the Phillips curve which take expected inflation into contemplation. Today, Phillips curve theory goes under names called augmented Phillips curve.

Augmented Phillips Curve equation: $INFt = \beta0 + \beta1UNMPt + INFexp + Ut$……..(2)

In the short-run, augmented Phillips curve moves up when the expected inflation rises and the monetary policy cannot affect unemployment because, it changes back to its natural rate of unemployment in the long-run.

Moreover, the long-run disagrees with monetary policy since it does not permit short-run fluctuations. The potential of the monetary authority is to decrease unemployment for a limited period of time by increasing the price rate forever (Faria and Camerio, 2011).

**Mathematical Framework**

Phillips modeled the relationship as:

\frac{dw}{w} = f(U)

Where:

= percentage change in money wage rate

= unemployment rate

= a decreasing function of (higher → lower wage increase)

**Why we choose this Theoretical Framework**

The Phillips Curve helps policymakers understand the short-term trade-off between unemployment and inflation. For example, if a central bank stimulates the economy to reduce unemployment, it may lead to higher inflation. Governments and central banks use the Phillips Curve when formulating policies. It provides guidance for balancing goals: keeping inflation low without causing high unemployment. Influenced early policies like demand management in Keynesian economics. In the short run, the curve is useful to describe how output gaps affect inflation and employment. Helps economists model business cycles and predict outcomes of policy interventions. Over time, economists realized the long-run Phillips Curve is vertical, implying no long-term trade-off between inflation and unemployment. This led to the expectations-augmented Phillips Curve and natural rate of unemployment concepts (Friedman, Phelps). The curve emphasizes the importance of inflation expectations. If people expect inflation, they act accordingly, affecting wages and prices—this insight shapes central bank credibility and communication strategies. The breakdown of the Phillips Curve in the 1970s (high inflation + high unemployment) led to deeper analysis and monetarist critiques. Resulted in the development of New Keynesian models that incorporate price stickiness and expectations. In the 21st century, the relationship has weakened or become flatter in many economies. Yet, it still serves as a conceptual tool in central bank models (like the Fed's dual mandate: maximum employment and price stability).

### 3.2 Model Specification

To examine the influence of IT on economic growth as well as unveil the existence of a non-linear relationship between inflation and economic growth in Nigeria, quadratic function was used to estimate the threshold level or the turning point above which inflation exerts a negative effect on economic growth in the case of Nigeria. Most empirical studies have used the threshold endogenous model developed by Sarel (1996). However, this model requires a large set of data to make valid statistical inferences. Thus, given the relatively small size of the sample in the present study (51 observations), and following Rutayisire (2015), the following quadratic function was used in the present study to account for the non-linear relationship between inflation and growth:

$$GDP = f(GCF, HCI, INF, INF^2, DD, DD*INF, M2, EXR) \quad 3.2$$

The full econometric version of Equation 3.2 with log transformation becomes:

$$LGDP = \beta_0 + \beta_1 LGCF + \beta_2 LHCI + \beta_3 LINF + \beta_4 LINF^2 + \beta_5 DD + \beta_6 (DD*LINF) + \beta_7 LM2 + \beta_8 LEXR + \mu \quad 3.3$$

Where *LGDP* = log of real gross domestic product; *LGCF* = log of gross fixed capital formation; *LHCI* = log of human capital index; *LINF* = log of inflation rate; $LINF^2$ = log of squared inflation rate; *DD* = IT dummy; *DD*LINF* = interaction term (product of IT dummy and log of inflation rate); *LM2* = log of broad money supply; *LEXR* = log of exchange rate; $\beta_0$ = intercept term; $\beta_1$ - $\beta_8$ = parameter estimates, and μ = random error disturbance.

In Equation 3.3, it is expected that the linear term of inflation (*LINF*), have a positive sign and is designed to reflect the beneficial effects of low inflation on real GDP (LGDP), while the squared term of inflation ($LINF^2$) is expected to have a negative sign and should measure the adverse impact associated with higher inflation. Since the squared term increases in value faster than the linear term, it implies that the presence of negative effects of inflation will eventually outweigh the positive effects. Moreover, the combination of a positive and significant linear term with a negative and significant squared term suggests that the impact of inflation on real GDP can be described as an inverted U-shaped curve, meaning that the positive effects of inflation switches to negative when inflation exceeds a threshold level. NB: $LINF^2 = 2LINF$, so that $\beta_4 LINF^2 = 2\beta_4 LINF$.

#### 3.2.2 *A priori* Specification

The *a priori* expectation of the relevant variables of the model are summarized in Table 3.1.

**Table 3.1: Summary of *A priori* Expectation**

| Variable | **Coefficient Symbol** | **Expected Sign** |
|---|---|---|
| *LGCF* | $\beta_1$ | +, $\beta_1 > 0$ |
| *LHCI* | $\beta_2$ | +, $\beta_2 > 0$ |
| *LINF* | $\beta_3$ | +, $\beta_3 > 0$ |
| $LINF^2$ | $\beta_4$ | -, $\beta_4 < 0$ |
| *DD* | $\beta_5$ | +, $\beta_5 > 0$ |
| *DD*LINF* | $\beta_6$ | +, $\beta_6 > 0$ |
| *LM2* | $\beta_7$ | +, $\beta_7 > 0$ |
| *LEXR* | $\beta_8$ | +, $\beta_8 > 0$ |

**3.5 Evaluation Technique**

Following the estimation of the model, we proceed to the evaluation of results of the estimations to determine the reliability of results. The evaluation consists of deciding whether the estimates of the parameters are theoretically meaningful, statistically reliable, and econometrically satisfactory. For this purpose, the study used the various criteria which are classified into three as follows:

**Economic Criterion**

This criterion discusses the appropriateness of the specification of the model from the point of view of economic theory. This includes examining whether the relevant variables have been included, alongside analysis of theoretical conformity of the estimated coefficients, particularly the signs and magnitude with relevant theory. This also examines whether the results agree with *a priori* specification or not, as well as how they satisfy restrictions contained in the underlying theory.

**Statistical Criterion (First-Order Test)**

Under this criterion, the estimates was evaluated based on statistical theory. This criterion is also called the first-order test because it tests the reliability of economic theory. This criterion uses test statistics such as the R-squared and R-squared adjusted; F-statistic and the T-statistics to evaluate the reliability of the estimates. The **R-squared and R-squared Adjusted** measure the percentage of total variations in the dependent variable that was accounted for by variations in the independent variables. That is, they measure the explanatory powers of the explanatory variables but the R-squared adjusted accounts for loses in the degree of freedom. The **F-statistic** measures the overall significance of the regression model. However, the **T-statistics** measure the individual significance of the parameter estimates.

**Econometric Criterion (Second-Order Test)**

This criterion is also called the second-order test because it tests the reliability of statistical theory. Under this criterion, we test the estimates for various econometric problems such as the problem of Autocorrelation; and Heteroskedasticity problems. For this purpose, we used the Breusch-Godfrey Serial Correlation LM test for autocorrelation test, Breusch-Godfrey-Pagan statistic for heteroskedasticity test, and Jaque-Bera statistic for normality test. We reject the null hypotheses of no autocorrelation, normality and homoskedasticity if the probability values of the relevant statistics are less than 0.05, otherwise we accept the null hypotheses.

**3.6 Nature and Sources of Data**

These secondary sources of data for this study were sought through the following sources, including World Bank data from 1981-2024.

| s/n | Variables | Sources |
|---|---|---|
| 1 | Real Gross Domestic Product (LGDP): | CBN |
| 2 | Gross Fixed Capital Formation (LGCF): | CBN |
| 3 | Money Supply | CBN |
| 4 | Exchange Rate | CBN |
| 5 | Human Capital Index | World bank index |

**PRESENTATION AND ANALYSIS OF RESULT**

**4.0 Presentation of Data**

The raw and logged data for this study were presented in the appendix I & II respectively. The data was logged to present the data in the same based before it was use for the analysis. Another reason is to achieve normality.

**4.1 Unit Root Test**

The time series variables when used in their natural form, often leads to spurious regression results and this misleads policy makers. In other not to obtain spurious result the variables were first tested for stationary by employing the Augmented Dickey Fuller test (ADF). The Result obtained from the analysis is presented in the table below

**Table 4.1 Unit Root Result**

| Variables | ADF | Integration | Significance |
|---|---|---|---|
| RGDP | -8.131994 | I (3) | 5% |
| GFCF | -9.700939 | I (1) | 5% |
| HCI | -7.502730 | I (1) | 5% |
| INF | -6.327872 | I (1) | 5% |
| $INF^2$ | -6.474062 | I (1) | 5% |
| DD | -4.479375 | I (1) | 5% |
| MS | -4.604681 | I (0) | 5% |
| EXR | -4273233 | I (1) | 5% |

**Source:** E-view 11 version.

From the result in table 4.1 above, it is well observed that money supply is integrated at level 1(0), furthermore, gross fixed capital formation (GFCF), human capital index (HCI), inflation rate (INF), inflation rate square ($INF^2$), inflation targeting dummy (DD) and exchange rate (EXR) were all integrated at first difference (1). However real gross domestic product were integrated at second difference (2)

This implies that all the variables are stationary at level, first differencing and second differencing with ADF values are higher than their critical values at 1%, 5% and 10% significance level. More so, because of the differences in the oder of integration the research will conduct bound test for co-integration.

**4.2 Co-integration Test**

The second step is the testing of the level of co-integration between the variables, order that is if in the long run two or more variables move closely together, it implies a long run equilibrium relationship as the difference between them is not stationary. A lack of co-integration suggests that such variables have no long-run relationship.

From the table above, it is obvious that study's variables were stationary at different orders, of levels, 1(1) and 1(2), i.e. at first difference and at levels. It is safe for the study to employ bound test approach to validate or substantiate for the presence or otherwise of Co-integration, thus the study runs Autoregressive Distributed Lag (ARDL).

ARDL Bounds Test
Date: 06/25/25 Time: 00:21
Sample: 1983 2024
Included observations: 42
Null Hypothesis: No long-run relationships exist

| Test Statistic | Value | k |
|---|---|---|
| F-statistic | 6.228076 | 7 |

Critical Value Bounds

| Significance | I0 Bound | I1 Bound |
|---|---|---|
| 10% | 2.03 | 3.13 |
| 5% | 2.32 | 3.5 |
| 2.5% | 2.6 | 3.84 |
| 1% | 2.96 | 4.26 |

**Source: Researchers Compilation (2024) Using E-Views 9**

Tables above elaborate the result of the ARDL bound test approach to Co-integration. Obviously, the result discovered the presence of co-integration among subsisting variables. The f-statistics value of 6.228076 is greater than the lower and upper bound values at 5% level of significance. This therefore shows there is abundant evidence proving the presence of a long-run equilibrium nexus between inflation targeting and economic growth in Nigeria within the study period of 1981 and 2024

**Table 5: Model of the long Run Relationship between inflation targeting and economic growth in Nigeria**

Cointegrating Form

ARDL Cointegrating And Long Run Form
Dependent Variable: LRGDP
Selected Model: ARDL(1, 2, 0, 1, 1, 0, 1, 1, 1)
Date: 06/25/25 Time: 01:07
Sample: 1981 2024
Included observations: 42

Cointegrating Form

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| D(LLGFCF) | 0.101471 | 0.108481 | 0.935377 | 0.3593 |
| D(LLGFCF(-1)) | 0.194289 | 0.090734 | 2.141305 | 0.0431 |
| D(HCI) | 0.107509 | 0.127279 | 0.844676 | 0.4070 |
| D(INF) | -0.001331 | 0.000915 | -1.455059 | 0.1592 |
| D(LINF2) | 0.010528 | 0.010362 | 1.016019 | 0.3202 |
| D(LDD) | -0.002870 | 0.032637 | -0.087922 | 0.9307 |
| D(INF * DD) | 0.000000 | 0.000001 | 0.351540 | 0.7284 |
| D(LMS) | 0.013556 | 0.015339 | 0.883775 | 0.3860 |
| D(EXR) | -0.000337 | 0.000268 | -1.258322 | 0.2209 |
| ECM(-1) | -0.129274 | 0.052432 | -2.465553 | 0.0216 |

ECM = LRGDP - (-1.9664*LLGFCF + 0.8316*HCI -0.0253*INF + 0.3744 *LINF2 -0.0222*LDD -0.0000*DD*INF + 0.6264*LMS + 0.0021*EXR + 8.1700 )

Long Run Coefficients

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| LLGFCF | -1.966448 | 1.233976 | -1.593587 | 0.1247 |
| HCI | 0.831642 | 0.925187 | 0.898891 | 0.3780 |
| INF | -0.025335 | 0.012396 | -2.043813 | 0.0526 |
| LINF2 | 0.374379 | 0.175933 | 2.127959 | 0.0443 |
| LDD | -0.022197 | 0.247940 | -0.089527 | 0.9294 |
| DD*INF | -0.000009 | 0.000006 | -1.400091 | 0.1748 |
| LMS | 0.626447 | 0.152504 | 4.107731 | 0.0004 |
| EXR | 0.002103 | 0.001992 | 1.055786 | 0.3020 |
| C | 8.170039 | 0.579259 | 14.104284 | 0.0000 |

Table 7 has a coefficient of error correction of -0.129274 and the corresponding probability value of 0.0216. The coefficient is rightly signed (negative) with p.value less than 0.05 level, indicating a statistically significant speed of adjustment. This means that changes in inflation targeting will eventually return on a normal trend in the long run. The coefficient indicates about 12% of the deviations of the economic growth in Nigeria due to inflation rate instability can be corrected within a year. This implies

that the inflation rate targeting variables (GFCF, HCI, DD, MS, and EXR) can be used to stabilise the economic growth.

The nature of the long run relationship is explained by the coefficient of the long run model as shown:

LRGDP =-1.9664*LLGFCF + 0.8316*HCI -0.0253*INF + 0.3744 *LINF2 -0.0222*LDD - 0.0000*DD*INF + 0.6264*LMS + 0.0021*EXR + 8.1700

The results show the coefficients indicate that gross fixed capital formation, inflation rate domestic debt has a negative coefficient, while human capital index, inflation square, money supply and exchange rate has a positive coefficient.. This study shows that inflation rate has negative significant effect on economic growth of Nigeria, while inflation rate square poses a positive significant effect on economic growth of Nigeria, money supply has a significant positive effect economic growth of Nigeria and the probability of inf, $inf^2$ and money supply are less than 0.05% level of significance. Variables like human capital index, inflation targeting dummy and exchange rate are greater than 0.05% level of significant, this make them insignificant determining inflation rate targeting at the long-run.

The error correction model term ECM (-1) of about 0.12% is significant with the expected negative sign. A significant error term with the right sign indicates strong feedback effect of inflation targeting from its long-run growth path. The coefficient of the error term is -0.129274 this shows that about 12% of the discrepancies between the actual and the equilibrium value of the inflation rate is corrected in each period (annually)

**Table 6: Model of the short Run Relationship between inflation targeting and economic growth in Nigeria**

Dependent Variable: LRGDP
Method: ARDL
Date: 06/25/25 Time: 00:45
Sample (adjusted): 1984 2024
Included observations: 41 after adjustments
Maximum dependent lags: 3 (Automatic selection)
Model selection method: Akaike info criterion (AIC)
Dynamic regressors (3 lags, automatic): LLGFCF HCI INF LINF2 LDD DD *INF LMS EXR
Fixed regressors: C
Number of models evalulated: 196608
Selected Model: ARDL(1, 3, 1, 1, 1, 0, 1, 1, 1)

| Variable | Coefficient | Std. Error | t-Statistic | Prob.* |
|---|---|---|---|---|
| LRGDP(-1) | 0.855874 | 0.048753 | 17.55549 | 0.0000 |
| LLGFCF | 0.050085 | 0.104618 | 0.478743 | 0.6373 |
| LLGFCF(-1) | -0.248431 | 0.130222 | -1.907746 | 0.0709 |
| LLGFCF(-2) | 0.084618 | 0.130713 | 0.647359 | 0.5248 |
| LLGFCF(-3) | -0.232713 | 0.097923 | -2.376490 | 0.0276 |
| HCI | 0.169101 | 0.127277 | 1.328611 | 0.1989 |
| HCI(-1) | -0.134400 | 0.113338 | -1.185832 | 0.2496 |
| INF | -0.001403 | 0.000882 | -1.590447 | 0.1274 |
| INF(-1) | -0.001320 | 0.000852 | -1.549613 | 0.1369 |
| LINF2 | 0.008531 | 0.010308 | 0.827681 | 0.4176 |
| LINF2(-1) | 0.030501 | 0.009888 | 3.084607 | 0.0058 |
| LDD | 0.014510 | 0.038915 | 0.372864 | 0.7132 |
| DD*INF | 1.100008 | 5.720007 | 0.019243 | 0.9848 |
| DD(-1)*INF(-1) | -1.320006 | 4.680007 | -2.819747 | 0.0106 |
| LMS | 0.007068 | 0.014567 | 0.485216 | 0.6328 |
| LMS(-1) | 0.079860 | 0.025794 | 3.096079 | 0.0057 |
| EXR | -0.000362 | 0.000245 | -1.474917 | 0.1558 |
| EXR(-1) | 0.000740 | 0.000249 | 2.974990 | 0.0075 |
| C | 1.256318 | 0.450127 | 2.791029 | 0.0113 |

| | | | |
|---|---|---|---|
| R-squared | 0.799390 | Mean dependent var | 10.41540 |
| Adjusted R-squared | 0.788842 | S.D. dependent var | 0.581491 |
| S.E. of regression | 0.019790 | Akaike info criterion | -4.700762 |
| Sum squared resid | 0.007833 | Schwarz criterion | -3.890308 |
| Log likelihood | 110.6649 | Hannan-Quinn criter. | -4.409978 |
| F-statistic | 182.1570 | Durbin-Watson stat | 2.574271 |
| Prob(F-statistic) | 0.000000 | | |

*Note: p-values and any subsequent tests do not account for model selection.

The result of the short run effect of inflation targeting and economic growth as measured by per RGDP is shown on Table 10. From the ARDL, the coefficient of the dependent variable (LGDP) introduced as an endogenous variable in the model showed a positive value at lag 1 but

Table 10 further revealed that gross fixed capital formation (GFCF) has positive relationships at current period, and lag 2. Then negative relationship in lag 1 and lag 3. However, only the lag 3 short run result has significant effect. Lag 1 and lag 3 has negative significant effect on economic growth in Nigeria. This suggests that a unit change in gross fixed capital formation (GFCF) would bring about a change in economic growth in Nigeria.

More so, human capital index showed a positive relationship at current year, and negative relationship at lags 1, both lags exhibit a negative relationship respectively. However, the p.value indicated insignificant effect in both the lag 1, lag current lags. This indicates that human capital index has a insignificant positive effect on economic growth in Nigeria.

Again inflation rate was found to have a negative relationship with economic growth at current year, and lag 1, The p.values show that the value for both period are statistically significant. However, This suggests that inflation for both current and first period are statistically insignificant on economic growth.

However, inflation targeting dummy (DD) showed positive relationship with economic growth at current year. The probability value is greater than 0.05 in current periods. This indicates that inflation targeting dummy has no significant positive effect on economic growth of Nigeria in the current

Further revealed that interaction between inflation targeting dummy and inflation rate (DD*INF) has positive relationships at current period, 2. Then negative relationship in lag 1. However, only the lag 1 short run result has significant effect on economic growth in Nigeria. This suggests that a unit change in interaction between inflation targeting dummy and inflation rate (DD*INF) would bring about a change in economic growth in Nigeria.

However, money supply (MS) has positive relationships at current period, Then positive at lag 1. However, only the lag 1 short run result has significant effect on economic growth in Nigeria. This suggests that a unit change in money supply (MS) would bring about a change in economic growth in Nigeria.

However, exchange rate (Exr) has negative relationships at current period, Then positive at lag 1. However, only the lag 1 short run result has significant effect on economic growth in Nigeria. This suggests that a unit change in exchange rate (Exr) would bring about a change in economic growth in Nigeria.

On the overall, the coefficient of determination (R2) revealed that about 79% of the change in inflation rate targeting can be explained by economic growth in Nigeria. This is confirmed by a significant p.value of 0.0000 from the F-statistics (182.15). The associated probability value of 0.000 indicates that the model's f-statistics value of 182.15 which measures the combined importance of the explanatory variables, is judged to be statistically significant at the 1 percent level. This suggests that the dependent and independent variables differ significantly from one another. The Durbin-Watson statistics of 2.574271 suggests that the result is reliable. The results have shown that inflation rate targeting variables have a short run significant effect on economic growth in Nigeria.

**4.5 Hypothesis Testing**

In a bid to carry out the necessary empirical analysis a hypothesis were formulated and have to be tested to verity the validity or otherwise of such proposition.

**Hypothesis One**

i. $H_0$: Inflation does not have a significant impact on Nigeria's economic growth.
   $H_1$: Inflation has a significant impact on Nigeria's economic growth.

From the above regression result, it was observed that t-test on Inflation is statistically insignificant; at first lag -1.590447 (0.1274). The probability result of Inflation which is 0.1274 and greater than 0.05 suggest that the null hypothesis of no significant effect of Inflation on economic growth should be accepted and alternative hypothesis rejected.

**Hypothesis Two**

i. $H_0$: There is no threshold effect of inflation on economic growth in Nigeria
   $H_1$: There is threshold effect of inflation on economic growth in Nigeria.

From the above regression result it was observes that t-test on threshold is statistically significant, with its values as 3.084607 (0.0058). The probability result of threshold which is 0058 and less than 0.5 suggest that the null hypothesis of no significant effect of threshold on economic growth should be rejected and alternative hypothesis accepted this further means that there is threshold effect of inflation on economic growth in Nigeria.

**Hypothesis Three**

i. $H_0$: Inflation targeting does not have a significant effect on Nigeria's economic growth.
   $H_1$: Inflation targeting does have a significant effect on Nigeria's economic growth.

Meanwhile, drawing inference from table 4.3 above we find out that the computed value of T- test for Inflation targeting is -2.819747 While it's probability is -0.0106 since it's probability is less than 0.05% level of significance, we reject the null hypotheses ($H_0$) and accept the alternative hypothesis which says that Inflation targeting have a significant negative effect on Nigeria's economic growth.

**CONCLUSION AND RECOMMENDATIONS**

This research examined the inflation targeting and economic growth in Nigeria. The data generated were subjected to statistical analysis and the following output was ascertained.

The study found that Inflation rate has insignificant negative effect on Nigeria's economic growth. The findings is in line with the study of Idris & Bakar (2017) who explored Nigeria's inflationary trend to determine its impact on economic growth. The study show that inflationary trend and GDP growth to better understand how Nigeria's inflation rates affect the desired economic growth level. The study concluded that Nigeria's current inflationary trend negatively affects sustainable growth and development, meaning that one of the requirements for reaching the desired growth level in Nigeria is to control the excessive increase in the inflation rate.

The study found that Threshold effect of inflation has a significant negative effect on economic growth in Nigeria. This implies that inflation volatility can impede growth even if inflation on average remains restrained. The finding of the study is in line with the study of Sunday & Miriam, (2021) who studied Inflation targeting and economic growth in Nigeria: A Vector Auto Regressive (VAR) Approach. Inflation targeting is either strict or flexible, depending on the specified loss function of the central bank. Under strict inflation targeting, the central bank is only concerned about keeping inflation close to an inflation target over the shorter horizon

Inflation-targeting regimes is that the transparency of policy associated with inflation targeting has tended to make the central bank highly accountable to the public. Sustained success in the conduct of monetary policy as measured against a pre-announced and well-defined inflation target can be instrumental in building public support for an independent central bank, even in the absence of a rigidly defined and legalistic standard of performance evaluation and punishment. Inflation above the threshold is detrimental to growth in all the cases considered. Low inflation is growth-enhancing for the sub-sample of middle-income countries, but does not affect economic growth for the whole sample and the sub-sample of low-

income countries. The study is in line with the findings of Ayyoub, Chaudhry, & Farooq, (2011).who examined the Threshold effect of inflation on economic growth in Nigeria.

## 5.2 RECOMMENDATIONS

Based on the findings the followings are recommended

1. Effort should be made by monetary authorities to target inflation strongly by reducing inflation to a single digit as contained in the economic recovery growth plan
2. Inflation threshold need not be necessarily the inflation target, the inflation objective for monetary policy should be set lower than the inflation threshold.
3. Monetary authorities should make a more practical effort to manage inflation forcefully in order to avert its negative effects by assuring a bearable rate (Rate of unemployment at which money wage inflation is stable) that would boost Nigeria's economic growth

## REFERENCES

Aboudi, S. E., & Khanchaoui, I. (2021). Exploring the Impact of Inflation and External Debt on Economic Growth in Morocco: An Empirical Investigation 794 with an ARDL Approach. Asian Economic and Financial Review, 11(11), 894- 907. https://doi.org/10.18488/journal.aefr.2021.1111.894.907

Achiyaale, R. A., Adaletey, J. E., Mbilla, S. A. E and Tsorhe, D. K. (2023) Economic Growth Implications of Inflation Targeting and Inflation Volatility: An Emerging Economy's Perspective. *Journal of Economics, Management and Trade 29(9), 134-149*

Adaramola, A. O., & Dada, O. (2020). Impact of inflation on economic growth: Evidence from Nigeria. Investment Management and Financial Innovations, 17(2), 1-13. nnhttps://doi.org/10.21511/imfi.17(2).2020.01

Ahmed, S. (2024). An Empirical Study on Inflation and Economic Growth in Bangladesh. OIDA *International Journal of Sustainable Development*, Vol. 2, No. 3, pp. 41-48.

Ayele, A., Mitiku, F., & Bayissa, M. (2023). Impact of Inflation and Unemployment on Economic Growth in Ethiopia (1991-2020). *Journal of Somali Studies*, 10(2), 97-116. https://doi.org/10.31920/2056-5682/2023/v10n2a5

Combes, J. L., Kaba, K., Minea, A. (2024) Inflation targeting and firm performance in developing countries. *Journal of Economic Dynamics and Control 163(1), 1-16.* looks at the effects of inflation targeting on firm performance

Egonmwan, J. S. & Ibodje, S. (2001). *Development administration: Theory and practice*. Benin City: Thesyin Nig Ltd

Hippolyte W. B., Eric G. K. & René T. (2020) Inflation targeting: Genuine effects or publication selection bias? *European Economic Review 128,(2), 15-23*

Ifechukwu-jacobs, C.J & Atueyi, C.L (2024) Material management and productivity of Nigeria bottling company Onitsha Anambra State. *International Journal of Economics, Finance & Entrepreneurship,* 9(8) 17-32

Ifechukwu-Jacobs, C.J Arinze, E. S.; & Nwangwu, J.C & Atueyi, C.L (2025). Financial literacy and youth entrepreneurship in South East Nigeria. *International Journal of Business & Law Research 13(2):152-162, April-June, 2025*

Ikram, B. R., Mohamed A. C. and Sami M. (2023) Inflation Targeting, Economic Growth and Financial Stability: Evidence from Emerging Countries. *Quantitative Finance and Economics 7(4), 697–723*

Islam T. U, Ahmed, D. (2023) Inflation targeting: A time-frequency causal investigation. PLoS ONE 18(12): e0295453. https://doi.org/ 10.1371/journal.pone.0295453

Kelebogile, K. and Ravinder, K. (2021) Inflation Targeting and Economic Growth in South Africa-An Econometric Analysis. *Acta Universitatis Danubius 17(3), 1-15*

Meni, F. & Kimunio, I. (2024) Inflation Targeting and its Effect on Food Price Volatility in Kenya. *African Journal of Emerging Issues (AJOEI), 6(10), 93-110*

Nwangwu, J.C, Ohanyere, C.P Nwangwu, U.C & Atueyi, C.L (2025). Artificial Intelligence (AI) and decision-making in supply chain management of lubricant firms in Anambra State, Nigeria. *International Journal of Business & Law Research 13(1):242-254,*

Nwokoye, E.S., Igbanugo, I.C., & Dimnwobi, S.K (2020). International migrant remittances and labour force participation in Nigeria. African Development Review, 32(2), 125-137.

Nwokoye, E.S., Uwajumogu, N.R., & Dimnwobi, S.K (2019). Identifying domestic macroeconomic drivers for economic diversification in Nigeria. *Journal of Economics and Finance*, 4(1), 1-8

Ohanyere C. P., Arinze, S.E. & Atueyi C. L. (2025). Digital cyberspace cost and performance of deposit money bank in Nigeria. *International Journal of Business & Law Research 13(3):168-176,*

Onya, C. C.; Dr Arinze, S. E.& & Atueyi, C.L (2025) Job satisfaction and employee performance in private universities In Anambra State, Nigeria. *International Journal of Innovative Social Sciences & Humanities Research 13(2):229-241,*

Ozili, P. K, (2024) Inflation-targeting monetary policy framework in Nigeria: The Success Factors. Munich Personal RePEc Archive, MPRA Paper No. 120775, posted 09 May 2024 14:11 UTC Online at https://mpra.ub.uni-muenchen.de/120775/

Suleiman, A.M., Yusuf, A.U, & Suleiman, S. (2019). Effect of unemployment and inflation on economic growth in Nigeria (1985-2017). *Dutse Journal of Economics and Development Studies (DUJEDS)*, 113-120

Surjit S. B., Karan B. & Prakash L.(2023) Macro Effects of Formal Adoption of Inflation Targeting. International Monetary Fund WP/23/7

Thelile, N. S., Ilesanmi, K. D. and Mashapa S, (2022) The Effect of Inflation Targeting (IT) Policy on the Inflation Uncertainty and Economic Growth in Selected African and European Countries. Economies 10: 37. https://doi.org/10.3390/ economies10020037.

Thuy, H. D. (2022) Inflation targeting and economic performance over the crisis: evidence from emerging market economies. *Asian Journal of Economics and Banking 6(3), 337-352*

Tung, L.T. & Thanh, P.T. (2015). Threshold in the relationship between inflation and economic growth: Empirical Evidence in Vietnam. *Asian Social Science*,11(10), 105-112.

Uloko J., Oniore, J. & Aigbedion M. (2024) Impact of Monetary Policy on Inflation Targeting in Nigeria (1986– 2022). Department of Economics, Faculty of Social Sciences, Bingham University, Karu-Nassarawa State-Nigeria.

Umaru, A., & Zubairu, A.A. (2012). Effect of inflation on the growth and development of the Nigerian economy (An empirical analysis). *International Journal of Business and Social Science*, 3(10), 183-191

Valera, H. G. A., Holmes, M. J., & Hassan, G. M. (2018). Does inflation targeting matter for the behavior of inflation and output growth? Some regime-based evidence for Asian economies. *Journal of Economic Studies*. Retrieved from https://doi.org/10.1108/JES-01-2017-0023

Yartel, E. (2021). Inflation Targeting and Economic Growth in Ghana. *Afribary*. Retrieved from https://afribary.com/works/inflation-targeting-and-economic-growth-in-ghana.

Yusof, N., Nin, L. F., Kamal, H. K. M., Taslim, J. R. A., & Zainoddin, A. I. (2021). Factors that Influence the Inflation Rate in Malaysia. *International Journal of Academic Research in Business and Social Sciences,* 11(9), 626–637.

Zhongxia Z. and Shiyi W. (2022) Do Actions Speak Louder Than Words? Assessing the Effects of Inflation Targeting Track Records on Macroeconomic Performance. International Monetary Fund, European Department, Working Paper WP/22/227