

# MOVING NIGERIA BEYOND OIL: ROADMAP FOR ECONOMIC DIVERSIFICATION FOR SUSTAINABLE DEVELOPMENT

MALCOM EMWATA

## MOVING NIGERIA BEYOND OIL: ROADMAP FOR ECONOMIC DIVERSIFICATION FOR SUSTAINABLE DEVELOPMENT

The view of Nigeria's economic sector has remained fundamentally the same since independence. The sector has thus far been characterized by the "over dominance" of a single export commodity - Crude oil. Late in the colonial era (1940-1960), Agriculture played a major role, and had an extensive impact on the economy. Such agricultural commodities as Cocoa, Groundnut, Cotton and Oil Palm were a major source of income as regards export for the country. However, the discovery of Crude Oil in 1959, and with its subsequent drilling and export processes, which became quite prevalent in the 1970s (the Oil-boom period) led to this commodity becoming the major export and Nigeria's major income source. Currently, Crude oil constitutes

**The need for the economic diversification process has never been more critical**

over 90% of Nigeria's export capacity. The two-hundred and fifty-thousand-dollar question revolves around the extent to which the export of Crude oil has contributed to the growth, development, and progress of the country's economy at present, as well as the positive impact a shift of attention from this subsector to other subsectors would make on the economy. The reasons stated above shall form the basis for this discourse, which shall address in

detail, ideas and innovations for an effective diversification process which shall improve and sustain the economic position of the country.

Economists have, in recent times, observed that the performance of the non-oil subsectors of the Nigerian economic milieu leaves little or nothing to be desired. This has created a need for these subsectors to experience a revamping with a bid to expanding and improving the country's economy, and by extension, her revenue base. This could not have come at a better time, considering the reasons that, firstly, the international crude oil market, which is notorious for its volatile nature, has, in recent times, experienced drastic falls in crude oil prices, and this has greatly affected negatively, the country's income as a direct effect of her earlier mentioned "overdependence" on Crude oil export, and that secondly, the exhaustible nature of crude oil reserves makes it unreliable for the sustainability of the country's economy. The process of economic diversification is quite an all-encompassing and extensive process that requires the profound interest of all parties involved, viz ; the government, the private sector, the general public, and in some cases, international investors.

The first subsector of the economy that would be addressed here is Agriculture. It is a very important subsector that needs to be invested in and developed. Apart from already providing employment for a significant portion of the country's

working class, it exhibits great potential as a veritable source of income generation through export, as well as providing food for the country's teeming population, thereby reducing her excessive import of Agricultural items. Now, the country's abundant agricultural potential, evident in its abundance of arable land and favourable climate already provide a steady foundation of this subsector, and the succeeding paragraphs shall provide innovative ideas and courses of action to be undertaken to ensure its development.

The foremost measure to be undertaken for the agricultural subsector is the creation of a favourable environment that ensures the thriving of agricultural produce (crops and livestock), as well as their competence at satisfying internationally recommended standards in providing adequate nutrition. This measure includes providing incentives such as start-up capital, grants and loans with encouraging interest rates to the parties involved (farmers, agricultural entrepreneurs, etc.), as well provision of agricultural items such as tractors, ecologically acceptable fertilizers and livestock feed, and intensive educational expeditions on internationally obtainable agricultural practices.

The second measure to be undertaken is the efficient harnessing of the available resources that abound in the country. Nigeria has an estimated land capacity of about 91.07million hectares, as well as estimated livestock capacities of 12million cattle, 10million sheep, 22million goats, 1.3million pigs, and about 150million poultry. It goes without saying, that the effective utilization of these resources can have great returns for the country and this can be made possible by effective legislation supporting the utilization of these resources, as well as the setting up of regulatory bodies involved in making sure that corrupt practices are eschewed.

A third measure involves the generation of interest of the younger generation into venturing into the subsector so as to promote and sustain it. Effective educational procedures should be employed in piquing the interest of the youth so as

to have a sustainable and favourably competitive subsector.

An equally important measure is the improving of the research and technological aspects of the subsector. Institutes such as the Institute of Agricultural research (IAR, Zaria), and the Institute of Agricultural research and training (IART, Ibadan) can be better funded and empowered with a view to creating crops and livestock with better yield and higher levels of disease resistance.

Another subsector that requires attention is the mining and natural resources subsector (this would also include the quarrying subsector as well). Mining and quarrying are the processes involved the extraction of naturally occurring stones and materials such as coal, ores of metals (precious or otherwise), and other useful substance. Like Agriculture, the 'oil boom' period of the 1970s also saw a decline in attention in the country's mining sector. Recent events, though, have seen a gradual growth in interest of the sector which has great economic potentials and implications. The extensive research conducted on the country's geological scape has revealed same potentials.

Chief among the measures to be undertaken to improve this sector is legislation and regulation. Although various acts and bills regarding the sector have been passed, and various regulatory bodies have been set up, there still exists a vacuum that is yet to be occupied as regard the efficacy and functionality of these acts, bills and regulatory bodies. The government needs to be more responsible in enforcing these laws and empowering these bodies so as to derive maximum benefits from this sector. Bodies such as the Mines Inspectorate Department (MID), the Mines Environmental and Compliance Department (MEC), and the Artisanal and small scale Mining Department (ASM) should be more legally empowered to tackle the issues that affect the sector with a view to improving it.

Another important measure is the attraction of both investors and workers in the sector. The ease with which mining permits and titles are granted can

be an attractive venture to bringing private investors to the sector. Also, adequate compensation, and incentives, as well as reduced tax rates can be very effectual in making this sector thrive.

The tourism sector is another sector that is worthy of giving adequate attention. As with a host of other advantageous qualities, Nigeria abounds with a plethora of tourist sites and destinations. An important route to take in achieving the thriving of this sector is the reform of the domestic tourism market, as well as creation of opportunities for investment by the private sector. It can be said the government has a monopoly when it comes to the management and maintenance of the country's tourist sites, and so, if the government were to lease out the managerial and maintenance functions to private investors, it might go a long way to improving the sector, as there would be healthy competition, with the government playing an overseeing role instead of its monopolistic role.

Other important measures would include adequate publicity of these tourist destinations, reduced inbound travelling restrictions, and improved security for the tourists. An effective implementation of these measures guarantees the sectors improvement, and its positive impact on economic diversification which is the topic being addressed.

The final sector worthy of mention is the human resources sector. It is noteworthy to mention that the other sectors discussed above cannot, and

will not be developed without the development of the country's human resources. The all-round education of the Nigerian population needs to be effectively carried out so as to be able to experience sustainable development. The emergence of professionals in the country can increase the amount of available expertise. Government and private investors can equally be involved in this sector by taking it upon themselves to adequately train willing individuals.

The need for the economic diversification process has never been more critical. Effective implementation of these innovations can have remarkable returns for the country's infrastructure and economy in total. It is hoped that these issues are taken seriously and pit into constructive consideration with a view to sustainable economic development.

#### **REFERENCES**

Agricultural export potential in Nigeria; Daramola, A; Etui, S; Ukeje, E; McIntire, J

Trade balances and economic progress in Nigeria: analysis of the oil and non-oil subsectors; Onyaemechi, J.O

Nigeria macro report; a report to the afrint project (July 2005); Akande, O

Nigerian mining and quarrying sector: national bureau of statistics

The Nigerian tourism sector: economic contributions, constraints and opportunities; Bankole,A