

A VIRGIN LAND

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

The broken political system. The poor infrastructure. The unending queues and the fight for employment opportunities. The bleak future. The disturbing rise in crime. And the terrible waste of scarce resources. All these sad events characterize the present realities facing Nigeria as a country. Nigeria is blessed with a lot of natural resources. Among these is the Nigerian crude oil.

Unfortunately, the country decided to make the crude

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oil more prominent than other resources. This was done simply because the oil attracted more glitz and quick cash. But unfortunately it is no longer so. We were supposed to use the power of the crude to develop other resources to 'exporting-capacity'. Instead, we fought over crude, corrupted ourselves and pilfered the proceeds that came from it.

We prioritized one natural resources above the other. Hence we struggled to gain control of the oil wells and the creeks. Nigeria flourished initially. We waxed great on exaggerated resources. We thought the oil bliss would be eternal. But we were disappointed. It is a painful reality but the crude oil has failed us. It failed everyone who has refused to look outside the monopoly of crude but instead fed

fat on the quick cash flow the black fluid provided. Our economy is currently in disarray because the majority of the consumables (rice, eggs, margarine and toothpick) are still imported. This has put a strain to the value of the naira hence many consequences have followed the devaluation of the Naira.

But just as everything that has a beginning also has an end, the time to end this mindless monopoly has come. Time to move Nigeria beyond oil has come. Hence there is an utmost urge to diversify the economy. But how do we separate a people from a culture of idleness? How do we inculcate in them the act of objective reasoning? How do we create a virgin land for the Nigeria government to rake in resources from? How do we carve out a road map to economic diversification?

The following points, if followed objectively and in detail, would place Nigeria on the road map for sustainable and lasting development.

Firstly, education. Our educational system should be overhauled. The society should not be given the impression that a white collar job awaits everyone as soon they finish tertiary education. There should be a compulsory skill acquisition program for students who finishes secondary school. This should be done in order to rejig the mind of young students on how to be creative.

Most of the time, because students are forced to study courses they do not have passion for, the art of creativity is lost hence they resort to waiting for the government for jobs. In Japan for instance, majority of their foreign exchange are gotten from electronics. If the Nigeria government can introduce a curriculum where the appetite of these young school leavers is directed towards creativity and craftsmanship, then a lot of our locally made products will not only be made available for export but would also be sufficient enough to end its importation. This will not only lead to provision of foreign exchange but appropriate development would follow.

Secondly, recycling. Someone has said, there are lots of gold and riches lying waste on the streets of Nigeria. Very true. Our country has suffered a lot from poor waste management. Gas flaring is still predominant in our refineries. This do not only affect the ozone layer and causes environmental hazards, it also wastes the financial values of these waste products. If these flared gases are recycled properly they can be a form of foreign exchange which can lead to development.

These two procedures should come in form of policies. But a major step in attaining economic diversification is the agricultural sector.

Agriculture, the rearing of animals and growing of plants for man's consumption. No country can survive without food for its citizens. Many a time, some country imports some of these ephemeral agricultural products for their citizens and Nigeria is one of those. When a country imports ridiculous products such as eggs and rice that can be produced and grown in the said country, it is a call for bankruptcy which is what the country is currently facing. This act can be a heavy burden on the foreign exchange and then lead to economic downfall.

'In the continuing effort to sustain the stability of the foreign exchange market and ensure the efficient utilization of foreign exchange and the derivation of optimum benefit from goods and services imported into the country, it has become imperative to exclude importers of some goods and services from accessing foreign exchange at the Nigerian foreign exchange markets in order to encourage local production of these items. The Central Bank of Nigeria (CBN) subsequently issued a directive stopping some imported goods and services from the list of items valid for forex in the Nigerian Foreign Exchange Markets. This policy implies is that, those who import these items can no longer buy foreign currency from the official window to pay the overseas suppliers. Rather, they will have to source forex from the parallel market or Bureau De Change to pay for their imports'.

Nigeria today is having a hike in price of goods, especially agricultural products. This is simply because only a handful of persons are available to grow these products. Initially the federal government imported these products but since the fall of the naira, the foreign exchange had not been enough to manage other pressing matters. Hence the importation of rice was stopped and many other things. Consequently, their price went up. But if there had been a plethora of farmers who grow our locally made rice, then the present situation would have been assuaged and clinically managed.

Solution: There ought to be an agricultural revolution. Young graduates after National Youth Service Corps should be encouraged to go into mechanized commercial agriculture. This would create more opportunity to invest our foreign exchange into more pressing capital projects by

stopping the importation of locally grown agricultural products.

'Most of the developing countries of the world are exporters of primary products. These products contribute 60 to 70 per cent of their total export earnings. Thus, the capacity to import capital goods and machinery for industrial development depends crucially on the export earning of the agriculture sector. If exports of agricultural goods fail to increase at a sufficiently high rate, these countries are forced to incur heavy deficit in the balance of payments resulting in a serious foreign exchange problem.'

'The history of England is clear evidence that Agricultural Revolution preceded the Industrial Revolution there. In U.S.A. and Japan, also agricultural development has helped to a greater extent in the process of their industrialization. Similarly, various under-developed countries (Nigeria inclusive) of the world engaged in the process of economic development have by now learnt the limitations of putting over-emphasis on industrialization as a means to attain higher per capita real income. Thus industrial and agricultural developments are not alternatives but are complementary and are mutually supporting with respect to both inputs and outputs.'

Lastly, all these points talked about here cannot be achieved if there are no policies to back them up. For example; investment in human capital and infrastructure, institutional quality, financial

deepening— increased efficiency; depth and breadth of financial systems— and proximity to markets are all drivers of export diversification. Economic policies can also encourage diversification and quality upgrading. For example, increasing stability, like Vietnam's push to reduce inflation in the late 1980s, reducing direct barriers to entry, such as the dismantling of the state distribution system in Tanzania, and reforming the agricultural and banking sectors helped promote diversification. If these measures are put in the right order and Nigeria tap into the virgin land of agriculture as stated in this piece, there would be a remarkable improvement in the economy. We would no longer depend on imported products rather we would not only be a major exporter of crude but also export other agricultural products.

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