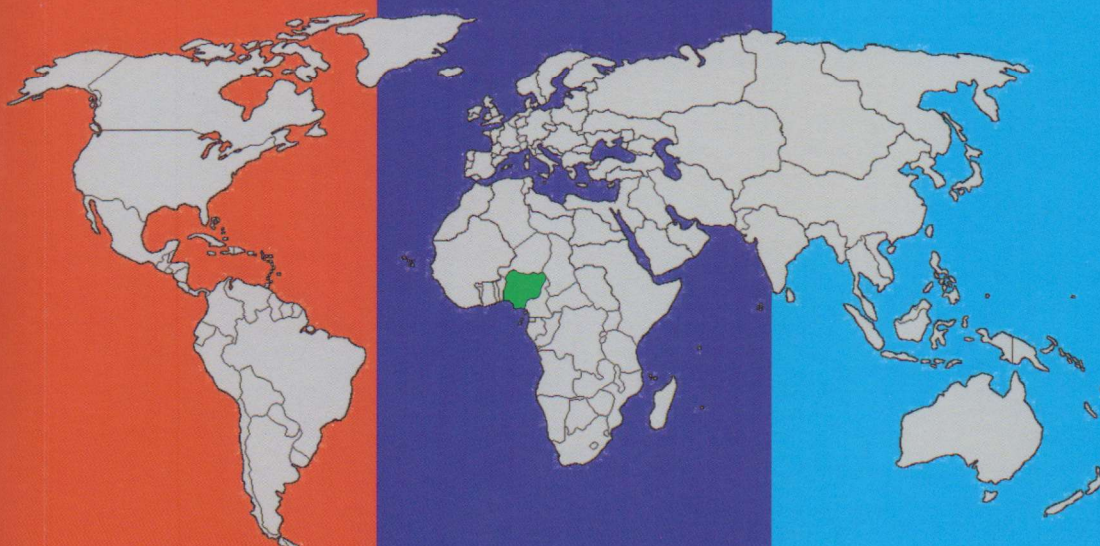




STRATEGIC LENSES

Series 4 2020



ECONOMIC DIVERSIFICATION AND NATIONAL DEVELOPMENT IN NIGERIA

A PUBLICATION OF THE NATIONAL DEFENCE COLLEGE NIGERIA



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**Economic Diversification And National Development
in Nigeria**

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Foreword

I am delighted to introduce this Fourth Edition of the National Defence College Strategic Lenses publication. This edition is however unique as global developments, occasioned by the outbreak of the Coronavirus Disease 2019 (COVID 19) Pandemic, warranted the College to partly leverage e-learning and technology to deliver some programmes and lectures, without compromised contents. Over the years, the College has transformed to a Think Tank that objectively contributes to a firm understanding of essential factors that impact national issues, while fulfilling its cardinal mission of imparting knowledge, and developing expertise and skills of strategic level officers. The Strategic Lenses series have remained a useful medium for the College to chronicle and share its high-profile lectures delivered by heads of ministries, departments and agencies, as well as captains of industry. It also covers seminars and papers bothering on Nigeria's national security and development. It is remarkable to mention that there has been a high demand for the 3 previous editions of the publication.

The central theme of Strategic Lenses Series 4 is *Economic Diversification for National Development in Nigeria*. As Nigeria's oil fortunes continue to dwindle owing to unavoidable extraneous factors, the non-oil sector of the Nigerian economy would be expected to increasingly drive the Gross Domestic Product (GDP). Prior to the pandemic lockdown, Nigeria's non-oil sector was already emerging as a major contributor to the economy. As at May 2018 for instance, the non-oil sector including agriculture, industry and services contributed about 91.45% to Nigeria's GDP while oil only added 8.55% to the GDP. Also, Nigeria continued to import over 90 percent of its steel needs accounting for about US\$3 Billion in foreign exchange per year, while its steel industry sector could be revamped as one of the major pillars of Nigeria's economic diversification efforts. No doubt, the imperative aligns with the current diversification drive of the government. The focus therefore should be on prioritizing, as well as ensuring coherence and synergy in government diversification efforts.

This edition of the Strategic Lenses is structured into 4 thematic parts of topical national security, economy, development and cross cutting issues. The publication provides something of value to all categories of readers, and should serve as a useful compendium for policy makers, think tanks, researchers, institutions, academia and the general public.

I am therefore honoured to endorse and recommend this publication to all stakeholders in Nigeria's economic diversification efforts, as well as the general public.

Kadiri.
MM KADIRI
Rear Admiral
Commandant

28 July 2020

Preface

The National Defence College (NDC) Nigeria *Strategic Lenses* (Series 4) has as its theme, “*Economic Diversification, and Development in Nigeria.*” It is designed to lend a policy and theoretical voice to the discourse on economic diversification and national development in Nigeria. The idea behind this publication is to harvest stakeholders' perspectives on the topical issue of economic diversification and national development in view of dwindling revenue from the oil sector in recent years due to the volatility of the international crude oil market. Indeed, the Coronavirus Disease (COVID 19) pandemic has further illustrated the need for economic diversification in Nigeria.

The book has been produced to showcase and share with stakeholders and general reading public the rich knowledge passed unto Participants of Course 28 of the NDC by carefully selected erudite scholars, security experts, technocrats and highly placed policy makers and personalities both civilian and military. These lectures are aimed at preparing the Participants for strategic level responsibilities at both national and international environments.

I applaud the Commandant of the College, Rear Admiral MM Kadiri, for his foresight in insisting that the rich store of knowledge embedded in these lectures should be shared with a wider constituency of stakeholders and citizens to create greater synergy for economic diversification and national development in Nigeria.

The process of selecting suitable lectures that formed fulcrum of this book was painstaking and rigorous. It believed that the lectures that were selected aligned with the broad theme espoused in this book. I wish to appreciate the Chairman and all the other members of the Editorial Committee for a job well done particularly for being able to achieve the set objective of timely editing, preparation and production of the book in spite of the disruptions caused by the Covid-19 pandemic. I have no doubt that scholars, policy makers, technocrats and general readers will find this publication very useful, informative and intellectually beneficial.



AE ATTU
Maj Gen
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28 July 2020

ACKNOWLEDGMENTS

This book is a product of many distinguished individuals who played various roles in getting it published. Indeed, the large number of persons that made input into the book makes it practically impossible to mention all of them. To those who could not be accommodated within the available space, we remain grateful to you.

The editors of the book would like to express their profound appreciation to His Excellency, Professor Yemi Osinbajo (GCON), Vice President Federal Republic of Nigeria for his continued interest, support and encouragement to the National Defence College, Nigeria. The Chief of Defence Staff (CDS) General AG Olonisakin, the Chief of the Army Staff, Lt Gen TY Buratai and Vice Admiral IE Ibas, the Chief of the Naval Staff who made significant contributions to the book. We remain grateful for their unalloyed support to the College. Other contributors to the book are equally appreciated.

The Commandant National Defence College, Nigeria, Rear Admiral MM Kadiri deserves special mention for his commitment towards the publishing of this book. The Deputy Commandant/ Director of Studies, Major General AE Attu provided the push needed to get the book out.

Finally, we also express our gratitude to members of the Strategic Lenses Series 4 Committee which include but in no particular order; Dr CS Udeh, Prof AI Alarape, Prof FN Obafemi, Prof A Ozohu-Suleiman, Brig Gen AE Edet, Air Cdre DG Prayero and Cdre PE Effedue. Others include; Brig Gen MA Sanusi, Air Cdre Kehinde, Amb S Enikanolaiye, Dr DE Sabo, Dr JS Tsado and Miss C Ibeh who worked tirelessly to ensure that this book is published on time. We are equally grateful to the staff of the NDC Printing Press, especially Mr Musa Dangrem who designed and printed the book.

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INTRODUCTION

Over the years, the Nigerian military establishment has continued to make remarkable contribution to the development process. Besides its constitutional mandate to defend the territorial integrity of the nation, the Armed Forces of Nigeria (AFN) have created institutionalized fora to promote intellectual debates on the state of the Nation and reflect on her development trajectory. This commitment underscores the truism that the mandate of the Armed Forces is anchored on a profound knowledge of the cross-cutting issues of economy, development, public policy, governance and national security. To this end, the National Defence College (NDC) Nigeria represents the foremost training institution for senior military and paramilitary officers and their civilian counterparts to prepare them "for higher level policy, command and staff functions, by giving them the expertise and knowledge needed to execute these functions in a single or joint service, extra regimental military and civilian appointments in national and international assignments". Perhaps, what is unique about NDC as a think-tank is that the selection of participants cuts across the security establishments to include senior career civil servants on the top echelon of the bureaucracy.

This comprehensive range of participants enables the College to create a stimulating environment for intellectual interactions on carefully chosen themes that enrich their knowledge of contemporary and future perspectives of Nigeria, Africa and the rest of the World. It is on this note that the participants of NDC Course 28 were taken through about twelve months of rigorous intellectual exercises on the theme: *Economic Diversification, Security and National Development*. The theme is topical to the extent that the various papers gleaned from it draw attention to issues that are Germaine to the current efforts of the Federal Government of Nigeria (FGN) to diversify the economy in order to harness other areas of comparative advantage such as agriculture, solid materials, bio-technology, e-commerce, the aviation industry and a host of others. Given that the strategy of economic diversification has been a common refrain in the general discourse on development in Nigeria, the various presentations made on the subject matter were well received and have enriched contemporary debates on the prospects and prognosis of national transformation in Nigeria.

However, in discussing economy and development, it is instructive to note that the environment where these interrelated and mutually reinforcing phenomena occur also deserve to be integrated. It is on this note that national

security is also treated in the theme as a fundamental requirement to achieve a wholesome society. In other words, far reaching intellectual reflections on national security as a *Sine qua non* for sustainable development were made in a good number of papers presented.

Thus, in selecting papers for publication in this edition of Strategic Lenses, care was taken to ensure that the depth of resources is consistent with the overarching theme of economic diversification and national development in Nigeria. To this end, series 4 of the Strategic Lenses is organized into 4 parts, namely: Theoretical Foundation, The Economy and Defense, The Economy and National Development, and Cross-Cutting Issues. These parts comprise of chapters devoted to various aspects of the theme.

The Theoretical Foundation, as the title suggests, has the abiding concern to articulate a theoretical and conceptual background for the book by reviewing related concepts and theoretical perspectives on the state, economy, national purpose, values, interests and objectives. The concern here is to reflect on those concepts and theories that explain real life situations and, in some cases, to challenge and extend existing knowledge within the limits of critical bounding assumptions. Therefore, it is expected that studies in the various chapters in parts two to four that follow, were anchored either on a priori or a posteriori assumption. Thus, the first three chapters on theoretical foundation provide a wealth of knowledge and information to facilitate understanding of issues, arguments and assumptions in subsequent chapters of the book.

The second part of the book is devoted to a thorough scrutiny of the interaction between the economy and national security and their implications for sustainable development. The objective is to determine and explain the ways in which socio-cultural, economic and political situations can influence national security and vice versa. The growing literature on these issues has led to the emergence of economic security as a separate conceptual category in social science research. In its ordinary usage, economic security is commonly associated with financial security which connotes a stable and sustainable flow of existential resources that support individual standard of living. However, in contemporary usage, the term has been viewed in international relations literature as the ability of a nation-state to follow its choice of policies to develop the national economy in the manner dictated by its national purpose, values, and interests (Foley, 2014). It is the choice of policies made and the absolute oversight of the institutional and legal frameworks of implementation that underscore the sovereignty of a nation. Thus, a common approach to understanding the links between the economy and national security is to focus on the analysis of economy-related threats to national security through the lens of the protection of critical infrastructure, sectors and processes that are important for sustainable functioning of the society (RAND, 2020).

This aspect of social research in the security sector has become imperative in the light of two major developments, namely (i) the spate of multilateralism in a globalizing world, and (ii) contemporary multinational security challenges – both of which have collapsed national borders and redefined the interactions among nations. The open and interconnected nature of national economies creates vulnerabilities from potential internal and external threats. In recognition of the foregoing social realities, economic security has emerged as an important strategic priority in Nigeria's defence policy and national security strategy. Therefore, in analyzing the relationship between the Nigerian economy and its geo-strategic environment, emphasis is on risk vectors that are country-specific and those that are driven by exogenous factors. This brings to mind security challenges posed by Boko Haram insurgency, Islamic State of West African Province (ISWAP), Armed Banditry, kidnapping for Ransom, Cattle Rustling and Farmers/herders imbroglio among others. In the light of this emphasis, the National Security Adviser (NSA), during the launch of the revised National Security Strategy, 2019, remarked that a national security strategy “is an overarching document which highlights in broad terms the geostrategic environment that encompasses our internal threats as well as the corresponding strategies to deal with them (NSA, 2019). He noted further that, the document is “a formidable framework of political, economic and military consensus that freedom of living and safeguarding other fundamental rights of citizens as well as continuous functionality of the government are paramount” (NSA, 2019).

Thus, the various chapters in this part of the book touch on issues ranging from Nigeria and her Strategic Neighborhood to Economic Dimension of National Security. Others are devoted to challenges and future perspectives from the point of view of the Nigerian Army, Nigerian Navy and Nigerian Air Force. The defence establishment shares its experiences on a wide range of issues against the backdrop of contemporary security challenges. In sharing these experiences, Service Chiefs take stock of achievements, highlight factors that extenuate the capacity of the national security architecture and discuss ways and means of repositioning the defence establishment to optimize its performance.

Part three on Economy and National Development assembles a number of chapters that are devoted to the vaunted issue of economic diversification. In the literature on development studies, scholars have largely resolved the controversy associated with the tendency to confuse development with the related concept of growth. The general consensus is that the interaction between economy and development is very fundamental to any effort to describe what constitutes development in a given society. Growth in relation to the economy of a nation refers to the increase in the amount of goods and services produced per head of the population over a period of time. In this

sense, the indicators of economic growth are Gross Domestic Product (GDP) and Per Capita Income (PCI). However, the basic index of measuring growth in an economy is not just increase in GDP. Structural transformation and new methods of doing things are of paramount consideration. Therefore, in general terms, the concept of economic growth is associated with: (i) a consistent rise in GDP and revenue over a long period of time; (ii) increase in productivity which is self-sustaining and largely irreversible; and (iii) rapid structural transformation (Brenner, 1996).

With respect to the Nigerian economy, one way of achieving the foregoing which has been a subject of intense policy debates, is the strategy of economic diversification in order to harness all conceivable potentials of the economy for sustainable growth, contributing to national development. It follows that economic growth is first in the series of interrelated processes to achieve the overarching goal of development. Development is therefore both a process and an outcome. To localize these processes and outcome, national development is treated in terms of the specific experience of the development process of a nation like Nigeria. In other words, whereas development describes an outcome and the set of activities and processes required for this outcome to occur, national development describes the overall transformation of the socio-economic spheres of a country. Thus, the strategy of economic diversification is treated in this part of the book as one of the sets of activities and processes required for development to occur in Nigeria.

Nigeria has an estimated population of 206 million people. She is host to 2.64% of humans on planet earth, with an annual population growth rate of 2.58% (Worldometer, 2019). With a maximum crude oil production capacity put at 2.5 million barrel per day, Nigeria ranks as the 6th largest oil producing country in the world. She is also blessed with a variety of solid minerals. The World Bank (2016) reported that out of a total land size of 923,768 Km² Nigeria has 37.33% arable land. Despite these strong economic fundamentals, the development of Nigeria has been held down by severe structural defects, among other factors. Following the post-civil war oil boom of the 1970s, agriculture which used to be the main-stay of the economy became neglected due mainly to the promotion of a mono-cultural economy that revolves around oil. However, the shocks from the uncertainties of the international crude oil market further deepened the structural defects of the Nigerian economy. In order to cope with the disruption in oil production and export and to insulate the Nigerian economy from associated vulnerabilities, the strategy of economic diversification has been a common denominator in the historical trajectory of government policies on economic reconstruction for almost two decades now. Starting with the National Economic Empowerment and Development Strategy (NEEDS) between 2003 and 2007, through the perspective development plan of Vision 20:2020 under the

Obasanjo administration, to the Transformation Agenda of the Jonathan administration and the Economic Recovery and Growth Plan (ERGP) between 2017 and 2020 under the current administration, the ambitious goal has always been to achieve economic diversification. As the ERGP completes its life cycle at the end of the year 2020, the FGN has commenced the process of crafting a ten-year economic blue print to replace ERGP. This development has heightened debates on economic diversification among stakeholders within the policy environment. Thus, the chapters in part three of this book, address various aspects of economic diversification and represent timely contributions to these policy debates.

Part four on cross-cutting issues is devoted to examining a range of issues that are closely connected to the overarching theme of the book. These issues border on Sino-Africa relationship, counter-insurgency and counter-terrorism, development of Military Industrial Complex (MIC), the energy sector and climate change, migration, diaspora and Africa's development as well as the role of Nigeria's foreign policy in economic diversification. These issues are cross-cutting to the extent that the views expressed, and findings established, should be integrated into policy considerations that are directly related to the strategy of economic diversification in Nigeria. In all of the chapters that featured in part four, the issues of security, science and technology are common to all. This is predictably so because of their significance in formulating and implementing economic policies and development plans in Nigeria.

AGRICULTURAL POLICIES AND ECONOMIC RECOVERY AND GROWTH PLAN (ERGP 2017-2020)

Aderinoye-Abdulwahab*

Introduction

The Federal government of Nigeria set a road map to liberate the country, which had hitherto been plunged into an economic recession, from further deepening into economic crises. Given the prevailing socio-economic condition of the country, this article appraises the agricultural policies; alongside the ERGP- which is a medium term plan that was meant to take the country through the year 2017- 2020. Three years down the line and with about a year to the end of the ERGP, it has become pertinent to evaluate the plan; so as to determine whether to consolidate on its successes and gains or if there is a need to re-strategize going forward. The key items that are integral to the topic of discourse were conceptualized in Agriculture, Policy, and Economic Recovery and Growth Plan (ERGP). In unbundling the listed concepts, it should be noted that several agricultural policies had been enacted in Nigeria by past administrations. This chapter tries to evaluate the influence of Agriculture Promotion Policy (APP) on the ERGP and vice versa, and this is logical because both the APP and ERGP were established by the current government. Growth of nations, in this chapter, is limited to Nigeria considering the scope of study. Moreover, it is only germane to discuss Nigeria because the two main variables of discourse in this chapter; are tools designed by Nigerians and for Nigerians.

Agriculture and the growth of Nations

Agriculture, which may simply be defined as the growing of crops and raising of livestock for human consumption and industrial use, also encapsulates employment generation, economics, education, ecology, energy consumption, use of equipment, protection, processing, consumption, preservation and war against wastage, transport and supply of adequate raw materials to a growing industrial sector. Thus, agriculture entails the elevation of human livelihoods through land and soil management, import and export of products, formulation

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and implementation of agricultural policies, among other things. The evaluation of the performance of the Nigerian agricultural sector should therefore be based on the extent to which the mentioned roles have been satisfactorily performed. In addition, agriculture is an important contributor to the economy as indicated by its input to the Gross Domestic Product (GDP). The economy of Nigeria prior to the 1960s largely depended on agriculture and this sole role of agriculture was taken for granted. With the dominant level of agricultural production in the time past, the country was able to feed its increasing population, support the industrial sector and earn adequate foreign exchange. There was some sort of support being provided by the Government for agriculture at that time, but this support was however concentrated on export crops like cocoa, groundnut, oil palm, rubber and cotton as self-sufficiency in food production seemed not to pose any problem worthy of public attention. The decline in agricultural production began to surface immediately after independence (the period from 1960- 69) and as time went on (about a decade after independence- 1970s-79), the agricultural situation in the country worsened and there was not enough food to feed the rising population. Additionally, a sharp decline in government revenue and rapid deteriorations in foreign exchange earnings from agriculture became evident and the residual effects of the civil war further compounded the situation. Of notable significance were the impact of droughts, government fiscal and monetary policies and above all, an "oil boom" which created serious distortions in the economy and accelerated the rate of migration of labour from agriculture.

Predictably, agriculture is expected to deliver growth to the nation and it is for this reason that some agricultural projects were recently launched in the country. They include: The Accelerated Agricultural Development Scheme (AADS- 2017), the Rice Mill by West African Cotton Company Limited (WACOT- 2017) in Argungu, Kebbi State which can produce up to 120,000 metric tonnes. Others are African Soil Information Service (AFSIS- 2018), Olam Farms (operating since 1989 in Nigeria, but was established in Kaduna and Kwara States (2017). All these projects were geared towards enhancing productivity within the agricultural sector which, in essence, depicts the relevance of agriculture in the growth of any nation and the significance cannot be ignored.

Agriculture remains the main indicator or parameter on which the growth of Nigeria's economy is hinged on and the seemingly lack of attention directed towards it, necessitates government to come up with certain policies to address the identified issues. Experiences from these policies have further made clear to government and other stakeholders in the agricultural sector, that there is no alternative to articulate and well-designed agricultural policies; as instruments

for promoting agricultural growth and development in Nigeria. Perhaps, this realization prompted the government to adopt a comprehensive package of policy instruments largely designed within the framework of three successive national development plans from 1970-1974, 1975-1980 and 1981-1985 that took the country through 15 years (1985-2000). At this juncture, it has become relevant to take a closer look at agricultural policies enacted by successive governments in Nigeria over the years.

Policy and Strategic Direction

Policy is not a tightly defined concept and it is sometimes used loosely. However, the FAO (1993) defined it as a set of methods, ideas or plans that is written by governments, institutions, groups or individuals to guide present and future decisions. There are two stages in policy and these are: Policy formulation (analysis and making) and Policy implementation. However, policies are formulated to affect the reality, hence political realities must be taken into full account. Certain elements of policies are recognised and subsequently discussed.

Policy objectives: These serve as the end to the policy. That is, what the policy intends to achieve. For example; a policy objective could be the attainment of increased agricultural production exports and self-sufficiency in agricultural produce (for example: self-sufficiency in rice production and tomato paste, export of yam, and fairer access to grazing lands).

Policy instruments: They are the means or the actions used to achieve the objectives. Examples include fertilizer subsidy, import tariffs on dairy products and rice.

Livestock Production Policy as a Case example of how policy works

The general policy objective of the livestock sub-sector is to put all available livestock resources into best use so that the country can be self-sufficient in livestock production. Specifically, the policy aims at improving the nutritional status of Nigerians through the domestic provision of adequate protein, stabilization of rural income, provision of employment through livestock and maintenance of a balance in the ecosystem. How then can these objectives be achieved? This is the reason the country must come up with policy instruments that can aid the attainment of the set objectives. Ecological specialization and sedentarization are among the instruments or strategies that can be explored to accomplish the objectives.

Ecological specialization supports the raising of different kinds of livestock in ecological zones of the country. Some species of livestock may thrive better in certain regions because they have proven comparative geographical and production advantage. Nonetheless, government will not discourage the production of any class of livestock by any entrepreneur anywhere in the country in a bid to attain self-sufficiency within the targeted period. For example, government reserves the right to allocate land to nomadic pastoralists who, over the years have become landless people. This will, however, require government adjudication of land by pursuing a legal acquisition of grazing lands for lease allocation to grazers. This is evidenced in already existing policies such as a minimum of 10% of the country's land area can be legally acquired and constituted into grazing reserves for lease allocation to grazers. Another policy in existence, is that of grazing routes wherein pastoralists are supposed to navigate through when grazing their livestock.

History of Nigeria's Agricultural Policies

Several agricultural policies have been enacted by the Nigerian government since independence (i.e. post 1960). Among the policies we have had in Nigeria are: Operation Feed the Nation and Green Revolution. Others are Livestock and Fish Production policy, Industrial Raw Material production, Agricultural Extension Technology Transfer, Agricultural Credit, Agricultural Insurance, Agricultural Processing, Agricultural Research, and many more. More recently we had the Agricultural Transformation Agenda (ATA) of the Jonathan Administration and the Agricultural Promotion Policy (APP) of the current, Buhari-led administration.

The Operation Feed the Nation (OFN) was an agricultural policy introduced by General Olusegun Obasanjo during his first tenure as Nigerian Head of State in 1976. The policy was in place from May, 1976 through 1980 with the aim of increasing local food production and reducing imports. It succeeded in stimulating national concern for the increasing deterioration in food production but failed to increase productivity on a sustainable basis. It was faced with challenges such as over centralization of implementation, lack of sustenance of policies, and insufficient provision of fertilizers. The Green Revolution of the Shehu Shagari regime, was a follow up on the OFN. It was birthed in April, 1980 and lasted till 1985. It was intended to increase productivity in order to attain food sufficiency by promoting high yielding varieties and spread of technologies. It also aimed at increasing production and processing of export crops in order to boost and enhance foreign exchange earnings. Again, this encountered financial difficulties and faced problem of input supplies that could sustain the objectives. The policy was deemed to be too theoretical which

possibly led to its setback. As a matter of fact, every successive government comes in with their own policies and the unwholesome thing about those policies is that a new administration marks the end of a particular policy.

The government of Nigeria, in 2011, began a reform of the agriculture sector after several years of neglect. In a bid to redirect the sector, the government implemented a new strategy (the Agricultural Transformation Agenda- ATA) built on the principle that agriculture is a business and therefore; policy should be about supporting it. The main priority of the policy was to "reset the clock" and reintroduce the Nigerian economy to a business-like sustainable agriculture that would be driven by the private sector. That policy was in place from September, 2011–2015. The ATA, like many other agricultural policies, focused on how to make Nigeria's agriculture more productive, well-organized and effective. It set a target of creating 3.5 million jobs as well as generating foreign exchange. Some of the key achievements was a reformation of the federal fertilizer procurement system. ATA however, like previous policies, also faced challenges and did not deliver on all the targets identified. For example, during the time, Nigeria still imported about \$3 to \$5 billion worth of food annually, especially wheat, rice, fish and sundry items, including fresh fruits. Growth in food production was limited due to gaps in input supplies e.g. rice; hence rice imports still exceeded \$1 billion/annum. Consequently, Nigeria was not food secure and wastage levels remained high in production areas.

The lack of food security, high rate of wastage, as well as low foreign exchange earnings, made the current government to build on the successes and lessons from the ATA to develop a policy framework (The APP) that can build an agribusiness economy capable of yielding sustained prosperity by meeting domestic food security goals, generate exports, and support sustainable income and job growth.

Agricultural Promotion Policy (APP)-2016-2020

Agricultural Promotion Policy (APP), also known as the Green Alternative, was formulated by the Federal Ministry of Agriculture and Rural Development (FMARD) to end decades of botched policies. This policy document was consequential to an intensive consultative process, involving multiple stakeholders beginning from November 2015 through April 2016. The APP was established in June, 2016 and is expected to run through 2020 with the aim of eradicating shortage of local food consumption and the low foreign exchange earned through agricultural exports. The main objectives of this policy are food security, import substitution, job creation and economic diversification. Under this policy, the FMARD prioritised improving

productivity of a number of domestically produced crops and activities. The immediate past Minister of Agriculture (Chief Audu Ogbeh) inferred that the ministry had identified a pool of crops and related activities that would help Nigeria increase food production. These were rice, wheat, maize, fish (aquaculture), dairy milk, soya beans, poultry, horticulture (fruits and vegetables), and sugar. Other crops of focus were cowpea, cocoa, cashew, cassava (starch, chips and ethanol), ginger, sesame, oil palm, yams, horticulture (fruits and vegetables), beef and cotton; for the export market. In line with the constitutional provisions for the role of Federal Government in agricultural development, this policy statement is accordingly anchored on three main pillars, which are: The Promotion of agricultural investment; Financing agricultural development programmes and Research for agricultural innovation and productivity.

Evolution of Nigeria's ERGP 2017-2020

It was observed that the agricultural sector has, since, been posing disappointing performance and so needs to be rescued fast. The National Bureau of Statistics (NBS) reported that, "the agricultural sector in the second quarter of 2018 grew by 1.19% (year-on-year) in real terms, a decrease by -1.82% points from the corresponding period of 2017, also a decrease by -1.81% points from the preceding quarter. The sector in the quarter contributed 22.86% to overall GDP in real terms, lower than the contribution in the second quarter of 2017". These metrics are not looking good for a sector that used to be the star of the Nigerian economy even during the recent recession (when virtually every other sector was in the negative territory) growing by 4.88% in the third quarter (Q3) of 2016. It is envisaged that "agriculture will continue to be a stable driver of GDP growth with an average growth rate of 6.9% over the Plan period"- obviously not at the current growth rate (1.92% growth rate for 2017).

In recognition of the continuous failure of Nigeria's economy and the potential for further deterioration, the Federal Government has developed a medium term Economic Recovery and Growth Plan (ERGP) for the period 2017-2020. Whilst trying to achieve the objectives of the APP, the ERGP was birthed in order to resuscitate the economy of the country. The ERGP, which was conceived in 2016, is a reform strategy aimed at building on the budget of change of 2016, yet implementation did not take place until a year after. Hence, the ERGP was introduced by the Federal Government of Nigeria in April, 2017 to achieve growth rate of 7% by 2020 in order to address the country's socio-economic challenges. The reform strategy was as a result of a negative growth of -1.5% in GDP recorded in 2016.

The aim of FG is to sustain inclusive growth through economic recovery in the short term and diversify the economy through structural reforms in the long run. It was designed by the government to diversify the economy and restore economic growth. The government, through the ERGP, aims to create jobs as well as empower the youths. A deliberate effort will also be put in place to develop human capital and infrastructure. The ERGP encompasses the micro and macro-economy, oil and gas, agriculture, health, education, industrial and manufacturing, power, and transport sectors; tourism and real estate are also included. It is expected to improve the business environment and bring about technological growth. The ERGP also cuts across governance, public sector reforms, anti-corruption and ICT.

Strategic Objectives of the ERGP

The three broad strategic objectives of the ERGP are to: restore growth (less investment on foreign exchange, small and medium-size enterprise (MSMEs), macro-economic stability), invest in human capital (social inclusion, job creation and youth empowerment, health insurance) and build a globally competitive economy (invest in infrastructure and improve business environment). Strategies for executing and achieving the objectives of the economic recovery and growth plan (ERGP) were identified and grouped into five main categories:

- **Stabilizing the macroeconomic environment.**
- **Achieving agriculture and food security** (deliver on agricultural transformation)
- **Ensuring energy sufficiency** (power and petroleum products).
- **Improving transportation infrastructure.**
- **Driving industrialization, with a focus on small and medium-size enterprises** (this can be achieved by improving the ease of doing business in Nigeria and accelerating the implementation of the National Industrial Revolution Plan).

Agriculture component of the ERGP strategy

Agriculture can be divided into four sub-sectors of crop production (89% of agricultural GDP with a 4.1% growth in 2010-2015), livestock (8% with a 3.3% growth), fishing (2% with a 7.5% growth), and forestry (1% with a 4.3% growth). The projection of the Federal government is for agriculture to grow by 6.9% over the Plan period as well as aim at self-sufficiency in rice and wheat production by the year 2018-2020 which is the end of the plan period. However,

current statistics puts GDP growth rate at: -1.6% (2016), 0.8% (2017), 1.9% (2018e), and 2.1% (2019f). The Agricultural sector is expected to boost growth by expanding crop production and the fisheries, livestock and forestry sub-sectors as well as developing the value chain. At the moment, agriculture accounted for 23.1% of GDP in 2015 and employed 38% of the working population.

The expectation of government is that investment in agriculture will ensure food security by achieving self-sufficiency in tomato paste (in 2017), rice (in 2018) and wheat (in 2020). Thus, by 2020, Nigeria is projected to become a net exporter of key agricultural products, such as rice, cashew nuts, groundnuts, cassava and vegetable oil. With the current statistics however, the projections are far from being met.

The federal government has, in line with the Economic Recovery and Growth Plan (ERGP) and Medium Term Expenditure Framework (MTEF), articulated 10 prioritized projects that can double productivity and improve access to export markets in a sustainable manner. The Minister of Agriculture and Rural Development unveiled the prioritized projects to include; the comprehensive livestock development project, input transformation project, expanded access to finance and markets project, value addition and processing support project, agricultural water management and agricultural manpower development project. Others are agricultural research and innovation project, produce and commodity storage systems, commercial agriculture expansion support project and nutrition, quality control and standardisation project.

The ERGP 2017-2020 rode on the Central Bank of Nigeria (CBN) anchor borrowers' programme where more than 80% of the funds went into rice production. To be able to measure the impact of APP on ERGP, there would need to be a periodic publication of metrics to track performance against the strategy e.g. tonnage of rice paddy produced, or yields/milking cow by standardised systems that will repeatedly collect accurate data and integrate these into policy making.

Government established focus labs in agriculture and transportation: manufacturing and processing and power and gas in order to guarantee full actualisation of the ERGP. The agriculture sector can be leveraged on in order to increase private sector investments in selected crops and products (agro-business). The transport sector can also provide necessary transportation infrastructure that would make the transportation of agricultural products much easier, so as to provide a major boost to the agricultural sector. The manufacturing and processing is expected to focus on private sector

investments in selected products and the processing of selected solid minerals in Nigeria; while power and gas is to increase private sector investments in both sectors. That is, improve electricity generation across its value chain and energy mix, and the gas industries including expansion of the domestic market.

Monitoring the ERGP- progress made as of 2018

The ERGP has set a GDP growth target of 4.62% average annual growth between 2017 and 2020. From the estimated negative growth of -1.54% recorded in 2016, real GDP is projected to grow to 2.19% in 2017 and 4.8% in 2018 before peaking at 7.0% in 2020. Things are obviously not working out as planned, as can be seen in the growth rate of 2.1% recorded for the year 2019.

Introduction of the Voluntary Asset & Income Declaration Scheme (VAIDS): Effective implementation of the VAIDS is gradually restoring the efficiency of the country's tax system. According to the Federal Inland Revenue Service' (FIRS) chairman, a total of N20bn (out of a target N305bn) has so far been realised from 262 corporate taxpayers who have declared their assets under the scheme within 8 months of implementation.

The ERGP has continued to ride on the success of the CBN Anchor Borrowers' Programme: Rice production has benefited about 80% of over N55bn which has been disbursed by the CBN to over 250,000 farmers. *Increase in non-oil revenue generated from agricultural sector:* Agriculture contributed 21.97% to nominal GDP in 2018. This figure is higher than the rates recorded for the fourth quarter of 2016 (21.35%) and lower than third quarter of 2017 at 24.44%. Annual growth rate recorded was 11.29% in 2017 as against 9.61% in 2016.

From the under-listed, it is apparent that the ERGP has made some gains, however, there is so much; yet unachieved. The plan was designed to cover the years 2017- 2020, at the moment, it is only a year to the end of the plan and achievements are so far- meagre.

The Challenges

The foremost challenge that may hinder the actualization of the plan is a lack of political will. There is a dire need, for successive governments to build on existing policies rather than designing new plans that may not have reached fruition by the end of their tenure. It is highly beneficial for us, as a country, to imbibe the principle of continuity of tested procedures that are working; than for us to develop new lofty ideas that may not be achievable within a short period. Fortunately, the current administration unloaded the ERGP, so it is expected that they should push through its implementation through the year

2023 when its second tenure in office would elapse. However, government is not centered on a few people; but everyone. Thus full implementation of the plan may meet stumbling blocks especially if certain elements in governance do not believe or key into the plan.

Another huge challenge plaguing implementation of the ERGP has to do with policies as well funding. Budget implementation may also pose a challenge. Investors in agriculture have faced difficulty in accessing lands and occupancy related issues. Other challenges may include non-existent of access roads to project sites (weathered roads and erosion), lack of power supply, lack of water supply, difficulty in accessing incentives prescribed for agricultural projects, heavy import duty cost on agricultural equipment(s), difficulty in accessing loans from banks due to protracted processes and stringent requirements, and prize competitiveness of local farm produce when compared to the imported products due to low import duty. The ERGP aims at addressing the mentioned challenges and one way of achieving this is through the ease of doing business policy.

Additionally, farmers are not able to access loans to power their farming activities. Hence, there is a need to rework certain other policies that may impinge on the success of the ERGP for example; there is a need to relax the foundation seed policy to allow private sector to commercialize seeds, eliminate government distribution of fertilizers and replace it with private sector distribution. There are other challenges such as the deteriorated and insufficient irrigation facilities that would have boost agricultural production, the incessant farmers-herdsmen clashes, the multi-dimensional corruption challenges which should not be overlooked, as well as the poor investment climate emanating from the low income and savings.

Conclusion and Recommendations

It must be stressed that there must be coherence between the Federal Government's Agriculture Promotion Policy (APP) and the Economic Recovery and Growth Plan (ERGP) in order to be able to boost agriculture. Without a fully implementable policy, the agricultural component of the ERGP may not be achievable. Both plans need to work hand in hand and thus; for the strategy to be successful, there needs to be a synergy between and among other categories of the ERGP; such as the transport, industry and power components. It is imperative that government no longer ignores the total execution of the numerous standing policies to enhance agricultural production in the country. Specifically, government should adequately fund agriculture so as to enhance yields in agriculture and boost employment in Nigeria. It is also pertinent that irrigation facilities should be urgently expanded while existing ones are

overhauled in order to boost agricultural production. Incentives to engage young commercial farmers for farming as a business needs to be introduced. The development of agribusiness entrepreneurship centres, farm skill acquisition centres, and access to land and finance are all crucial if we must change this narrative. The incessant herdsmen-farmers' clashes can no longer be ignored and must be tackled squarely in addition to vigorously walking the plan already spelt out to achieve self-sufficiency in food production. Government would need to guarantee minimum price for food crops to stabilize prices and revise the land use act to enable easier access to land for investors.

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