Development Policy, Plan and Economic Diversification in Nigeria: Perspectives on Economic Recovery and Growth Plan

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Abstract — The study examined the relationship between development policy/plan and economic diversification in Nigeria. It centered on Nigeria's Economic Recovery and Growth Plan (ERGP). The ERGP regime was adopted by the President Muhammadu Buhari administration in the wake of Nigeria's economic recession in 2016. The vulnerabilities of the Nigerian economy and structural weaknesses (i.e., dependence on oil and gas for national revenue and main national export) have consistently created challenges for the nation's economy. The ERGP was designed in 2017 to, among other things; diversify Nigeria's economy between 2017 and 2020. To achieve economic diversification, one of the targets of the ERGP is to drive industrialization, with a focus on small and medium size enterprises to increase non-oil exports. Thus, the main objective of the study was to ascertain the extent of economic diversification since the adoption of the plan in the country. The study adopted the Endogenous Growth Theory to explain the extent of economic diversification in the country. The study relied on secondary data mainly from the National Bureau of Statistics (NBS) and Central Bank of Nigeria (CBN), focusing on manufactured/non-oil exports and revenue from the non-oil sectors. The study revealed that there has been an accelerated implementation of the ERGP leveraging on the National Industrial Revolution Plan. Nonetheless, this effort has not significantly produced the desired result of economic diversification, as oil and gas remain the mainstay of the economy. For the ERGP to achieve the desired outcomes there is need to invest massively and genuinely in infrastructure (power, road, etc.), human capital development and research and development (R&D). Hence, the paper concluded that for Nigeria to enjoy substantial economic diversification there must be genuine and concerted government commitment to industrialization. The study recommended, among other things, that there should be massive investment in infrastructure, human capital development, research and development (R&D) to generate new ideas and institutionalization of a functional industrial development bank.

Key words — Development plan, economic diversification implementation, manufactured export, recession, recovery.

I. INTRODUCTION

Nigeria is stupendously blessed with innumerable mineral resources as well as the human resources needed to be tapped to grow and develop the economy. Yet over 100 million Nigerians are still wallowing in poverty because of poor political and economic governance and policy structures of the country. Nigeria's mono-economic configuration has been the bane of the country's development since the 1970s

when crude oil became the mainstay of her economy. Crude oil exports accounted for over 90 percent of total national exports in Nigeria from 1990 to 2015 [1]. However, the industry creates far less jobs and therefore contributes less to improving the living conditions of the people.

The recognition of the volatility of global oil prices and the danger of over dependence on crude oil as the major export product and source of government revenue necessitated the desire for economic diversification in the country. Indeed, it was the fall in global crude oil price that occasioned the 2016 economic recession in Nigeria. No doubt, the volatility of oil price in the global oil market threatens the viability of the nation's economy. The Economic Recovery and Growth Plan (ERGP) was adopted by the Federal Government of Nigeria in the wake of the 2016 economic recession to muster the much need resources so as to grow the economy and improve the living conditions of the people. The focus of the plan, among others, was to expedite the economic diversification efforts of the government [2]. Therefore, the policy objectives are to support non-oil exports through specific incentives; removal of barriers to local production of goods that are currently imported and economic diversification; and improve the capital account balance of payment by attracting foreign capital into the economy, particularly foreign direct investments (FDI).

The strategies enunciated for the achievement of economic diversification include:

- 1) support intervention in critical sectors that could boost productivity, for example, agriculture and manufacturing.
- 2) promote non-oil exports through the zero-oil plan and to use trade policy tools to tackle duping and balance of payments crisis to raise non-oil exports as a ratio of total exports from 7.5 percent to 15 percent by 2020,
- 3) incentivize the inflow of FDI (increase from USD \$3.1 billion to around USD \$10 billion by 2020) portfolio investments and remittances [2].

Thus, the objectives of the study are to:

- (i) ascertain the share of non-oil exports in the total national exports since 2017,
- (ii) determine the contributions of non-oil revenue to total national revenue; since 2017,
- (iii) assess the share of employment in agriculture as a percentage of total national employment.

The paper contends that the failure to significantly diversify Nigeria's economy is essentially due to the lack of

“political will” and insincerity of policymakers to substantially evolve policies that can transform the structure of the Nigerian political economy. Obviously, the dependence on one commodity for the nation’s survival is largely responsible for the souring unemployment, underdevelopment, and massive poverty in the nation. To achieve diversification, the government focuses attention on industrialization, creation of jobs, increase the GDP between 5-7 percent and accelerate agricultural productivity for food sufficiency in the country. Economic diversification requires strategic policy reforms. Therefore, policymakers are to be informed and guided in the design and implementation of policies that could promote diversification of the nation’s economy.

II. DEVELOPMENT AND DEVELOPMENT PLAN/POLICY

A. *Development*

The term development is perhaps the most commonly used word by policy-makers, particularly in the Third World in their drive to improve the living conditions of their citizens. This is in recognition of the fact that development is really what the people in these countries need. To attain real development, there is need for proper and better understanding of the phenomenon so as to guide the policymakers in policy articulate, formulation and implementation processes.

There are different definitions with respect to what development really is. The differences in definition to a large extent reflect the scholars understanding and perhaps experiences of the phenomenon. As [3] has observed, the lack of agreement stems largely from the value-laden nature of the concept. In spite of this lack of consensus in the definition of the concept of development, there is a general agreement among scholars that development is about improving the living conditions of the human beings in a society [3]-[5]. The term is usually associated with the idea of improvement, advancement, progress, transformation, and positive change. Put differently, it implies a process through which a continuous increase in a system’s efficiency produces the conditions, which result in general upliftment. Indeed, development is complex, multi-dimensional and multi-faceted. In demonstrating the multi-dimensional nature of development, [6] posits that in its current thinking, development encompasses human development, sustainable growth, poverty reduction, environmental protection, institutional transformation, gender equity and human rights protection. Embedded in the ASUU’s assertion is the fact that in every aspect of human life, development is an essential expectation.

The dominant view of the concept of development appears to be the economic perspective. From the economic perspective, the United Nations (UN) views development in terms of the capacity of national economy whose initial condition(s) have been more or less static for a long time to generate and sustain an annual increase in its gross national product (GNP) at rates of perhaps 5 to 7 percent or more [7]. From this standpoint, development requires some level of industrialization in order to provide jobs, goods and services for the growing population. In all, the economic perspective

to development often places emphasis on GNP, GDP, increase in per capita income, industrialization, and modernization. However, [4] posits that industrialization, increase in GNP, GDP, and per capita income, which are used by modernization theorists to measure development, are not the structural conditions for development, rather they are its symptoms. Thus, using them as yardsticks for measuring development is to subsume development in economic growth. Furthermore, [3] observes that the limitation of economic growth as a basis for measuring development is all too obvious. According to him, statistical measurements of growth do not take into account the crucial elements of social welfare, individual rights and social value, all of which are very central to the concept of development.

To most development experts, real development is people centered. In giving credence to the people-centered nature of development, the report of [8] describes development as a process which enables human beings to realize their potentials, build self-confidence and live life of dignity and fulfillment. To the Commission, true development efforts must be directed at the fulfillment of the human potentials and improvement of social and economic well-being of the people. Thus, development has to be designed to secure what the people themselves perceive to be their social and economic interests. As [9] has argued, any talk about development should expressly answer the questions: what is happening to poverty? what is happening to unemployment and, what is happening to inequality? Consequently, [10] concludes that, every development plan, policy, project, or programme must seek to raise the standard of living of the people, eradicate or reduce to the barest minimum poverty, unemployment, and inequality, which are the three main development indicators.

B. *Development Plan*

Development planning refers to the strategic measurable goals that a person, organization, or country plans to achieve within a specific period [11]. It involves a conscious and purposive determination in advance of the course of action to follow to achieve the set goals. On the other hand, a development plan is a document or set of documents, which provides the planning authority with guidelines to follow during the development assessment process [12]. It details the overall strategy of the authority for proper planning and sustainable development of key sectors in the country and generally consists of written statement of set goals to be achieved within a specified timeline. Reference [4] is of the view that “a development plan is a broad-based document which sets out the techniques for mobilization of resources and co-ordination of economic activities intended to realize predetermined aims and objectives, which can be measured and expressed in terms of overall socio-economic, technological, educational and political development”. It follows, therefore, that a development plan has time-based benchmarks and the criteria that will be used to evaluate whether or not the set goals were actually met [11].

Basically, the purpose of development planning is to promote sustainable and stable development and to improve the people’s quality of life. “Thus, every economy, capitalist or socialist, developed or developing must not only have development plans but must also be constantly engaged in

development planning and review of such plans with a view to ensuring the overall progress and advancement of the people and the economy" [4]. He added that, "a government that does not have development plans appears to have already planned for the de-development of its country and citizens".

Development plan may be short-term or long-term, ranging from three to five years or five to ten years. Nigeria has had a long path in history with development planning beginning with the colonial development plan of 1946 and 1958. Indeed, there had been several other development plans since independence, including the First National Development Plan 1962-1968, Second National Development Plan 1970-1975, the Third National Development Plan 1975-1980 and the fourth National Development plan 1981-1985. There had also been rolling plans between 1990 and 1999. All these plans had various goals and objectives they set out to achieve. The latest of the development plans in the country is the Economic Recovery and Growth Plan (ERGP), which is the focus of this study.

III. ECONOMIC DIVERSIFICATION

Successive administrations in Nigeria have conceived the thought of diversifying the nation's economy over the years, yet Nigeria's economy has remained a mono-product economy, depending largely on crude oil as the main source of revenue, the major export product as well as foreign exchange earner. For Nigeria to achieve sustainable development and improve the living conditions of the citizens, economic diversification is an imperative. The question is: what is economic diversification?

Reference [13] defines economic diversification as the shift toward a more varied structure of domestic production and trade with a view to increasing productivity, increasing foreign exchange sources, creating jobs, and providing the base for sustained poverty-reducing growth. Economic diversification is the structural transformation of a nation's economy so as to achieve higher levels of productivity occasioned by the movement of economic resources within and between economic sectors. Accordingly, two closely related dimensions of diversification are trade diversification and domestic production diversification. Whereas domestic production diversification refers to the shift of domestic outputs across sectors, industries and firms, trade diversification takes one of three forms or all the three forms, including:

- (i) export (or import) of new products (goods or services),
- (ii) the export (or import) of existing product to new markets,
- (iii) the qualitative upgrading of exported (or imported) products [13].

Countries that need economic diversification the most are those dependent on primary commodities or mineral resources (for example, crude oil), for this situation makes growth and development unbalanced. This is because of the vulnerability of such commodities to external shocks and the volatility of prices of these commodities could negatively affect the growth of the countries' economy. Reference [13] noted that for countries that largely depend on primary commodities or minerals as the mainstay of their economies, it has been difficult to achieve poverty-reducing trade-driven

growth. It is not surprising that Nigeria is the "Poverty Capital of the World" because of its over dependence on crude oil as the mainstay of its economy. Obviously, the current global economic environment creates challenges for most third world countries in their efforts to achieve economic diversification because of the dependency infused in the centre-periphery relationship created in the world system or the world economic order [14], [15]. As reference [14] puts it, there is financial and technological invasion of a peripheral country by a core country thus produces an un-balanced economic structure between peripheral countries and the core countries, and it creates dependency, underdevelopment, and massive poverty.

Reference [16] observed that countries, whose economies are diversified especially in terms of exports, have higher levels of GDP. Similarly, studies carried by [17], [18] show that there is a significant relationship between economic diversification and high income per capita and ultimately economic development of a country. Still commenting on the nature of diversification, [16] pointed to a scenario he described as "path dependency". This implies a situation where countries with diversified economies find it difficult to shift from the range of products they produce to some others. However, there is the possibility of modification of existing products to wear a new look and capture a new market. Reference [13] identified export of existing products to new markets and qualitative upgrading of export products as methods of economic diversification. Indeed, through technological advancement changes could occur in the characteristic of a product, thus bringing to question the path dependency argument. IMF studies in 2014 show that quality upgrading of export products is closely correlated with greater impact of domestic production diversification on productivity growth.

There are various approaches to economic diversification. Reference [13] suggested a range of diversification routes that can be followed, which would be a product of four key strategic policy articulations, namely:

- a) Increase in the assessment of firms and firm-level characteristics and performance and re-allocation of resources between low productivity firms to high productivity firms, especially within existing industries.
- b) Technological change that promotes production segmentation (i.e., splitting up of production) could create regional and global value chain where different activities or tasks are undertaken in different countries according to their efficiency and expertise.
- c) Encouraging competitive regulatory reform and a drop in communication cost enabled developing nations to greatly expand their participation in trade services.
- d) Segmentation of the production value chain follows those countries should not merely involve in exploiting opportunities to produce and export final product but also explore possibilities in the area of intermediate inputs.

Still on the approach to diversification, [16] suggested that "an effective strategy is to focus on the emulation of production of products that already exist in more diversified countries, and target products that require a similar set of technologies in existence in the country, but that have higher complexity than the average of the country's exports. He considered a product to be more complex when "it is

produced by fewer countries that are also more diversified, which suggests that it requires a more exclusive set of technologies to be produced.” This, perhaps, was the Chinese approach in the early days of its technological development; that is, the copy and replication of existing products using similar existing technologies.

To diversify the Nigerian economy and produce goods of global standards for export requires the combination of capabilities to be produced [16]. These capabilities are raw materials, technology, and skilled manpower to do the different tasks in the production processes. In this regard, research, and development (R&D) to develop the capabilities in manpower and generate new ideas, make innovation in existing technologies and products, etc. are extremely important.

IV. THE ECONOMIC RECOVERY AND GROWTH PLAN (ERGP) IN SUMMARY

The Economic Recovery and Growth Plan (ERGP) was adopted by the Nigerian government in the wake of the 2016 economic recession to muster the much-needed resources to grow the economy and improve the living conditions of the people. The focus of the plan, among other things, was to support non-oil and exports through specific incentives and removal of barrier to local production of goods that are currently imported so as to achieve economic diversification.

The plan was designed in recognition of the fact that Nigeria has the potentials to become a major player in the global economy because of its huge human and natural resource endowments [2]. Nonetheless, over dependence on crude oil for its economic survival has kept the country underdeveloped and poor. Essentially, the economy has remained undiversified, underdeveloped, import-dependence, consumption driven rather than being a production-based one, funded by petrol dollars with oil accounting for over 90 percent of exports and foreign exchange earnings and over 70 percent of total government revenue. The corollary of this situation is massive corruption, unemployment, poverty, deficit in physical and social infrastructure, low productivity and consequently the 2016 economic recession following a fall in global oil prices.

ERGP was a medium-term plan (2017-2020) targeted at building on the social investment programme (SIP) has been developed for the purpose of restoring economic growth leveraging on the ingenuity and resilience of Nigerians as well as science, technology and innovation and thereby building a knowledge-based economy so as to achieve the sustainable development goals (SDGs). Embedded in the plan are twenty-four (24) programmes cutting across various areas, including fiscal stability, monetary stability, agriculture, manufacturing, solid minerals, power, social inclusion, environmental protection, public service reform and public policy reforms.

According to the ERGP document, the plan is different from other past development plans in various ways to include:

- (i) Implementation is at the core of the delivery strategy of the plan over the next four years. The different ministries, departments, and agencies (MDAs) have been assigned specific roles to play in the process.
- (ii) Outlines new initiatives to ramp up oil production to

2.5 million barrel per day by 2020, promote selected public enterprises and enhance local refineries to reduce petroleum product imports by 60 percent by 2018, environmental restoration projects in the Niger Delta.

- (iii) Build on existing sectoral strategies and pursue National Industrial Revolution Plan and the Nigeria Integrated Infrastructure Master Plan.
- (iv) Enhance public and private sectors relationship based on close partnership.
- (v) Create a better and stronger link between annual budgets and the ERGP; this would promote effective implementation.
- (vi) Provide room for effective collaboration and coordination with states to ensure federal and state governments working towards the same goals.

The vision of the ERGP is “to achieve sustained inclusive growth, through structural economic transformation with an emphasis on improving both public and private sectors efficiency, so as to increase national productivity and achieve sustainable diversification of production, grow the economy and achieve maximum welfare for the citizens”. The broad objectives of the plan are to:

- 1) restore growth,
- 2) invest in the Nigerian people,
- 3) build a globally competitive economy.

The key execution priorities of the plan that would enable the government to achieve the plan objectives are; to stabilize the macroeconomic environment; achieve energy sufficiency (Power and Petroleum Products); improve transportation infrastructure; and, drive industrialization, focusing on small and medium scale enterprises.

Six priority sectors were targeted to drive the achievement of the plan, namely:

- 1) agriculture,
- 2) manufacturing,
- 3) solid minerals,
- 4) services,
- 5) construction and real estate,
- 6) oil and gas.

It is believed that at the end of the implementation period in 2020 Nigeria would have made significant progress towards achieving structural economic change with a more diversified and inclusive economy.

V. THEORETICAL FRAMEWORK

The study is anchored on the “Endogenous Growth Theory”. The Endogenous Growth Theory was a response to the shortcoming of the Neo-classical Growth Theory. It emphasizes the importance of human capital in the entire development process of a given society. The focus of the theory is the institution of a knowledge-based human capital accumulation system and structures through learning by doing externalities, investment in research and development (R&D) activities that will generate new ideas, enhance technological progress, and improve quality of products. The endogenous growth theory was made popular in the mid-1980s in economic development literature mostly due to the work of Paul Romer. Romer, in his work titled “Increasing Return and Long-Run Growth”, in the *Journal of Political*

Economy, broadened the concept of capital to include human capital.

According to Romer, and his associates, if an economy which invests in capital (physical infrastructure) also invest in human capital (that is education, vocational training or skills acquisition, research, and development (R&D, etc.), then not only will the labor be productive, but it will also be able to use the capital and technology more efficiently. It then follows that technology and human capital are both endogenous to the system. In other words, technology and human capital or resources would no longer be infused from outside but would be generated and sourced from within the economy. Simply put, development resources such as human, materials and ideas/technologies could be generated from within the domestic economy without necessarily and solely depending on eternal sources.

To this end, [19] assert that government economic policies and public institutions must play crucial role in order to achieve quality human capital accumulation and the attendant productivity and development in the society. Hence, there should be willingness to save, invest in R&D, increase the level of production functions, and make appropriate technology choices. To them, human capital formation, which is influenced by sound education policies and investments, can accelerate technological progress, and induce economic growth. This, perhaps, explains the deliberate effort by the Chinese government to invest massively in science and technology through the establishment of High-Tech Development Zones.

The relevance of the endogenous growth theory to the study on economic diversification lies in the fact that it provides a guide on how to source for development resources from within the local economy. In other words, it serves as a guide to the nation's policymakers on how to make the best use of the opportunities available in domestic economy in the country, especially in the areas of human capital accumulation and economic growth and development. Also, it provides some explanations and understanding as regards development differentials among third world countries.

VI. METHODOLOGY

The study adopted the documentary research method;

therefore, it was mainly qualitative in outlook. This involves the use of secondary data drawn from textbooks, journals, National Bureau of Statistics (NBS) Reports, Central Bank of Nigeria (CBN) Reports, Facsimile, and internet materials, focusing on manufactured/non-oil exports, revenue from non-oil sectors, share of agriculture to national employment, etc. The Content Analysis method of data analysis was employed. The use of content analysis in this work was to show the impact of ERGP implementation on economic diversification, using selected, sectors and indicators to determine the extent of diversification during the plan period, 2017 to 2020. Essentially, Content Analysis was the most appropriate technique of analyzing the secondary data in this work since it is simple and could hardly be manipulated by the researchers because it is already documented and in relatively permanent state.

VII. RESULTS AND DISCUSSION

Basically, the focus of this paper is to examine the implementation of the ERGP programmes and their impact on economic growth and development, with emphasis on the diversification of Nigeria's economy. The areas of investigation are source of national revenue, manufactured/non-oil exports, agricultural employment, etc. Hence, the study attempts to provide answers to the following questions:

- (i) What is the share of manufactured/non-oil export in the total national exports since 2017?
- (ii) What is the contribution of non-oil revenue to total national revenue?
- (iii) What is the share of employment in agriculture as a percentage of total national employment?

A. Results

1) Non-oil Exports Since 2017

Here, the researchers x-rayed the country's main exports data covering 2017 to 2019. The result is captured in Table I below:

TABLE I: NIGERIA'S TOP 10 EXPORTS 2017-2019 [20]-[22]

S/No	Items	2017		2018		2019	
		Value of Exports USD \$	Percentage of Total Export	Value of Export USD \$	Percentage of Total Export	Value of Export USD \$	Percentage of Total Export
1.	Crude Oil	43.4 Bn	89.8	58.72Bn	94	46.7Bn	87.1
2.	Ships and boats	NA	NA	1.49Bn	2.4	3.2 Bn	5.9
3	Other base metal goods	NA	NA	NA	NA	2.1 Bn	3.9
4.	Cocoa	660.1M	1.3	374.5m	0.6	311.1m	0.6
5.	Oil seeds	NA	NA	323.6m	0.5	299.7m	0.6
6.	Fertilizers	NA	NA	199.5m	0.3	151.7m	0.3
7.	Fruit, nuts	NA	NA	223.01m	0.4	113.4m	0.2
8.	Tobacco, manufactured substitutes	321.2M (Rough Wood)	0.6	114.6m	0.2	103.7m	0.2
9	Raw hides, skins, not foreshins, leather	NA	NA	110.14m	0.2	75.3m	0.1
10.	Aircraft, spacecraft	NA	NA	NA	NA	69.8m	0.1
	Total Exports Value	48.33Bn	100	62.4Bn	100	53.6Bn	100

Table II reveals that in 2017 the budget of the government was N7.44 trillion, however, the government's total revenue

generated was N10.5 trillion. Out of the total revenue generated, oil revenue was N7.3 trillion, representing 69.5

percent while non-oil revenue was N3.2 trillion or 30.5 percent. Furthermore, in 2018, the budget of the government was 9.12 trillion and the total revenue generated was N13.3 trillion. In 2018 the share of oil revenue was N9.4 trillion or 70.7 percent and that of non-oil revenue was N3.9 trillion, representing 29.3 percent. The total revenue generated in 2019 was not clear, however, as of November 2019, which captured the third quarter period, oil had already generated N4.62 trillion out of the N8.92 trillion 2019 budget projection. The contribution of non-oil revenue was not available.

On the 2020 budget proposals, the summary on Table IV shows that in aggregate, 43.86 percent of the projected revenue was to come from oil sources while the balance was to be earned from non-oil sources. Oil revenues in the table include oil revenue of 32.34 percent and signature bonus of 11.52 percent. However, this was a mere proposal in actual fact the only guaranteed source of revenue for the country was the oil source. It was not surprise, therefore, to see in Table III that it was only oil that had volume of production and price tag in the proposed 2020 budget.

TABLE II: SUMMARY OF NIGERIA'S GOVERNMENT REVENUE 2017-2019 [21], [23], [24]

Year	Budget Appropriation for the Year (Federal Govt)	Total Revenue Generated		Percentage Share of Oil Revenue	Percentage Share of Non-Oil Revenue
		Oil Revenue	Non-Oil Revenue		
		₦7.3 Trillion	₦3.2 Trillion		
2017	₦7.44 Trillion	₦10.5 Trillion		69.5	30.5
2018	₦9.12 Trillion	₦9.4 Trillion	₦3.9 Trillion	70.7	29.3
2019	₦8.92 Trillion	₦4.62 Trillion (As At Nov. 2019)	NA	NA	NA

TABLE III: 2020 BUDGET REVENUE PROPOSAL: AN OVERVIEW OF THE REVENUE FRAMEWORK [2]

Fiscal Items		2019 as Passed NASS	2020 Proj.	Variance	
Budget Oil Production Volume Net Incremental Oil Production for Repayment Arrears (Mbp/d)		2.30	2.18	(0.12)	-5%
Projected Budget Benchmark Price (US\$ Per Barrel)		60	57.00	(3.00)	-5%
Average Exchange Rate (N/US \$)		305.0	305.0	-	-
		N' Billion	N' Billion	N' Billion	%
Amount Available for Fgn Budget (Excluding Goes)		6,998,489,049,631	7,602,043,679,650	603,554,630,019	9%
A	Share of Oil Revenue	3,688,282,600,552	2,637,609,314,988	(1,050,673,285,565)	-28%
B	Share of Dividend (Nlmg)	39,889,887,640	124,269,200,000	84,379,312,360	212%
C	Share of Minerals & Mining	1,288,084,234	1,895,673,251	607,589,017	47%
D	Share of Non-Oil	1,409,186,629,523	1,805,115,823,875	395,929,194,353	28%
	Share of CIT	813,365,752,583	839,306,973,052	25,941,220,469	3%
	Share of VAT	229,339,263,648	292,573,434,131	63,234,160,482	28%
	Share of Customs	310,866,122,279	618,647,203,735	307,781,081,456	99%
	Share of Federation Acct. Levies	55,615,491,012	54,588,222,958	(1,027,268,054)	-2%
E	Revenue from Goes (Top 10 Goes Excluding Nnpce)	955,361,046,920	990,113,888,722	34,752,841,802	4%
	Top 10 Goes Operating Surplus (80% of Which Is Captured in Independent Revenue)	(359,831,060,380)	(436,938,846,257)	(77,107,785,877)	21%
F	Independent Revenue	631,079,910,674	849,968,442,768	218,888,532,094	35%
G	Fgn's Balances in Special Levies Accounts	12,910,083,472	300,000,000,000	287,089,916,528	2224%
H	Fgn's Share of Actual Balance in Special Accounts	8,327,994,472	345,000,000,000	336,672,005,528	4043%
I	Signature Bonus/Renewals/Early Renewals	84,228,494,867	939,300,022,585	855,071,527,718	1015%
J	Domestic Recoveries + Assets +Fines	203,379,583,341	237,012,653,161	33,633,069,820	17%
K	Earmarked Finds (Proceeds of Oil Assets Ownership Restructuring)	710,000,000,000	-	(710,000,000,000)	-100%
L	Stamp Duty		200,000,000,000	200,000,000,000	
M	Exchange Rate Differentials (Non-Faac)		125,479,949,022	125,479,949,022	
N	Grant And Donor Funding	209,915,780,857	36,392,600,000	36,392,600,000	-83%
Amount Available for Fgn Budget (Excluding Goes)		7,594,019,036,171	8,155,218,722,115	561,199,685,944	7%

TABLE IV: SUMMARY OF 2020 BUDGET REVENUE PROPOSALS [2]

Share of Oil Revenue	32.34%
Share of Dividend (NLNG)	1.52%
Share of Mineral & Mining	0.02%
Share of Non-oil	
Share of CIT	10.29%
Share of VAT	3.59%
Share of Custom	7.59%
Share of Federation Acct. Levies	0.67%
Revenue from GOEs (Top GOEs excluding NNPC)	12.14%
Top GOEs Operating Surplus (80% of which is captured in Independent Revenue	-5.36%
Independent Revenue	10.42%
FGN's Balances in Special Levies Accounts	3.68%
FGN's Share of Actual Bal. in Special Accts	4.23%
Signature Bonus/Renewals/Early Renewals	11.52%
Domestic Recoveries + Assets + Fines	2.91%
Stamp Duty	2.45%
Exchange Rate Differentials (Non-FAAC)	1.54%
Grants and Donor Funding	0.45%

The researchers also assessed the share of agriculture in

total national employment, bearing in mind that in reasonably diversified economy agriculture's share of total national employment is usually less than 15 percent.

As seen in Table V, the share of agriculture in total national employment was at its peak in 2009 at 41.7 percent and at its lowest in 2019 at 36.38 percent. What is clear from the data is that there is steady decline in agriculture's share of total national employment. Similarly, there is also steady decline in the percentage of the population employed or engaged, as it dropped from 58.4 percent in 2010 to 48.2 percent in 2019.

Lastly, the researchers also used the GDP of key sectors to determine the extent of economic diversification in the country. Below is a Table V, showing GDP contributions to growth of sectors in the country.

TABLE V: NIGERIA: EMPLOYMENT IN AGRICULTURE AS A PERCENTAGE OF TOTAL EMPLOYED PERSONS 2009-2019 [25], [27]

Year	Total Population	Total Working Population (Million) Age 15-64	Percentage of Labour Forces as a Percent of Total Population	Percentage of Population – Employed/ Engaged	Percentage of Population Employed in Agriculture
2009	155,381,020	82,351,941	53	58.1	41.07
2010	159,707,780	84,645,123	53	58.4	40.78
2011	164,192,925	87,022,250	53	57.7	40.19
2012	168,833,776	89,481,901	53	55.4	39.32
2013	173,615,345	92,016,133	53	53.1	38.27
2014	176,404,902	95,258,647	54	52.1	37.70
2015	181,137,448	96,002,847	53	51.6	37.08
2016	185,960,241	98,558,927	53	49.4	36.91
2017	190,873,244	103,071,551	54	48.7	36.81
2018	195,874,740	105,772,359	54	48.7	36.62
2019	200,964,000	106,510,920	53	48.2	36.38

TABLE VI: NIGERIA'S GDP BY SECTORS, 2015-2019 [22], [28]-[30]

Sector	GDP Contribution to Growth in Percentage (%)			
	2015	2017	2018	2019
Service (Including Wholesale and Retail)	53.2	55.8	52.01	53.2
Agriculture	23.1	20.8	21.2	22.1
Manufacturing	9.5	NA	NA	11.6
Construction And Real Estate	3.9	NA	NA	NA
Utilities	0.5	NA	NA	NA
Solid Minerals	0.1	NA	NA	NA
Non-Oil Sector	90.4	89.9	90.2	91.1
Oil And Gas	9.6	10.1	9.8	8.9
Total	100	100	100	100

From the Table VI above, the service(s) sector contributed the highest to Nigeria's GDP, accounting for 53.2 percent in 2015, 55.8 percent in 2017 and 53.2 percent in 2019. It is closely followed by agriculture, which contributed 23.1 percent in 2015, 20.8 percent in 2017 and 22.1 percent in 2019. Interestingly, oil and gas, which are the main stay of Nigeria's economy only accounted for 9.6 percent in 2015, 10.1 percent in 2017 and 8.9 percent in 2019; while manufacturing contributed 9.5 percent in 2015 and 11.6 percent in 2019. The other three (3) sectors, construction and real estate, utilities, and solid minerals, contributed very minimally despite their potentials; and in most cases, their share of GDP was not available.

VIII. DISCUSSION OF FINDINGS

As earlier noted, economic diversification is the process of shifting an economy away from a single income (revenue)

source towards multiple sources, from a growing range of sectors and markets, in order to achieve positive economic growth and development in a nation. A diversified economy is one which has a number of different revenue streams and provides a nation with the ability for sustainable growth because there is not a reliance on a particular source of revenue [31].

From available data, it is obvious that Nigeria's economy has not been properly diversified as crude oil still remains the country's major export commodity accounting for about 90 percent of the nation's total exports. Table I showed that most of the 10 top exports are primary commodities and manufactured exports are almost non-existent. Even though Nigeria is a major exporter of crude oil, she is a net importer of refined petroleum products. Value addition is absolutely missing in the nation's exports. A country, like Nigeria, endowed with numerous mineral resources needs to add value to its mineral resources for exports and domestic use. For

instance, in adopting the production segmentation approach to diversification cell phone plastic casings, which are products of the Petro-Chemical industries could be produced in Port Harcourt and taken to Lagos for finishing in cell-phone production by firms in the industry if petroleum products are refined locally. Similarly, with the array of pharmacists in Nigeria, the country could be a major exporter of pharmaceutical products, at least, in Africa. However, about 94 percent of Pharmaceuticals used in Nigeria are imported [32].

Furthermore, an examination of revenue sources of the nation shows that oil accounted for over 70 percent of the nation's total revenue during the plan period. This indicates that Nigeria has not achieved revenue diversification, which is one of the objectives the ERGP intended to achieve. To attain this objective, there is need to increase exports of manufactured goods. For this to be possible, import substitution industrialization (ISI) with focus on the use of local raw materials, so as to achieve backward integration, is a *sine qua non*. This is particularly important due to the vulnerability and volatility of oil prices in global oil market, which is outside the control of the nation. Also, liberalizing the exploration and exploitation of solid minerals by focusing on value addition for local use and exports would help diversify the revenue base of the nation, create jobs, and substantially grow the economy.

With respect to the share of employment in agriculture as a percentage of total national employment, it was revealed that large proportion of the working population is engaged in agriculture. For instance, in 2009, 58.1 percent of the working population was employed/engaged. Out of this figure, 41.07 percent was employed in agriculture. Similarly, in 2019, 48.2 percent of the working population was employed, out of which 36.38 percent was employed in agriculture. This shows a very high agricultural employment, which some sources put at over 75 million people. In reasonably diversified economies, the working population is relatively spread across the different sectors. Indeed, as the economy becomes diversified the share of agriculture in total national employment begins to shrink, shifting to the manufacturing sector initially (Basically because of value addition in the agro-allied industries) and later to the service sector, leveraging on technology. As the [13] observed, in recent years, countries at all levels of development have witnessed a significant expansion of the role of services in their economies, with technological change being the prime driver of what has become known as "servicification" of the world economy. For example, in the United States of America, agriculture and its related industries provided 22 million jobs or 11 percent of employment in 2018; however, direct on-the-farm employment accounted for 2.6 million of these jobs or 1.3 percent of US employment [33]. In spite of this huge population in agriculture, Nigeria has not attained food self-sufficiency, while the US with 11 percent workforce in agriculture and its related industries have attained food self-sufficiency and exports about 50 percent its agricultural products. To ensure economic diversification through agricultural sector, Nigeria should sincerely adopt mechanization and commercialization of agriculture. In addition, concerted efforts must be made to encourage processing of products to enhance the agricultural value chain

and maximize profit.

Lastly, the Table VI on Nigeria's GDP by sectors from 2015 to 2019 captured seven (7) sectors. The data indicated that in 2017 services accounted for 55.8 percent and 53.2 percent in 2015 and 2019 respectively. Also, it showed that manufacturing was 9.5 percent and 11.6 percent in 2015 and 2019 respectively, while oil and gas was 9.6 percent in 2015 and 8.9 percent in 2019. The GDP data would suggest that oil and gas contributions to economic growth and development in Nigeria is insignificant. This is misleading because whenever there is a drop in oil production or fall in oil prices the Nigerian economy is greatly affected negatively, and it is brought to a near collapse.

Indeed, crude oil is still the mainstay of the economy, and all other sectors depend largely on it for their survival. Most importantly, the 53.2 percent GDP share of the service(s) sector is orchestrated essentially by trade in imported/dumped goods largely from China and therefore does not enhance the productive capacity of the domestic economy. In fact, petty trade and informal business activities not captured in the tax net dominate the service sector and it is not largely technology driven as seen in other economies, like India, North Korea, and China. Hence, the service sector does not engender growth and development of the society. For the service sector to cause growth, it must be rooted in providing high-tech services originating from the local economy. A good example is the Indian experience, where high-tech computer experts in India transcribe medical records and programmes for American hospitals and computer firms. This, to a large extent, aided economic diversification in India [1].

For proper diversification of Nigeria's economy, three issues are critical, namely: the policy environment, incentive environment and regulatory environment. With respect to the policy environment, it has been observed that weaknesses in the governance and policy structure negatively affect the structural economic dynamics of the country. Hence the nation's dependence on crude oil exports for national revenue and major export. Therefore, concerted efforts should be made to address the manifest weaknesses of the policy environment. For instance, deliberate efforts should be made to develop a well-articulated trade policy and export strategy to improve on the export of value added/manufactured products, particularly targeting the African market leveraging on the African Continental Free Trade Area (AFCFTA) regime. In this regard, consultations with investors for empirical evidence to guide policy making to diversify the economy are imperative. Also, policy on investments in research and development (R&D) to generate new ideas, improve indigenous technology must be vigorously pursued.

In the area of the incentive environment, sincere, deliberate, and concerted efforts should be made to provide targeted incentives to value added export-oriented industries to diversify the exports and revenue base of the economy. To this end, small and medium scale industries should be supported with various types of incentives to enhance their productivity and competitiveness. Furthermore, on the regulatory environment, it is expected that the government should embark on massive reforms to open the nation's key sectors for larger participation. For instance, there is need to review or amend the constitution to allow states and private

business investors involve in mineral exploration and exploitation across the country as well as invest in railway, seaports, power without any hindrance. This would encourage huge investments in the economy, create more jobs, reduce poverty, improve standards of living and generally grow the economy.

IX. CONCLUSION

Development planning is an important aspect of the development process anywhere in the world. Nigeria has designed and implemented different development plans since the country's independence in 1960, but development, that is improving the living conditions of the people, has remained marginal primarily because of poor implementation of development policies, plans, programmes and projects. The ERGP was adopted in 2017, in the wake of the 2016 economic recession, with different implementation orientation targeting key sectors and strategic implementation approach. Economic diversification is central to the ERGP programmes, which was meant to be implemented from 2017 to 2020. However, after three years of implementation of the plan, Nigeria is still a mono-product economy, basically depending on crude and gas as the mainstay of its economy and accounting for about 90 percent of the nation's total exports as well as over 70 percent of the nation's total national revenue. Thus, the inevitable conclusion of the paper is that for there to be real economic diversification, the Federal Government of Nigeria should be uncompromisingly committed to investments in research and development (R&D), value added manufactured goods exports and industrialization. This, no doubt, would ensure multiple streams of revenue, reduce over dependence on oil, create more jobs and stabilize the economy for steady, progressive growth and sustainable development of Nigeria.

X. RECOMMENDATIONS

Relying on the findings contained herein, the following recommendations are considered apposite:

- 1) Government should invest massively in human capital development, research, and development (R&D), to generate new ideas and improve indigenous technology to enhance productivity.
- 2) Government should invest massively in infrastructure such as roads, railway, power, etc. to create an enabling environment for investments, especially foreign direct investments (FDIs).
- 3) There is urgent need for the establishment and institutionalization of a functional industrial development bank to provide credit facilities to entrepreneurs in small and medium scale businesses.
- 4) The ongoing constitution review exercise should, among others, seek to review or amend the relevant sections of the constitution to allow state and private sector participation in mining, exploration, and exploitation of the nation's mineral resources, as well as undertake investments in the railways, seaports, power sectors in order to boost the country's infrastructure.

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