

**Pivoting Away From Oil: A Sector Analysis of Nigeria's Economy Aimed at**  
**Achieving Diversification and Inclusive Growth**

Onyeka Ojei

6072910

Graduate School of Public and International Affairs

University of Ottawa

June 21, 2017

Supervisor: Professor: Dr. Maral Kichian

## TABLE OF CONTENTS

<b>ABSTRACT.....</b>	<b>2</b>
<b>SECTION 1: INTRODUCTION AND COUNTRY OVERVIEW.....</b>	<b>3</b>
1.1. COUNTRY OVERVIEW: NIGERIA .....	5
1.2. THE CURRENT ECONOMIC AND SOCIAL SITUATION .....	7
<b>SECTION 2: THE SERVICES SECTOR.....</b>	<b>15</b>
2.1 TELECOMMUNICATIONS.....	15
2.2 BANKING.....	18
2.3 RETAIL AND WHOLESALE TRADE.....	20
<b>SECTION 3: THE MANUFACTURING SECTOR.....</b>	<b>23</b>
3.1 FOOD, BEVERAGES AND TOBACCO.....	26
3.2 TEXTILES .....	27
3.3 OTHER MANUFACTURING .....	28
3.4 CHARACTERISTICS OF MANUFACTURING .....	28
3.5 MANUFACTURING IN LAGOS .....	29
3.6 REGULATIONS.....	30
3.7 INFRASTRUCTURE .....	31
3.8 ACCESS TO INPUTS: CREDIT AND LAND.....	35
3.9 GOVERNANCE.....	35
<b>SECTION 4: THE AGRICULTURAL SECTOR .....</b>	<b>36</b>
4.1 ACCESS TO CAPITAL.....	39
4.2 INFRASTRUCTURES AND AGRICULTURE .....	40
4.3 URBAN-RURAL MIGRATION.....	43
4.4 WOMEN IN AGRICULTURE.....	46
<b>SECTION 5: CONCLUSION.....</b>	<b>48</b>
<b>BIBLIOGRAPHY .....</b>	<b>53</b>

## **ABSTRACT**

Nigeria, currently the largest economy in Africa, is a lower-middle-income mixed economy that had been experiencing strong economic growth averaging 5% for over ten years and was on course to becoming a global economic powerhouse. However, as a direct result of its over-reliance on the oil industry, the economy fell into a major recession in 2016. The oil industry represents just 10% of Nigeria's economy, but more than 70% of the country's revenue and about 90% of its foreign exchange comes from the same sector. Thus, the global oil price plunge experienced in 2016 along with a fall in Nigeria's oil supply catapulted the economy into an economic crisis and revealed the country's economic vulnerability and the consequences of its oil dependency. This paper seeks to understand why the other 90% of the economy (the non-oil economy) produces so little value, by analyzing the Agricultural, Manufacturing and Services sectors. It examines the urban and rural divide in each sector and identifies each sectors constraint to productivity that when addressed, could lead to a full and inclusive economic growth.

## **Section 1: Introduction and Country Overview**

Nigeria presently bears the titles of the most populated and largest economy in Africa, surpassing South Africa by GDP in 2014, and Ethiopia by population. Moreover, as of 2015, Nigeria officially became the 20th largest economy in the world by Purchasing Power Parity and the 21st by GDP (CNBC, 2014). Despite its commendable economic growth, Nigeria is still a lower-middle-income economy plagued with high poverty rates, high unemployment and security threats from terrorist groups, especially in the Northeast regions. A primary driver of these socio-economic problems is the country's underdeveloped transport and electrical infrastructure, which was found to be the major bottleneck to inclusive growth in the country (AfDB, 2014). However, its persistent reliance on oil revenue for all its economic needs has propelled Nigeria to where it is today; facing its worst recession in decades. Nigeria's indifference to all other sectors of its economy, and its reluctance to diversify its sources of revenue has worsened the effects of the recession. It currently depends on oil exports for 70% of the country's revenue, while more than 90% of the country's foreign exchange comes from its oil and petroleum products. Due to this oil dependency, other sectors such as agriculture, manufacturing, and services have been neglected, preventing them from achieving their full productive capacity.

The purpose of this research paper is to explain how Nigeria's poor human development is linked to its oil dependency. It uses an inclusive framework that analyzes

the North and South and the urban and rural divide<sup>1</sup> that exists in the services, manufacturing and agricultural sectors. The paper aims to identify the binding constraints that are preventing these three sectors from achieving greater productivity, which could lead to inclusive economic growth in the country. The paper is organized as follows. The current section provides an introduction, including an overview of Nigeria, the economic problems the country is facing as a result of its high dependence on oil, and possible solutions to improve economic inequalities. Section 2 presents a brief economic analysis of the services sector by focusing on Telecommunications, Banking and Retail and Whole Trade activities. Section 3 analyzes the Manufacturing sector by concentrating on Food, Beverages and Tobacco, Textiles, and Other Manufacturing activities. This section goes on to address issues of regulation, infrastructure, and governance that are all integral to the development of the manufacturing sector in Nigeria. Section 4 offers a closer look at the Agricultural sector in Nigeria and examines the difficulty smallholder farmers face when trying to access capital, the current agricultural infrastructure landscape, the effects of urban-rural migration, and the role of women in agriculture. The paper then concludes with Section 5 by summarizing the issues raised in these sections and highlighting particular policy solutions that can and have been implemented to address the constraints to productivity, inclusion and innovation in the sectors.

---

<sup>1</sup> For, this paper's inclusive nature, "North" and "Rural" will be used interchangeably as the Northern regions possess mostly rural characteristics. Similarly with "South" and "Urban" as the southern regions in Nigeria will be classified as urban. Any exceptions or other differentiations will be stressed explicitly.

## 1.1. Country Overview: Nigeria

The Federal Republic of Nigeria is a constitutional republic that comprises of 36 states and its Federal Capital, Abuja. It is located in the Western part of Africa, bordered by Chad and Cameroon on its east, Benin and Ghana to its west, Niger to its North and on its southern border lays the coastline of the Gulf of Guinea in the Atlantic Ocean. As of 2016, the country was estimated to be populated by 192 million people (World Bank, 2016); making it most populated country in Africa (following Ethiopia at 92 million) and the 7<sup>th</sup> most populous country in the world. Of all the 36 states, Lagos state is known to be the most economically important in the country and the nation's largest urban and most populated area. Nigeria is as a multi-ethnic state with over 250 ethnic groups and 500 different languages with Hausa, Igbo, and Yoruba being the three largest ethnic groups. The official language is English, although Hausa, Igbo, and Yoruba are the three most common ethnic languages spoken. Furthermore, Nigeria is divided into 40% Christians, who live mostly in the urban southern part of the country, 50% Muslim in the northern, mostly rural part and 10% adherents of indigenous faith traditions (CIA, 2015; Hussein, 2015). Nigeria's currency is the Naira (NGN), and the current official USD-NGN exchange rate is around NGN 304.50 for 1 USD; however, the currency is currently volatile as the unofficial market exchange rate is roughly NGN 380 per Dollar (CBN, 2017; CNN Money, 2016).

Similar to most African countries, Nigeria has a history of colonization under Great Britain, which began in 1852. Under the British, religious and ethnic divisions were reinforced as the British imposed differentiation in how they governed the north, west,

and east of the country (Hussein, 2015). One of the results of this differentiated system was in education, where “Christian missionaries were allowed in southern Nigeria but not in the north given the compact between Britain and the North’s Muslim rulers” (Hussein, 2015). Therefore, missionary schools produced “Western-educated elite in the South ready for a modern state economy while the North lagged behind in producing well-educated graduates” (Hussein, 2015). A result of this legacy is the current literacy rates in Northeast Nigeria, which is “two-thirds, lower than in Nigeria’s commercial capital Lagos, located in the Christian south” (Hussein, 2015). Thus, as a consequence of this developmental divide, “the income per head in the Muslim north is half of that of the Christian south.” Moreover, with more of its population and economic resources within its South, Nigeria’s economic growth divide may have fueled religious and political violence encapsulated by the terrorist group Boko Haram that has caused civil unrest in the country, but mostly in the North-eastern areas, resulting in the displacement of an estimated 3 million people (Hussein, 2015; CIA, 2015).

## **1.2. The Current Economic and Social situation**

In Mid-July 2016, the Nigerian National Bureau of Statistics announced that Nigeria's economy had slipped into a crisis, notably, "its worst economic recession in 29 years" (Omoh, et al., 2016). During that quarter, the economy contracted by 2.06%, and as the country had already experienced two consecutive quarters of declining growth, this meant Nigeria was officially in a recession (BBC, 2016). The catalyst for these decreased growth rates was the significant drop in global oil prices, which devastated the oil industry. From its peak at \$112 a barrel in 2014, oil price in Nigeria fell to about \$28 in 2016 (Olaniyi, 2016). This drop in oil prices was worsened by sharp declines in domestic oil and gas production as a result of the destruction of oil export terminals in the oil-producing Niger Delta region (BBC, 2015). The Niger Delta, located in the south, is the predominantly petroleum rich region currently recognized as the largest wetlands region on the continent. Because of its abundant oil resources, residents of the area have often felt exploited as the government continuously authorized corporations to claim their lands, which often came with environmental and economic deterioration. As a result, disgruntled residents with political and economic grievances began to band together to form militant groups that have claimed responsibility for numerous events of theft, kidnappings, and destruction of various oil pipelines in the region (Ebiede, 2011). Consequently, oil supply in Nigeria had fallen by about 300,000 barrels a day by 2016, putting the current oil production levels at its lowest in twenty years (BBC, 2016). Officially making Nigeria Africa's second largest oil producer, as Angola overtook its title.

Due to the drop in the price and supply of oil, a resulting devastating effect that worsened the recession was the fall in the Naira, the Nigerian currency (NGN), which was unsuccessfully being propped up the Central Bank of Nigeria (CBN). Failure of the CBN to devalue the currency made it particularly challenging for many domestic businesses to access the foreign currency needed to pay for its imports (BBC, 2011). As a country that imports essentially everything it consumes, from refined petroleum products to agricultural products, this was a challenging time for its citizens. The increasing difficulty in importing raw materials and other goods drove up commodity prices and inflation rates, which currently stands at an 11-year high of 17.1% (BBC, 2016). Moreover, this recession was especially troubling seeing that more than 70% of Nigeria's government revenue still depends on its oil sales. In addition, about 90% of Nigeria's foreign exchange earnings come from the oil sector (Braithwaite, 2017). The fall in oil revenue experienced as a result of the fall in oil price and supply led to an equally dramatic reduction in foreign currency earnings. These events caused a further decrease in the revenues projected to come from the non-oil sector (Braithwaite, 2017). This shortage in foreign currency affected the level of trade activities, the level of manufacturing and agricultural activities and revenues from independent revenue generating agencies. Thus, the non-oil sector is largely dependent on the oil sector for its foreign exchange requirements. Meaning, volatility in the oil industry will ultimately affect the performance of the non-oil sector (Braithwaite, 2017).

Till today, Nigeria's economy still depends entirely on its oil resources. What is often overlooked is that oil is only 10% of Nigeria's GDP, yet there has been a lack of

focus on the non-oil economy as the country's leaders have neglected to adequately diversify and commission the other 90% of its economy to produce more value. Non-oil revenue from sectors such as manufacturing, agricultural and services, which comprises the other 90% of Nigeria's GDP only contributes 10% to government revenue (Ministry of Finance, 2017). Numerous development theorists have endeavored to explain the reason for this troubling neglect to diversify. The arguments from such scholars are based on these two interrelated issues; first "abundant natural resources create enormous wealth for postcolonial states". Second, "when such wealth is generated, many states fail to invest in other sectors of the economy, thereby producing a demoralizing deindustrialization, or Dutch Disease Syndrome" (Adunbi, 2015). Oil-states are often known to rely on this particular natural resource due to its efficiency in producing huge revenues in such a capital-intensive industry. Thus, such 'rentier' states are often ill equipped to build diversification strategies that can help develop other sectors. Due to these large resource rents, state officials often become "myopic and risk averse" as they continuously receive large profits (Adunbi, 2015). Besides, the government continues to grow "irrationally optimistic" about future revenues and devote significant amounts of these resources to "jealously guard the status quo" as opposed to promoting development. This form of "consumption-driven", as opposed to "investment-propelled" growth, causes tremendous leaks in government resources through corruption and inefficient spending (Adunbi, 2015). This greed is a scenario that has been constant in Nigerian political affairs since its independence. All these factors combined has negatively affected Nigeria's fiscal capacity to stimulate its economy, it has made the

country extremely vulnerable to external shocks and has constrained government's spending ability, ultimately leading to this recession.

Analysis of previous documents from the Nigerian Ministry of Budget and National Planning shows that Nigeria has constantly been over depending on oil revenues to fund its budget since 1975. Successive administrations often spoke persuasively about economic diversification, but there was never any real effort to implement any diversification programs. At the time, crude oil pricing and production supply were quite favourable; therefore, diversification was not as important. Furthermore, during the recent years, Nigeria had been experiencing sustained economic growth over 2011-2015 with an average real GDP growth of 4.8% over the period. However, the economic growth Nigeria achieved was the result of growth in agriculture, telecommunications and the services sector, the oil sector actually contracted by an average of 4.5%.

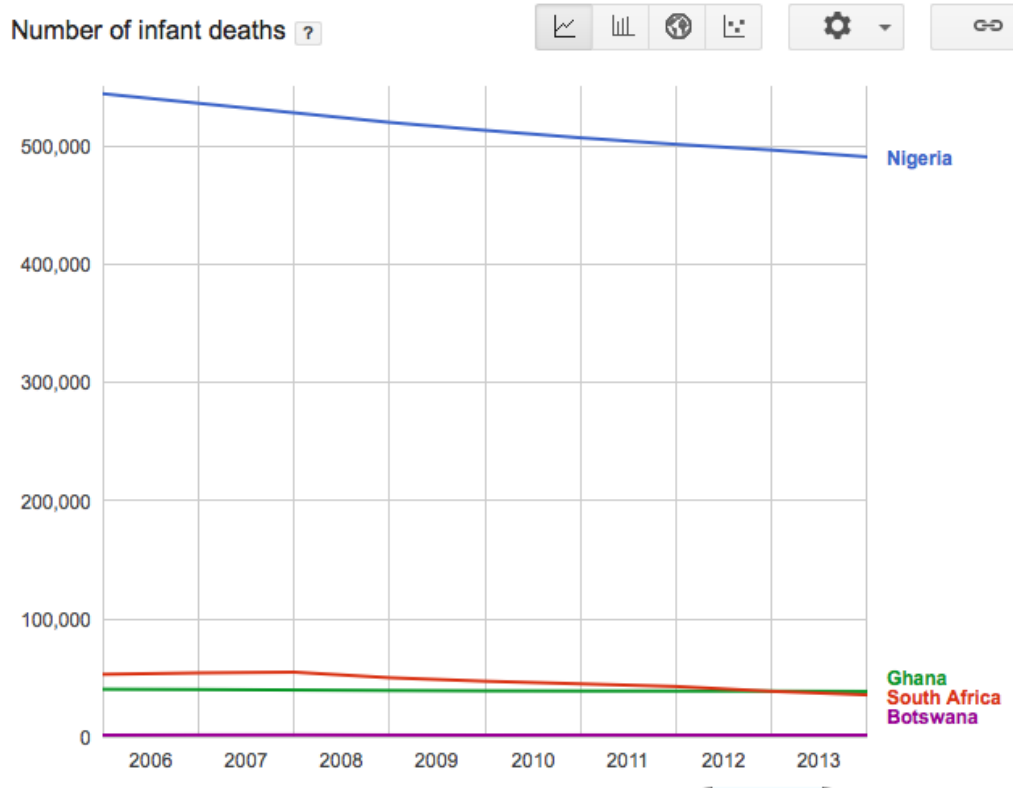
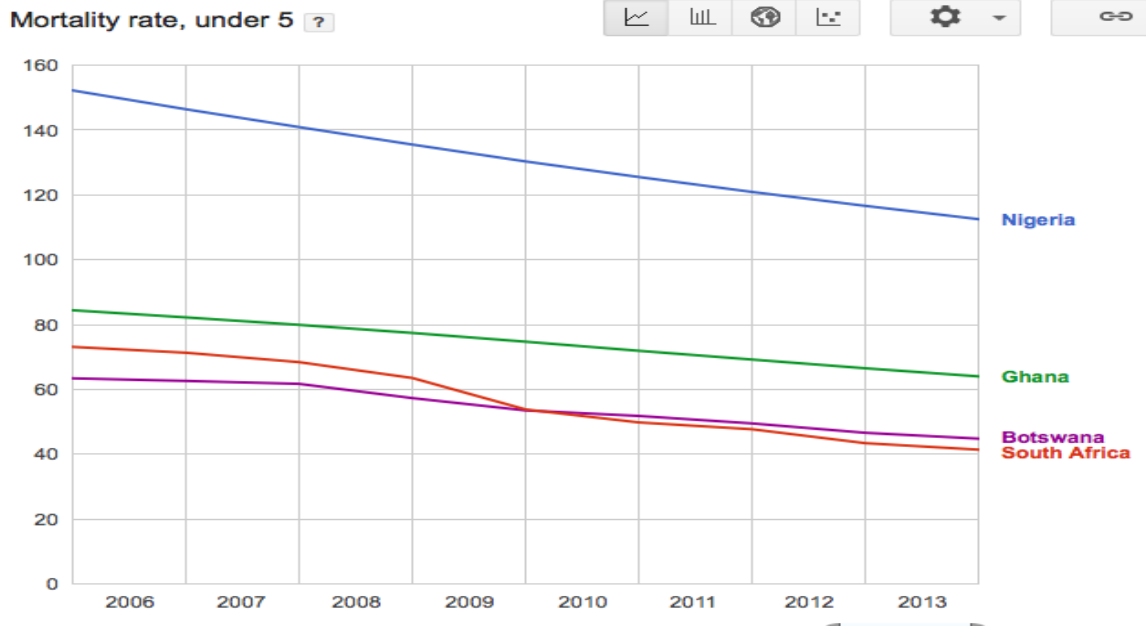
Unfortunately, the government's dependence on a single commodity limited *inclusive* economic growth as the country's fixation on oil crippled key development projects.

Thus, the economic growth of the previous years never translated into significant declines in poverty rates or increases in living standards. About 62% of the population still lives in extreme poverty as of 2014 (less than \$1.25 per day) rising from 54.7% in 2004 (Ginger, 2014; 595, Oduwole 2015, Hussein, 2015). Although, according to the national poverty line, 47% of Nigerians live in poverty (National Bureau of Statistics, 2012). However, this figure has most likely been exasperated by Nigeria's high population growth rates. Poverty rates in the Northwest and Northeast of Nigeria were highest at 78% and 76.3% respectively, compared to 59% in the Southwest (National Bureau of Statistics, 2012).

Nigeria's 2014 Human Development Index (HDI) at 0.514 has slightly improved from 0.471 in 2012, but it remains a low human development country ranking at 152 out of 187 countries (UNDP, 2015). When compared to South Africa (0.67), Ghana (0.58), Botswana (0.58) and other low-income countries, Nigeria's HDI at 0.51 is very low. Moreover, HDI between men (0.55) and women (0.45) differs considerably in Nigeria. Additionally, the poorest Nigerians (bottom 10%) possess about 1.6% of total income, meanwhile the richest (top 10%) own about 40.8% of total income. There are also significant gaps between genders and regions when it comes to access to education, political participation and poverty rates in Nigeria. With an adult literacy rate of 51%, the literacy rate for men ages 15 to 24 is 75%, while for women is 58%. The mean years of schooling for men is 7.1 years but 4.9 years for women. Moreover, region wise, while the enrolment rate for all school-aged children is around 53%, the enrolment in the north is just 30% compared to 70% in the south. In 2013, the labour force consisted of 63% males and 48% female, and the percentage of women that held seats in parliament in 2014 was a meagre 7% (UNDP, 2015). Nigeria's life expectancy has remained stable at 52.8 years; this is quite low when compared to Botswana at 64 years or Ghana at 61 years. Also, Malaria is a sickness that is prevalent in Nigeria causing 100 deaths per 1000, compared to 64/1000 in Ghana and 2/1000 in South Africa. Although decreasing, child mortality rate and infant death in Nigeria is a serious threat with an estimate that 112 per 1000 children will die below the age of 5 and with 490,000 infant deaths in 2014, worse than other Sub-Saharan countries (**Figure 1**) (World DataBank, 2015).

**Figure 1: Mortality Rate (Per, 1,000) and Infant Death Rate**

Source: The World Bank, 2016



In a nutshell, these data show that even though Nigeria was experiencing high growth rates averaging 5% annually, Nigerians themselves were not experiencing these increases in their living standards. Essentially, the country's fixation on a particular sector, the oil sector, limited any form of inclusivity in growth. Even as its GDP continued to grow, divisions in gender, income and regions became wider. The country's over-reliance on this sector allowed its officials to ignore vital developmental projects aimed at diversifying the economy and its revenue source, which would have in turn brought productivity to other sectors of the economy.

To combat the recession, the new administration sought measures to diversify their sources of revenue by opening avenues for critical investments in agriculture. With the right funding, these sectors have the potential to yield high returns in employment, enhance export activities and expand the country's foreign exchange earnings. These measures are part of a conscious effort to "unlock the economic potential of the non-oil sectors" and high employment specific areas, with a goal of achieving massive employment and reducing poverty (Braithwaite, 2017). This is essentially because the non-oil sector represents a minor portion (10% of GDP) of the economy and cannot employ more people. Extractive industries like the oil sector (currently employing less than 1% of Nigeria's labour force) are mainly capital-intensive, without a real capacity to drive employment rates. To increase employment and combat Nigeria's over-reliance on oil, the goal must be coupled with an effort to tackle the main constraints in these sectors that are preventing true inclusive growth.

Presently, the most promising sectors leading Nigeria to sustainable long-term growth are the agriculture and services sector. Services, agriculture, and manufacturing,

accounting for 58.7%, 24.2% and 10% of GDP respectively, dominate the non-oil sector. A report from the World Bank claims, “growth in agriculture and services is more effective at reducing poverty than growth in extractive industries” (Punam et al, 2016).

In the next section, this paper will proceed by first analyzing the services sector as it is currently the largest and fastest growing sector of the Nigerian economy. An in-depth analysis on Africa by the European Parliamentary Research Service (2016) illustrated that for the past two decades, “services sector growth at an average of 2.6% outpaced that of industry at 1.7% and agriculture at less than 1%” (Zamfir, 2016). Telecommunications, which has primarily been the main driver of growth in the services sector in Nigeria, particularly because of the exponential surge in mobile phone usage and Internet diffusion across the continent, will specially be examined. In addition, the paper will access other leading services such as banking services and, wholesale and retail trade. The paper will then turn its focus to the Manufacturing sector, notably by highlighting its strengths and identifying its current weaknesses in an effort to improve the productivity of the sector. Although this sector contributes just 10% to GDP, this research will show that it has the potential to be more productive and efficient. Lastly, the agriculture sector will be analyzed. We will examine its current state and point out the obstacles that this sector is facing, preventing the achievement of full productivity. With agriculture, Nigerians have begun to see the benefits of farming as they are now embracing the sector and transforming it into viable businesses for local requirements and export opportunities.

## **A Selective Sectoral Economic Analysis**

### **Section 2: The Services Sector**

As of 2015, services became the major contributor to the Nigerian economy with a 54.8% share of the country's GDP, a substantial increase from 29% in 2012 (Oh, 2016). Putting Nigeria's services sector as the 5<sup>th</sup> largest in Africa and the 63<sup>rd</sup> largest in the world (Export.gov, 2017). This industry consists of a several service industries such as telecommunications, banking, retail and wholesale trade, tourism, motion picture or "Nollywood" and real estate. This segment will analyze the first three activities, as they possess the most potential in the industry.

#### **2.1 Telecommunications**

The growth in the services sector can be attributed to the rise of the telecoms sector from 0.9% of GDP to 9.8% of overall GDP, up from 8.7% in 2014 and 1.1% in 2003. (CNBC, 2015; CIA, 2013). Nigeria is currently the leading telecoms market in the continent with more than 140 million telecom users actively subscribed to its channels. Reflecting an increase of roughly 32% over the past decade from its 95.8 million subscribers ten years ago. The industry also experienced a significant rise in Foreign Direct Investment between 2001 and 2011. A total of \$15.8 billion in FDI was invested into its communications sector, signifying a 35% increase in investments during that decade (Oh, 2016). However, despite these positive developments, only 1 of the four telecommunications companies in Nigeria is locally managed, which is Globacom, representing 21% of mobile subscribers. The other three telecom companies are foreign

owned, which are; South Africa's 'MTN', India's 'Airtel', and UAE's 'Etisalat' accounting for 44%, 20% and 15% respectively of total mobile subscriptions in Nigeria (Oh, 2017). Furthermore, a report commissioned by the World Bank insists that the current progress in telecoms is mostly an "urban phenomenon" (World Bank, 2005). These four telecom companies currently operate in highly dense regions and are often unreachable in remote urban areas with lower standards of living. Moreover, the latest report by the Global Competitive Index (GCI) ranked Nigeria as 127<sup>th</sup> out of 134 countries citing the country's lack of adequate telecoms infrastructure (GCI, 2017). The World Bank report illustrated that socio-economic discrepancies between Northern and Southern regions, coupled with lower revenue streams and weaker infrastructure in the North made it especially difficult for these telecom companies to operate in the Northern areas (World Bank, 2005). Thus, many companies are often hesitant to establish operations in the North since their likelihoods of making profits or covering costs may be hindered. This is worsened by the National Communication Commission's (NCC) decision that required service providers to invest a portion of their income in rural regions when establishing their service, even without any form of state incentives (World Bank, 2005). Moreover, when it comes to the number of people that own mobiles in the country, mobile possession in the urban north is 1.6 times lower than in the rural north (GSMA & Deloitte, 2015). The World Bank (2005) report showed more states in the South such as Enugu, Rivers, Imo, Abia and others were easier to penetrate than states like Zamfara, Taraba, Sokoto, Kebbi and more in the North. Even those instances where coverage existed, participants in these regions rated the service as relatively poor and unreliable. The security issues in the Northern regions where Boko Haram resides further

worsen this digital divide as communications equipment's and plants are frequently vandalized and destroyed (Adediran et al. 2016).

With the right investments and policies, this sector has the potential to create a diversified and inclusive economy in Nigeria. GSMA and Deloitte's (2015) report illustrates that mobile penetration in a country could lead to increased productivity by workers via "improved information flows on prices, quantities and quality; reduced travel time and costs and improved efficiency of mobile workers" (GSMA & Deloitte, 2015). The report further asserted that "in countries such as Nigeria, a 10% increase in mobile penetration increases Total Factor Productivity (TFP) by 4.2 percentage points" (GSMA & Deloitte, 2015). The report illustrated how mobile usage promotes efficiency in delivering social services such as healthcare, education, and electricity. For instance, a new feature by Etisalat called "Mobile Baby," allows subscribers to "send media for remote diagnosis, report their symptoms, and handle referral management and money on the phone for transportation payments" (GSMA & Deloitte, 2015). The report insists that this tool "facilitates information sharing and diagnostics that allows birth attendants and midwives to ensure safer pregnancies and deliveries" (GSMA & Deloitte, 2015). This feature is also similar to the innovative "Nova-Lumos mobile electricity", a platform that provides solar power to those in rural regions disconnected from the electrical network by paying for the service through their phones (GSMA & Deloitte, 2015). Thus, by adequately investing in the telecommunications sector, especially in the rural and Northern regions, Nigeria can transform into a "knowledge based inclusive economy" through sharing more information and learning resources which could drive up education and literacy rates (GSMA & Deloitte, 2015). These investments could also increase

labour and capital productivity, which could reduce poverty, promote inclusive economic growth and foster private sector investments that trigger employment.

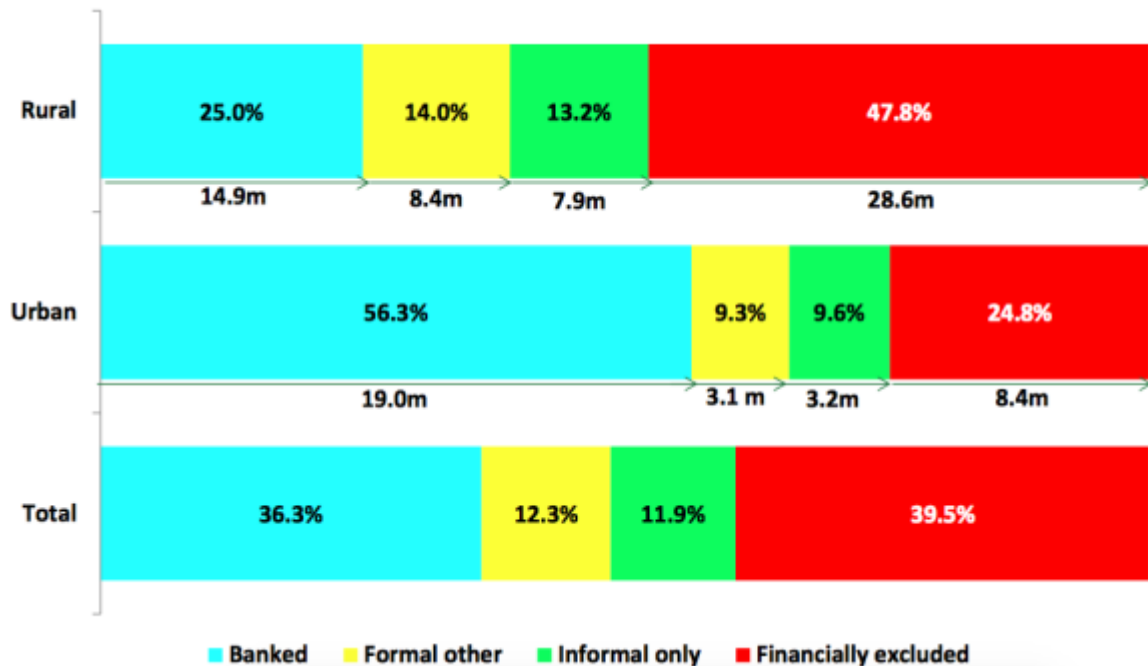
## **2.2 Banking**

The Nigerian banking sector has experienced major changes over the past decades. In 2004, the Central Bank of Nigeria announced an increase in capital requirements for Nigerian banks from NGN2 billion to NGN25 billion. The goal was to force the banks to increase their average size through mergers and acquisitions. This period of consolidation forced many banks that were unable to meet the new capital requirements, nor find suitable mergers to go into liquidation, reducing the total number of banks from 89 to 25 (Barros & Caporale, 2012). With more reforms following the global financial crisis of 2008-09, the CBN sought to limit margin lending for investments in equity, regulate guarantee interbank transactions and protect depositors and creditors. Throughout 2010 till 2013, the banking sector grew by 18.6% year by year (Oh, 2017). These developments have created a strong financial structure in Nigeria that is depicted by healthy and robust banks, proficient payments procedures and upgraded financial institutions. Domestic banks like Zenith Bank, Guaranty Trust Bank (GTB) and United Bank for Africa (UBA) and many others are significantly respected and well renowned across Africa (Oh, 2017). Today, the Nigerian banking sector stands as the largest banking market in West Africa (Nyantakyi & Sy, 2015). Moreover, these achievements may be somewhat diminished by the fact that only about 36.3% of the Nigerian population uses a bank account (EFInA, 2014). About 61.0% of the total adult

population in Nigeria has never been banked. With regard to the regional divide, 48% of the rural northern population is disproportionately more financially excluded, compared to 25% in the urban south (EFInA, 2014). As shown in Figure 2, only 25% of the rural population have a bank account while 56.3% of the urban population are banked.

**Figure 2: Financial Access by Geographical Distribution**

Source: EFInA Access to Financial Services in Nigeria 2014 survey



While the Northern rural has the highest percentage of the unbanked population, it also has the lowest number of bank branches with as low as between 0.99 to 1 branch per 100,000 customers, compared with five branches per 100,000 in some parts of the South (EFInA, 2014). Additionally, there is a rather large disparity in financial inclusion when

it comes to gender; the EFINA 2014 survey report shows that more women (56%) are excluded from financial services than men (41%), this is often due to cultural norms and discrimination. Although, 60.5% of the population have access to other financial services either through banking (36%), microfinance (12%) or informal services (11%), about 39.5% of the population remain financially excluded. But the 2016 financial services survey by EFINA concluded that, in comparison to other African countries, Microfinance Banks (MFBs) and Mobile Money Operators (MMOs) have not significantly impacted financial inclusion between 2014 and 2016. Results from the 2016 EFINA survey discovered that 53.5% of youths, 52.5% of rural dwellers and 46.6% of women are still financially excluded. These are the segments that should be focused on by financial service providers (EFInA, 2016). Regardless, many investors may see this as an opportunity to invest in regions without financial access.

### **2.3 Retail and Wholesale Trade**

By 2014, the retail and wholesale sector had contributed 17.4% to Nigeria's GDP, a significant increase from the previous annual rate of 7.7% between 2010 and 2013 (Oh, 2016). Although, informal markets are still the principal venues for West African commodities; these markets largely rely on lower-income individuals residing in rural and Northern regions. Thus, the formal retailing sector is still in its beginning stages, making up just 5% of the entire market (Oh, 2016). Furthermore, this sector is mostly made up of native traders and domestic wholesalers, consisting of 40% the wholesale market, which is a fairly substantial portion of the market in total. Consistent with the

A.T. Kearney's 2015 African Retail Development Index, Oh (2016) agrees "Nigeria is the fourth most attractive investment market for retailers in Sub-Saharan Africa, largely based on its volume of consumers and its growing middle class". This is especially true with a population of 191.8 million people and an average population growth rate of 2.5% per year. Nigeria has been the recipient of major foreign investors such as South Africa's Shoprite, "the largest supermarket chain in the continent" (Oh, 2016). The American fast food chain, KFC also began operations in the country in 2009. In addition, Nigeria now boasts growing online retailing business such as Jumia.com and Konga.com, which offers services similar to Amazon.com. Both online retail companies have 'cash-on-delivery' payment methods tailored to a Nigerian market that still primarily relies on cash transactions (Oh, 2016). However, the biggest constraint to developments in this activity is the difficulty of acquiring land in Nigeria. Most investors choose to remodel existing structures rather than sort through the difficult process of land ownership. This is an issue that is also very present and even more critical in the agricultural and manufacturing sector.

With regards to the food market, the increasing urban population has somewhat become a "dichotomized" food industry, where the urban areas have less food supply than the rural areas (Okoh & Egbon, 2005). This creates the need to redevelop a market system that adequately distributes and reallocates excess food supply in rural regions to urban areas with food scarcity. For this to occur, there would need to be a seamless flow of food price information between the areas producing the food (mostly rural) and the areas consuming them (mostly urban). Nigeria's food market was essentially run by the farmers and the traders themselves and their decisions to produce and sell (Okoh &

Egbon, 2005). However, the Structural Adjustment Programme (SAP) established in 1986 opened up the economy and increased the flow of imported food products, which threatened the viability of the domestic food production. This program, combined with the General Agreement on Tariffs and Trade (GATT) of 1995, the World Trade Organization, and the nature of globalization presented a difficult challenge to domestic producers as cheap imports began replacing domestically produced ones, especially in urban areas. Okoh & Egbon's (2005) research on Market Integration in Nigeria showed that "urban food prices drive rural food prices". Thus, "food production may be adversely affected if prices in urban centres decline over time", which usually occurs when local foods are substituted for cheap foreign imports. They assert that factors such as; (1) "high transportation costs due to poor roads and road networks, (2) inadequate price information about other markets, (3) individualized price formation processes or 'bargaining' and (4) lack of product homogeneity and lack of standardized units of measurements" forces the markets to be dis-integrated, leading to different prices in both urban and rural marketplaces (Okoh & Egbon, 2005). This results in essentially hurting poorer rural farmers, as wealthy urban wholesalers become incentivised to discriminate against the poorer rural farmers, since they own majority of the products. As illustrated by Ifejirika & Arene (2012), the widening price gap "weakens the farmers' morale causing a reduction in productivity, which could also lead to the complete stopping of production". This worsened if credit is difficult for the farmers to access, thus, making them unable to adequately mitigate changes in prices when they occur (Okoh & Egbon, 2005). However, if price dichotomy results from only variations in food quantities as opposed to these other factors, rural farmers and sellers could profit from the high urban

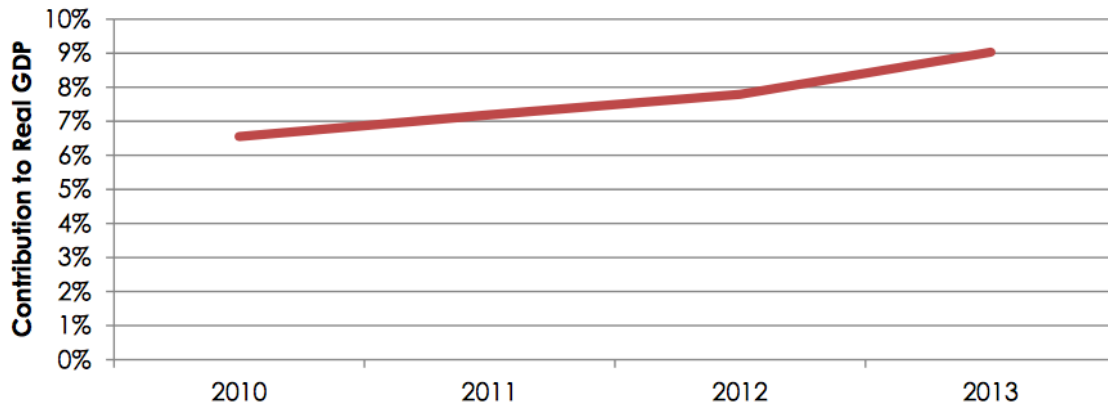
prices by transferring their products from food surplus rural areas to food deficit urban cities. This transfer would have the added benefit of redistributing surplus food from the rural areas to urban areas, and possibly reducing poverty and income inequalities between both regions.

### **Section 3: The Manufacturing Sector**

According to the Nigerian National Bureau of statistics (NBS), the manufacturing sector in Nigeria is comprised of thirteen different activities, these are: Oil Refining; Cement; Food, Beverages and Tobacco; Textile, Apparel and Footwear; Wood and wood products; Pulp, Paper and Paper Products; Chemical and Pharmaceutical; Non-metallic Products, Plastic and Rubber Products; Electrical and Electronic; Basic Metal, Iron and Steel, and lastly, Motor Vehicles and Assembly (NBS, 2014). There is also ‘Other Manufacturing’ included in this list to signify other manufacturing products that cannot be classified, such as office furniture, cupboards/wardrobes, doors and others. The manufacturing sectors contribution to GDP in Nigeria stands at 9.53%, last recorded in 2015, a substantial increase from 6.55% in 2010 as shown in Figure 2 (World Bank Data, 2017; NBS, 2014).

**Figure 3: Manufacturing Sector Contribution to GDP after Rebasing**

Source: National Bureau of Statistics, 2014

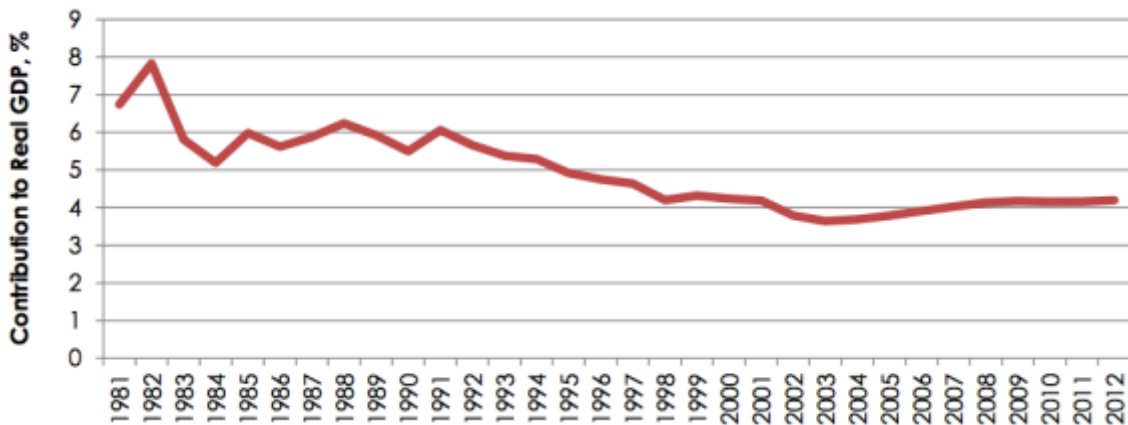


Before the oil boom in the 1970s, the manufacturing sector contributed roughly around the same 10% as oil to the economy, but many factors have caused its variation over years. Factors such as the sectors' vulnerability to global economic pressures, increased revenues from the oil sector and other policy changes have affected its productivity. For instance, after its independence, the Nigerian military government enforced the 'Nigerian Enterprises Promotion Decrees of 1972 and 1977' with a goal of repositioning Nigerians as the primary owners and managers of the country's productive enterprises. This decree essentially transferred foreign ownership of firms to Nigerians, thus, restricting the inflow of foreign capital. The resulting dearth of foreign capital resulted in an absence of foreign goods and technology during this period, which in turn promoted domestic production of essential commodities. But price manipulation (through subsidies on imports and exports) discouraged investments and domestic input in the manufacturing industry. By 1987, the 'Structural Adjustment Programmes' (SAPs) imposed an import

ban on raw materials, which further encouraged import substitution and allowed intermediary input manufacturers the opportunity to “produce competitively” (NBS, 2014). This allowed the growth of the ‘assembly based industry’ especially in the vehicle subsector, causing a short rise in manufacturing productivity in the very early 1980’s where it contributed up to 8% to GDP (Illustrated by Figure 4). Nonetheless, the periods between 1990s and 2000s were characterized by a heavy reliance on oil exports that allowed the sector to continuously decline (NBS, 2014).

**Figure 4: Manufacturing Sector Contribution to GDP Over Time (Old Series)**

Source: National Bureau of Statistics, 2014



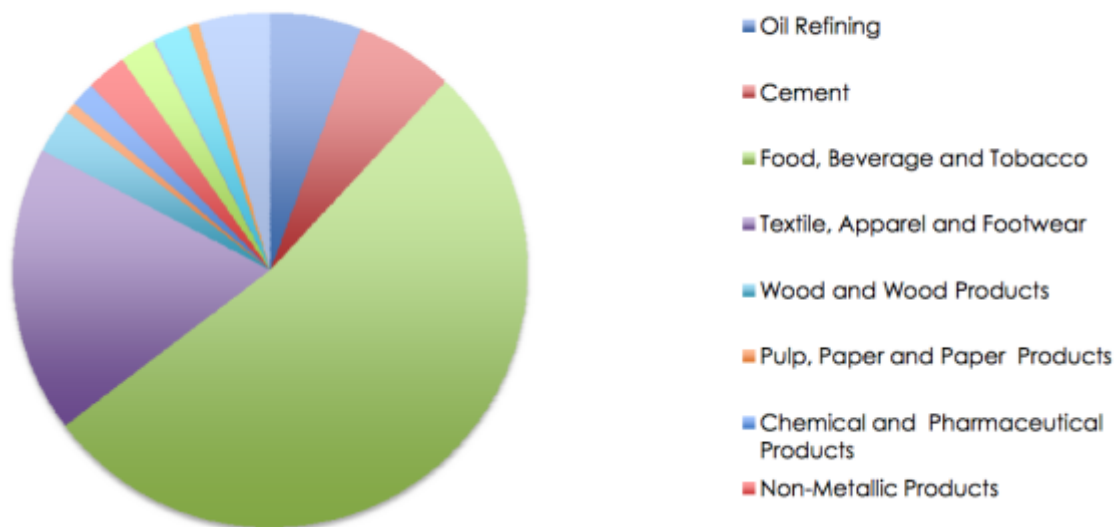
During this period, manufacturing firms were not export oriented and were inefficient; other productive companies that retained their competitive ability were forced to relocate overseas. Essential industries such as Beverages and Tobacco, Textiles and Cement were able to retain productivity, but many of them were still operating at less than half of their capacity.

### 3.1 Food, Beverages and Tobacco

From 2010 to 2013, Food, Beverages and Tobacco (FBT), which contributed 52.74% of output to the sector in 2013, facing a decline from 72.02% in 2010, dominated the formal manufacturing sector, illustrated in Figure 5. This sector captures the greatest amount of goods such as wine, beer, water, palm oil, bread, rice, gari and more, but with sugar contributing the most in all four years. Sugar production output totalled NGN2,710,304.15 million in 2012, which rose by 5% in 4 years, representing a whopping 44.2% of the FBT subsector. Thus, essentially representing roughly 27.59% to the whole Manufacturing sector. Further analysis shows that Sugar output growth was “higher than the sector average” signifying that it was the primary driver of growth in the manufacturing sector (NBS, 2014).

**Figure 5:** The Composition of Manufacturing Sector in 2013

**The Composition of the Nigerian Manufacturing Sector in 2013**



Bread came in second in the FBT subsector, contributing 21.5% to Food, Beverages and Tobacco in 2012, a steep drop from 28.36% in 2010. Although, at 13.43%, it still represents a major portion of the manufacturing sector overall. Other major portions of the subsector include Rice, contributing 12.41% to total output and Biscuits contributing 8.21%. Despite being the greatest contributor to the manufacturing, the FBT subsector relied mostly on imported raw materials for production. Reports from the Nigerian National Bureau of Statistics showed that 60% of the raw materials used by the FBT subsector in 2013 were imported, although a significant decrease from 72% in 2010.

### **3.2 Textiles**

The Textiles industry, which produces shoes, clothing, fabrics, rugs and more came in second in the manufacturing sector contributing about 18.02% of total output in 2013, a significant increase from 11.58% in 2010. The main activity in the textiles subsector was woven fabrics, which has increased its output value year by year and now represents a massive 86% of the textiles industry and 13.93% of the manufacturing sector entirely. Leather shoes came in next in textiles with a contribution of 4.65% of the textiles output, growing from NGN36, 845.82 million in 2011 to NGN44, 391.23 million, it was an impressive 120.5% rise in productivity, increasing its contribution to textiles to 6.8% in 2013. Yet, leather shoe productivity witnessed a decline in 2013, bringing its contribution in textiles down to 4.48%.

### **3.3 Other Manufacturing**

Other Manufacturing and Cement came in third and fourth contributing 8% and 6.23% respectively to the manufacturing sector, while Oil refining came in fifth at 5.7%. The fastest growing products in the Other Manufacturing segment are Mattresses, which grew by 80.3% in 3 years and represents 27.38% of textiles subsector. Moreover, essentially all products classified under Other Manufacturing experienced productivity growth by over 30% in 2012. But the subsector that experienced the fastest growth overall in manufacturing was Basic Metals, Iron and Steel; this activity improved output by 77% in 2010, from NGN77, 227.64 million to NGN177, 490.22 million in 2011 (NBS, 2014). This activity also benefited from locally sourcing more than 95% of its raw materials. However, Chemical and Pharmaceutical subsector was also able to access about 79% of its raw materials locally.

### **3.4 Characteristics of the Manufacturing Sector**

A critical look at the manufacturing sector by the Nigerian National Bureau of Statistics (NBS) shows that, although the manufacturing sector has developed in recent years, the sector is still facing constant problems. This challenge includes, “inadequate electrical supply, poor infrastructure and plant maintenance, and heavy dependence on agricultural inputs which are also vulnerable to shocks” (NBS, 2014). Manufacturing is a sector that largely relies on semi-skilled labour and input materials that are locally sourced, and there is a very high domestic demand for its products in Nigeria. This signifies that this sector has the potential for expansion in the near future. Despite its robustness, this sector only employs less than 10% of the labour force totaling 2,368,514

in 2013 (NBS, 2013; NBS, 2010). Within this population, 79% of these manufacturing employees are males, while 19% are women, this gender discrepancy worsens when looking at the number of paid female manufacturing employees that kept decreasing as the number of paid male counterparts increased. The activity with the highest number of workers was Chemical and Pharmaceutical Manufacturing, employing about 40% of the manufacturing sectors labour force. Food Beverages and Tobacco came in second with 17% of manufacturing paid employment and Motor vehicles and Assembly third at 10% of paid employment (NBS, 2014).

### **3.5 Manufacturing in Lagos**

Currently, production in these industries is primarily located in the commercial capital of Lagos, and to lesser extents, Kano and Kaduna, which are also very commercial states in the North. Lagos alone, (the business capital of Nigeria) accounts for more than 50% of manufacturing employment. In 2014, the manufacturing industry in Lagos had a production value that was about half of that from the entire country. Due to its substantial returns, federal and state officials often target this sector as a revenue source by imposing numerous taxes on the industry. The state has seen an expansion in the Motor Vehicles and Assembly industry recently as companies like Nissan, Volkswagen and Hyundai are establishing facilities for motor parts and vehicular assembly. Moreover, other automobile corporations such as Tata and Toyota have committed to setting up factories in the area in the near future. With a population of 21 million, which is roughly 10% of Nigeria's total population, Lagos State has been identified as a manufacturing hub because of its large consumer markets and its "ready

labour pool” for production (Nwagwu & Oni, 2015). With this surplus of human capital, the only thing lacking is the capacity and skills needed in manufacturing jobs. With sufficient effort going to skills training and capacity building for developing professional engineers and machinists in the industry, the sector and country can profit immeasurably from such investments. Lagos state enjoys capabilities that the northern regions lack such as “better infrastructure and land, air and sea connections to markets in the region, which allows raw materials and processed goods to flow more easily between borders” (Nwagwu & Oni, 2015). Despite this structural support, the manufacturing sector in the urban southern regions still endures a poor regulatory environment, inadequate electrical supply, low industrial productivity and excess taxation.

### **3.6 Regulations**

With respect to the current regulatory environment, manufacturers in Nigeria feel stifled by the various bureaucratic hurdles they face on a regular basis. For instance, in the Food Beverage and Tobacco subsector alone, there are four different regulatory boards governing the activity: “NESREA (National Environmental Standards and Regulation Agency), SON (Standards Organization of Nigeria), LASEPA (Lagos State Environmental Protection Agency) and NAFDAC (National Food and Drugs Administration and Control)” (Nwagwu & Oni, 2015). All these agency set different standards with different charges that often become burdensome to manufactures, especially when added to the disruptions that occur through excessive “inspection visits, environmental audits, product reviews and long delays in product certification” (Nwagwu & Oni, 2015). Manufacturers are calling for a more streamlined approach to the

regulatory system where the demands and involvements of government officials are restructured and simplified to ensure minimum interference in the production process without compromising product safety. In addition to this, the Food Beverage and Tobacco subsector is also reeling from the Central Banks decision to devalue the Naira in an effort to address the falling global oil prices (Nwagwu & Oni, 2015). This currency devaluation meant higher input costs of raw materials thus, raising production costs for manufacturers. Furthermore, with an inflation rate as high as 14.8% in 2017, consumer spending is likely to take a hit as demand for food and beverages drops. Additionally, with Northern regions persistently suffering from security threats narrowing the consumer base and decreased aggregate demand, profits in the FBT subsector took a dive in 2015-2016.

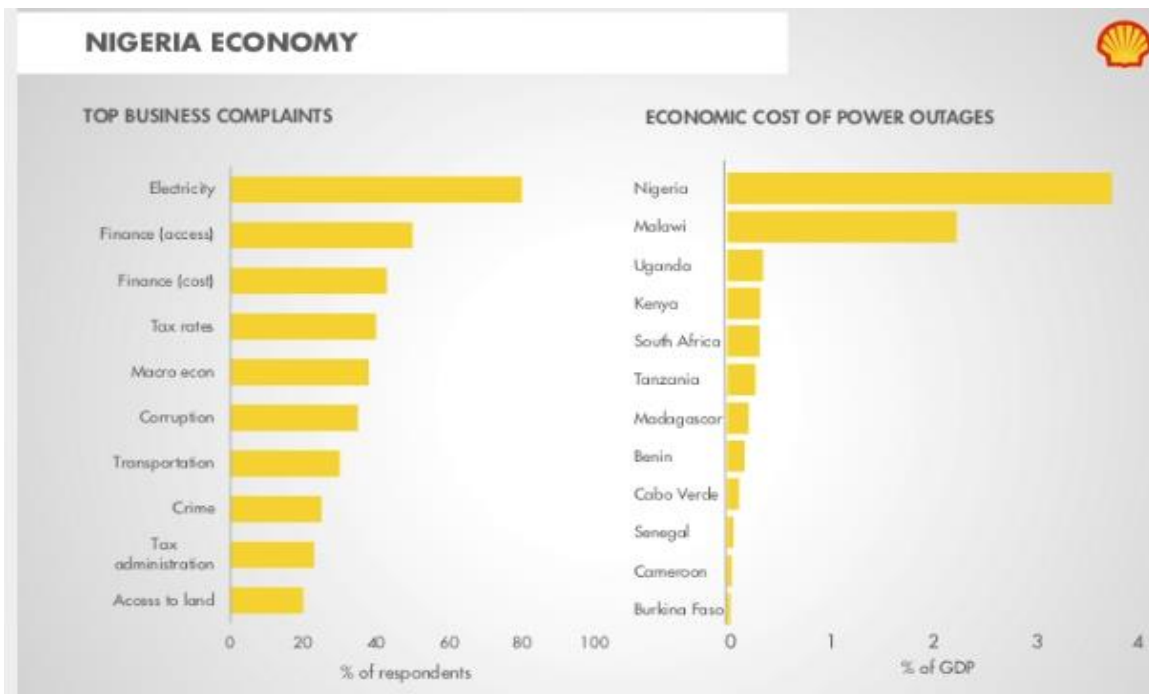
### **3.7 Infrastructure**

Productivity is also made worse with poor energy supply and transport services. For instance, manufacturers in Lagos spend roughly NGN57.72 million (\$181,384) on alternative power sources like diesel and gas generators to absorb losses from the lack of electrical supply during production (Nwagwu & Oni, 2015). Almost 97% of firms in Nigeria experience power losses, lasting an average of 196 hours per most (approx. 8 days). To combat this situation, 86% of them employ the use of generators, but this only produces 64% of their electricity needs (Iarossi & Mousley, 2010). The Manufacturers Association of Nigeria (MAN) in their 2013 economic review indicated that, by year's end, manufacturers experienced "an average of 6 power outages per day", enjoying only "3.5 hours of electricity per day" (Nwagwu & Oni, 2015). Overall, the review indicated

that roughly N581.15 million (\$1.8 million) was spent in six months to overcome this constraint. Figure 5 shows, when compared to Kenya, South Africa and other African countries, the economic costs of power outages appeared to be the top business complaint in manufacturing (more important than access and cost of finance, tax rates, crime, access to land and corruption) (Shell, 2012).

**Figure 6:** Top Business Complaints and Economic Costs of Power Outages in African Counties

Source: Shell in Nigeria. Ian Craig. 2012



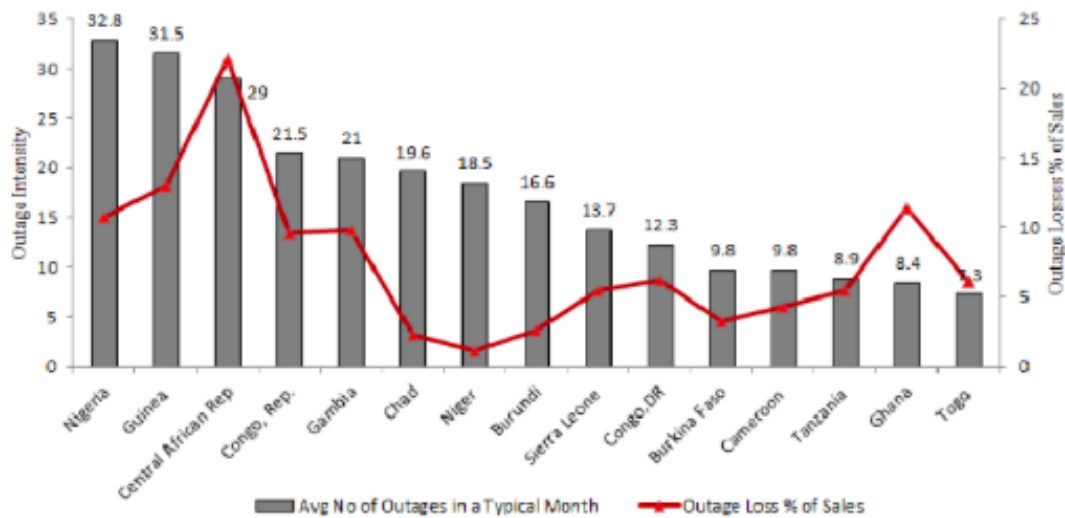
When considering the lack of infrastructure as an obstacle to *inclusive* growth in the manufacturing sector and economy, it is important to note the discrepancy in the amount of electricity provided between northern and southern states. In the Southern Capital of

Abuja, power outages average 127 hours per month and last up to 5 days, but in the Northern state of Kano, it averages 393 hours per month, lasting up to 16 days (Iarossi & Mousley, 2010). In Nigeria, the jurisdiction for power supply falls under the federal government and State governments strictly adhere to this. Unfortunately, federal level reforms on energy policy have had minimal effect on local manufactures in urban and rural cities. Focusing on this energy deficiency in the manufacturing sector could transform capital productivity and become the main driver for inclusive economic growth for the country. Nwagwu & Oni (2015) illustrate this practically by using the story of a rural plantain flour manufacturer, Samuel Toriola. Mr. Toriola often uses a wheelbarrow to transport his wholesale fruits and vegetables he buys from Ketu market to his private shop in the Ogudu Township roughly 2km from Ketu. When he arrives at his shop, he manually places the plantains on the zinc surface of his market booth to dry out, after which he proceeds to electrically grind the dried plantains into flour powder. However, when it rains, Mr. Toriola is unable to perform this drying process, which would then decrease his sales, and thus, his profits (Nwagwu & Oni, 2015). This is a widespread occurrence in Nigeria. Figure 7 shows the intensity of power outages in Nigeria and the resulting loss of sales due to outages are worse than most other sub-Saharan countries. Moreover, transportation in Nigeria is another major bottleneck inhibiting manufacturing growth. Iarossi & Mousley (2010) estimated that transportation problems originating from breakage, spoilage or theft results in a 4% loss in total sales and World Bank's Investment Climate Assessment of Nigeria estimate that losses due to lack of electricity amounted to 10% of sales. Only a very small number of roads are paved in Nigeria but road transport is still the main means for supply factories as 70% of manufacturing firms

deliver their inputs by road. With better transport facilities and structures, Mr. Toriola would be able to transport his goods quickly and more efficiently. With adequate electrical supply, he is ensured to have enough opportunity to produce plantain flour for the future. This increased and efficient production process translates into increased profit and Samuel Toriola can then transform this profit into capital for better tools and equipment such as an electric drier that could further speed up production, and profit (Nwagwu & Oni, 2015).

**Figure 7: Power Outrage Trends in SSA**

Source: Enterprise Survey Database, 2015



### **3.8 Access to Inputs: Credit and Land**

In addition to these infrastructural difficulties, manufacturers in Nigeria have been facing severe challenges when it comes to access to credit. Local manufacturers in Nigeria are currently confronted with a very high loan interest rate at 23% (one which is very rarely available to SMEs) that is stifling innovation and productivity in the industry. Due to all these hurdles, manufacturers in the country can barely compete with their international counterparts especially when it comes to quality and maintenance, supply chain management and production planning. Furthermore, a report by the McKinsey Global Institute showed that even farm workers in Nigeria have higher productivity levels than the urban manufacturing industry. Moreover, urban centres as dense as Lagos still suffer from over-congestion and lack of access to available land. Manufacturing industries, just like small-scale farmers often find it rather difficult to own land due to the many fees attached to ownership and land conflicts with people who claim to be owners of the land. Due to this, investors often rate the socio-economic environment in the Lagos manufacturing sector as unfriendly or hostile.

### **3.9 Governance**

The voices of small-scale manufacturers are often ignored in manufacturing policy and implementation dialogues. For economic reforms to be sustainable, there must be a communications platform that facilitates open and inclusive discussions between city inhabitants, small-scale manufacturers, and the government. The Leadership for Sustainable Development Program (LSDP) in Nigeria has correctly identified “strategic

governance” as the principle element that must be present for industrial policy and implementation to succeed (Nwagwu & Oni, 2015). The program emphasizes the need for a feedback mechanism to be installed to ensure the efficiency of specific industrial strategies, with the ultimate goal of assuring government accountability. The absence of such a feedback mechanism makes it incredibly difficult for stakeholders and civil society to demand accountability from their government. A feedback loop must be present to build a collaborative industry that seeks to improve “labour and capital productivity, physical and virtual infrastructure, industrial regulations and enforcement, and access to credit” (Nwagwu & Oni, 2015). Moreover, to continuously attract domestic and foreign investors, it is essential that federal and local state governments establish a streamlined and favourable tax structure as well as a simplified land acquisition process. Nwagwu & Oni (2015) insists that tax policies especially should be reviewed and “funding should be more accessible to industries of all scale” in order to “lower the cost of production and enhance its appeal to investors” allowing the industry to achieve inclusive growth

#### **Section 4: The Agricultural Sector**

Before oil became its primary source of revenue, the Nigerian agriculture sector was one of the most promising in the World. In the mid-60s, export crops were the primary source foreign exchange for Nigeria. Nigeria took the lead in palm oil exports,

well ahead of Indonesia and Malaysia and was the source of 47% of global groundnut exports, surpassing groundnut productivity in the Argentina and the U.S. (Daramola et al, 2007). During that period, agriculture accounted for 60-70% of total exports from Nigeria and government revenue was heavily dependent on it. Today, exports from agriculture are basically negligible, representing about 0.2% of total exports in the country (Daramola et al., 2007). The decline in agricultural exports, similar to the manufacturing sector, was precipitated by the “oil price shocks of 1973–74 and 1979” which allowed huge inflows of foreign exchange to the country and led to the collapse of the sector. As the agriculture sector became less competitive, Nigeria became a net importer of some commodities or crops it previously exported and had been self-sufficient in (Daramola et al, 2007). As of 2016, agriculture now stands at a mere 25.59% of GDP, a steep drop from 48% in 2002 (World Bank, 2017; CBN 2016). Even though Agriculture accounts for roughly 25% of Nigeria’s GDP (15% more than the oil industry), it provides more than two-thirds of Nigeria’s employment opportunities (about 70% of the labour force) (CBN, 2016; Essiet, 2016). Moreover, small-scale farmers, who ironically constitute the majority of the nation’s poor, produce 90% of Nigeria’s total food production. The World Bank (2016) projects that the agricultural sector will stay the major source of employment in Nigeria for years to come. Thus, increasing agricultural production levels by “incorporating small farmers in value chains, increasing access to markets, inputs, and technology will help raise income opportunities for smallholder farmers and tap into the significant potential for domestic agriculture and agribusinesses in Nigeria” (Olajide, 2016). Nevertheless, in much of rural and Northern Nigeria’s population, farming is still the primary activity. The sector remains one of the most attractive investment

opportunities in Africa and Nigeria. It is also widely seen as one of the best opportunities for the economy to reduce its dependence on oil.

Agriculture in Nigeria is made up of four sub-activities: Crop Production, Livestock, Forestry and Fishing. Crop Production, which will be focused on, is the largest agricultural activity in Nigeria accounting for 88% of the sector in 2016 (NBS, 2017). Over the past 30 years, Small farmers' crop production in Nigeria has been negatively affected by the "cost of agricultural inputs and consumer goods rising faster than the prices of agricultural produce", this created a high-risk environment that makes it difficult for small farmers to compete in domestic and international markets (Bah et al., 2003). In the more "rural" settlements, agricultural output has been constrained by the limited physical access to markets and processing. The dearth of investments in the agriculture sector is linked to the lack of incentives and limited infrastructure in the region, which is often unattractive to investors. Bah et al., (2003) suggest that increased decentralization will force local governments to take on the responsibility of creating enabling environments for private sector investments. But capacity must first be developed before this can be possible. In contrast, farming in the more urban areas – where private sector investment is more likely to focus – shows clear trends towards polarization. In these regions, small-scale farmers tend to switch to waged agricultural employment, non-farm employment or migration, while wealthier urban residents retain the rights in commercial farming, displacing under-capitalized small-scale family farmers.

#### **4.1 Access to Capital**

A major constraint to growth in agriculture, just like manufacturing, is the lack of finance for Nigeria's small-scale farmers. Nigerian farmers need more access to finance to invest in basic farming inputs such as "seedling, fertilizers, implements and irrigation" to increase yields (Ajibode, 2016). In addition, farming in rural areas is often affected by limited access to natural resources such as land and water, financial capital and information on market prices and fluctuations (Bah et al, 2003). Access to credit facilities, infertility of the soil, unfavourable weather/climatic conditions, poverty, storage, and processing problems are the major constraints affecting household food security. Access to these resources is often limited by other factors such as national policies (land tenure systems and agricultural policies), the characteristics of the village (population density and natural resource features), household differences (wealthier, vulnerable, migrant and indigenous) and differences within households (on the basis of gender and generational status) (Bah et al, 2003). With land tenure in Nigeria, ownership rights are often poorly documented, restricting it as a possible means of collateral to acquire loans needed that can be used for upgrading farm equipment and increasing output. Although recently, policies are being implemented that allows investors to buy large tracks of land, resulting in innovation and infrastructure development in food production, and also improvements in distribution and the exports.

## 4.2 Infrastructures and Agriculture

As an agrarian country, transportation infrastructure projects that support agricultural development are largely insufficient, mainly as a consequence of poor policy formation. For agricultural transportation policy to be planned effectively, it must involve a combination of political, social and economic factors and most importantly, commitment from the government in the decision-making processes. These are factors that are largely absent in agricultural planning policy in Nigeria. Oledinma (2015) asserts that three major issues are affecting the Nigerian agricultural infrastructure today.

Firstly, the lack of commitment on the part of the government in implementing infrastructure projects has significantly affected the pace of agricultural development in Nigeria Oledinma (2015). In 1995, the governments of Nigeria and China established a bilateral agreement of \$8.3 billion to improve infrastructure operations of railways in the country, but this agreement never came to fruition as adequate funds were not raised to complete the project and the regime that initiated it ended due to the death of the president (Oledinma, 2015). In 2006, the Nigerian government invested in a 25 year \$60 billion plan in railway development with the expectations of increased profitability and subsequent revenue for the government. The plan was created to extend rail networks and link key commercial states together, but no justifiable reasons were given for ending many projects like this. Oledinma (2015) suggests that these failures are often due to “political or economic expediency”, allowing important railway programs to be poorly constructed or even neglected for many years. This shows a persistent lack of commitment to transportation policy development and implementation in the country.

With regards to railway development, the lack of policy integration demonstrated by the National Transportation policy is also evident. For instance, the absence of rail and road competition translates into high costs when conveying freight within a reasonably short distance. Poor road, rail and port facilities add as much as between 30 and 40% to the cost of moving agriculture produce and other activities in the sector (Oledinma, 2015). Private sector participation is then negatively affected by the government's unwillingness to invest in transportation systems that facilitate competition for local agricultural produce. Without these public investments, private sector investors will be de-incentivized to give money to transport development programs since such investments will be costly and have low chances of yielding returns (Oledinma, 2015).

Secondly, the inadequacy of railway investments with respect to its impact on agriculture is taking a serious toll on the agricultural sector. The railway system in Nigeria was constructed by its British colonial powers and it was built based on Nigeria's agrarian economy meaning that agricultural products and the railways were interdependent (Oledinma, 2015). Railways were able to transport crops and agric products efficiently, transport travellers across cities and expand export markets. Plus, Oledinma (2015) insists, "optimal utilization of railway transportation improves market activities" especially for agriculture produce. However, today, Nigeria can no longer boast of any such "interdependence between rail transportation and agricultural activities". After its independence from the British government, the colonial-era railways fell into a state of disrepair. Freight traffic fell by more than 90% from about 3 million tonnes in 1964 to less than 100,000 tonnes in 2000. Oledinma (2015) insists "the railway system was

historically the single economic initiator, the main reason for the expansion of the agricultural export produce sector in an agrarian country and the main factor widening markets”. Thus, railways must be an essential part of infrastructure development for agricultural produce to be mass transported and exported, enhancing the growth of the sector.

The third issue plaguing the Nigerian agricultural policy system is the lack of policy integration and implementation of an efficient road transport policy. According to the OECD (2006), “90% of freight movement in Nigeria is dominated by road”, but less than 30% of its rural population live close to quality roads. Thus, with poor storage facilities, many rural farmers suffer from post-harvest losses with about half of their farm produce arriving in poor conditions or without even making it to consumers at all (Oledinma, 2015). Investing in good rural roads would link farmers and their products to profitable markets. It would give them better access to vital inputs such as seeds and fertilizer and greater access to competitive markets where they have the opportunity to sell their produce for a better price (Oledinma, 2015). Furthermore, with weak infrastructure, Nigerians have difficulties with the “crumbling roads or clogged up ports” as illustrated earlier (FDI, 2015). They spend large sums of their expenditure on generators to avoid blackouts. All these constraints have been consistently cited as the biggest challenges to investors when accessing markets in the country, thus, exerting enormous burdens on foreign and local businesses. In essence, agribusinesses often have to “self-generate” electricity at large costs, putting them at a competitive disadvantage (FDI, 2015). This lack of adequate electricity and weak infrastructure lowers the living standards of

millions of Nigerians, especially farmers in the North. Due to poor roads and heavy traffic, Northerners spend hours commuting distances that should take minutes. Poor infrastructure leads to low harvest that can stretch to as high as 40% destroying the livelihoods of millions of farmers, many in the northern rural regions (FDI, 2015). These losses are also detrimental to the creation of jobs and poverty reduction, as agriculture has not substantially grown due to the lack of infrastructure. According to David Onyinloye of The Infrastructure Bank, Nigeria's infrastructure deficit has translated into "an atrocious environment for doing business; poor quality of life; low national productivity; a fragile industrial base; and over-dependence on imported products...All of which perpetuate poverty, unemployment, and underdevelopment." (FDI, 2015).

### **4.3 Urban-Rural Migration**

The effects of rural to urban migration on the agricultural sector must also be taken into consideration. Development economics pioneer, Michael Tadaro (1976) has previously stated that when migration occurs, it does not necessarily happen with a random population sample, but with the younger, more formally educated and risk-averse populations. Research from Ofuoku & Chukwuji (2012) from the "Impact of rural-urban migration on plantation agriculture in Nigeria" article suggests that, because of the "positive marginal product" of labour in agriculture, agricultural output declines when rural-urban migration occurs. This reasoning corroborates arguments that assert that younger workers migrating to urban areas results in older populations remaining in the labour force of rural areas, thus inhibiting the "adjustment process" which causes "low

productivity and stagnation in the affected rural areas”. Ofuoku & Chukwuji (2012) concluded that rural-urban migration result in the “rapid deterioration of the rural economy, leading to chronic poverty and food insecurity”. Adewale (2005) also insists that, this sort of “rural-urban migration” of youths places an immense burden on farmers, as more time will be spent on a particular activity than when he or she has help from migrants. Thus, depriving himself of leisure time by involvement in majority of difficult labour intensive activities like “land preparation, planting, harvesting and processing” (Ofuokwu & Chukwuji, 2012). One could assume that plantation farmers could easily replace youth labour with machines and other tools, but Ofuokwu & Chukwuji (2012) argue that, in reality, “it is not always possible for machines to carry out all the operations that need human labour”. Such machines are used just for land preparation, while human labour is vital for other processing activities.

Although, there are other theorists who argue that the opposite can occur. Udo (1970) suggests that, when rural-urban migration occurs in areas characterized by “gross diminishing returns due to population pressure and uneconomic land holdings, a decrease in the population could theoretically reduce this tendency to diminishing returns and actually raise the productivity of agricultural labour”. However, if the rural area has a low population density, rural-urban migration could result in lower agricultural output (this decrease could be absorbed if agricultural innovations are introduced or if the other migrants occupy the vacuum). Rural-urban migration especially affects those communities that are almost entirely dependent on manual labour. In the south, the plantation of export crops such as oil palm, rubber and cocoa is particularly labour

intensive, especially with oil palm harvesting and processing. In this region, “bush clearing and harvesting of export crops” is quite labour intensive; thus labour shortage due to migration could significantly affect agricultural outputs. Empirical research from Ofuokwu & Chukwuji (2012) showed that most “large-scale tree crop plantations in the Niger Delta Region experience a labour shortage of between 10% and 35% of the required labour”. Basically, it argued that youth migration to urban areas tends to decrease critical labour force required in the sector, as the younger farmers with stronger bodies are very much needed for the sector to survive (Ofuokwu & Chukwuji, 2012). They concluded that “tree crop plantations will continue to suffer from labour shortage problems due to rural-urban migration because young men are no longer committed to agriculture.” They added that, “there is the irresistible attraction to urban life and its amenities, very different from the dullness and monotony of life in the plantations” (Ofuokwu & Chukwuji, 2012). Furthermore, their research showed that, if these migrants are not adequately replaced, harvests may be forfeited, resulting in major economic complications, decreasing expected incomes as productivity declines with the farmers left. Within their research, Ofuokwu & Chukwuji (2012) also showed that many of those plantations that had attained maturity lost between N495, 746.05 to N14, 910,677.7 in “foregone revenue” due to the lack of labour required for harvesting. Waddington (2003), Fadayomi (1998) and Afolabi (2007) all agree “migration has been a main cause of degradation of rural resources that has had a negative impact on the quality of rural life as it continues to reduce rural population”. This implies that labour force availability is vital for increasing productivity in rural agricultural regions. This could then translate to

increased crop sales, increased incomes, and revenue for small rural farmers, driving up inclusive growth rates.

#### **4.4 Women in Agriculture**

Before the 1970's, more than 80% of Nigeria's population were employed in the agriculture sector, but the rapid growth of the oil industry in the 1970's had a major role in transferring able-bodied men and youths from the rural to urban areas who were seeking paid employment. This left a lot older populations and women in rural areas to tend the farms, producing food for their communities. Research from Adebisi & Monisola (2012) suggests, "Women are becoming the main labour force in rural areas due to the absence of men who are seeking jobs in urban areas". Unfortunately, these women are still performing farming procedures with simple tools that can barely withstand the necessary production levels. Making it difficult for these women to produce for their families or communities properly. Particularly since increased levels of migration and population growth means extra food supply is needed in these urban areas. Thus, even in these urban areas, women have become the leading actors in agriculture. The Federal Ministry of Agriculture & Rural Development estimates that women currently make up 77% of farmers in Nigeria, "working as farm manager, and suppliers of labour" (Sahel Capital, 2016). As Adebisi & Monisola (2012) states "urban women went into farming so as to maintain livelihoods and contribute to household incomes through subsistence production and they even sell surplus for cash". Adebisi & Monisola (2012) adopts Mougeot's (1994) definition of Urban Agriculture as "the production of food and non-food plant and tree crops and animal husbandry including livestock, fowl,

fish, and snails both within (intra-) and fringe (peri-) built-up urban areas”. Meanwhile Lawal & Alui (2012) define urban agriculture as “agricultural practices within and around cities which compete for land, water, energy, and labour resources”. Gbadegesin (1995) defines urban agriculture as “an agricultural vocation where farmers use small available spaces usually in the suburbs of the city, to produce crops to sustain their livelihoods”. Urban agriculture often takes place on road setbacks, in backyards, on balconies, verges, vacant plots, in gardens, and even on rooftops. However, urban agriculture also provides services to the rural regions such as “diffusion of information and ideas, distribution of imported consumer goods, the supply of social services, provision of employment as well as food crop production and marketing of agricultural products” (Adebisi & Monisola, 2012). All these services are necessary for urban agriculture to develop. Thus, when women urban farmers are encouraged to produce food, it could increase food security levels within smaller rural towns. This encouragement could come in the form of policies that removes barriers to women ownership of land, allowing women and their communities to be ensured of a sustainable form of urban food production (Adebisi & Monisola, 2012). Despite their important role in Nigeria’s farming industry, women are still severely restricted from developing their agricultural trade due to formal rules and cultural practices. After farm produce has been harvested, Nigerian women are often excluded from participating in the capital-intensive distribution and aggregation processes due to lack of funding access (Sahel Capital, 2014). There are barely any women across the value chain, and many of them find it difficult to enter the market due to inadequate education, finances, and low social status. Currently, women in Nigerian agriculture receive less than 10% of credit offered to

small-scale farmers (Sahel Capital, 2014). They are hindered from applying for formal loans due to the complex administrative process, high credit rates insufficient sizes of loans. Poor financing and high costs means these women cannot afford agricultural inputs like fertilizer and improved seedlings. The women are also discouraged from attending training programs for farmers as a consequence of poor transportation, lack of awareness and social barriers (Sahel Capital, 2014). Furthermore, access to land and property may be the most critical factor restricting women farmers from developing their trade. In the South East and South-South of Nigeria, women own just about 10% while in the North-East, they own a mere 4% of the land (Sahel Capital, 2014). For agricultural productivity to improve, it is imperative that women are financially, economically and socially empowered to participate efficiently and effectively in the farming sector.

### **Section 5: Conclusion**

As the country's dependence on oil exports for revenue and foreign exchange significantly aggravated its economic downfall during the 2016 recession, Nigerians have finally come to understand that diversification of its economy is of primal importance to the country's prospects of achieving inclusive economic growth. Especially as an economy previously projected to become one of the fastest growing in the world, its persistent reliance on the oil sector meant that all other sectors (90% of the economy) were being neglected. The purpose of this research paper was to understand the current state of the different sectors of the economy, what exactly is constraining their productivity so that when addressed, could lead to the growth of the industry. It sought to

provide a platform by which Nigeria could strive to work these other areas of its economy by improving the efficiency and productivity of the Services, Manufacturing and Agricultural sectors. This paper analyzed each sector's contribution using an inclusivity framework that examined the differences between the rural and urban areas, the Northern and Southern areas, and other disadvantaged segments of the population.

Within the Services sector, it examined telecommunications, banking and retail and wholesale services. As services currently represent more than half of the economy at 54.8% of GDP, this sector shows plenty of potential to be a driver for inclusive growth (Oh, 2016). By increasing access to telecommunications in the rural north through streamlined land acquisition processes and state incentives for service providers, those in these rural regions can enjoy information sharing, better access to social services and learning resources that could improve health and literacy rates. Moreover, the research discussed how work productivity increases as mobile penetration usage increases. Thus, improving telecoms can lead to a reduction in poverty rates and unemployment rates. Analysis of the banking sector showed that although Nigeria has strong financial institutions, there are significant discrepancies in access to financial services between the North and the South, as 48% of the rural northern population is financially excluded, compared to 25% in the urban south. For Nigeria to achieve inclusive growth, access to banking services in rural populations is vital especially for farmers or manufacturers who need credit or capital to start businesses. Last examined in the services sector was retail and wholesale services; the major constraint to growth in this subsector was the lack of homogeneity between food prices in rural versus urban areas. With urban regions

driving up the national prices, rural traders are most likely to be adversely affected as urban retailers are guaranteed to capitalize on these price changes. Thus, it is essential that a price formation and product standardization mechanism be built to ensure price integration in the food market. Policy options that protect rural farmers from the adverse effects of the WTO agreements and dumping can also be implemented. Moreover, information networks that facilitate the effective flow of price changes between rural and urban regions must be strengthened to allow rural farmers take advantage of the higher prices by redistributing the food supply to the urban food deficit areas. These communications investments must also be coupled by strengthening the infrastructure facilities like rail, roads and ports to facilitate the transfer of these goods. With these in place, food-deficit urban areas could have easier access to cheaper food products, ultimately decreasing income inequality and poverty.

With regard to manufacturing which currently represents 9.53% of the economy, the three principal activities that contributed to the sector, which was; Food, Tobacco and Beverages, Textiles and Other Manufacturing. The research showed that issues such as regulations, infrastructure and land acquisition were impeding the sector's ability to achieve its productive potential. Regarding regulations, manufacturers, especially in the Food and Beverages activity, were found to be struggling due to the numerous regulatory boards governing its operations, imposing several criteria and fees that were unsynchronized or replicated. Streamlining the regulatory approach to manufacturing could significantly improve operations in manufacturing industries and would avoid interruptions to firms' productivity and revenue stream while still ensuring safety and

compliance. With the electrical infrastructure needed in manufacturing, the divide between the northern and southern regions is quite substantial as northerners experience power outages three times more than their southern counterparts (Iarossi & Mousley, 2010). Moreover, lack of adequate electrical infrastructure has been found to be the single binding constraint inhibiting inclusive growth in Nigeria as a whole. Thus, for productivity to increase in manufacturing and virtually all other sectors of the economy, Nigeria must tackle its electrical infrastructure crisis. This can be achieved by increasing the power supply through other sources such as renewable energy and by effectively maintaining the current electrical infrastructure. Lastly, “strategic governance” was identified as a necessity for manufacturing policy and implementation to succeed. The presence of a feedback mechanism between industry and government can improve capital and labour productivity by keeping state and local governments accountable for policies enacted, and feasibly increasing inclusive economic growth.

Finally, we examined the agriculture sector, which represents 25.49% of GDP as of the last quarter of 2016 and which was previously the largest and most productive sector of Nigeria’s economy before the oil exploration. This sector is often cited to be biggest avenue for driving inclusive economic growth in the country. This is because Nigeria, much like many other African countries is an agrarian economy with more than 70% of the workforce already employed in this sector. But in order for agriculture in Nigeria to become a viable source of revenue and foreign exchange, it has to address issues related to access to land and credit, infrastructure, rural-urban migration and the role of women in this sector. First, inadequate road and rail infrastructure was highlighted

as one of the biggest contributors to low productivity in the agricultural sector. It was shown that poor road, rail and port facilities add up to 40% to the cost of moving agriculture produce and other activities in the sector and it can also cause farmers to lose up to half off their produce after harvest. As Oledinma (2015) insisted “the railway system was historically the single biggest economic initiator, the principal reason for expansion of the agricultural export produce sector in an agrarian country and the main factor widening markets”. Thus, for agriculture to thrive again, Nigeria will need to redevelop, re-haul and rejuvenate its railway industry. Bad infrastructure such as an inadequate railway system stifles agricultural productivity and is detrimental to the small-scale farmers who largely constitute this sector. Better infrastructure in this sector would contribute to the creation of new jobs and would promote inclusive growth, leading to a reduction in poverty. Secondly, urban-rural migration must be addressed in order to curb the high rates of young migrant workers leaving rural farms in search of opportunities in the urban south. This loss of human capital is taking a significant toll on the sector. Replacing human labour with adequate machinery or providing incentives such as cheap loans to young migrant workers to stay and build the sector would be possible solutions to address this issue. Finally, as women are now the main labour force in the agricultural sector, inclusive policies that allow easier access to credit, financing, land ownership and education for women should be enacted. As stated by Adebisi & Monisola (2012), when women farmers are encouraged to produce food, this would additionally increase food security levels in the nation as a whole”. Thus, by summing up the immense potentials of the various sectors of the non-oil economy, and the types of investments needed to achieve them, this paper illustrates that Nigeria can innovatively diversify its resources

and advance its human and economic development. By strategically focusing on improving the productivity of these three sectors through designing policies aimed at tackling the regional and gender inequalities, Nigeria can be on the path to achieving strong economic growth rates that reflects an inclusive and diversified middle-income economy.

### **Bibliography**

1. Adunbi, Omolade. Oil Wealth and Insurgency in Nigeria. Indiana University Press, 2015. ProQuest Ebook Central, <http://ebookcentral.proquest.com.proxy.bib.uottawa.ca/lib/ottawa/detail.action?docID=2069796>.
2. Adebisi, A., & Monisola, T. A. (2012). Motivations for Women Involvement in Urban Agriculture in Nigeria. *Asian Journal of Agriculture and Rural Development*, 2(3), 337.
3. Afolabi, M.O. (2007). Rural-Urban Migration and Production in Nigeria's Agricultural Sector. M.PP Thesis Simon Fraser University, Burnaby, B.C.; Canada.
4. AfDB (2014). An Infrastructure Action Plan for Nigeria: Closing the Infrastructure Gap and Accelerating Economic Transformation. Africa Development Bank Group.
5. Ajibode, B. (2016). Nigeria Must Find the Political Will To Liberate These Three Sectors. Africa. PathFinder <https://pathfinder.vc/news/africa/nigeria-must-find-the-political-will-to-liberate-these-three-sectors/>

6. Adediran, Y. A., Opadiji, J. F., Faruk, N., & Bello, O. W. (2016). On Issues and Challenges of Rural Telecommunications Access in Nigeria. *African Journal of Education*, 3(2), 16.
7. Agabi, C. (2016). Nigeria: Agriculture Now Contributes Over 24 Percent to GDP - Central Bank. allAfrica. <http://allafrica.com/stories/201604141130.html>
8. Bah, M., Cissé, S., Diyamett, B., Diallo, G., Lerise, F., Okali, D., ... & Tacoli, C. (2003). Changing rural–urban linkages in Mali, Nigeria and Tanzania. *Environment and Urbanization*, 15(1), 13-24.
9. Barros, C. P., & Caporale, G. M. (2012). Banking consolidation in Nigeria, 2000–2010. *Journal of African Business*, 13(3), 244-252.
10. BBC. Africa. November 16, 2016. “Nigerian militants ‘bomb’ oil pipelines in Niger Delta”. <http://www.bbc.com/news/business-37228741> Central Intelligence Agency (CIA). (2016) “The World Factbook: Nigeria”. Retrieved from: <https://www.cia.gov/library/publications/the-world-factbook/geos/ni.html>
11. BBC. Africa. February 13, 2012. “Nigerians living in poverty rise to nearly 61%”. <http://www.bbc.com/news/world-africa-17015873>
12. BBC. Business. August 31, 2016. “Nigerian economy slips into recession”. <http://www.bbc.com/news/business-37228741>
13. Braimah, Ehi. (2017). Bouncing Back From The Economic Recession. Press Reader. <https://www.pressreader.com/nigeria/thisday/20170306/281565175552262>
14. CNBC Africa. April 11, 2014. “A closer look at Nigeria's GDP rebasing” Retrieved From: <http://www.cnbc.com/news/western-africa/2014/04/11/a-closer-look-a-nigerias-gdp-rebasing/>
15. Daramola, A., Ehui, S., Ukeje, E., & McIntire, J. (2007). Agricultural export potential in Nigeria. *Economic Policy Options for a Prosperous Nigeria*, Collier, P. and C. Pattillo (Eds.). Palgrave Macmillan, London.
16. Enhancing Financial Innovation & Access (2014). EFINA Access to Financial Services in Nigeria 2014 Survey. Retrieved: <http://www.efina.org.ng/assets/ResearchDocuments/A2F-2014->

- Docs/Updated/EFInA-Access-to-Financial-Services-in-Nigeria-2014-Survey-Key-FindingswebsiteFINAL.pdf
17. Enhancing Financial Innovation & Access (2016). EFInA Access to Financial Services in Nigeria 2016 Survey. Retrieved: <http://www.efina.org.ng/our-work/research/access-to-financial-services-in-nigeria-survey/efina-access-to-financial-services-in-nigeria-2016-survey/>
  18. Ebiede, T. M. (2011). Conflict drivers: Environmental degradation and corruption in the Niger Delta region. *African Conflict & Peacebuilding Review*, 1(1), 139-151.
  19. Export.gov. February 23, 2017. Nigeria – Market Overview. Nigeria Country Economic Guide. <https://www.export.gov/article?id=Nigeria-Market-Overview>
  20. Federal Ministry Of Finance, Nigeria (2016). Minister Of Finance At The Platform, Says FG Building A Productive, Inclusive Nigerian Economy. Abuja <http://finance.gov.ng/index.php/resources/news-media/news-archive/280-minister-of-finance-at-the-platform-says-fg-building-a-productive-inclusive-nigerian-economy>
  21. FDI Intelligence, (2015). “Nigerian Infrastructure: Building From The Base Up”. This is Africa. Nigeria
  22. Fadayomi, Timothy O. 1998. Rural Development and Migration in Nigeria: Impact on the Eastern Zone of Bauchi State Agricultural Development Project. Ibadan, Nigeria; Nigeria Institute of Social and Agricultural Research.
  23. Ginger, J. N. (2014). *Transcultural nursing: Assessment and intervention*. Elsevier Health Sciences. Nigerian Americans. P. 595
  24. Gbadegehin, A.S. 1995: Agricultural practices. In: Filani, M.O., Oguntoyinbo, S. and Faniran, A. editors, *Ibadan region*, Ibadan: University of Ibadan Press, pp. 145–153.
  25. GSMA & Deloitte (2015). Digital Inclusion And The Role Of Mobile In Nigeria. October 2015.
  26. Hussein, S. (2015). Counter-terrorism in Nigeria: responding to Boko Haram. *The RUSI Journal*, 157(4), 6-11.

27. Iarossi, G., Mousley, P., & Radwan, I. (2009). An assessment of the investment climate in Nigeria. Washington, DC: World Bank.
28. Ifejirika, C. A., Arene, C. J., & Mkpado, M. (2013). Price transmission and integration of rural and urban rice markets in Nigeria. *Journal of Agriculture and Sustainability*, 2(1).
29. Lawal, M. & Aliu, I. (2012). Operational pattern and contribution of urban farming in an emerging megacity: evidence from Lagos, Nigeria. *Bulletin of Geography. Socio-economic Series*, 17(17), pp. 87-97. Retrieved 27 May. 2017, from doi:10.2478/v10089-012-0009-1
30. Mougeot, L. J. (1994). Introduction. African city farming from a world perspective.
31. National Bureau of Statistics (NBS) (2014). Nigerian Gross Domestic Product Report (Q4 2014).
32. National Bureau of Statistics (NBS) (2017). Nigerian Gross Domestic Product Report (Q4 2016). Date. February 2017
33. Nwagwu, I. & Oni, T (2015). Lagos and Its Potentials for Economic Growth. Megacity Lagos. Heinrich Boll Stiftung. <https://ng.boell.org/2015/07/02/lagos-and-its-potentials-economic-growth>
34. Nyantakyi Bempong, E., & Sy, M. (2015). The Banking System in Africa: Main Facts and Challenges. Chief Economic Complex. Africa Economic Brief. African Development Bank Group. AEB. Volume 6. Issue 5
35. Oduwole, T. A. (2015) Youth Unemployment And Poverty In Nigeria. *International Journal of Sociology and Anthropology Research* Vol.1, No.2, pp.23-39
36. Okoh, R. N., & Egbon, P. C. (2005). *The integration of Nigeria's rural and urban foodstuffs markets* (No. RP\_151).
37. Ofuoku, A. U., & Chukwuji, C. O. (2012). THE IMPACT OF RURAL-URBAN MIGRATION ON PLANTATION AGRICULTURE IN THE NIGER DELTA REGION, NIGERIA. *Journal of Rural Social Sciences*, 27(1), 137-151. Retrieved from <https://search.proquest.com/docview/1287032114?accountid=14701>

38. Oledinma, A. (2015). The Institutional Framework Surrounding Agricultural Transportation Policy in Nigeria. *Journal of Transport Literature*, 9(2), 50-54.
39. Omoh, G., Anaeto, E., Nwabughio, L. (2016). “Economic Recession worse than expected – National Bureau of Statistics”. Vanguard Nigeria.
40. Olaniyi, M. (2016). Nigeria: Oyegun - Consequence of Fall in Oil Price Is a Lesson for All. All Africa
41. Olajide, B. (2016). How to boost jobs, engage the youth in Nigeria, by World Bank. Appointments. The Guardian. <https://guardian.ng/appointments/how-to-boost-jobs-engage-the-youth-in-nigeria-by-world-bank/>
42. Organisation of Economic Community Development, (2006), Economic country profile of Nigeria. Available at [www.africaneconomicoutlook.org](http://www.africaneconomicoutlook.org).
43. Punam, C. P., Korman, V., Angwafo, M., & Buitano, M. (2014). An analysis of issues shaping Africa’s economic future. *Africa’s Pulse Newsletter*, 3, 81684.
44. Sahel Capital (2014). Creating Value, Building Businesses and Transforming Communities. Sahel Capital Limited. <http://sahelcp.com/wp-content/uploads/2016/12/Sahel-Newsletter-Volume-7.pdf>
45. Shell. Ian Craig (2012). Shell In Nigeria & SPDC JV Overview. <http://www.slideshare.net/royaldutchshell/shell-in-nigeria-spdc-jv-overview/6>
46. Todaro, M. P. (1976). *Internal migration in developing countries*. International Labour Office.
47. UNDP. (2015). “ Human Development Reports; Nigeria”. Retrieved from <http://report.hdr.undp.org>
48. Udemé, Clement. (2017). “Economy will bounce back if FG implements 80% of 2017 budget”. Business. Vanguard. <http://www.vanguardngr.com/2017/03/recession-economy-will-bounce-back-fg-implements-80-2017-budget-prof-ekpo/>
49. Udoh, R.K. 1970. “Migration in Nigeria.” Nigeria Magazine 103:4–8. Von Braun, Joachim . 2004. “Towards a Renewed Focus on Rural Development.”
50. World DataBank. (2015). “World Development Indicators”. Retrieved from <http://data.worldbank.org/indicator>

51. Waddington, Clare. 2003. "Policies and Internal Migration." Paper Presented at the Regional Conference on Migration, Development and Pro-peer Policy Choices in Asia. Bangladesh Refugee and Migratory movement Research Unit, Bangladesh. DFID, UK.
52. World Economic Forum (2017). "The Global Competitiveness Report; 2013-2014" Retrieved from <http://www3.weforum.org/docs/gcr/2015-2016/NGA.pdf>
53. World Bank. (2005). Nigeria: Expanding Access to Rural Infrastructure Issues and Options for Rural Electrification, Water Supply and Telecommunications. ESMAP Technical Paper 091. 35994.  
<http://documents.worldbank.org/curated/en/652191468288614995/pdf/359940UNIOESM01ural1Access01PUBLIC1.pdf>
54. Zamfir, I. (2016). Africa's Economic Growth, taking off or slowing down. *European Parliamentary Research Services (EPRS)*.