DIVERSIFICATION OF NIGERIAN ECONOMY IN RECESSION: AGRICULTURE AS ALTERNATIVE

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ABSTRACT

This paper examines the Nigeria's economy in recession, and diversification of the economy through agriculture and other means as alternative. The paper argues that displacement of agricultural products by oil as the focal point of national revenue allocation, is the root cause of the revenue allocation debacle in Nigeria federalism. The focus on revenue sharing rather than revenue generation is the, root cause of political, economic and social imbalance or decay in the contemporary Nigeria and has equally led to the proliferation of unavailable state and local governments and the current recession. The excessive government dependence on oil revenues, an institutional unstable revenue allocation system weak political institutional arrangements, lack of effective agencies of restraints to demand transparency and accountability on the part political office holders. Failure' to translate oil wealth' to sustainable growth and increase standard of living for larger majority of Nigerians and a defective property right structure in relation to mineral resources endowment are the hallmark of Nigeria government. Using content analysis, the paper conclude by making recommendation on how to diversify the Nigeria economy which include the investment and developments of other sectors like agriculture, industries, solid minerals and human resources.

Keyword: Diversification, Recession economy, Agriculture, Alternative

INTRODUCTION

Nigeria since 1970s has a mono-cultural economy relying heavily on oil as its major income earner. The implication is that the dynamics of the economy is at the whims and caprices of the price of oil, which for the most part 'has been volatile (Enoma and Mustafa, 2011). This scenario in the recent time precipitated for the ongoing recession, in addition to mismanagement of the public resources. The major fall out of this fragile structure of the Nigerian economy is a situation where the economy has been growing without creating jobs and reducing poverty (Onodugo, 2013). The on-hand explanations to this economic paradox is that the soil sector that produces about ninety percent (90) of export earnings are in the hands of less than one percent of the Nigerian population dominated by expatriates and mentors of the political class who control production and the sector is disconnected from other tiers and sectors of the economy and thus offers little or no linkage and multiplier effects to the economy as a whole.

The adverse consequences overdependency on oil trade heightened the need and call to diversify Nigerian economy away from oil towards the direction of non-oil export trade. All these are in attempt to avert or eschew recession.

The proponent of diversification opined that increased of non-oil export has great potentials to propel Nigerian economy to the desired growth and development. Onwualu (2012) maintained that the value chain approach to agriculture has the potentials to open up the economy and generate various activities which are capable of creating jobs and enhancing industrialization and thus makes the non-oil sub-sector to hold the aces for future Nigerian sustainable economic growth.

With regards to recession on the Nigeria's economy, as reported in the Daily Trust edition March 9, 2017. Thus:

That Nigerians imported prepared foodstuffs, beverages, spirits and tobacco worth ₦461.41 billion in 2016 despite being the recession year. The report further stated that the National Bureau of Statistics (NBS) that industries in Nigeria are not producing enough foodstuffs for· household consumption. Also emphasized that in 2013, Nigeria imported foodstuffs and beverages worth ₦662.19 billion and this value dropped to ₦404.90 billion in 2014, ₦346.93 billion in 2015 and ₦451.41 billion in 2016, totaling ₦1.88 trillion between 2013 and 2016. The statement further shown that Nigeria imported foodstuffs and beverages more than the country exported, resulting in a trade deficit of over ₦I trillion during the period. By implication, Nigeria did not earn enough foreign exchange from the exports to settle the high import bill. The report also showed that Nigeria exported foodstuffs etc worth ₦864.52 billion during the same period leaving the country with a trade deficit of over ₦I trillion to fund the import of the same items. This shows how vulnerable the country's economy is to import capable of not only killing local industries but also eroding jobs (Daily Trust, 2017).

Successive Nigerian governments on its parts have shown efforts over the years to grow the non-oil export trade by establishing supportive policies. Some of these policies with varying degrees of success include but not restricted to: protectionist policy of industrialization in the 1960s, trade liberalization policy (in form of Structural. Adjustment Programme) of the mid 1980s and export promotion policy of 1990s which was executed through intensified policy support to Small and Medium Scale Enterprises (SMEs) to enhance productivity and subsequently export of local products (Onodugo, Vincent, Ikpe & Anowon, 2003).

The growing body of literature indicating possible linkage between 'non-oil export and growth of the Nigerian economy notwithstanding, there is still paucity of empirical evidence as to the magnitude of the contribution of non-oil export to the growth and specific sectors and factors that are behind such growth. Further, it is observed that most time series studies in this line of investigation on Nigerian economy have focused on export promotion strategy of industrialization, as a way of diversifying the productive base of the Nigerian economy (Onayemi and Ishola, 2009) without clear information on how strong the impact of non-oil export has on the rate of change in the Gross Domestic Product (GDP). It is against this background that this paper seeks to investigate the diversification of Nigeria's economy in recession and the need for alternative solutions in agriculture to the dependency of oil revenue.

OBJECTIVE OF STUDY

The general objective of the study is to examine how Nigerian economy is adversely affected in the ongoing recession, and the need to diversify the economy or alternative solutions

to avoid the heavy dependence on revenue. The specific objectives include:

a. To examine the level of government commitment on the diversification of the Nigerian economy to agriculture
b. To examine the extent these agricultural development programmes contributed in the diversification and address the recession.

c. To examine the challenges in the implementation of these policies.

LITERATURE REVIEW

This segment will review literature by eminent scholars on diversification. In the process, we shall also use some theories to analyse the discussion or issues raised.

Philippe (2006) described economic diversification as distribution of investment in different sectors of the economy so as to minimize the risk of over-dependence on one or very few sectors. In the case of Nigeria he maintains that as the shifting investment towards the non oil sectors to avoid risk and uncertainty. Due to the ongoing privatization and globalization in general, the role of private sector in the diversification should be taken into account.

Summelson (1968) in his part view economic diversification as an act of investing in a variety of assess, which reduces risks especially in the time of recession, inflation, deflation etc. economic diversification strives to smooth out -systematic risk events in a portfolio so that the positive performance of some investments will neutralize the negative performance of others.

Muntaka (2015) in relation to diversification, examined the effect of Nigeria's oil dependency on economic growth. He observed that Nigeria has wasted much of its opportunities to break away from underdevelopment .despite its massive natural and human resources endowment due to heavy reliance on her huge crude oil resources regrettably mismanaged, as the major sources of revenue. He further identified and discussed on some key drives of economic diversification such as investment, governance and' regional dimensions of economic diversification as well as human and natural resources. He reiterated that of all the other drivers, good .governance remains pre-requisite in building an enabling environment for such diversification. Deducing from the Muntaka's view, diversification to the non-oil sector cannot be achieved without good governance characterized by political will.

Onucheyo (2001) predicted that there will be drastic fall in oil prices. Pointed out that in the 21st century nuclear, solar, geothermal and other energy sources will be sufficiently developed to meet most of the world's energy requirement.

This situation according to Onucheyo raises fears to Nigeria's oil powered monocultural economy. He maintained that Nigeria's position in the 21st century will not depend on its oil, but the development of agricultural sector and related human resources.

It is also pertinent to' note that a non-oil sector comprises those groups of economic activities which are outside the petroleum and gas industry or those not directly linked to them. It consists of sectors such as manufacturing, agriculture, .telecommunication, service, finance, tourism, real estate, construction and health sectors. Non oil (mostly agricultural) products such as groundnuts, palm kernel, palm oil, cocoa, rubber, cotton, coffee, beans, hides, skin and cattle dominated Nigeria's export trade in the 1960s . But the discovery of oil in commercial quantity shifted the attention from non-oil export to a "petroleum mono-cultural economy" since the 1970s, while petroleum export was growing, non-oil exports were declining, this made the dominance of oil export over non-oil export much more rapid and pervasive.

The transformation of Nigeria from a net exporter of agricultural product to a large-scale importer of the same commodities was particularly marked during the period 1973-1982. (Oyejide, 1986). Osuntogun et al., (1977) reported that nominal non-oil export earnings fell from ₦ 363.5 million in 1973 to ₦203.2 million in 1982. The decline was even more dramatic in real terms as oil exports in contrast rose phenomenally, from about ₦2 million to about ₦8 billion in nominal terms during the same period.

Similarly, continued reliance on developed countries according to Onwualu (2009), identified key impediments to the growth of the non-soil sector as follows:

Week infrastructure - a national challenge

a. Supply side constraints - due to low level of technology. This constrains is particularly

   prominent in the agricultural sector

b. Low level of human capital development - general

c. Weak institutional framework - a national challenge

d. Poor access to finance - general (Onwualu, 2009)

CONCEPTUALIZATION

i. Diversification:

According to Eguntobi T.A. (2012) implies creating new avenues for economic growth. It involves using the right strategy to boost revenue generated from other sectors of the economy. That is facilitating growth of other sectors of the 'economy as through this, reversing the effects of the ·economic crises and returning the economy to a growth path. It however will not necessitate a neglect of the oil and gas sector but accommodates maximizing revenue derivable from the sector. Hyden (2006) describes diversification as an active participation in wide range of sectors, and firmly integrated into different regions, are better able to generate robust growth and great potential to increase Africa's reliance and contribute to achieving and sustaining long economic growth and development in the continent.

ii. Recession:

According Anty R. (1993) recession is a phenomenon when the economy declines significantly for at least six months. That means there is a drop in the following five economic indicators: real GDP income, employment, manufacturing and retail sales. However, in some quarters, recession is seen from the perspective of the GDP growth rate of the economy.

Recession, in the word of Osuntongun A. (1997) is a period of general economic decline and is typically accompanied by a drop in the stock market, an increase in unemployment, and a decline in the housing market. It could also be seen as a decline in gross domestic product (GDP) for two or more consecutive quarters. By and large, a recession is· less severe than depression. The blame for a recession generally falls on the federal leadership, often either the President himself, the Head of the Federal Reserve, or the entire administration.

iii. Economy:

This encompasses the resources endowed with a particular state. It also involves the high or low resources in comparative terms. Economy also measures a country's level of development as a result of certain indices. Notably, the Nigerian economy is currently facing recession. Therefore, economy signifies the strengths and weaknesses of a country's resources which include the natural or physical resources. The economy is determines in terms of national income at the rate of international trade.

iv. Agriculture:

Agriculture is one of the key sector that provide unrivalled opportunities for country's growth. It shares linkage with. virtually all the sectors of the economy with proven multiplier effect on the economy. It creates employment more than any other sector of the economy, earns foreign exchange, provides food and food security, provides raw materials for our plants and industries.

v. Alternative:

This is a strategy or panacea to a challenges bedeviling a society. It is seen as an option or a paradigm shift from an old pattern to a more better solution to get out a dwindling policy. Alternative is a clarions calls by experts and generality of the public to shift the direction of country's policy to a more appropriate so that the economy can be improved.

Alternative with regards diversification is centrally concern with the shift from the oil sector to the non-oil sector which include - agricultural, manufacturing, telecommunication, tourism, real estate, construction etc. Alternative became possible, when a country is cycled with recession. Onwualu A.P. (2009).

THEORETICAL FRAMEWORK

This paper is anchored within the theoretical submissions developed by the pro-poor sustainable economic growth theory. As a matter of fact, there are other theories that can guide the analysis or study of this nature like resource cure theory also known as the paradox theory among other things. But the major reason behind the adoption of this theory in explaining and analyzing the diversification of Nigeria's justified in addressing the current recession affecting the Nigeria's economy. The major thrust of the pro-poor sustainable economic growth theory is that: as risk and uncertainty arising from over dependence on one or very few sectors is minimized a sustainable growth rate is assumed. Furthermore, as the economy grows it is assumed that the government concerned will be committed to the policy of equitable income distribution and poverty alleviation through the diversification process (pro-poor growth assumption). The "trickle-down" effect is hereby assumed to be realized throughout the growth process (Philippe, 2006). The assumption of this theory is that as an economy grows and diversifies, its ability to counter the effect of natural disasters such as drought, flood and outbreaks of cattle diseases is assumed also to increase. By so doing, the economy is able to establish well-planned systems, which may .need substantial funds to counter the effects of disasters. The theory also states that as an economy diversifies, the government concerned may collect enough taxes and other forms of revenue from various, sectors - private sectors, mining and non-mining sectors. The revenue obtained is assumed to be essentially pro-poor, i.e. the, government is assumed to use the revenue prudently to improve the welfare of the poor. It is expected to increase the share that goes to the aspects which benefits all people including the poor such as universal and vocation-oriented education, primary health and basic infrastructure. The proponents of the theory include Anty (1993), Philippe (2006), Kruegor (1928) and Bhawati (1978).

The strengths of the theory is that it is more of beneficial to the poor, as the resource trickled down. Secondly, the theory discourages heavy dependence on the oil sector and other sources abundant will be given more premium. By and large, government will get more revenue to boost the economy.

The weakness of the theory is that there will be sabotage from wealthy individuals to frustrate the policy, since it is pro-poor. A recent artificial increase in prices of goods and services in Nigeria is a case in point. In fact, the ongoing food crises and poverty rate in contemporary Nigeria is 'not natural, but artificially created by the comprador bourgeoisies.

In justifying the above theory, the Anchor borrowers scheme, and the N-power programme has helped in no small measure ~n alleviating poverty and agricultural development in contemporary Nigeria. T4e theory also become relevant particularly in the huge revenue derives from the non-oil sector, to the extent that federal budget is made for the first time, from the non-oil sector.

METHODOLOGY

This paper which aimed at taking an in-depth analysis of the diversification of Nigeria's economy in recession, through agriculture as alternative. The paper uses the descriptive method in analyzing the secondary data collected in order to recommend the possible solution.

FACTORS THAT CAUSE RECESSION

The factors that precipitated recession can be discussed as follows:

a. **High interest rates**: This arises when liquidity· is limited or the amount of money available to invest is low.

b. **Inflation:** This scenario occurs when there is general rise in the prices of goods and services over a period of time. As inflation increases, the percentage of goods and services that can be purchased with the same amount of money decreases.

c. **Reduced consumer confidence**: If consumers believe the economy is bad, they are less likely to spend money. Consumer' income is psychological but can have a real impact on any economy

d. **Reduced real wages**: In this situation, wages have been adjusted for inflation. The worker's paycheck is not keeping up with' inflation. The worker might be making the same amount of money, but his purchasing power has been reduced.

The current recession in Nigeria has experiences the above indies which adversely affected the Nigeria's exports investments and the purchasing power of both government and the individuals. And the property crime rose to an unprecedented tempo. This scenario immediately changed the government focus from oil to the non-oil source of revenue, along with pro-poor policies.

DEPENDENCY ON OIL AND THE REVENUE ALLOCATION DEBATE IN NIGERIA

It is evident that Nigeria wasted much of her opportunities to break away from under¬development despite her massive natural and human resources endowments, in her chequred political history spanning over half of a century. (Adekunle I.A. 2012). The oil resources are being mismanaged and a substantial part of i~ has gone on rent seeking and red-tapism common in Nigeria bureaucracy.

Nigeria production greatly depends on crude oil production and the price of crude oil in the international market. However, the fluctuation in the crude oil adversely affects the Nigeria's economy.

The table below shows the changing price of crude oil in the international market as captured by the Central Bank of Nigeria, 2012.

Table 1: Domestic Production of Crude Oil and International Pries (Bonny Light)

Period	**Prices**	**USS per barrel**	**Output**	
	2010	**2011**	**2010**	**2011**
January	77.62	97.96	2.33	2.49
February	80.27	106.57	2.39	2.51
March	8027	116.56	2.44	2.29
April	85.29	124.49	2.41	2.42
May	77.54	118.43	2.41	2.50
June	75.79	117.03	2.21	2.34
Monthly average (mbpd)	79.46	113.51	2.37	2.43

Source: Central Bank of Nigeria, Abuja (2012)

The above shows that as at January, 2010 and 2011 respectively the prices of oil per barrel has increased from U$77.6 to 113.51 while the output rose from 2.37 in 2010 to 2.43 million barrel.

The implication is that the huge or colossal sum realized is not been utilized for the rainy day. With all these, poverty, unemployment, education and infrastructures suffered. Because the effort of successive governments are just a mere lip-service. The elite has siphoned the resources into their private accounts at the detriment of others. This is itself encourage the sole dependent on the oil revenue. The sharing formula since 1960 to date calls for delegate conference debate which lasted for five (5) months. The South-South agitated for 50 share on the basis of true federalism. However, since 1999 to date, the share to the South-South region remains 13. Yet, the Niger-Delta militants continue to vandalize the oil pipe, which affected the Nigeria's exports adversely. The dwindling Nigeria's economy also suggested the needs for diversification.

THE NEED TO DIVERSIFY NIGERIA'S ECONOMY

Nigeria is globally known as the most populous black nation - State with over one hundred and fifty million people and over three hundred and fifty-six thousand square miles land mass, is endowed with abundant human and natural resources (Adekunle, 2012).

Agriculture was the mainstay of the Nigeria's economy prior to the discovery of oil in commercial quantities. Similarly, Nigeria. exported crops like groundnuts, cocoa, beans, gum Arabic, kolanuts, cotton, soya beans, palm kernel, cashew nut etc. to Europe and America and other continents across the globe. Almost all regions of Nigeria are agricultural producers which enhanced the standard of living and economic status of the people in the past.

Indeed, if the type of adequate attention given to petroleum can be extended to agriculture, mining, commerce, tourism and other sectors of the economy, the socio-economic status of the country will improve. There is no doubt that Nigeria has tremendous opportunities in mining and mineral extraction. The country has one of the best quality coal deposits in the world, with lowest sulphur content. Others are gypsum, barites, kaolin and tale which if properly harnessed will increase the co-revenue.

The country is also blessed with tropical rain forests, savannah grasslands, mangrove swamps, the sahel savannah and most especially, natural tourist sites like the Owu water fall in Kwara State, the steepest natural waterfall in West Africa and Esie Museum, also in Kwara State, Yankari game Reserve and its warm spring among others. Overdependency on oil has slowed down the development of alternative source of revenue. Apart from total dependence on revenue from oil export for all the government expenditure at Federal, State and Local government. The growing demand for oil in the country is overwhelming. In Nigeria, the two means of transportation, road and air depend solely on oil. Almost all sources of income at small and large scale capacity depend on oil, all mode of socio-economic development are nothing without oil. These are seriously been threatened by the oil dependency phenomenon. Given the current reserves and rate of exploitation, the expected life span of Nigeria oil is over 50 years, based on 2.3m b/d production. It is imperative that drastic actions be taken towards the diversification of the economy.

This paper opined that diversification represents the· most competitive and strategic option for Nigeria in light of her developmental challenges and given her background.

Diversification has a lot of benefits for Nigeria to maximally utilize her abundant resources-base to rebuild the economy and enjoy the benefits of all the linkages, synergy economies of scales, grow national technology and foreign investment profile, build human capital, exploit new opportunities, lesson averagely operational costs, increase national competitiveness and grow the standard of living and confidence of the citizens for national renaissance. Adeloye L. (2012).

DIVERSIFICATION AS ALTERNATIVE TO NIGERIA'S ECONOMY IN RECESSION

a. Investing in Agriculture

Agriculture is one of the key sectors that provide unrivalled opportunities for Nigeria's growth. It shares linkage with virtually all sectors of the economy with proven multiplier effect on the economy. It remains Nigeria's surest in industrialization and future. It creates employment more than any other sector of the economy, earns foreign exchange, provides food and food security, provides new materials for our plants and industries. It is the basis of the Nigeria economy and even the source of the much celebrated oil (Science of oil formation). From food and cash crop to animal husbandry, horticulture to fishery, the opportunities are numerous. Enoma, A. (2011).

The report on the Nigerian economy- (2011) maintained that agricultural sectoral growth slowed 5.69 in the first half of 2011 compared to 5.66 in the corresponding period of 2010, predominantly on account of crop production. This growth rate is however below the animal target of 11.9 stipulated for the sector in the first NIP. Agriculture is the major and most certain path to economic growth and sustainability. Agriculture is the mainstay of mankind, therefore wise nations all over the globe give it a priority by developing and exploiting this sector for the upkeep of their teeming populations through the earning of revenue for development purposes; as well as employment for the steaming down crimes, corruption and other forms of indiscipline which work against all factors of life, living and most of all economic production. While many nations in the world are working hard and reaping their harvest in this direction, Nigeria happens to belong among the few that have greatly retarded from their past glorious heights in agriculture, down to a near zero scale of agricultural production. Surely, this neglect is because of irresponsible and ill-purposeful leadership.

b. Industrialization

This sector provides the axion for competitiveness, growth of local technology, expansion of export base, creation of employment, technology transfer and rapid technological change, innovation, mass production, research and development, and foreign investment. Nigeria has remained a traditional importer of primary products, the same which she imports later as better finished products of varying degrees and quality.

Manufacturing is a pivot of any economy and great function of sciences and technology which we need seriously in bur economy. This technological process of conversion and transformation of raw materials into varying degree and class of goods and services for human consumption holds the ace for prosperity and national development.

Table 2: Distribution of Industrial Establishment by State, 1997

Establishment			Workers engaged		Ownership Structure				
State	No.	% of total	No	% of total	Pubic Ltd.	Private Ltd.	Statutory	Sole	Others
Abia	437.6	7.46	47557	4.77	154	380	46	3409	387
Adamawa	286	0.49	9196	0.92	31	35	17	180	23
Akwa-Ibom	1456	2.48	17716	1.76	104	121	32	1072	127
Anambra	1603	2.73	22824	2.29	104	84	38	2016	361
Bauchi	1102	1.88	24878	2.40	115	83	22	786	96
Benue	1108	2.00	17360	1.74	96	191	28	768	96
Borno	491	0.84	13417	1.35	59	53	30	294	75
Cross River	771	1.31	19636	1.97	54	113	20	507	77
Delta	1519	2.59	28023	2.81	61	280	24	1048	106
Edo	1676	2.86	36145	3.56	80	144	24	1289	139
Abuja	1127	1.92	32594	3.27	125	278	11	561	152

Imo	1399	2.39	19566	1.96	81	250	51	897	120
Jigawa	585	1.00	12069	1.21	32	20	18	458	57
Kaduna	2696	4.60	6119	6.13	219	442	19	1722	294
Kano	2295	3.91	75283	7.55	197	704	20	1124	250
Katsina	1533	2.61	19828	1.99	97	101	24	1202	109
Kebbi	789	1.25	6147	0.62	34	44	10	606	95
Kogi	481	0.82	7585	0.79	46	61	9	311	54
Kwara	860	1.47	11074	1.11	64	124	15	571	86
Lagos	9899	16.87	179042	17.95	599	2688	36	5826	750
Niger	1198	2.04	20070	201	89	91	21	783	214
Ogun	665	1.13	76.7	7.69	227	199	54	1617	216
Ondo	1873	3.19	37534	3.76	173	254	49	1286	111
Osun	2105	3.59	20654	2.07	92	49	8	1706	196
Oyo	4553	7.76	44993	4.51	216	407	53	3457	440
Plateau	1550	2.64	27025	2.71	110	156	137	997	150

Rivers	2290	3.91	4527	4.54	1510	98	418	62	202
Sokoto	4424	7.54	40621	4.08	78	86	22	3627	609
Taraba	131	0.22	1991	0.20	8	8	2	77	36
Yobe	613	1.05	5829	0.53	38	23	19	485	48
Total	5866	100	99781	100.0	3,573	8,341	935	40,178	5,636

Source: FOS Report of the National Listing of Establishment 1997 (Abuja, 1998)

Industrialization is critical to national economic development because it equips nation with the skills, equipment and process to make fuller and better use of resources for greater and more diversified production and exchange. In the last fifty years many developing countries have transformed their economies through rapid industrialization, but Nigeria, like most countries in sub-saharan Africa, is not among them. Yet Nigeria has great potential for industrialization which should be fully exploited. Given its relatively level of human capital development and diversified natural resource base but table 1.2 above shows that there are only a few industries in Nigeria with only 25 of the potential for industrialization tapped.

In the report of the first half, Nigeria economy (2011) captured that, manufacturing continue to grow albeit at slower pace during the 1st half of 2011. Value added in the manufacturing sector grew by 9.02 in the first half of 20.11 compared to 7.12 in the first half of 2010. This resulted to a stagnant share of manufacturing in the GDP at 2.59 which is a phenomenontal distance from 35.1 growth rate projected for the sector in 2011. (Adejube, 1997).

The role of industrialization in economic diversification no doubt, will results to: increase in national income, higher standard of living, promote economic stability, improvement in balance of payments, stimulates progress in other sectors, increased employment opportunities, promotes specialization. It also led to rise in agricultural production e.t.c.

b. Development of Solid Mineral

Nigeria has a plethora of mineral resources deposits listed across her land space in amazing commercial quantities but remain substantially untapped. There is virtually no space in the federation where there is not one particular mineral resource deposits or other while the occurrence is much more in some States like Bauchi, Plateau, Zamfara, Benue e.t.c. This will provide catalyst for diversification of the economy if carefully and seriously harnessed and managed with sound political will.

The table shows the availability of solid minerals in all States of the federation which when developed can form a major source of revenue to Nigeria economy.

RECOMMENDATIONS

Having seen the gross problem caused by the neglects of agriculture and poor human resource management in contemporary Nigeria, which have adversely engendered the dwindling of the Nigerian economy, it becomes therefore, imperative to offer some recommendations that will be pivotal to the change of the status quo:

1. Nigerian government at all levels should urgently create an enabling environment that will favour diversification of the economy, that will de-emphasized mono-economy system and pay more attention to heterogeneous economy.
2. There is also an urgent need to establish working and functional Bank of

Agriculture or any micro-finance bank that will be exclusively for farmers for easy access of soft loans. Government should create a Journal of Economic and Sustainable Development.

3. To make agriculture attractive, government should as a matter of concern, put in place

   policies that will favour subsidy for agriculture. The implication is that government should incentivize farmers and subsidize their produce.
4. Many farmers in Nigeria' are still making use of crude and non-mechanized methods that favour low productivity: Therefore, there is the need to introduce at all levels mechanized system of agriculture to increase productivity and to reduce strenuous human labour.
5. Federal government should revive all the Agricultural Research Institutes, School of Agriculture and reintroduce farm settlement and other river basin authorities to encourage massive production agricultural produce.
6. Government should discourage politicizing implementations of agricultural projects especially where some politicians hijack the system 'against the genuine farmers by creating unnecessary bureaucratic bottlenecks.
7. Government should partner with media houses to promote agricultural programmes that will inculcate in the Nigerian youths the value and importance of agriculture.
8. Government should introduce agricultural science as obligatory subject in secondary schools.

9. Government should invest highly in solid 'minerals, so that the potential in it, can be harness, as earlier discussed.

10. Finally, Federal government should get more from oil and custom duties as a source to , diversify.

CONCLUSION

Diversification of the economy is paramount important more especially in the current recession which adversely affects the Nigeria's economy. This is because of the chief dependent on oil sector as the mainstay and the largest' contributor to the total government revenue and GDP . Agricultural, Manufacturing and industrial sector should be more funded and equipped to ensure good outputs and contributions. Economic diversification is vital to countries' long term economic growth, but many resource-rich countries remain heavily reliant on revenues generated by oil petroleum or mining jeopardizing their chances for sustainable growth. Too often, countries lack clear cut policy guidelines on how to diversify and policy maker have limited understanding of why diversification is important. Diversification is driven by human capital development which is the starting point, driving force and sustaining force. Nigeria can take a cue from the Malaysian story which highlights the fact that good diversification policy requires a long-term perspective, with a concerted and sustained effort to channel the resources and funds that can build effective institutions. Countries like Bolivia, Botswana, Kazakstan seem to be trapped in the same intermission of diversification. Like Nigeria where: lip-service starts and ends the project. As the price of oil in the international market is falling like lighting in the sky, that time has come for countries depending on oil to diversify, or face great economic quake that has the potential to threaten their political stability (Nigeria is a case in point).

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