
**RETHINKING AGRICULTURE AS THE FULCRUM OF THE NIGERIAN
ECONOMY**

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ABSTRACT

The quest of making agriculture the focus of the Nigerian economy is no longer negotiable, considering the fact that in the past it had played pivotal role in the most eventful era of Nigerian economy and given the decline in the country's oil revenue. It is based on this observation that the current study examined how the Nigerian state can reconcile itself with the reality of returning agriculture to be the fulcrum of her economy. The study adopted descriptive analytical technique on the primary data obtained through participant observation method, and monitored radio programmes on the status of Nigerian economy and agriculture in Nigeria. This was aided with other secondary data. These data were analysed to arrive at the result. Findings and available evidences revealed that, despite the human and material potentials possessed by the Nigerian state especially in the agricultural sector, the country is yet to get it right as far as economic attainment is concerned, as most of the efforts at placing agriculture as the driver of Nigeria's economy ended up in futility. In addition, the removal of subsidy from agriculture, inadequate incentives for rural farmers, absence of commodity and value chain board, and poor funding of agricultural research institutes were identified as militating against growth in the Nigerian agricultural sector, despite continuous heavy expenditure by successive governments. In view of these challenges, it is therefore necessary to rethink the general concept of agriculture as a means of reviving the wealth of the Nigerian state. In doing this, holistic measures must be put in place at government, individual and corporate levels.

Keywords: State, Economy, Agriculture, Development Plan, and Food Security.

INTRODUCTION

For every nation, the economy is the life wire. If the economy collapses, the state will also collapse. That is why different states devise measures to put their economy on track. One of such measures is through agricultural production, considering its direct impact on the inhabitants of the state. However, with the major classification of agriculture into crop production, livestock farming, fish farming and forestry, one would have thought that agriculture business is very easy and can easily be transmitted from parents to their child, but complex demand and sophistication required by agriculture business in modern time shows that it is a venture that requires professionalism and proper planning. This means that adequate national resources – both human and material – must be channeled for this purpose, and of course, not leaving the private sector behind.

The present administration under President Muhammadu Buhari had promised to invest heavily in agriculture as a means of diversifying the economy. This explains why Ake, (1985), in his book “Political economy in Nigeria”, noted that the state is central to agricultural advancement. He cautioned the state not to procrastinate any people-oriented initiative for it to overcome class domination. Even though agriculture had been the fulcrum of the Nigerian economy in the past, accounting for over 80% of the country’s income, series of uprisings in the socio-political and economic sphere of the Nigerian state prompted the retrogression (Wells, 1974:15). This shall be examined in subsequent discussions. In the current year for instance, Nigeria’s proposed budget did not meet up with international best practices of agricultural funding treaty. The total planned expenditure by the federal government for the 2021 fiscal year is N13.08 trillion. Out of the sum, approximately N179.5 billion which represents 1.37 percent is dedicated to

expenditure in the agriculture sector (BOF, 2021).

A study of Nigeria's funding in the agriculture sector for the past five years also revealed that government disappointed small scale farmers who are the major stakeholders in the country's food security network. The budgetary allocation for agriculture increased from 1.70 percent in 2017 to 2.00 percent in 2018, it fell to 1.56 percent in 2019, and 1.34 per cent in 2020, with a slight increase to 1.37 percent in the current 2021 budget (Actionaid, 2021). None of these however met the requirements of the Maputo Declaration of 2003, which among other things, recommended that 10 percent of the national budget should be allocated to development of agriculture. The Maputo declaration was to promote steady growth of the agricultural output to at least 6 percent annually to feed the ever growing African population as forecast in the Comprehensive Africa Agriculture Development Programme (CAADP). Seventeen years after, Nigeria is yet to implement the agreement despite being a signatory to the 2003 Maputo treaty in Mozambique, which the National Assembly ratified on December 16, 2004. What however behooves the Nigerian state is to put in place mechanisms that will bring back agriculture as the lead earner for the economy (Sultan Sa’ad, 2016) considering its comparative advantages and the reality of coping with dwindling oil revenue.

LITERATURE REVIEW

Historical Background and Nature of the Nigerian State

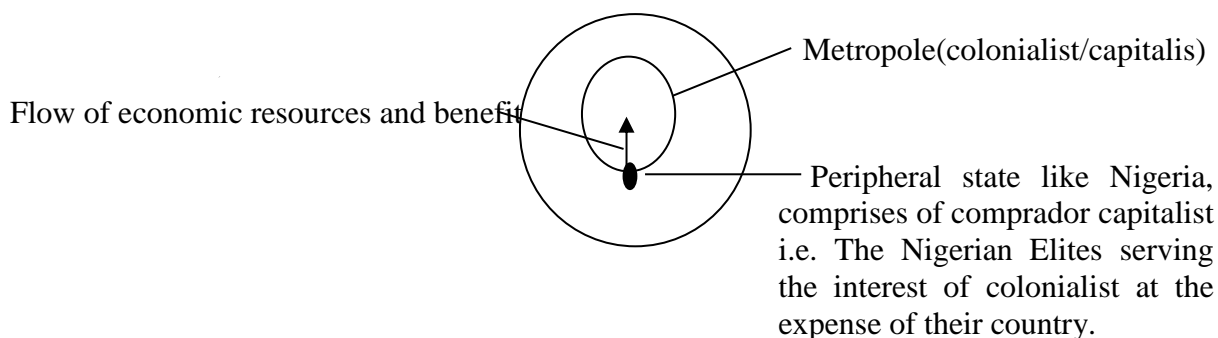
Pre-Independence

As unanimously posited in existing literature, the Nigerian state from all

intents and purposes is a design of the colonialists, a reality which can be traced back to 1861 when the colony of Lagos came into being (Elebute, n.d) from the coast in Lagos. The colonial adventure extended its occupation into the hinterland, such that by 1920s, the colonial hegemony had been exerted over the geographical entity and its population making it possible to form what is known as the Nigeria State today.

Basically, the idea behind the colonial occupation of Africa was imperialism (Ghosh, 2015), just like the reason behind imperialism is to economically exploit the periphery states for the capitalist and

economic development of the metropolitan state. What this implies is that the origination of the Nigerian State was not initially meant to serve the economic interest of its citizens but that of the colonialist. Thus the Nigeria State was designed in such a way that it will promote the interest of the capitalist at the metropole as well as the comprador capitalist in Nigeria (Offiong, 1980). By comprador capitalist, we are refereeing to the juggernauts in the socio-economic and political state of Nigeria, serving only their interests as well as the interest of the imperialists at the expense of their fellow citizens and the country at large. This is illustrated below.



Graphic 1: Researcher's model 2021

Post-independence

The Nigerian state currently has its economic root in large scale production of oil, just as government plays important role in the distribution of the oil wealth as well as in the generation of income for other sectors through internally generated revenue from taxes and other forms of royalties. This is to affirm that the economy of the country had not been strictly in the hands of the individual capitalist (Offiong, 1980). Instead, the government also has always taken active responsibility in the nation's economy. In fact at a time when agriculture was the fulcrum of the nation's economy, the large scale production of cotton and groundnut pyramid in the northern part of the

country, cocoa in the south west as well as palm oil plantation in the east were largely marshaled by government.

Unfolding this background, it needs to be noted that the Nigerian state is still the largest owner of both the means of production as well as the capital to support it (Igbuzor, 2003). Decree 78 of the country's constitution states clearly that all resources – human, natural and material – belongs to the federal system. Hence, any decision on these will be done by the Federal Government. Thus the Nigeria state places priority on being the major promoter of Nigerian capitalism and the control of resources which is done through creation of state banks, development agencies, and other support scheme (ibid).

From the foregoing it is not hyperbolic to conclude that, at a particular point in time, the Nigerian State deemed it fit to promote capitalist social formation in the interest of “public good”. By capitalist social formation, we mean that the state helped some people to acquire capital and work for the state, while the state focused on the organization of economic production, through various forms of legislations, rules and other standard operating procedure (Ake, 1985). This step had far-reaching effects on the country’s economy as it marked a great turn in the ownership and control of means of production away from foreign capitalists to domestic capitalists. In recent time, the Nigeria state through its orientation agencies and other public enlightenment platforms has continued to advocate a balanced wheel economic drive which it tagged public-private sector partnership. This it claimed will promote steady economic development, industrialization, employment generation, political stability as well as security of citizens’ lives and property (Mohammed, 2016).

Composition and Development of Nigeria’s Economy

The fact that the Nigerian state is primarily concerned with the protection of its territorial integrity and corporate relevance of the citizens does not imply that other economic functions are less important to it. Without gain saying, a state will go into extinct without an economy. No matter how little, economy remains the central nervous system of any state. Therefore it is difficult to separate the state from the economy and vice versa. As noted by (Sweezy, 1942:244), *the state has always been a very significant factor in the functioning of the economy within the frame work of the system of property relation, which it guarantees*. The Nigeria state is not exempted from the above assertion. Thus before we look at the development of the Nigeria economy, a

brief incursion will be made into its compositions.

Population

An attempt to know the actual population of Nigeria after independence was made in 1962 amidst heavy political dispute which later led to the cancellation of the result. In 1963, another census was conducted and the Nigeria population was put at 55.6 million (Ogboro, 2014 cited in Nigeria observer news.com). In 1991, the Nigerian population was estimated to be slightly above 88.5 million (ieconomics.com). The National Population Commission puts the country’s population at over 140 million in 2006 (see www.nigeriannews.com/census2006/htm). However, no official population census has been conducted by the Nigerian government since then. According to data from the United Nations, the country’s population as at present is not less than 200 million with 48.1% living in the urban area (see www.worldometers.info).

Natural Resources

The Nigerian government identified about 37 mineral deposits suitable for commercial exploration within the country (see www.venturesafrica.com). These mineral deposits include gold, zinc, coal, iron ore, lime-stone, crude oil and others. It is however painful that most of these resources apart from crude oil have not been tapped to a considerable point of changing the fortune of the country for better. This has been largely attributed to over-reliance on crude oil. Although, the administration of Muhammadu Buhari has pledged to look into possible exploration of these mineral deposits as an alternative source of earnings for the country, the pledge has yet to be translated into action.

Development plans in Nigeria

The first colonial development plan in Nigeria was between 1946 and 1956 (Ogunjimi, 1997), and was aimed at

intensifying colonial exploitation in the country. With the advent of self-rule post-independence, the first indigenous development plans were launched between 1962 and 1985 (Darma and Tijani 2004), and these were in four stages:

1st National Development Plan (1962 – 1968)

2nd National Development Plan (1970 – 1975)

3rd National Development Plan (1976 – 1980)

4th National Development Plan (1981 – 1985)

The rolling plan was equally introduced in four phases, 1990-1999 (The Nation, 2015). Even though these plans were impeded by two major political crises in Nigeria – the first bloody military coup d'état in 1966 and the civil war 1967-70 – a lot of achievements were recorded during the plan years. For instance, the federal government successfully built the Port Harcourt refinery. First generation universities like Ahmadu Bello University in Zaria, Obafemi Awolowo University formerly University of Ife, University of Ibadan and University of Nigeria Nsukka were all constructed within this plan period. Other achievements include the construction of the Niger Bridge, sugar and paper mills in Bacita and Jebba town as well as huge investment in aviation and telecommunication. The lists are endless (see Darma and Tijani, 2014 for details). As documented in different literature, quite a lot of achievements were recorded as a result of the institutionalization of these development plans which are in line with the major aim of revamping the Nigeria economy. Subsequent happenings in Nigeria's political economy set back the plans. These include the poorly managed Structural Adjustment Programme (SAP) as well as over-reliance on the oil sector. Nigeria which was once a mixed and

diverse economy became a mono-cultural economy; with the oil sector accounting for over 80% of government revenue. Thus the sharp fall in the global oil price had negative effects on ongoing plans like Vision 20:20 as well as the National Economic Empowerment and Development Strategies (NEEDS).

THEORETICAL FRAMEWORK

This work has the Political Settlement theory as its theoretical guide. This was compelled by the fact that most of the problems in the Nigerian agricultural sector are artificially created by vested interests. At several instances, government at all levels invested heavily in the agriculture sector, but most of the resources invested were consumed by chain of corruption within the sector. Although it has been suggested that the Political Settlement theory was made popular in the field of political science by the work of Barrington Moore(1993) but findings showed that the concept had been in use before then, especially by development economists and agencies like the World Bank and United Kingdom's Department for International Development (DFID, 2009). This explains the reason why the concept did not submit itself to a single definition. However, the general assumption underlying the theory deals with how decision is being brokered among the elite to achieve mutual benefit. It also described an institutional structure that yields benefit(s) for a particular class of people at the expense of others. This structure is, however, created by vested interest in a particular sector which has put in place series of mechanisms to continue to benefit from the structural set up, thus creating a host-parasite relationship. Meanwhile, any attempt to pull down the vested interests within the structure results to friction between the vested interest and its antagonist (perhaps government and its anti-graft agencies) thereafter resulting to hardship on the masses. This justifies the

problem behind the ineffective reforms in the nation's agricultural sector.

METHODS

The methodology adopted in this work is descriptively analytical in nature. This rests on primary data from participant observation method, and monitored radio programmes on the status of Nigerian economy and agriculture in Nigeria. Other secondary data were also incorporated to arrive at the findings.

Study Area

The Nigerian state is fundamentally the study area of this work. The United Nations puts the country's population at 200 million as at present with 48.1% living in the urban area (worldometers .info).

Findings and Discussion

Agriculture and Nigeria's Economy: The Challenges

Agriculture was the predominant occupation and major earner for the Nigerian economy prior to the discovery of crude oil in the 1970s. Regional specialization in production of agricultural produce was the order of the day as different regions competed in the production of products in which they had comparative advantage. The East region focused on large scale production of rubber and palm oil as well as significant amount of coal in the mining business while the western region held on to cocoa production, leaving the Northern region to cotton and ground nut. However the agricultural sector which accounted for over 80% of the nation's wealth (Wells, 1974:15) started witnessing decline as a result of discovery and heavy reliance on oil wealth as well as the introduction of Structural Adjustment Programme which did not meet intended result. This is corroborated with the work of Ojo (1992:18) and Olakunle (2013:11-12), their findings adjudged reliance on oil

production and mismanagement of the structural adjustment programme as leading factors that orchestrated the decline in agricultural fortune in the country. Concerted efforts were therefore put in place by different governments to revive the agriculture sector. This was done with the intention of achieving steady increase in foreign exchange earnings, diversify the economy, increase the nation's gross domestic product and promote the proportion of people involved in agriculture for food self-sufficiency. In order to achieve these, the following institutions and programmes were put in place:

1. National Accelerated Food Production Project (NAFPP)
2. Operation Feed the Nation (OFN)
3. Green Revolution Programme and
4. Nigeria Agriculture and Cooperative Bank.

Apart from the fact that agriculture accounted for the prosperity of the Nigerian economy in the past, food security and employment opportunity were created for many Nigerians. These remain part of the justifications given by many on the need for the present government of President Muhammadu Buhari to prioritize investment in the agriculture sector as a matter of urgent public importance. This underpinned why the Sultan of Sokoto, Alhaji Sa'ad Abubakar III, on an Eidel Fitr Sallah message on 6 July 2016 charged government to shift attention to large scale agricultural production in order to arrest the numerous socio-economic challenges facing the country (Sultan, Sa'ad on Radio Nigeria 7am News Bulletin, 7-7- 2016). While the advice of the religious leader awaits response from the incumbent administration, it is necessary to acknowledge the efforts of past administrations in correcting the anomalies in the agricultural sector as different programmes and agencies were set up to that effect. These include:

1. National Accelerated Food Production Project (NAFPP)

This was first launched in 1972 and represented the first major practical demonstration of holistic approach to agriculture development in Nigeria (see, ayangei.worldpress.com). The intent behind its establishment was to focus on the production of six major agricultural produce namely: cassava, maize, millet, sorghum, rice and wheat. This programme was kept under the close watch of the International Institute for Tropical Agriculture (IITA) in Ibadan.

2. Operation feed the Nation (OFN)

This was established under the military regime of Olusegun Obasanjo in 1976 (Bene, et al 1994) and aimed at increasing agricultural output and ensure food supply sustainability giving ample consideration to adequate calorie intake. The programme however battled with a lot of challenges which included inadequate enlightenment strategy and land decree problem.

3. Green Revolution Programme (GRP)

Aimed at diversifying the economy, the GRP enjoyed government support in the area of subsidy placed on farm inputs as well as introduction of the pricing board (Daramola, 1999). The programme was however short-lived due to diversion of funds by caretakers as well as problem associated with land tenure system.

4. Nigeria Agricultural and Cooperative Bank

Established in 1973 to support and provide credit facilities for the financing of agriculture project at low interest rate (onyemenam, n.d), the bank was merged with the People's Bank of Nigeria (PBN), the Family Economic and Advancement programme (FEAP) in the year 2000 to form what is now known as the Nigeria

Agricultural Cooperative and Rural Development Bank (NACRDB). Other services such as Rural Banking Scheme, Commodity Board, River Basin Authorities, Nigerian Export Production Council and a host of others were put in place as part of measures to promote agriculture in the country.

Challenges

Upon all the human and material potentials possessed by the Nigerian state especially in the agricultural sector, the country is still living in the past as far as economic attainment is concerned, as most of the efforts at placing agriculture as the driver of Nigeria's economy ended up in futility. Some of the reasons identified for this are itemized below:

Poverty: Since the United Nations index has it that over 70% of Nigerians live below poverty line, it is not impossible that it will be difficult to engage this type of people in active agricultural production which benefit is not immediately compensated coupled with absence of incentive from governments at all levels. A poverty-ridden population would rather be busy with how to source for instant income to feed their family (Bene, 1994). Bene (ibid.) posited that the little fraction of Nigeria's population that is into agriculture business is only there for subsistence means, as the multiple problems in the agricultural sector have discouraged many in seeing prospect in the agriculture business.

Illiteracy: Another obstacle against the progress of agriculture in Nigeria is partial or chronic absence of awareness about the benefit of farming as well as methods of fast tracking gainful agricultural engagement. The Nigeria population is not really aware and sensitive to short and long term benefit of agricultural investment compared to the awareness of the entertainment industry. This makes an average Nigerian youth to believe

entertainment is a shortcut route away from poverty. Ofana et.al (2016) specifically made reference to illiteracy as a fundamental problem militating against agricultural advancement in Nigeria.

Removal of Subsidy

Available documents reveal that, apart from over reliance on crude oil, the removal of subsidy from agricultural activities prompted the recession experienced in the sector. It is sad to recall that when developed countries like U.S, China and Russia were subsidizing agriculture with state resources, Nigeria perceived that agricultural subsidy was a burden to its economy. Other problems include poor continuity in the implementation of agricultural research outcomes as well as frequent changes in government policy. Igbuzor (2003: 3) argued that the Nigerian agricultural sector started experiencing setback when government disregarded the option of subsidizing farm inputs.

In effective control of artificial and natural disasters like bad weather, climate change, erosion and pest attack are other forms of problems in the agriculture sector. A recent example is the scarcity experienced in supply of tomatoes across the country. This was attributed to influx of a Tomato Pest called “Tuta Absoluta” from neighbouring country of Niger Republic. Another challenge of agriculture-led economy is in minute opportunity for mechanized farming. This has equally been attributed to inadequate credit facilities available to farmers and even the little financial institutions in the country that render such service do so at exorbitant interest rate.

Conclusion and Recommendations: The Way Forward

With the major classification of agriculture into crop production, livestock farming, fish farming and forestry, one would have thought that agriculture business is very

easy and can easily be transmitted from parents to their child, but complex demand and sophistication required by agriculture business in modern time shows that it is a venture that requires professionalism and proper planning. This means that adequate national resources – both human and material – must be channeled for this purpose, and of course, not leaving the private sector behind. In specific terms, the Nigerian state needs to embark on the following:

- ***Public Enlightenment***

As earlier noted, ignorance is among the factors militating against the progress of agriculture in Nigeria, time to time sensitization of the public remains important to improve agricultural earnings in Nigeria. The National Orientation Agency and state-owned media should be piloted for this purpose.

- ***Establishment of more Agricultural Cooperatives***

This is especially needed at the rural level. It will help to eschew the fear of relating with invisible hands of government, because at some instances the local farmers had the problem of effective communication with government officials. With the cooperative on ground, the negotiations will be done on behalf of and to the benefit of members. Another importance of cooperative society is that members will be protected from the exploitation of middle men. It will equally enhance use of economies of scale to market their product.

- ***Macroeconomic Stability***

This should be taken very important by the government (Olakunle, 2013: 43). This will enhance price stability and reduce inflation in price of agricultural commodity as much as possible.

- ***More resources both human and material*** should be allocated to agricultural production. It is advisable that as a country faced with complex

socio-economic challenges, the nation's agricultural sector should take the lead in budget allocation. This is in realisation of its significance and capability of yielding returns on the investment as well as provide jobs for the teeming Youth,

- ***Public-Private Sector Partnership in the agriculture sector***

This step must be taken seriously. Government should encourage private-sector-driven growth in the agriculture business while it focuses on stability of the polity and the business environment to secure the confidence of foreign and domestic partners. Government should also avoid politicizing the agriculture reform process and instead make it attractive to people by introducing modern farming techniques.

Findings from this study show that a lot of obstacles confront agricultural business in Nigeria. These have hindered the progress of the economy. It is necessary to rethink the general concept of agriculture as a means of reviving the wealth of the Nigerian nation. This is not only because of its immediate importance of providing food security for the country's human capital but also because of its natural accessibility to the aggregate population of a developing nation like Nigeria. In doing this, earlier recommendations and other holistic measures must be put in place at government, individual and corporate levels.

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