

## TRANSFORMING NIGERIA'S ECONOMY ON THE PATH OF SUSTAINABLE DEVELOPMENT IN THE 21<sup>ST</sup> CENTURY: CHALLENGES AND REFLECTIONS

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### **Abstract**

*With developed economies declining and emerging ones on the rise, Africa is fast becoming a highway for global brands. Most available and authentic indicators not only see South of the Sahara as the fastest growing area, but equally point at Nigeria, regardless of its unbelievable indices of poor governance, high unemployment rate, poverty and underdevelopment. Rich in biodiversity, mineral resources, oil, gas, and cheap manpower, Nigeria has an estimated population of 170 million people. Import-dependent and investor-attractive, it is however, anxiety-laden if its variegated domestic insecurity and infrastructural deficit is put into consideration. Largely relying on a mono-economy of crude oil since the '70s, the country appears blind to, and visibly indifferent to global attraction and shift to cleaner and cheaper energy sources, including economic diversification. The era of 'oil is ready, food is ready', is almost over. Only total realistic reformation would re-route Nigeria out of the vicious cycle of structural traps, hence stimulating the geometric variable of competitiveness expected in a Federal structure. Such would result in a consistent dialectical economic development, steered by an inclusive diversification empowering entrepreneurial growth, challenge infrastructural deficit, re-evaluate and revitalize the educational system, all under a visionary leadership. Nigeria is sitting on gold, and may not need the details of textbook analysis to mine and use it to stay afloat.*

### **Introduction**

Even as Nigeria's independence has spanned over half a century, the country is still highly dependent on developed economies for most of its needs, including, and bad enough, ideas. Over the years, through several regimes of leadership, whether civilian or regimented; it is now clear that even with the comparative advantage of enormous human and material resources, the usual ranting of transforming the economy into a self-reliant one is simply 'a high sounding nothing.' Regardless of whichever way it is evaluated, it remains a backward and underdeveloped economy. Consistency of comprehensive planning and implementation has, up-till date, remained a national mirage, leaving in its trail an economy which could be best described as a Pandora's box, full of many paradoxes.

The reality is that no healthy economy for instance is growing at 7 per cent, with over 27 per cent unemployment rate;<sup>1</sup> 8 per cent inflationary rate, 25 per cent lending rates (cost of

funds), less than 25 per cent contribution of the manufacturing sector to Gross Development Products, with an estimated population of 170 million, bad transport system and inefficient maritime sector,<sup>2</sup> to mention but a few, and yet acclaimed to have a rebased economical statistical data of 509 billion dollars<sup>3</sup> in 2013, and declared Africa's *numero uno*. While this is so, in fact, there is a caveat.

Some experts and analysts however insist that this new paradigm must be treated with caution, in that these figures might be misleading. The reality on the ground, according to 2010 World Bank figures, showed that a staggering 84.5 per cent of Nigeria's 170 million people, lived on less than 2 dollars a day amid immense wealth, and was equally quick to caution after this latest rebased figures, that the emergence of Nigeria as the 26<sup>th</sup> largest economy in the world, as well as Africa's biggest economy, may not be a guarantee to financial inflows into the country. It vehemently stated that being a big economy might be meaningless if there are no marked improvements in per capita income and the living standards of individuals.<sup>4</sup> Moving on further, the Bank's Chief Economist for Africa Region, Francisco Ferreira reiterated that, even though its greater to have a sense of how large the economy is, but what matters are living standards and the productivity that generates those living standards.<sup>5</sup> Furthermore, simple commonsense may not allow most foreign investors to preferably choose Nigeria in place of London, New York, Beijing or Tokyo, just because of GDP statistics.

Most Nigerians live in a pathetic condition, while unemployment figures appear frightening, no thanks to the recent Immigration Service recruitment imbroglio. Poor governance, the ever increasing, disconnect and economic gap between the few ruling class and majority poor, the deep-seated corruption and impurity brazenly exhibited by this group, the extremely high cost of governance, including the field-day which mediocre and indolent loafers enjoy over meritocracy, have grown and nurtured a great measure and loss of paternal confidence in the citizenry. It may not require any wonder and putation to observe that fratricidal and religious sentiments have cashed in on joblessness and criminality, snowballing into anxiety and terror infernos in Nigeria.

In the face of unfolding global trends, it would be better if the nation's economic growth is wheeled around to realistic development. With or without due reference to the latest rebased economic data, it is common knowledge to realize that an import dependent economy, with a rapidly increasing population, bereft of home-grown patriotism and infrastructures, has a poor prognosis. Though all these, including the contemporary security challenges are inimical to development, enormous potentials abound in Nigeria for greatness. Ominous clouds are gathering in Nigeria's horizon, and this odious development calls for proactive reflection.

The national fragility which has been growing for the past four decades appears to have reached alarming proportions. Unemployment has, in fact, pervaded every sector of the Nigerian society while the national socio-economic prospect of tomorrow is filled with uncertainties and fears. Annual national budgets which should act as the economic compass of the country, is voided even before the legislature can complete deliberations on it. The principle of governmental continuity of programmes and developmental plans in phases is non-existent in Nigeria. Be that as it may, some people are really profiting from this quagmire. Solution must stem from precise diagnosis.

### **Theoretical framework**

This discourse is premised on the need for radical transformation in Nigerian economy. According to Oxford Advanced Learners Dictionary, transformation means a complete change in the structure and form of something, especially for the better.<sup>6</sup> Suffice it then to say that in

ensuring that transformation takes place, a total overhaul, a revolution is required. One must reflect that in life, change is both a continuous engagement and a necessity in order to modify and attain specific ideals. Transformation at any time envisages better results.

On the other hand, 'economy' involves the development activities and situations involved with or connected with the management of collective gains, monetarily, socially or politically.<sup>7</sup> Specifically, economy refers to the relationship between production, trade and the supply of money in a particular country or region. Such would involve financial, commercial, budgetary and productive engagements meant to help and sustain a people. It is important to note that an economy could be created, managed, stimulated and boosted or reduced and kept down over a given time through certain policies. When on course, an economy could spiral out of control. In the same way an individual feels the different degrees of well being, control, pain, growth and retardation, an economy feels same. On a larger scale, economy involves the collective expenses, investment, productivity, importation and exportation made by a group or country, not over looking the immediate and later well being or condition of the generality of its members or citizens. The power of such group or country, is often determined by its economy. An economy may grow, develop, shrink, retard and fail. The stability of an economy depends largely on its growth and development. An economy is deemed to have attained growth sequel to "a long-term rise in capacity to supply increasingly diverse economic goods to its population; this growing capacity, based on advancing technology and the institutional and ideological adjustments that it demands"<sup>8</sup>.

The above definition is able to pinpoint three outstanding issues that any economic growth exhibit: ability to be able to have a sustained propensity to produce wholesome goods and services, through the application of contemporary technology, and the supply of such goods for the good and well being of the citizens. Any economic growth must be rudimentally cultured, before attaining an international spread. Orderly recourse to specific ideals and principles over time attracts positive and structural transformation, which productively pays off with a quantitative attribute, measured through national product *vis a vis* population growth.<sup>9</sup> Interrelated, intermingled and interwoven, these characteristics help to determine the sequence of modern economic growth<sup>10</sup>. At this juncture, one thing is clear regardless of the many controversies and criticisms of economic growth theory; the basic inherent determinant of set goals or ideology, procedure, dedicated dynamism and application of capital formation and increasing productivity are all involved. It is only a well ingrained productivity that could sustain an increasing population even through a lucrative export.

From all intents and purposes, economic development is a wider concept than economic growth. It involves growth plus qualitative changes and advances in economic goods, wants, incentives, institutions, productivity and knowledge, including the possible decline in such endeavour.<sup>11</sup> An economy can grow but it may not develop because poverty, unemployment and inequalities may continue to persist due to the absence of technological and structural changes. Development and growth as synonyms adopted in explaining economic status and condition are related, but remain far apart.

From whichever parlance economic growth and development are viewed, one must acknowledge that for any country to keep its head above water, considering the present relatively unpredictable global development and trends, drastic, precise and dedicated transformations are needed in governance, which would stimulate viable economic trajectory. The beauty that could be identified with a developed economy lies in 'its dogged ability to withstand shocks; coupled with its inherent stability which stems from inside to outside'<sup>12</sup>.

Sometimes, it would appear that a high growth index would automatically result in development. Ekpo discredited this by cautioning that, Growth is only a necessary, but not a sufficient condition for development.<sup>13</sup> He went on to stipulate that economic development must involve the visible hand of government in unemployment, education, health and social welfare<sup>14</sup>.

### **Nigerian economy in retrospect**

Many a time, it appears a daunting task to precisely reflect Nigeria's economy in a realistic statistical data that may be fluke-proof. Moreover, institutionalized corruption has found an able ally in poor service delivery and impunity in Nigeria leading to inefficiency in checks and balances. Nigeria with an estimated population of 170 million people, is the most populous country, and according to recent ratings, the biggest economy in Africa valued at \$509 billion.<sup>15</sup> Locked into the gulf of Guinea, it is made up over 250 ethnic groups, and has enormous resources. Its main revenue still comes from oil, though some remarkable growths have recently been experienced in the Service areas (banking, telecommunication, film industry). Over the past decade, Nigerian economy is reputed to have been growing at an average rate of 7 per cent. However, the country is still poor with due reference to the latest United Nations Human Development Index, which ranked it 153<sup>rd</sup> out of 187, pointing to its continued descent into the abyss of unemployment and poverty.<sup>16</sup> The dearth of infrastructure and electricity has for long marginalized development and investment in the country. Operating a largely import-based economy, the country has cumulatively relegated agriculture to the background. Nigeria's economy is relatively at a precarious situation now, even with its status as the eight largest oil exporter in the world. Apart from the prevailing fluctuations that influence the global oil prices, the nation depends largely on external refineries for much of its local oil consumption. Though the country has succeeded in privatizing its power sector, it still has nothing to show for it, sequel to a host of reasons. Recent information from the Finance Minister pegs the National Reserve at \$46 billion<sup>17</sup>.

In the last decades, successive governments have cumulatively made Nigeria a bad brand. Prolonged economic brutality, inequality in wealth distribution, political emasculation, indiscriminate human rights violation, blatant denial of rightful desserts by the political leadership, condensed and gave voice to eco-terrorism in the nation's Niger Delta areas. Embattled and impoverished, with a marginalized life span,<sup>18</sup> many Nigerians especially the youths in their hopelessness, desperation, anguish and pain, flee the country at the slightest opportunity. Viewed from any angle, Nigeria is an economic powerhouse, whose strength lies in its diverse people and national endowments. Profligate and inept leadership have spread poverty and pain, creating a soft landing and hatchery for insecurity and a multi-faceted handshake with terrorism.

Lack of coordination and the enthronement of globally accepted principles and best practices in both the domestic and external transactions and trade, has continued to marginalize the economic gains accruable to the country. Nigeria's trading links with United States of America, China, India, United Kingdom, Netherlands, France, Germany, Brazil and Italy forms a significant climate in its survival as a nation. Though most of these transactions are maritime based, it is poignant to note that a combination of inefficiency, corruption and ineptitude on the side of the workers, in addition to underdeveloped sea ports have continued to retard what would have become a 'gold mine' for the country. Much of Nigerian's wealth is externally exploited through brain drain, corruption and health tourism.

## Challenges

After what may appear a full evaluation of the Nigerian economy, *vis a vis* its potentials both to the citizens and the other nationals bordering Nigeria, a Ghanaian retorted thus, 'Nigeria is a curse to Africa.'<sup>19</sup> From whichever spectacle one decides to approach this view, this may not be the right forum. One clear fact is that Nigeria has a litany of challenges and obstacles which mar its road to greatness. The country is under siege from fraud, stemming from the higher to the lower places. It has almost become a bi-monthly routine, raising alarm over missing or looted funds from the state coffers. What of over-invoicing, in collaboration with multinationals? A recent statement from the Finance Minister has it that an average of N50 (fifty) Naira per litre is spent by the Federal Government to import kerosene, while officially selling to the populace at the same price<sup>20</sup>. She went on to conclude that the country has spent over 1 trillion Naira on kerosene subsidy for the past four years<sup>21</sup>. Foraging through that of the notorious fuel subsidy would reveal a 'cesspit of smelling darkness'.

Nigeria has an inefficient tax system. With due reference to the recently released GDP rebased figures, revenues accruing from taxation is grossly inadequate, considering the level of businesses existent in the country. On the other hand many a times, citizens are always relatively over burdened, through multiple taxation. From bottlenecked bureaucracy, lack of electricity and graft, to port delays and murky land rights, the barriers to doing business in Nigeria are formidable. Faint-hearted foreign investors have no place in the country. The truth is that Nigeria's under-performing economy is a lingering problem of many fronts.

Nigeria has a dwindling international trade revenue, stemming from rising imports and declining exports; a seemingly recalcitrant oil theft and the rising global technological advancement in resort to cheaper and cleaner alternative energy sources. According to the National Bureau of Statistics, during the first quarter of 2013, the country recorded a N2.08 trillion drop in total trade from N7.185 trillion in the last quarter of 2012, to N5.098 trillion in the period under review<sup>22</sup>. While supporting these figures, the Statistician-General of the Federation asserted that this represented 29 per cent decrease from the previous figure recorded in the fourth quarter of 2012.<sup>23</sup> As a direct fallout of running the country as an import-dependant economy, the immediate past Central Bank Governor, pointed out that such has resulted in balancing the budget through borrowing from Excess Crude Account at 13per cent to 14 per cent, thereby increasing the budget deficit, which is highly detrimental to the nation<sup>24</sup>. Moreover, one cannot overlook the issue of theft, corruption and mismanagement of oil, which is the main base of the economy. Undoubtedly, this economic rape is from available indication being aided and abated by officialdom, hence the litany of arrests have always ended without even a single prosecution. Most of the oil majors have to no avail written several reports to the government, on the activities of these illegal bunkerers. It is no more a proposition, but a blatant policy that the giant, Shell is apt to sell off its wells in Nigeria<sup>25</sup>. The prevailing trend in the critical arm of the economy is a complete variant to projected specifications, which would spur Nigeria's economic and developmental realm to the commanding heights by 2020. If the publication made by the Nigeria National Petroleum Corporation in 2013 is anything to go by, the country's petroleum sector is bleeding. Out of a Federal Government target of 4 mbpd by 2020, the country actually is operating at 1.9 million bpd as at first quarter of 2013,<sup>26</sup> and such remains so up till first quarter of 2014<sup>27</sup>. It is disheartening to note that apart from the decline in the crude oil reserves of the country, there has practically been no serious activity or investment in the gas and crude oil sector in the last five years; hence it would take another five to six years to recover in this area.<sup>28</sup> The challenges in this sector which include the lack of



local participation, policy inconsistency, the delay in the passage of the Petroleum Industry Bill, international market shift and poor financing, among others, create great impediments to the growth of that sector. Furthermore, new oil discoveries across various countries, especially in Africa, pose severe threats to the nation's income.

Dismembering the problem of poor governance existent in Nigeria would simply not be an easy engagement. Beginning from over-inflated contracts and political malfeasance, evidenced in the long drawn budget battle between the Executive and the legislature, and over to the customary high recurrent expenditure over that of capital, one may have to conclude that the nation is hopeless. For an economy that often goes with the paucity of an annual spending plan, retrospective implementation could even be more damaging when statistical fiscal plans are uncertain. In the face of such horrible figures, it takes the stoic fatalism of Nigerians to keep the nation bustling with activities everyday, all year round. Against this backdrop, the Speaker, Nigeria's House of Representative, confirmed that 'Budget implementation is the sore point of governance in Nigeria'<sup>29</sup>. This nation has for long stretched and groaned under the throes of a home-grown enemy-leadership. From all indications, the judicial and penal institutions are unstable accomplices to this trend. It has always boiled down to resource use and not the question of availability. Its management and application have often been derailed and divested against national specifications. Such has affected almost all sectors of the economy; health, education, internal security, manufacturing, agriculture, to mention but a few.

There is crisis of reform in the Nigeria's power sector. Ironically each successive government has tinkered with the issue of electricity which only resulted in the loss of enormous national wealth and a corresponding descent into proper darkness. Apparently, Nigeria has suffered enormously from the perennial inconsistency of electricity supply. Almost all first generation industries in Nigeria have closed down, while most multinational companies that are in the manufacturing sector, have wisely relocated to other West African countries like Ghana and Cote D'Ivoire, and rather prefer to sell their products in the robust consumer Nigeria market. Lack of electricity appears to be the answer to all the whys and wherefore of unemployment, poverty and un-contenting insecurity in the land. Starting from the Small and Medium Scale Enterprises (SMEs) to the heavy-duty industries, without power, they cannot function. In the recent and on-going transformation and privatization drama in the Power sector, over \$16 billion dollars have been spent by the Federal Government in the National Independent Power Project; this move gave birth to 5 Generation Companies (GENCOS) and 10 Distribution Companies (DISCOS).<sup>30</sup>

The aim is to uplift the sector, in order to attract more investors, and kick start Nigeria's productive capacity, so as to place the nation on the path of sustainable development. Be that as it may, the post privatization challenges appear to have made the mission an impossible one. No one could have made the analysis simpler than the Nigerian President, when he regrettably retorted during a media chart, that the whole exercise was facing the problems of lack of adequate capital and logistic on the part of the private investors, and an epileptic gas supply mechanism with which to power the gas turbines<sup>31</sup>. One must remember at this juncture that Nigeria's gas sector is still highly un-harnessed and undeveloped. Unemployment is not the problem, rather all that causes and fuels it, is the problem.

Nigeria has for long been immersed into a debilitating macro economic and fiscal fiasco, which has sustained money laundering, capital flight, unemployment and underdevelopment. The absence of price and monetary stability tantamount to national economic problem and such renders unrealizable the ideals and principal objective of the Central Bank of Nigeria. For long, the issue of the Naira exchange rate has remained an

enigma, in the light of the successive figures showcased from the Central Bank of Nigeria's official website from January 2008 to February 2014 viz Jan. 2008 (N116), Jan. 2009 (N131), Jan. 2010 (N147), Jan. 2012 (N156), Jan. 2013 (N155), Feb. 2014 (N156)<sup>32</sup>. The progressive and systematic decline of the Naira is not contestable. Should the nation rely on swapping crude oil for dollar and other products on arrangements known only to the NNPC and the Presidency? A currency's value is typically expressed in terms of what it can provide and most importantly, on its exchange rate relative to other currencies. This is even more poignant sequel to the existent global interconnectedness and Nigeria's high level of imports. The importance of the exchange rate was recently underscored by a statement credited to the former Governor of Central Bank of Nigeria; that he is ready to expend the nation's foreign reserves to defend the Naira.<sup>33</sup> Consider this, with external reserves of about \$42 billion dollars and a monthly forex demand of more than \$3 billion dollars, one wonders how far this reserves could go, considering worsening oil revenues.<sup>34</sup> One may recall, late last year, that it was the same immediate past CBN Governor, who alarmingly remarked that Nigeria has overtaken Russia as the world's greatest importer of United States dollars.<sup>35</sup> The oscillation witnessed by the Naira in the parallel market is even reflected on the instability reflecting on the nation's inflection rate and figures.

Cognizance of the vagaries of the international oil price and demand purchases, *vis a vis* the unrelenting crave for foreign goods, plus the challenges of electric power and infrastructural development, caution is the watchword. With the CBN as the main supplier of foreign currencies, attempting to meet the voracious demands of buyers from banks to *Bureau de change*, importers of tangibles and intangibles, and from portfolio investors seeking to take their gains offshore, the result is easily predictable. Nigeria's foreign exchange market is perfectly imperfect, though expecting to benefit from the features of a perfect market. So long as the CBN continues with this Sisyphean duel, which could date back to 1971, proper deciphering of the nation's inflationary rate *cum* unemployment data, coupled with a host of other developmental ventures, would remain a mirage. In the words of Ojomaike, that was the major reason why the country has become the grave yard of many failed economic programmes.<sup>36</sup>

Medical tourism is another global foreign exchange spinner, which has increasingly become a running sore to Nigeria's economic growth. This practice dates back to history when thousands of years ago, Greek Pilgrims traveled from the Mediterranean to Epidauria in the Saronic Gulf for medical attention. Today, a cumulative drag on the quality of services available, *vis a vis* the growing medical needs and population explosion, has made medical tourism fashionable to many Nigerians, most especially the upper class who could easily afford it. Throwing more light to the trend, Enabulele, the Nigeria Medical Association President stated that more than 5,000 Nigerians travel to India and other countries monthly for medical treatment<sup>37</sup>. He went on to assert that on the average, between \$20,000 and \$40,000 dollars is spent by a traveler on each health tip. As at 2012/2013, records show that the nation lost more than \$800 million dollars on medical tourism<sup>38</sup>. According to the statistics released by the Indian High Commission in 2012, almost 50 per cent of Nigerian visitors to India were medical tourists, in that 18,000 out of 40,000 visas granted Nigerians that year were medical visas.<sup>39</sup> Onyebuchi Abia, the coordinator of Kanu Heart Foundation, colluded to this facts, when he analyzed that they pay a minimum of \$10,000 dollars for a patient, and whenever the figure for surgery is about 50, \$500,000 dollars is automatically ploughed into the Indian economy.<sup>40</sup> Apart from this, one may not overlook the massive economic trickle down effect in relation to

the growing number of health service providers, airline traffic chauffeurs, hospital support staff and health consulting firms, among others, all a handsome windfall to the expatriate economy.

Even with the recent rehabilitation and facelift given to most airports in Nigeria, the transport sector is generally derelict. The condition of the nation's roads, railways, seaports and in land waterways is cumulatively intolerable and practically unable to sustain the growth and development of a prospective economy imbued with multiple variables. The quality of most roads built in the country is simply absurd, while the few available railroads are not Standard Gauge. Such facilities would not easily augur well for the easy transportation and evacuation of heavy duty/weighty infrastructural facilities. Moreover, there is lack of adequate maritime awareness and cabotage laws. The sea/water ways harbour invaluable resource. It is common knowledge that the maritime domain account for 92 per cent of global trade, 75 per cent of oil shipments around the world<sup>41</sup>.

Access to finance has been singled out as one of the major challenges impeding the survival and growth of Small Medium Establishments and more importantly agriculture in Nigeria. Abundant innate potentials, with favourable conditions for improvement abound in Nigerians. However, assisting SMEs through the provision of accessible loan facilities and basic training and guidance on the part of the governments, is still a far cry. Investments require related funds, restructuring and innovations to succeed and stay afloat. The demands of financial institutions in the area of granting of loans (collateral and interest rates) are not encouraging to the great number of unemployed hands that may be attracted in starting a business on their own.

The latest GDP rebasing cannot fundamentally alter the economic facts which place Nigeria's rapid population growth and unemployment statistics in red. The typical Nigerian woman gives birth to 5 or 6 children which is higher than the average fatality rate and more than three times that in the developed world.<sup>42</sup> The Finance Minister recently applauded to this when she retorted the National Bureau of Statistics figures, which announced that over 1.8 million graduates yearly enter the unemployment market.<sup>43</sup> Such is the malady which is feeding insecurity in Nigeria and increasingly becoming a big clog on the wheels of its development.

### **Recommendations**

One major target that must be borne in mind while attempting a solution to the myriad of challenges engaging Nigeria's economic development is that of acceptance of the undiversified nature of the present domestic economy. In order to withstand, stabilize and sustain the level of growth and development, which would resist local and international shocks, Nigeria must strategically start transiting to a post-oil economy. In as much as quick fixes may not be congenial, but low hanging definite apples which would provide good results in the short-run, may guide the prescription.

Continuity in quality governance is advocated. Such would reduce the problem of policy somersault of changing all what predecessors started. So long as there is consistency in dynamic policy implementation in all sectors of the Nigerian economy, a great level of order and growth will be achieved. The tangled and intertwined connectivity in the economy of Nigeria, just like any other nation, makes it imperative that all pragmatic solutions directed to even one sector, systematically affects the other on the long run. Going by World Bank rating, almost the same time the latest GDP rating which has Nigeria as the biggest economy in Africa was released, Nigeria, India and China had the greatest number of poor people on earth; the



proportion for Nigeria being greater given that the other two nations each have populations in excess of one billion people.<sup>44</sup>

Sequel to the high inequality in wealth distribution existent in Nigeria, inclusive growth appears to be the panacea for poverty, in that economic growth alone won't be enough. Nigeria's efforts at growing and stabilizing the economy must be proactively flexible. The government must lead the way and then involve the Private Sector, through advice, monitoring and funds. Such empowerment would within a short period, create a large, strong resilient entrepreneur. A strong and increased Small and Medium Scale Enterprises sub-sector, as the engine of the Nigerian economy, would have the ability to create jobs and foster stability. Accessible soft loans with minimal interest rates and collateral from banks and indigenous financial establishment could stimulate local ingenuity and production, including the much needed spark in the Agricultural Sector. Massive investment driven by a broader and deeper Government and Private Sector input in Agriculture would not only yield and provide for immediate domestic needs, but have enough for export through the expert advice and coordination of export development companies. Updated skills acquisition and investment in processing industries and mechanized farming are advocated. The nation cannot continue to thrive as an import dependent country, after all the quality and degree of a nation's export output is a reflection of the quality of its manpower. Nigeria must seek alternative export earnings, to cushion the unfavorable developments on the international oil market, or else, face the unhappy consequences of having its foreign exchange constantly reduced.

Bad monetary policy weakens the Naira hence the economy of the nation. Apart from the inherent problems gleaned from poor and inconsistent fiscal policy in Nigeria for a long time now, it portends too many keen foreign investors, an enormous sign of unseriousness. The management of domestic debt is as important as that of foreign; while the nation's assured growth and development could easily be achieved through more capital expenditures rather than recurrent. This must start from sincere budgeting and tailored implementation. The 2014 recurrent expenditure is a little higher than 2.43 trillion Naira, while domestic debt figure is at 572 billion Naira. A whopping 712 billion Naira has been earmarked for the servicing of this debt in 2014.<sup>45</sup>

Recourse may have to be taken to fully explore the benefits of Outsourcing, make more investment in Entertainment, Construction and Tourism, in order to easily contain the unemployment plague in the country. Business Process Outsourcing enables one to invest, grow and develop by transferring portions of work in the productive chain, to outside suppliers, rather than completing it internally. The benefits of outsourcing to India and China are unquantifiable, even with the prevailing unemployment wind ravaging Europe. In implementing such, while leveraging on the gains accruable therein, only variable costs are manipulated and not fixed cost.<sup>46</sup> Nigeria's huge population should make it the hub of outsourcing in Africa, though one of its greatest hindrances to its optimal growth and development remains its huge infrastructural deficit and harsh operational environment for business. Outsourcing creates jobs, and considering the emanent challenges in Nigeria for success to be achieved, a strong collaborative effort must be made between government and industry leaders in the private sector. On its part, the government must be dedicatedly sincere towards infrastructural provision, most especially electrical energy.

Nigeria's film industry and Tourism are big gold mines that are yet to be harnessed fully for national economic growth and development. Tourism lacks awareness in Nigeria and according to Mbanefo, 'when its value chain is stimulated, with due partnership with the

private sector, jobs will be created, with its high yield in revenue.<sup>47</sup> Enormous tourist sites abound in Nigeria. Apart from encouraging domestic tourism, international visitors could only be encouraged with a positive rehabilitation of the nation's hospitality industry and the provision of adequate security. Gambia, as small as its potentials are, has an internationally valued currency than Nigeria, and thrives mainly on tourism.

The nation's energy future depends on gas and a host of the renewable energy providers. Based on available records, Nigeria appears to be more of a gas, than a crude oil country. Equally, the global shift to gas as a cleaner energy source makes the emphasis on gas development an imperative action for sustainable economic development of the country. In tandem with this, the Petroleum Minister believes that moving oil and gas industry to the next level is a priority, with gas reserves of about 182TCF (trillion cubic feet) and total crude reserves of 36.8 billion bevels as at the end of 2012<sup>48</sup>. The long awaited passage of the Petroleum Industry Bill should be carried through to at least sanitize activities in the oil sector and equally embolden actors and potential investors to that sector. Moreover, more effort should be made by the government towards exploring and applying the use of solar, wind, water and plant sources of energy, so as not to allow the country to lag behind the global shift to clearer energy sources.

The nation however should be cautions on its voluptuous resort and attraction to gas turbines, due to its relative cost realization. Compared to coal-fired plants, they are subject to earlier downgrading (15 years) and equally expensive to operate and maintain.<sup>49</sup> Invariably, the country could start now to invest more on the cultivation and processing of *Jatropha curcas* plants which experts prove to grow well and fast in the tropic, with an oil yield of approximately 33 percent, amongst other numerous economic uses it could serve.<sup>50</sup>

There appears to be a somewhat gravitational force attracting global attention to Nigeria. At least, its regional comparative advantage lies in its massive population and abundant resources. A host of these mineral resources are yet untapped. Investing in their exploitation would definitely open another big door to job creation and economic boost. Nigeria should at this stage be weary of subversion so as not to loose the gains already achieved. Tact, dynamism and caution must be adopted in tackling the issue of insecurity in Nigeria. It cannot be economically healthy for any country to have troops deployed in 32 of its 36 states.<sup>51</sup>

Existing revenue collection is simply disorganized, disoriented and inadequate. It is far lower than any frontier economy in Africa. A robust tax regimen is advocated by a better informed Federal Inland Revenue Service (FIRS). It appears that many expatriate companies operating in Nigeria are cumulatively evading taxation through inadequate remittances. Moreover, a deliberate policy should be put in place, enforcing all multinational companies with an investment capital base of above 100 million dollars, to register with the Nigerian Stock Exchange Market. This would see to ploughing back into the Nigerian economy, while putting a little check on capital flight.

Nigeria is a capitalist economy, however, capitalism alone may not move millions of Nigerians out of poverty. The private sector, though the engine of growth must be public sector led if the Nigerian economy is to embark on the path of development. To attain the status of a knowledge based economy, a definite governmental policy and awareness must be made in both the educational realm and population issues. Nigeria's population growth may be cascading out of control. Lack of projected standard output in the educational sector, has already started reflecting in domestic engagements.

Enough effort should be directed towards effecting a drastic reduction in strikes. Industrial actions and strikes create dislocations in national cohesion and development and more so portray the country negatively externally. It is never in doubt that the passport for any nation to operate effectively in the high-tech environment of the 21<sup>st</sup> century is sound education for its citizens. In the health sector, apart from the need to generally uplift the infrastructure and value of services obtained in Nigerian hospitals, the National Health Insurance Scheme should be made to actually work, through the quick passage of the National Health Bill of 2014.

The nation's economic transformation must start with providing most of its food needs and onward to the philosophy of dominating and controlling the West African and African markets, through a robust inter African trade. Sequel to the strategic importance of the maritime sector to international trade, and the need to reform and improve on facilities and services readily available therein, whether it is 'single window clearance of cargo' or 'Pre-arrival Assessment Report' for goods, the aim should be to maximize national economic returns, through internationally acceptable procedures, within the shortest possible time. Nigeria should realize that the 'era of 'oil is ready, food is ready' syndrome has gone. An empowered middle class, local and international retailers will help grow Nigeria's economy on the path of sustainable development.

The country may be enjoying its last proceeds from 'oil boom' and in order not to be taken unawares, the present formula, revenue allocation or renter system through which easy money is accruable to either a state or a sizeable percentage of the population without working for it, must be systematically put in check. Such is bereft of incentives for structural diversification and productivity through hardwork.

Nigeria should invest more in transportation. The demand and importance of transport in a developing economy is ubiquitous. Apart from aiding infrastructural development and productivity, it employs labour thereby reducing unemployment, most especially in populous developing economies. Railways, as in China and India, are the single largest economic enterprise.<sup>52</sup> Moreover, rising industrial and agricultural demands and endeavour make transport a derived demand.

## End Notes

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