INFRASTRUCTURAL GAPS AND ECONOMIC DIVERSIFICATION IN NIGERIA

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ABSTRACT

In recent years, infrastructural developments have become an important vehicle for economic diversification and development, and for many regions and countries both in the developed and less developed societies, financing the gaps in infrastructure for economic diversification has become an integral element of economic development policy. In particular, Nigeria, being a mono-economic oil revenue-dependent nation and faced with the problems of fluctuating world oil prices, bad leadership and mismanagement of its resources, was recently hit by recession. To tackle this uncertainty, the government has focused on diversification of the economy from oil to agriculture, tourism, mining and solid mineral development, etc, to finance its expenditure programmes for growth and longer term economic stability. Economic growth is made possible by improvements in the quantity and quality of factors or resources- land, human and productive capital resources or infrastructure such as roads,

railways, water, communication, power, etc. as this paper argues, the mono-economy structure (our excessive reliance on oil as a major source of revenue), is a big problem confronting the Nigerian state. However, while government is seeking economic diversification through agriculture to counter instability in global oil prices, a number of challenges to agricultural developments are identified. These may be overcome collectively through significant investment in rural infrastructure. Just as some ground speed is required for the aircraft to airborne, certain critical amount of infrastructure must be put in place for economic diversification to be made possible. The paper argues overall that it is through requisite investment in infrastructure and the diversification of the economy that the economy can grow and develop.

Keywords: Infrastructure, Gaps, Economic, Diversification, Nigeria

INTRODUCTION

Economic diversification, like economic planning, is a deliberate and conscious attempt by the state to formulate decisions on how to create a number of different or alternative revenue streams that would provide the nation with the ability to sustain its growth and development efforts. This is very fundamental to the conditions of most sub-saharan African states and others which depend primarily on the production and export of a mono product for its foreign exchange earnings. In Nigeria, it is oil and in Ghana it is gold. In Zambia, it is copper; while in Sierra Leone, it is diamonds.

Following frequent fluctuations in the global oil market, governments which largely depended on the proceeds of crude oil sales to finance its expenditure programmes have often faced the risks of shortfalls in its collectible revenues and inability to meet its obligations to the people. These states periodically are faced with different degrees of volatilities both at home and at the international markets; In Nigeria, we are faced with a plethora of challenges including high unemployment and rising prices (inflation), corruption, fierce struggle for the control of political power to control the production and utilization of crude oil resources, youth restiveness, soaring crime rates and pipeline vandalism among others. This has also fuelled violent agitations for equitable distribution of the oil wealth in the Niger Delta by the Movement for Emancipation of Niger Delta (MEND) as well as the Niger Delta Avengers. Most recently, there has been general insecurity in the country occasioned by the Boko Haram insurgency and the Fulani herdsmen-farmers' clashes resulting in large-scale destruction of lives and properties, as well as disruptions of government and legitimate private businesses. These developments will no doubt exacerbate the already worsened conditions of food crisis in the country. In most advanced democracies, the persistence of this twin 'macroeconomic devils'- unemployment and inflation, have often thrown incumbents out of office. Economic institutions including formal rules embodied in constitutions, laws, contracts, and market regulations plus informal rules reflected in norms of behaviour and conduct, values, customs and generally accepted ways of doing things which shape interactions in an economy (Smith and Todaro, 2012) are disrupted by these volatilities. In most cases, when these volatilities occur so frequently the states finds it difficult to finance its expenditure programmes and therefore resort to borrowing, a norm that has led to the borrowing of future generations out of existence. Where these economic shocks or fluctuations have persisted for so long, nations have been plunged into recession with high levels of unemployment, inflation and various crimes regimes in the streets. Governments are, thus, unable to finance its expenditure programmes as a result of shortfalls in its federally-collectible revenues. In Nigeria, the government took to borrowing to pay workers salaries since 2014 and this was only made known to the citizens by the former Finance Minister, Okonjo-Iweala when the government was thrown out of office in 2015.

As a result of the adverse effects these fluctuations have brought to bear on the economy, it was feared that the fluctuations in global oil prices might persist longer than expected. This was a deep concern to policy makers on the risk of over-dependence on oil revenue and the only way government thought they could reverse the dangerous situation was to urgently begin to put facilitative programmes to diversify its economy away from oil. Thus, there has been no time in the nation's history that citizens- private or corporate have ever drummed support for government's economic diversification programme as was done recently. It was as though the life of the nation which has been breathing through its ribs depended entirely on it.

In the light of the foregoing, economic diversification could be defined as the process of developing a country's capacity to generate revenue from different sources for economic growth and sustainability while providing the enabling environment through infrastructure. These are the facilities which enable economic activity and markets such as transportation, communication and distribution networks, utilities, water, sewer and energy supply systems to thrive. Economic diversification concepts, policies and practices in Nigeria over the years have been carried out in an environment or world presumed to be characterized by socio-economic order. From this perspective, economic diversification efforts are seen in terms of creating employment, increasing output and broadening the revenue base of the country for sustained economic growth and development. It would appear that policy makers and implementers focus more on constructing broad objectives of economic diversification based on indicators such as job opportunities accruable to government, and once that is done, the government's responsibility of providing for the welfare of the citizens is felt to have been achieved. Little or no effort is made to follow the implementation with search for conflicts or social and economic obstacles to the success of the programme. Whether the diversification programme is focused on agriculture, mining, tourism or information communication and technology (ICT), little or no attention is paid to the possible effects infrastructural gaps such as lack of good roads, clean water and adequate power supply, would have on the attainment of broad objectives of national development.

The paper argues that an understanding of relationships between infrastructural development and economic diversification are prerequisites for the attainment of the goals of improved revenue base for sustained growth and development. It further argues that unless a conscious, deliberate and concerted efforts are channeled towards addressing the problems of infrastructural decay across Nigeria- mainly electricity, water, and good roads, particularly in our rural communities to support agriculture which is the foundation of our economy, and dwelling on the essentials of rural agribusiness management, poverty reduction, the problem of development will continue to persist as well as poverty and unemployment.

2.0 PATTHERNS OF ECONOMIC DIVERSIFICATION IN NIGERIA

Economic diversification in Nigeria could be said to be as old as its development planning efforts which dates back to the pre-colonial development plan known as the 'British ten-year plan of development' for Nigeria. The Ten-Year plan could not be called a plan in the real sense of the word as it merely showed a collection of projects which the colonial government in Nigeria felt would help achieve its twin goals of providing markets and raw materials for industries in the home country. The plan was later revised in 1951 to cover the period 1951-56. The revised plan recorded some achievements, including the expansion of public health and education services and facilities such as roads, ports and water supplies. The productive capacity of the economy also increased (Yesufu, 1996).

Table 1 A Ten-Year Plan of Development and Welfare for Nigeria (1946-56)

S/N	Projects	Funds Allocated (£ million)	Percentage Allocation (%)
1.	Primary production	3.488	6.5
2.	Water supply:		
	a). Rural	4.002	7.5
	b). Urban	4.560	7.6
3.	Transport and	11.394	41.4
4.	Communication	1.544	2.9
5.	Electricity	6.638	12.4
6.	Health	5.327	10.0
7.	Education	0.261	0.5
8.	Commerce and	9.034	17.0
9.	Industry	0.76	1.3
	Building		
10.	programmes	2.00	3.8
11.	Social Welfare including village Reconstruction Local Development Schemes	4.863	9.1

	Others		
	Total	53.325	100

Source: Government of Nigeria 1946. A Ten-Year plan of Development and Welfare for Nigeria, 1946-56; Lagos: Government Printer

In table 1 above, the percentage of the expenditure for rural sector (which was mostly agrarian in nature) was so insignificant to have any meaningful impact despite the fact that the same sector was the mainstay of the economy prior to the discovery of oil at Oloibiri, Nigeria. For example, only 3.8 percent of the total expenditure was allocated to local development schemes while only a paltry 1.3 percent was allocated to total social welfare including village reconstruction. As at that time, little or no attention was paid to rural roads and electricity and it appears this was a curse which has followed successive development efforts in the country for despite the huge amounts invested in the sector by successive governments only a startling amount of megawatts (5,000- 7,000 megawatts) have been attained till date.

Although, transport and communication was allocated the highest vote in the plan, the spread of transportation and communication, according to Ezeani (1995), were designed to link the cash crop producing areas and the administrative headquarters and not necessarily to facilitate transportation and communication among Nigerians especially the rural inhabitants. There is no doubt that the 'Ten-Year Development and Welfare Programme' made an insignificant impact on grassroots development in colonial Nigeria which provided agricultural raw materials for British industries. This was succeeded before its expiration by the 1955-60 development plan.

From the table above, it would appear that contrary to the claims of the colonialists and their sympathizers, the Nigerian state was established primarily as 'an state to be developed for trade', paying attention to those aspects of economic development which contributed to the imperial purpose- the promotion of export crop production and the creation of markets for imported European manufactures. The Ten-Year plan terminated in 1954 with the introduction of a federal system of government in Nigeria by the new Constitution. Based on the Report of the World Bank mission which visited Nigeria in 1954, each of the regional governments as well as the Federal Government prepared its own development plan for the five-year period 1955-1960. There were thus five plans, one each for the three regions (North, East and West) and one for the Cameroons as well as the Federal Plan. There was no effort made at integrating, coordinating or aligning the plans. Given that rival parties controlled the regions, the plans depicted more duplication and competition than cohesion. They made little attempt to accelerate economic growth by laying down national goals and objectives (Yesufu, 1996); however, there was no consideration for economic diversification as a way of building capacity for growth and sustainability.

Planning in the post-independent period evolved with the changing economic environment (Okojie, 2003). The post-independent planning in Nigeria can be divided into periods as follows:

- The era of fixed medium-term planning (1962-1985), during which four medium-term plans were executed. Emphasis was only on projects.
- The SAP era (1986-88), this period introduced policy-oriented planning, and

- The era of perspective planning, starting from 1990 to the present, including the preparation of the vision 2020 document. Rolling plans were also introduced during this period. These rolling plans which are medium-term plans include:
    - First National Development Plan (1962-68)
    - Second Development Plan (1970-74)
    - Third Development Plan (1975-80); and
    - Fourth Development Plan (1981-85)

Economic diversification was first muted via the Second National Development Plan (1970-74) and sustained in the Third National Development Plan (1975-80). The average growth rate during the first development plan was about 11% while the growth rate of GDP fell sharply from 7.55% in 1977 to 1.11% in 1978 as a result of the oil price shock in 1978. Overall, the second national development plan recorded an average growth rate of 6.5% per annum as compared with the target growth rate of 9.5% per annum (Okojie, 2003).

The performance of the Nigerian economy during the first three plan periods was more impressive than in the pre-independence period in spite of political and economic problems. Average growth rate of GDP in the pre-independence period was about 4.0% per annum as 5.1%, 8.2% and 5.0% during the first, second and third plan periods respectively. However, the story was different in the fourth plan period during which GDP grew at 1.2% per annum (Okojie, 2003). At the end of the four plan periods, the foundation for sustainable growth and development was yet to be laid. The productive base of the economy and sources of government revenue were yet to be diversified. Although, diversification of the economy had been included in the economic blue print of government in the second and third national development plans, the objectives were not pursued. The economy did not have its own force and was therefore highly susceptible to external shocks. By the end of the fourth plan period, it had become clear that the structural imbalance problem in the economy had to be addressed. This led to a new approach to economic management in Nigeria.

The Structural Adjustment Period (SAP)

Against the background of poor performance of the Fourth Plan, the machinery for the preparation for the Fifth Plan was set in motion. It started with a conference organized in November by the Nigerian Institute of Social and Economic Research (NISER) and the Federal Ministry of National Planning. The objective of the conference was to discuss strategies for the Fifth Plan. Emphasis of the Fifth Plan was to be on:

- Diversification of the nation's economy away from the mononcultural one to which it had been pushed by the fortunes of the oil sector,

- Revitalization of the agricultural sector with a view to achieving self-sufficiency in food production. This was to be achieved through a rural integrated development programme.

- Domestic production of raw materials for local industries in order to reduce the import content of locally manufactured goods, and

- Promotion of employment opportunities in order to arrest deteriorating mass unemployment.

The rationale for adopting SAP was as a result of the economic crisis, which came into sharp focus in the early part of the 1980s. During this period, Nigeria was afflicted by a devastating economic crisis manifested in declining revenue from oil,(eg from N10,915 million in 1985 to N8, 107 million in 1986), and a heavy debt burden of about 20 billion US dollars, with a rapidly declining purchasing power of the income of Nigerian workers as a result of inflation. (Jega, 2000). In order to cope with these crises, the Babangida military regime, introduced SAP which he had claimed would halt economic stagnation and revitalize growth. (Jega,2000). The programme was IMF-World Bank induced and it was originally billed to last for two years. It consisted of stabilization policies targeted at restoring price stability and balance of payments equilibrium with an expressed goal of increasing efficiency and productivity in the economy by reducing wastage and promoting entrepreneurship in the society (Olukoshi, 1993). All these could not work and it continued to influence the economic policies of the Nigerian government until it was thrown out in 1994.

3.0 RATIONALE FOR ECONOMI DIVERSIFICATION

The widespread acceptance of economic diversification as an economic recovery, growth and development tool rested on a number of fundamental economic and institutional arguments. These arguments are:

Revenu Generation for Growth and Stability. A diversified economy is an economy that has a number of different revenue streams and provides nations with the ability for sustainable growth because for growth to occur, a nation cannot rely on a single type of revenue. In this sense, economic diversification subsumes some notion of ‘sustainability’ or sustainable development. Economic diversification provides nations with the security and reliability that they need so that if one economic revenue stream should fail, the nation knows that they have several other options for revenue (Ogbonna 2017). What this means is that a nation's economic diversification should focus on developing alternative streams or sources of revenue such that the pursuit of economic growth and development will not be halted by fluctuations or setbacks in one sector of the economy. If one industry suffers a set-back, they can easily rely on revenues derived from the other sectors and vice versa.

Market Failure. Markets in developing economy are permeated by imperfections of structure and operation. The commodity and factor markets are often badly organized, and the existence of distorted prices often means that producers and consumers are responding to economic signals and incentives that are a poor reflection of the real cost to society of these goods, services and resources. It is therefore argued that governments have an important role to play in integrating markets, modifying prices and encouraging the development of other sectors of the economy. Moreover, the failure of the market to price factors of production correctly is further assumed to lead to gross disparities between social and private valuations of alternative investment projects. In the absence of government interference, therefore, market is said to lead to a misallocation of present and future resources or, at least, to an allocation that might not be in the best long-run social interests. This market failure argument is perhaps the most often quoted reason for the expanded role of government in less developed countries.

Resource Mobilization and Allocation. Developing countries cannot afford to waste its very limited financial and skilled human resources on unproductive ventures. Investment projects must be chosen in the context of an overall development programme that takes account of external economies, indirect repercussions and long-term objectives.

Skilled workers must be employed where their contributions will be most widely felt. Economic diversification is assumed to help by recognizing the existence of particular constraints and by choosing and coordinating investment projects so as to channel these scarce factors into their most productive outlets.

Positive Effect on the Naira.

The fall of the Naira did not just happen overnight. When the Naira was stronger, Nigeria had: Peugeot Automobile of Nigeria (PAN), Dunlop Nigeria, Mechellin Nigeria, Arewa Textiles, Nigeria Airways,, Steel Rolling Mills at Osogbo and Ajaokuta respectively, Delta Steel Company (DSC) at Aladja, ANAMCO, IICC Shooting stars and Rangers FCs at Ibadan and Enugu respectively, etc. Nigeria began to stager when we abandoned IICC Shooting Stars for Arsenal FC, Rangers International for Man U, Nigeria Airways for British Airways, Yankari Games Reserve for Disney Land, Gurara Falls for Israel, Palm wine and Burukutu for Hennessey and Moet, Arewa for Swiss lace and Ariaria for Italian shoes, Oja Oba for Shoprite, 'mama put' for QUILOX or MAMA CASS.

There is practically nothing on ground in Nigeria to attract the Dollar or make the Naira strong. Naija brands are sponsoring foreign clubs. Emzor Paracetamol sponsored the 2018 FIFA World Cup in Russia and so did many other companies in Nigeria. A bottle of Hennessey is N110,000 at Quilox in Victoria Island, Lagos.

Nigeria is the 5th largest consumer of Japanese products in the world, but she does not have an assembly plant for Toyota. We do not have assembly plants for Mercedes Benz, Hyundai, Honda, etc. despite the fast growth of broadcasting and ICT in Nigeria, we do not have assembly plants for any of the producers of all electronic appliances such as Samsung, Sony, Nokia, HP, Dell, Techno, Intel, etc. major software development contracts are warehoused from offshore. How possible is it to attract these investments with a as low as

7,000MW of electricity produced in a nation with over 180 million people? An academic in the University would have the upper flip of his study laptop broken or damaged and would need to wait for at least three months for a computer hardware vendor at Ikeja to place an order from China, Japan or UK before he could have it replaced.

Corporate executives and politicians give more preference to foreign trainings, foreign medical services, foreign dresses and foreign food items even for their dogs and pets. With the growth in aviation, aircraft maintenance is done offshore. Most fishing companies have been taken over by the Indians. Chinese and Indians are the leading farmers with biotechnology across the country while Nigerians are busy selling land and threatening those developing their properties to pay fees to the youths in the area for building on the lands sold to them (see Stallion Foods and Indorama Fertilizers and Chemicals).

Attitudinal or Psychological Impact.

A detailed statement of national economic diversification and social objectives in the form of a specific development plan can have an important attitudinal or psychological impact on a diverse and often fragmented population. It may succeed in rallying the people behind the government in a national campaign to eliminate poverty, ignorance, and disease or to boost national courage. By mobilizing popular support and cutting across class, ethnic, religious, tribal, or political factions with the plea to all citizens to work together towards building the nation, it is argued that an enlightened central government, through its economic diversification plan, can provide the needed incentives to overcome the inhibiting and often divisive forces of sectionalism and traditionalism in a common quest for wide-spread material and social progress.

Foreign Aid. The formulation of detailed economic diversification or development plans has often been a necessary condition for the receipt of bilateral and multilateral foreign aid. With a well articulated list of economic diversification plan, governments are better equipped to solicit foreign assistance and persuade donors that their money will be used as an essential in a well-conceived and internally consistent plan of action. Given the litany of economic programmes Nigeria had had since independence, their objectives, level of implementations, monitoring and evaluations as well as results obtained, it would appear that Nigeria's economic blue prints are merely prepared and publicized to meet requirements or conditions for the receipt of foreign aids.

Harmonization of Public and Private Activities.

The private sector in Nigeria, as in many other African countries is weak and lacks the momentum to generate growth and development. It has also not been able to respond adequately to favourable incentives and policies occasioned by adjustment programmes (Obadan, 1997). Furthermore, the private sector is highly on government patronage for its survival. The country is yet to have a private sector that can propel meaningful economic growth within a free enterprise framework of economic management. Thus, while there should be an increasing role for the private sector with a market system, some degree of government intervention is necessary to harmonize activities of both the public and private sectors in the context of a mixed economy.

Government should not be active in directly productive activities such as producing motor cars. Essentially, it is suggested that the role of government is to provide an enabling environment for private sector production activities to take place. An enabling environment involves capacity building in the following directions (World Bank, 1989):

- Human capital development, especially the provision of basic health, education, nutrition and technical skills
- Restructuring public and private institutions to create a context in which skilled workers can function effectively, and
- Political leadership.

Creating an enabling environment requires the establishment of a predictable and honest administration of the regulatory framework (Civil Service), assurance of law and order and an objective and transparent judicial system. A better public administration is an essential aspect of capacity building. Public administration in Nigeria is weak because of the use of poorly qualified staff, poor incentives and discipline of staff, non-payment of salaries and lack of materials (Okojie, 2003), poor process review system and promotions. Strengthening public agencies will improve the quality of governance and the capacity of the state to implement policy. Thus, an essential priority area is to improve the capacity of the state to not only plan, but also to implement plans. In addition to capacity building and creating an enabling environment, government should initiate policies which will stabilize the economy and provide a macroeconomic framework conducive for sustainable growth (Obadan, 1997).

The growth in the share of crude oil in Nigeria's exports over the years strongly confirms that oil will continue as an independent variable in the economic growth and development of the country. This means that the country will still face serious economic crises in the future if nothing is done to reverse the trend.

Table 2. Share of petroleum in federal government's current revenue (1970-1998)

Year	Oil revenue (N million)	Total federally collected revenue (N million)	Share of petroleum in total (%)
1970	167	634	26.3
1971	510	1,169	43.6
1972	764	1,405	54.4
1973	1,016	1,695	59.1
1974	3,724	4,537	82.1
1975	4,272	5,515	77.5
1976	5,365	6,766	79.3
1977	6,081	8,042	75.6
1978	4,556	7,371	61.8
1979	8,881	10,912	81.4
1980	12,354	15,234	81.1
1981	8,564	12,180	70.3
1982	7,815	11,764	66.4
1983	7,253	10,509	69.0
1984	8,269	11,191	73.9
1985	10,915	14,601	74.8
1986	8,107	12,302	65.9
1987	19,027	25,054	75.9
1988	20,934	27,310	76.6
1989	39,131	47,798	81.9
1990	55,216	68.578	80.5
1991	60,316	78,640	76.7
1992	115,392	138,617	83.2
1993	106,192	138,874	76.4
1994	160,192	201,911	79.3
1995	324,548	459,987	70.6
1996	369,190	520,190	71.0
1997	416,811	582,987	71.5
1998	289,532	463,609	62.5

Source: Central Bank of Nigeria Annual Report and Statement of Accounts, Statistical Bulletin (various issues) as computed in Oriakhi, 2003). If the above trend is not reversed, Nigeria will be plunged into deeper crisis in the nearest future. The table above shows that oil accounted, on the average, for over 70% of revenue in almost 30 years. The positive effects of crude oil exports are glaringly manifest on public finance and the balance of payments. Withdraw oil exports from Nigeria's tradable and a huge negative balance of payment will stare you in the face (Oriakhi, 2003).

Fig3: OIL & NON-OIL SECTOR PERCENTAGE CONTRIBUTION TO GDP

Component	Oil Export	Non-Oil Export	Total Revenue	GDP	Oil Exports(%)	Non-oil Exports(%)	Total
2004	3,354.80	565.70	3,920.50	11,411.07	85.57	14.43	100
2005	4,762.40	781.10	5,543.50	14,610.88	85.91	14.09	100
2006	5,287.57	677.54	5,965.11	18,564.59	88.64	11.36	100
2007	4,462.91	1,264.60	5,727.51	20,657.32	77.92	22.08	100
2008	6,530.60	1,336.00	7,866.60	24,296.33	83.02	16.98	100
2009	3,191.94	1,652.65	4,844.59	24,794.24	65.89	34.11	100
2010	5,396.09	1,907.58	7,303.67	54,204.80	73.88	26.12	100
2011	8,878.97	2,237.88	11,116.85	63,713.36	79.87	20.13	100
2012	8,025.97	2,628.78	10,654.75	72,599.63	75.33	24.67	100
2013	6,809.23	2,950.56	9,759.79	81,009.96	69.77	30.23	100
2014	6,793.82	3,275.03	10,068.85	90,136.98	67.47	32.53	100
2015	3,830.10	3,082.41	6,912.51	95,177.74	55.41	44.59	100
2016	2,693.91	2,985.13	5,679.04	102,684.41	47.44	52.56	100

Source: Computed from 2016 CBN Statistical Bulletin

Tables 2 and 3 above clearly showed that Nigeria depended on oil as a major source for its revenue for more than 40 years as oil accounted for over 70% of its total revenue until the economy was hard hit by the over 67% fall in oil prices as shown by the closed sectoral gap in 2015. The nation has no doubt, suffered a fair share of her total dependence on oil.

4.0 INFRASTRUCTURAL DEFICITS AND CONFLICTS IN ECONOMIC DIVERSIFICATION

The basic policy question for an African economy in search of development is one of how simultaneously to fit into such a system of international economic relations, while joining with others to correct its distortions and injustice. Various experiments with economic diversification have been one way in which many African countries try to escape from their structural trap of neo-colonial independence. In Nigeria, at least, five decades of political independence have shown that a situation of neo-colonial capitalism is likely to achieve the necessary mobilization of their societies and resources for effective economic development. There has generally been an inadequate appreciation of both the inhospitality of the international environment and the incapacity of their own state apparatus, resulting in persistent deviation between well-intended policies and performance results.

Systematic economic diversification is becoming a necessity for African development. Structural adjustments and the transformation of production relations are unlikely to be achieved by Africa today by primary reliance on the working of free market forces (Aboyade, 1984). This subsumes some notions of advocacy for positive state intervention in the economy. This state intervention in the economy is not necessarily restricted to the developing countries. The public's expectations of the state have grown steadily even in the advanced industrial countries over the past fifty years, and both the size and the responsibility of their public sector has increased substantially. The major difference perhaps lies in the fact that for ideological reasons, the advanced industrial countries of the world have refused to recognize their high and articulate policy of state intervention as economic intervention or planning. They prefer instead to describe it by such euphemisms a ‘regulations’, ‘instability control’, ‘fine tuning’, and ‘national economic management’.

The irony of development experience over the years is that, outside some developed countries in Europe, Asia and the United States, those countries that need economic diversification most are precisely those which have succeeded least in the effort. For the African countries especially, the increased awareness of the importance of economic diversification as a policy has been marched neither by the quality of their diversification programmes nor by its results. The limited success they have achieved in their development effort since 1960 can be scarcely attributed to the influence of economic diversification. Historically, the need for some kind of systematic economic intervention on a national scale grew out of the historical imperatives of the Great Depression and Second World War. Even where such economic diversification programmes have succeeded in stimulating and coalescing national energy for economic ‘modernization’, it has been accompanied sadly by a general neglect of basic infrastructure, human development and socially-relevant tastes. Economic diversification efforts without adequate attention to provision of adequate infrastructure such as roads, energy and water would be resting on faulty foundations. Considering the volume of funds committed to previous economic diversification interventions both the rural and urban centres, economic diversification efforts in Nigeria will continue to be a fraud, a dirty hoax, a complete sham and a plundering of our national treasury and democratic process if effort is not made to address the perennial infrastructural bottlenecks. Whether the diversification effort is towards agriculture, tourism and hospitality management, mining, information communication and telecommunication (ICT), adequate and stable electricity generation and distribution is fundamental to their successes. The below comparison of electricity generation and distribution in some economies is instructive.

CHINA -	5,682,000,000MW
USA -	4,324,000,000MW
INDIA-	1,368,000,000MW
JAPAN -	995,000,000MW
UK -	338,000,000MW
SOUTH KOREA -	36,800,000MW
NIGERIA -	5,000MW

South Korea has about 42.6 million people, producing over 36,800,000MW of electricity with over 100,000MW unalloted. Nigeria has over 188 million people and in its entire history has not produced more than 7,000MW if what the Minister for Power said is anything to go by. The other countries that have lesser human populations except China and India produce and operate in the terawatts region and are highly industrialized.

Infrastructural bottlenecks, all-round lack of social discipline and poor leadership are a major cause of conflicts and have contributed to the failure of our economic diversification endeavours. Efforts by both monetary and fiscal authorities to stimulate aggregate demand in industrialization are dampened by infrastructural bottlenecks. For instance, how would an expansionary monetary policy aimed at reducing interest rate to stimulate investment demand benefit the myriads of micro-small and medium enterprises (MSMEs) when they have to contend with huge costs to power the acquire capital stock or machineries? These infrastructural bottlenecks also affect wages, consumption level and output in an economy.

Below is a list of minimum wages by some countries of the world:

Nigeria -	$38 (N18,000)
Algeria -	$175
Cameroun -	36,270CFA ($75)
Chad -	$120
Cote D'ivoire -	36,707CFA
Libya -	$430
Belgium -	$1,738
Denmark -	$1,820
JAPAN -	$1,000
Luxemburg -	$2,500
Spain -	$760
Switzerland -	$5,620
USA -	$11 per hour.

Ironically, Nigerian politicians earn the highest salaries in the whole world. In Luxemburg where minimum wage is $2,500, their lawmakers are paid $7,400. In Libya where minimum wage is $430, lawmakers earn $3,000. In Nigeria where minimum wage is $38 (N18,000), lawmakers earn $65,000 (N29m). The same legislations passed to fight corruption since the inception of democracy in 1999 have been very weak with obvious and intentional loopholes. These range from the Economic and Financial Crimes Commission Act, the Code of Conduct Act, the Independent and Corrupt Practices Act, etc. These legislations have obvious loopholes that enable criminals to wriggle out or entangle lawyers in court. The legislators being corrupt reasoned that if they pass legislation on corruption that is tight, that they might end up being the victims of the same law they passed. So efforts were made to ensure that debilitating lacunas exist in these legislations that will give criminals escape route. Nigeria has weak institutions to fight corruption, and that is why the country has not made any remarkable progress developmentally (Ihediwa and Onyekeni, 2017).

And perhaps, the most important of these environmental factors is generally poor quality of leadership which most of the African countries have experience since independence. . In Africa, the shortest route to ill-gotten wealth is political leadership. If you want to get wealth without working for it at all, join African politics. African leadership does not attract her best men and women. And African electorates also respond to money; they expect to be bribed so that they can vote. And until the day we are able to excise the ghost of ethnicity amongst other things and the ghost of corruption, Africa will not get good leaders and politicians will continue to pauperize the people.

Many of such programmes have treated the national economy as one mass and focusing mainly on the requirements for balance of payments equilibrium. The perennial struggle for national survival against external threats and internal pressures often makes the pursuit of economic diversification and implementation fade into insignificance. Ignorance of the future is probably universal; in Africa the almost total absence of quantity and non-quantitative facts makes the future virtually unknowable.

CONCLUSION

The success of any economy rests in its ability to diversify as this is the most attainable means of economic stability and growth. This challenge of diversification is replete in African economies and that has been the reason for poor growth and development in Africa. Most economies that are mineral exporting are at best rentier economies and lack the capacity for optimal growth. In Nigeria over the years, the economy has be a mono-mineral economy seeking rent and not investing same in critical areas of the economy that can fast-track growth. Over the years, no conscious efforts have been made to diversify the economy not until the recession that recently engulfed the state, which the government began to think towards diversification. The problems of designing a meaningful economic diversification strategy are enormous. In Nigeria, economic diversification programmes reflect little or no evidence of having been subjected to a cost-benefit analysis and the whole investment allocation exercise generally has only a tenuous relationship with the annual budgetary and financial programmes. Generally, for economic diversification to be successful it must go beyond sophisticated methods and correct technical procedures, it must be erected on a foundation of widespread acceptance by the national polity as a whole, and all units to be affected by and in the implementation process must be made to feel a sense of participation and active commitment. This appears to be the challenge in the Nigerian system which is still inhibiting development.

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