

GST 113

NIGERIA PEOPLES & CULTURE

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LESSON 15

The Structure of Economic Activities in Nigeria

Although most Nigerians are engaged in agriculture or agriculture- related activities, economists say there are at least eighteen activity sectors of the Nigerian economy. These include agriculture, livestock, forestry, fishing, crude petroleum, mining and quarrying, manufacturing, utilities, building and construction, transport, communication, wholesale and retail trade, hotels and restaurants, finance and insurance, real estate and business service, housing, producers of government services, and community, social and personal services. As already mentioned, agricultural activities are spread all over the federation. In the year 1960 or thereabouts, agriculture absorbed over 75 percent of the work force while industry and other sectors together employed the rest. Therefore in contributing to the Nigerian GDP, agriculture was the leading sector. With respect to that, Nigeria enjoyed the modest tag of a middle-income country. However, from the period 1980 till date, GNP per capita dropped. This situation, coupled with the deteriorating social services, continuous high rates of inflation, declining productivity and high rates of unemployment, have made the average Nigerian poor by all standards.

What are the sectors of the Nigerian economy that you know?

Is Nigeria Economically Self-Reliant?

A nation is said to be self-reliant when her citizens depend largely on her human and material resources for most of their basic needs. In other words, self-reliance as a national development strategy usually refers to a nation's determination to rely on "autochthonous resources" the utilization of domestic resources to produce most of her required goods and services.

As far as Nigeria is concerned, it is very difficult, if not impossible, to claim that she is economically self-reliant. Here is a country where the economic underdevelopment is so obvious. Almost all the economic indicators are on the negative side: low capacity utilization in industries, primitive and abandoned agriculture, debt problems, inflation, balance of payments crisis, unemployment and underemployment, malnutrition and misdirection of resources. Also, the over-dependence on oil and other imported inputs are serious problems in the Nigerian economy. This simply shows that Nigeria for now is not economically self-reliant. On the contrary, a nation is said to be economically self-reliant when there are:

- Heavy reliance on domestic resources for the production of required goods and services;
- A reduced dependence on outsiders for the supply of required goods and services;
- An active use of international trade policy instrument for controlling imports;
- Domestic prices that are relatively higher than they would otherwise have been in the absence of development strategies of self-reliance.

However, you should always remember that achieving self-reliance is a perpetual task. Self-reliance is a process that needs to be sustained. That is why even when a country is called self-reliant, it is always very necessary to identify and examine likely factors which enhance a country's economic self-reliance capabilities on a consistent basis. In the case of Nigeria, for instance, agriculture, capital infrastructure, technology, entertainment, energy and industrialization are the key aspects of the economy.

Major Problems of the Nigerian Economy

These days Nigeria is a country of paradox: Nigeria is regarded as a poor country despite the abundance of human and natural resources. This is obvious when we look at the standard of living index. The economic situation of Nigeria today is negatively different from that of the past. In the year 1970 for instance, Nigeria was self-sufficient in food production and the economy was somehow balanced. But the relegation of agriculture to the second rank to the benefit of the so-called oil boom has put Nigerian economy in a very complex situation. The consequence is that almost all the non-oil sectors of the economy have become stagnant. Worst still, revenues accruing from crude oil sales are mismanaged. This situation has led to some serious problems facing the Nigerian economy of today. These problems are:

- Slow growth of the industrial sector with capacity utilization averaging about 3%
- High and growing rate of unemployment
- Slow growth of the agricultural sector
- High internal and external debt burden etc

What are the major problems of the Nigerian economy that you know?

Some Solutions to the Nigerian Economy

There is no doubt that over the years, several attempts were made to address the problems of the Nigerian economy, however, there seem not to be any significant progress. Successive administrations have put in place fiscal and monetary policies to address Nigeria's economic problems to achieve the following objectives:

- Reduction of the level of price inflation;
- Provision of the necessary protection for local industries;
- Provision of a suitable price incentive framework in favour of increased agricultural and industrial production;
- Expansion of agriculture and industry;
- Encouragement of local production of import- substituting goods by encouraging local industries with heavy local content;
- Encouragement of dispersal of industrial location;
- Discouragement of importation of consumer goods which are available locally in order to curtail the out flow of foreign exchange;
- Enhancement of government revenue;
- Moderation of the rate of price inflation;
- Stimulation of industrial agricultural production;
- High level of employment;
- Improvement of balance of payment positions, Reduction of foreign indebtedness, and Generation of more revenue, especially from the non-oil sector of the economy.

You should also remember that to achieve fiscal and monetary objectives mentioned above, governments also put some measures in place such as:

- Reduction of government expenditure with the intention of reducing offensive demand, and subsequently checking inflationary pressures;
- Continuous reorganization and reformation of customs and excise tariff;
- Encouragement of investment in agriculture through the abolition of duties on machinery for exclusive use in agriculture and subsidising inputs employed in the sector;
- Setting credit ceiling for banks and encouraging sectoral distribution of credit;
- Regulation of the liquidity ratio and cash ratio of commercial banks; Introduction of compulsory advance deposits scheme to restrict imports.
- Restructuring and diversifying the productive base of the economy with a view to reducing dependence on the oil sector and imports;
- Achieving fiscal balance and ensuring balance of payments viability;
- Laying the basis for sustainable and non- inflationary growth;
- Intensifying private sector growth potential.

Use your own words to state the solutions to the Nigerian economy

Social Justice and National Development in Nigeria

Historically, the problem of social justice in Nigeria can be traced back to the first amalgamation of 1914. It is recorded that since that period, the Nigerian experience with social justice has never been a pleasant one at all. Nigerian people have been suffering from oppression and repression ever since. The post-independence era represents another period. You should know that even after the official handover of power in 1960 social injustice did not stop in Nigeria. Till date, the question of social injustice is so glaring because Nigeria as a country is still characterized by:

- Unbalanced units of the federation;
- Gross incapacity and utter lack of honesty and comprehension on the part of those who direct the affairs of the Federal Government;
- Tenacity of power, that is, an over-powering and obsessive desire on the part of our political leaders to stick indefinitely to public office by all means, fair or foul;
- Promulgation of unjust laws;
- Travesty on the rights of individuals. For example, unnecessary detention of members of opposition groups without trials; Discrimination in allocation of resources amongst the states of the Federation;
- Inequality of rights and privileges;
- High degree of corruption, high spate of poverty, unemployment.

However, you should also know that social injustice is not a permanent condition; it cannot reign forever. Therefore, it is possible to reverse the policy of “social injustice” which seems to be a “permanent” feature in Nigeria. This can be done only if the government will really listen to the people because *Vox populi Vox dei*, i.e. the people’s voice is God’s voice as well.

Is it possible to eradicate social injustice in a country like Nigeria?

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Assessment

