Economic Recovery and Growth Plan and Agricultural Development in Nigeria

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Abstract  
This paper examines agricultural developmental priorities in the context of Nigeria’s Economic Recovery and Growth Plan (ERGP) and in relation to the Sustainable Development Goals (SDG) of the United Nations’ Agenda 2030. Nigeria’s ERGP consider Agriculture a priority sector in line with United Nations’ SDGs. The ERGP gives agriculture the second highest priority and proposes the third most important deliverable outcome from the Plan to be agricultural transformation and food security. However, this transformation will only come about when the armies of small scale rural farmers are upgraded incrementally and consistently on a sustainable level. The focus on big business in agriculture by the ERGP cannot deliver on the Plan’s expected outcome of Job Creation and youth empowerment since agriculture still stand as the nation’s greatest employer of labor. No economy is ever grown from “top-to-bottom” but the other way round. To continue to either ignore out rightly or give lip service to the small scale rural farmers who are the bedrock of Nigerian agriculture is an exercise in futility as far as agricultural and by extension economic development is concerned in Nigeria. Moreover, a closer look at the ERGP’s purported “New Approach” as regards agriculture indicates there is nothing that particularly qualifies as “New Approach”. The ERGP appears to be an updated version of a Poverty Reduction Strategy Paper (PRSP). It is imperative that government stop neglecting the full implementation of the numerous existing policies to enhance agricultural production in the country. Specifically, government should adequately fund agriculture so as to increase agricultural output and boost employment in Nigeria.

Keywords:  
Agricultural Development, Priority, Economic Plan, Sustainable Development

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Background to the Study
Nigeria’s Economic Recovery and Growth Plan (ERGP) is a Medium Term Plan for 2017-2020 developed for the purpose of restoring economic growth following the severe challenges experienced as a result of lingering economic recession. The Plan builds on the Strategic Implementation Plan (SIP), a short-term intervention plan developed in 2016 that emphasizes three policy goals: tackling corruption, improving security and re-building the economy. The ERGP is also said to build on the previous, comprehensive, but poorly implemented plans, such as the National Industrial Revolution Plan (NIRP) and the Nigeria Integrated Infrastructure Master Plan (NIIMP). We are further told “the ERGP is also consistent with the aspirations of the United Nations’ Sustainable Development Goals (SDGs), given that the initiatives address its three dimensions of economic, social and environmental sustainability issues”. The SDG concerning agriculture is Goal 2 (see Table 1), the details of which are contained in Table 2.

Table 1: Sustainable Development Goals

<table>
<thead>
<tr>
<th>Goal</th>
<th>Description</th>
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<tr>
<td>Goal 1.</td>
<td>End poverty in all its forms everywhere</td>
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<td>Goal 2.</td>
<td>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</td>
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<td>Goal 3.</td>
<td>Ensure healthy lives and promote well-being for all at all ages</td>
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<td>Goal 4.</td>
<td>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</td>
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<td>Goal 5.</td>
<td>Achieve gender equality and empower all women and girls</td>
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<td>Goal 6.</td>
<td>Ensure availability and sustainable management of water and sanitation for all</td>
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<tr>
<td>Goal 7.</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all</td>
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<td>Goal 8.</td>
<td>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</td>
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<td>Goal 9.</td>
<td>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</td>
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<td>Goal 10.</td>
<td>Reduce inequality within and among countries</td>
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<td>Goal 11.</td>
<td>Make cities and human settlements inclusive, safe, resilient and sustainable</td>
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<tr>
<td>Goal 12.</td>
<td>Ensure sustainable consumption and production patterns</td>
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<tr>
<td>Goal 13.</td>
<td>Take urgent action to combat climate change and its impacts</td>
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<td>Goal 14.</td>
<td>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</td>
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<tr>
<td>Goal 15.</td>
<td>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</td>
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<tr>
<td>Goal 16.</td>
<td>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</td>
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<tr>
<td>Goal 17.</td>
<td>Strengthen the means of implementation and revitalize the global partnership for sustainable development</td>
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Statement of the Problem
The case for agriculture as an effective instrument for development is hardly in contention. However, the effectiveness of this instrument has been largely unsatisfactory in most of the developing world and the road to development has been divergent and appears to be country specific. In Nigeria like most of Africa, agriculture is still largely subsistent and threats to the future of the household farm and rapid rural-urban migration as well as new demands on agriculture to service energy supply and to provide ecological services has generally led to food shortages, rising food prices and unemployment accompanied by rising anger. Consequently, studies on why agriculture has not been more effectively used for development abound and are a continuing exercise as the world is yet to get it right. Of the studies done so far, a “business as usual”, has been cited regularly especially in continental Africa with a continued neglect of agriculture and the associated failed opportunities to use it to fuel growth, ease rural poverty, and increase resource use sustainability. This “business as usual” was cited to have a 35 year history rooted in the debt crisis of the world’s poor countries in the 1980s which was compounded by the anti-development policies of the Washington Consensus and the Bretton Wood Institutions that promoted massive decaling of the role of the state (Janvry & Sadoulet2008).

Table 2: SDG 2. - End hunger, Achieve Food Security and Improved Nutrition and Promote Sustainable Agriculture

2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round
2.2 By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons
2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment
2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality
2.5 By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed
2.a Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries
2.b Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round
2.c Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility

The “business as usual” entailed pressurized focus on short term poverty reduction via transfers and social assistance programs rather than increased autonomous incomes of rural households and the need to meet donor/creditor conditions for debt relief. Hence, Poverty Reduction Strategy Papers (PRSP) that frequently marginalized the role of agriculture and focused instead on the role of the macro-fundamentals and of social safety nets became the “business as usual” norm. Has the Nigerian government via the ERGP learnt its lessons and stopped neglecting agriculture so as to extract its potential development benefits or is the ERGP an updated version of a PRSP? It is the objective of this paper to discuss answers to these and related issues and provide some policy recommendations.

**Broad Objectives of the ERGP**

The ERGP has three broad strategic objectives -- restoring growth, investing in people, and building a globally competitive economy.

In this respect, the ERGP gives agriculture the second highest priority (see Box 1) and proposes the third most important deliverable outcome from the Plan to be agricultural transformation and food security (see Box 2).

**Box 1: ERGP Key Execution Priorities**

1. Macroeconomic stability
2. Agriculture and food security
3. Energy sufficiency (power and petroleum products)
4. Transportation infrastructure
5. Micro, Small and Medium Scale Enterprises focused industrialization

**Box 2: ERGP Deliverable Outcomes**

1. Stable Macroeconomic Environment
2. Restoration of Growth
3. Agricultural transformation and food security
4. Power and petroleum products sufficiency
5. Improved Stock of Transportation Infrastructure
6. Industrialized Economy
7. Job Creation and youth empowerment
8. Improved Foreign Exchange Inflows

**ERGP’s Economic Diversification**

The ERGP also contains six priority areas of focus in achieving growth targets i.e. Agriculture, Manufacturing, Solid minerals, Services, Construction and real estate as well as Oil and gas. Concerning agricultural development, the Plan is to build on existing initiatives such as Growth Enhancement Support (GES) scheme; the Commercial Agricultural Credit Scheme (CACS); the Anchor Borrowers Programme; and the Nigeria Incentive-based Risk-sharing
System for Agricultural Lending (NIRSAL). The ERGP also takes into consideration the recently launched Green Alternative Agriculture Promotion Policy and the Presidential Initiative on Fertilizer.

It is instructive to note here that the government focus has clearly shifted away from small farmers to big business. This is a misnomer in the Nigerian context and an example of the several contradictions contained in the ERGP document. For instance, Nigeria’s agriculture remains largely subsistence and about 80% of Nigeria’s agricultural output comes from rural farmers living on less than a dollar per day, earned from farming less than one hectare of land (2.47 acres), using local implements, (Tersoo 2013).

Furthermore, the agricultural sector is a major employer of a larger proportion of the Nigerian population, providing employment for about 60% of Nigerians in both formal and informal sectors i.e. about 150 million people (Ako 2018). Related to this, it has been established that when growth comes from sectors that most poor people work in such as the agriculture sector in Nigeria, poverty is reduced faster (USAID 2009). Hence, the Plan’s focus on the Commercial Agricultural Credit Scheme (CACS) which is geared towards big business rather than the Agriculture Credit Guarantee Scheme (ACGS) which is geared towards small uncollateralized farmers with viable projects and good prospects of success and huge employment and poverty reduction potential is a clear sign of misplaced priorities. Moreover, there are no specific yardsticks in the ERGP document that point the way to achieving the touted SDG 2 for agriculture (see Table 2) even though the document claims it is consistent with the aspirations of the United Nations’ Sustainable Development Goals (SDGs).

There is an old wise saying that “Rome was not built in a day” but the import of this is somehow lost in the ERGP document. No economy is ever grown from “top-to-bottom” but the other way round. To continue to either ignore outrightly or give lip service to the small scale rural farmers who are the bedrock of Nigerian agriculture is an exercise in futility as far as agricultural and by extension economic development is concerned in Nigeria. The “Retired this-and-that” that are currently dabbling in “commercial” agriculture whether genuinely or as a means of hiding looted public wealth and commandeering all available resources and opportunities under the intervention schemes for agriculture listed by the ERGP document are certainly not the answer to agricultural development in Nigeria as the ERGP document indicate; except government is knowingly enforcing such illusions.

Moreover, the ERGP has Agricultural transformation as a deliverable outcome but this transformation will only come about when the armies of small scale rural farmers are upgraded incrementally and consistently on a sustainable level. The focus on big business in agriculture by the ERGP also cannot deliver on the Plan’s expected outcome of Job Creation and youth empowerment since agriculture still stand as the nation’s greatest employer of labor.

Furthermore, as highlighted by Bharat Dogra (2007), from the point of view of sustainability, the traditional, time-honoured agricultural practices are known to be in keeping with the natural environment and any drastic commercialization has to first answer what the new
methods mean for such natural environment. Dogra’s contention finds support in the views of Walden Bello in the Hunger Notes (2008) that African agriculture suffers from doctrinaire economics serving corporate interests capable of destroying the whole continent’s productive base. According to the Walden Bello (2008), reality has refused to conform to the doctrinal expectation that the withdrawal of the state would pave the way for the market and private sector to dynamism agriculture. Instead, the private sector believed that decreasing government participation in agriculture created more risk and failed to step into the gap. This has been the unfortunate lot of Nigeria’s ACGS to date.

Hence all over Arica, the predictions of neoliberal doctrine yielded precisely the opposite. The withdrawal of government participation in agriculture “crowded out” rather than “crowded in” private investment in agriculture. Moreover, according to the Economist (2008), many of the private firms brought in to replace government turned out to be rent-seeking monopolists. A case in point is the “monopoly” private firms such as the “Dangotes” of Nigeria that have made their owners extremely rich over the years by means of rent-seeking after withdrawal of government participation in prime sectors of the economy. For these reasons, both the International Food Policy Research Institute (IFPRI) and finally the World Bank (2008) acknowledged that the whole structural adjustment enterprise was a mistake. In this respect, we agree with the positions of Walden Bello in the Hunger Notes and the Economist and note particularly that the current penchant of Nigerian government to chase after exporting Nigerian food staples such as yams and cassava to be fodder for extractive by-product industries abroad in the name of earning foreign exchange rather than concentrating on ensuring national food sufficiency is not just unhelpful but quite destructive.

As such, the contradictions of purposes scattered in the ERGP may give the impression the Plan was designed mainly to satisfy borrowing conditions of the World Bank and other international lenders who sought this Plan in considering Nigeria’s new loan requests. In this respect, Nigeria entering another era of massive external borrowing without much to show for it is an ill wind as the future is simply being mortgaged all over again for questionable priorities.

Additionally, it is clear from Boxes 1-2 above that the ERGP might not be too different from the Poverty Reduction Strategy Papers (PRSP) of time past that frequently marginalized the role of agriculture and focused instead on the role of the macro-fundamentals and of social safety nets. The ERGP document is therefore largely a “business as usual” document focusing on the role of the macro-fundamentals. As earlier observed by Ako (2017), the persistent preoccupation of Nigerian government and policy makers with “macroeconomic stability” at the expense of people’s development as amplified in the current ERGP makes no sense in Nigeria’s current underdevelopment.

**ERGP’s “New Approach**

ERGP’s “New Approach” regarding economic growth and diversification include to “Move Nigeria towards becoming self-sufficient in food production, particularly in rice”, to “Launch and implement the Anchor Borrowers Programme to lift thousands of small farmers out of
poverty and generate millions of jobs for unemployed Nigerians” and to “Promote the Made in Nigeria campaign to encourage local production and import substitution”. A closer look at these items indicates there is nothing that particularly qualifies as “New Approach” except for the Plan singling out rice for promotion. For starters, one may wonder the actual percentage of Nigerians that actually consume rice and the quantity they actually consume. The fact that a huge chunk of Nigeria’s scarce foreign reserves was regularly depleted by unscrupulous rice merchants in the name of rice importation did not mean such importation was all for local consumption as a large portion of the imports ended up in neighbouring countries like Niger and Chad. The good part is that with restrictions on foreign rice imports and the promotion of local production now in place, the truth is beginning to emerge. Reports reaching the author indicate that just within two trading circles, the price of rice is beginning to fall relatively in the local markets. This can only indicate national rice consumption was seriously over estimated in time past to cover the corrupt practices of monopoly rice merchants using Nigeria’s resources to service neighbouring countries.

Furthermore, one wonders what the difference is between the Anchor Borrowers Programme and the still existing Agriculture Credit Guarantee Scheme and how it is expected to “lift thousands of small farmers out of poverty and generate millions of jobs for unemployed Nigerians” when the still existing Agriculture Credit Guarantee Scheme has yet to achieve such feat due to persistent inadequate funding and other faulty policies as well as the failure of the central bank of Nigeria to adequately supervise participating commercial banks. In addition, there is nothing new in the “Promote the Made in Nigeria campaign” being touted by the ERGP as several of such campaigns have come and gone in our national history and as a matter of fact, such principle is now embedded in our national procurement laws.

Another reported “New Approach” is that “the Plan focuses on growth, not just for its own sake, but for the benefits it will bring to the Nigerian people”. In this context, it appears developers of the ERGP and the policy makers behind it did not learn many lessons from Nigeria’s deep recession and the fact that growth without development played a very significant role in triggering the 2016 recession (Ako 2017). It is instructive that an economy which in the 10 years between 2005 and 2015 grew at an average 6.3 per cent annually only to plunge into a lingering recession in the 11th year in 2016 was not a case of “structural challenges” but structural neglect (Ako 2017). There is not much evidence in the ERGP that structural neglect of agriculture is being addressed.

The Importance of Agriculture in Development
The importance of agriculture has been highlighted over the years by various world bodies such as the World Bank, the United Nations in their reports and programs (World Development Reports -WDR, Human Development Reports and Sustainable Development Goals), the Food and Agricultural Organization (FAO) as well as by numerous research findings in literature. From the world bodies, any serious attempt to reach, first the millennium development goals (MDGs) of 2015 and now the sustainable development goals (SDGs) agenda of 2030 on poverty and hunger must address rural economies where three quarters of the world’s poor live; mostly depending heavily on a dynamic agricultural sector. This is
because it is recognized that agricultural systems are inevitably embedded in complex cultural and socio-economic contexts.

Moreover, the case for agriculture as an effective instrument for development hardly needs to be made. In all historical cases in the industrialized and industrializing nations of the world, agricultural revolution served as the mother of industry and as an instrument for general economic growth at initial phases of development. In Nigeria and much of Africa, this condition still applies since most of the continent is still at initial levels of development and competitive advantages remain in agriculture and in agro-industry. Hence, effective agricultural development is a pre-condition for sustained economic growth beyond what the oil, mining and other sectors can contribute. Furthermore, the agricultural sector is considered a unique instrument for development, contributing as an economic activity, as a livelihood, and as a provider of environmental services (WDR 2008). Agricultural production is also considered important for food security because it is a source of income for most of the rural poor.

For instance, according to the World Bank, agriculture operates in three distinct categories i.e. agriculture-based, transforming and urbanized and in each category, the development agenda differs in pursuing sustainable growth and reducing poverty. In the case of agriculture-based countries like Nigeria, using agriculture as the basis for economic growth requires a productivity/green revolution in smallholder farming depending on country specific unique agriculture and institutions. In this respect, the World Bank identifies effective instruments in using agriculture for development to include increasing the assets of poor households as well as making smallholders and agriculture in general more productive. Accordingly, the World Bank recommends reversing years of policy neglect and for countries to remedy their underinvestment and disinvestment in agriculture by designing policies and decision processes that are country specific, by mobilizing political support, and by improving the governance of agriculture (WDR 2008).

**National and Social Benefits of Agriculture in Development**

As an economic activity, agriculture provides a foundation for growth of the national economy, investment opportunities for the private sector, and is a major driver of agriculture-based industries and the general rural economy. It has been reported that two thirds of the world’s agricultural value added is created in developing countries and that in agriculture-based countries like Nigeria, agriculture generates on average 29 percent of the gross domestic product (GDP). Moreover, the industries and services linked to agriculture in value chains often account for more than 30 percent of GDP in transforming and urbanized countries (WDR 2008). In addition, the WDR (2008) reports that GDP growth based in agriculture has been 2 to 3 times more effective in improving income of the poorest 40% of the population than growth originating in the rest of the economy.

In Nigeria, agriculture continues to be increasingly dominant as a contributor to national real gross domestic product (RGDP) in the past 35 years as reflected in Figure 1 below. However, agriculture’s contribution to gross fixed capital formation is quite dismal reflecting the dismal
and erratic levels of investment in agriculture as indicated in Figure 2. This picture seems to confirm the observations of Walden Bello (2008) that reality refused to conform to the doctrinal expectation that the withdrawal of government participation would pave the way for the market and private sector to dynamism agriculture. From Figure 2, the withdrawal of government participation in agriculture during the structural adjustment/IMF conditionality years of the 1980s in Nigeria “crowded out” rather than “crowded in” private investment in agriculture. It was only as agriculture began to receive world focus with the MDGs of 2000-2015 that investment in agriculture started to record some upward movements.

![Fig. 1: Agricultural Contribution to RGDP & GFCF](image1)

![Fig. 2: Private Investment in Agriculture](image2)

The Importance of Agriculture in Poverty Reduction & Employment

The case for agriculture as an effective instrument for poverty reduction also hardly needs to be made. In stressing the imperative for promoting agriculture and meeting its MDG by 2015, WDR (2008) contended that agriculture continues to be a fundamental instrument for sustainable development and poverty reduction in the 21st century, helping to reduce poverty, raise incomes and improve food security for 80% of the world’s poor, who live in rural areas and work mainly in farming. The World Bank (2017) also considers that agricultural development
Agriculture is one of the most powerful tools to end extreme poverty, boost shared prosperity and feed a projected 9.7 billion people by 2050. The World Bank also reports that growth in agricultural sector is 2-4 times more effective in raising incomes among the poorest compared to other sectors and that agriculture provided employment for 65% of poor working adults.

Agriculture is a source of livelihood for an estimated 86 percent of rural people and employs 65 percent of the labor force providing jobs for 1.3 billion smallholders and landless workers, “farm-financed social welfare” when there are urban shocks and a foundation for viable rural communities. Additionally, nearly half of humanity lives in rural areas and of these rural inhabitants an estimated 2.5 billion are in households involved in agriculture, and 1.5 billion are in smallholder households. Moreover, more than 80 percent of the decline in rural poverty is attributable to better conditions in rural areas rather than to out-migration of the poor (WDR 2008). Furthermore, the WDR (2008) reports that 3 out of 4 poor people (about 2.1 billion) live in rural areas on less than $2 a day and 880 million on less than $1 a day and that most depend on agriculture for their livelihoods. Hence, according to the World Bank, with the right policies and supportive investments, today’s agriculture offers new opportunities for poverty reduction to hundreds of millions of rural poor.

Concerning such right policies, SDG 2 in Tables 1-2 endorses an agricultural, food-based, rural-centred approach to ending hunger, enhancing food and nutrition security, and promoting sustainable development. However, important trade-offs have been observed within SDG 2, in particular between the target of doubling agricultural productivity and incomes of small-scale farmers and ensuring environmental sustainability. Also observed is a strong overlap of some targets with other goals, in particular SDG 12 (“Ensure sustainable consumption and production patterns”) and SDG 15 (“Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss”) (Burchi and Holzapfel 2015). As such, the World Bank’s recommendation for countries to provide remedies in agriculture by designing policies and decision processes that are country specific becomes noteworthy.

**Conclusion**

Nigeria’s Economic Recovery and Growth Plan (ERGP) consider Agriculture a priority sector in line with United Nations’ Sustainable Development Goals (SDG). The ERGP gives agriculture the second highest priority and proposes the third most important deliverable outcome from the Plan to be agricultural transformation and food security. However, this transformation will only come about when the armies of small scale rural farmers are upgraded incrementally and consistently on a sustainable level. The focus on big business in agriculture by the ERGP cannot deliver on the Plan’s expected outcome of Job Creation and youth empowerment since agriculture still stand as the nation’s greatest employer of labor. No economy is ever grown from “top-to-bottom” but the other way round. To continue to either ignore out rightly or give lip service to the small scale rural farmers who are the bedrock of Nigerian agriculture is an exercise in futility as far as agricultural and by extension economic development is concerned in Nigeria. Moreover, a closer look at its purported “New Approach” as regards agriculture indicates there is nothing that particularly qualifies as “New Approach”. The ERGP appears to be an updated version of a PRSP.
Recommendation
It is imperative that government stop neglecting the full implementation of the numerous existing policies to enhance agricultural production in the country. Specifically, government should adequately fund agriculture so as to increase agricultural output and boost employment in Nigeria.

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