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Building Momentum in Expanding Trade for Sustainable Development in Nigeria: Issues, Challenges and Prospects

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Abstract

This paper set out to examine the topic building momentum in expanding trade for sustainable growth and development in Nigeria. The study evaluated Sustained market-based economic approach, maximizes competitiveness in bringing together private and public sector stakeholders to strengthen the institutions and system needed to unlock private investment, and promote agricultural export expansion, job creation and poverty reduction. The paper among others is of the view that agricultural product can generate inclusive economic growth and development because of its potential impact on generating additional revenue, reducing unemployment and poverty and hunger. This cannot be experienced without government making the right policy decisions on institutions, research, trade, and education for technological adaptations.

Keywords: Sustainable development, Agricultural produce, Trade, Export, economic growth.

JEL Code: F14, F41

1. Introduction

Successive governments in Nigeria have since independence in 1960, pursued the goal of structural changes without much success. The growth dynamics have been propelled by the existence and exploitation of natural resources and primary products, initially the agricultural sector driven by the demand for food and cash crop production was at the growth process contributing 54.7% to the GDP during the 1960s, the decade of independence saw emergence of the oil industry as the main driver of growth.

Developing economies tends to achieve economic growth and development with shortest possible time. Economic growth will be expected to translate positively into sustained development with enhanced welfare status to the citizenry.

The economics of Nigeria have remained that of altering the structure of production and consumption patterns, diversification of the economic based and reducing over dependence on oil, with the aim of putting the economy on a part of sustainable, all-inclusive and non-inflationary growth.

Sustainable market-based economic approach maximizes competitiveness bringing together private and public sector stakeholders to strengthened the institutions and system needed to unlock private investment, and promote agricultural export expansion, job creation and poverty reduction. Particularly agricultural product can generate inclusive economic growth and development.

In recent years, agricultural protection and its impact on developing countries have attracted growing attention while manufacturing protection has declined worldwide following sustained reforms of trade

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policies, especially in developing countries. Most industrial and many developing countries still protect agriculture at high levels.

Nigeria does not need a greater alarm to infer that oil cannot be relied on for a sustainable national development. It is in the light of this we shall look at potentials of the non oil sector export as a compliment for foreign exchange generation for sustainable development in Nigeria.

According to IMF (2007) in exact criteria for sustained growth accelerations is that countries must have experienced an improvement in growth rate of at least 2% in per capita and at least 3.1/3% per capita for seven (7)years respectively.

2. Review of Related Literature

It should be understood that there is no single definition for sustainable development but they key idea common to all definitions concerns resource exploitation at a rate that would not prove detrimental to future generations. According to the Complete A-Z Geography Handbook, sustainable development is defined as "development that meets the needs of the present, without compromising future generations to meet their own needs. The environment should be seen as an asset, a stock of available wealth but if the present generation spends this wealth without investment for the future then the world will run out of resources. If, however, we use this capital to research and develop new resources for the future, we can build machines that will substitute for the environmental resource (resource substitution). A good example is the construction of solar panels to replace oil and coal"

According to the direct Government website UK "Sustainable development means a better quality of life now and for generations to come. It means not using up resources faster than the planet can replenish, or re-stock influences decision making with organizations, and therefore can go towards forming principles and business 'values' –for example, providing information to the public in an open and accessible way and involving people and communities who are affected by those decisions. Or openly reporting how they run their business and the care they take about the local environment and the people that work for them, these principles can also apply to government policies – for example, in planning regulations for green buildings and technologies. It is also about being clear and responsible about the use of scientific, and other, evidence – for example, about levels of pollution or carbon emissions.

According to the international Institute for Sustainable Development (IISD) sustainable development has been defined in many ways, but the most frequently quoted definition is for Our Common Future, also known as the Brundtland Report: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

- The concept of needs, in particular the essential needs of the world's poor, to which overriding priority should be given; and

- The idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs".

All definitions of sustainable development require that we see the world as a system that connects space; and a system that connects time.

When we think of the world as a system over space, we grow to understand that air pollution from North America affects air quality in Asia, and that pesticides sprayed in Argentina could harm fish stocks off the coast of Australia. Besides, when we think of the world as a system over time, we start to realize that the decisions our grandparent made about how to farm the land continue to affect agricultural practice today; and the economic policies we endorse today will have an impact on urban poverty when our children are adults.

According to the Teachers in Development Education Annual report 2008, "Sustainable development concerns a wide range of interrelated issues which may be approached through the following seven principles

or dimensions. The first concerns the interdependent nature of the word. This gives rise to the need for a participative response through the exercise of citizenship and stewardship, which is the theme of the second concept.

- **The Concept of Weak and Strong Sustainability**

An implicit assumption in the constant capital rule (CCR) is that all forms of capital are substitutable for each other. On this rule, known as the weak sustainability (WS) rule, any one form of capital can be run down provided "proceeds' are reinvested in other forms of capital. Weak sustainability does not necessarily imply that substitution is easy or inexpensive – we may have to surrender a great deal to obtain one extra unit of some forms of capital, a feature of weak sustainability that tend to be ignored by those who have criticized it. Moreover, WS requires that the running down of any form of capital is compensated by investment in some other form of capital. It is not consistent with running down capital stocks and 'consuming' the proceeds. For example, where a nonrenewable asset such as a stock of oil is being mined, WS requires that some portion of the revenues of this mining activity be invested in alternative assets. As a 'weak' rule, then, WS is not particularly weak, and empirical tests show that it is quite easy for a country to fail a weak sustainability test Atkinson *et al* (1997).

Objections to weak sustainability tend to centre on the assumed substitutability of capital stocks. Indeed, it can be argued that the philosophy of sustainable development arose precisely because there were concerns about the unsustainability of forms of economic development that sacrificed the environment in the name of economic growth. The problem can be formalized by saying that the critics regard at least some forms of capital as have no substitutes. Take the ozone layer, for example. Clearly there are some substitutes for its protective functions. Skin cancers and cataracts are one of the risks of exposure to Ultraviolent (UV) radiation in areas where the ozone layer has been 'thinned' by Chloro Fluorocarbons (CFCs). Individuals can protect themselves against these risks by wearing sun glasses and suitable clothing, as well as by changing behavior so as to avoid continued exposure. But high levels of UV radiation are also thought to interfere with immune systems and with the functioning of some important ecosystems, especially marine systems. It is far from clear what the substitute is in this context. The ozone layermay therefore have some of the characteristics of a unique asset crucial to well-being and perhaps survival. Those who believe in the non-substitutability of natural capital support strong sustainability (SS).

SS does not imply that WS is irrelevant, although some writers appear to think this.

What SS requires in addition to WS is that the stocks of capital (*K)* should not decline. 'In addition to' is needed because a situation in which natural capital is preserved but other forms of capital are allowed to decline could hardly be called 'sustainable development' (it might be 'survivable' but even that seem very unlikely).

Alternatively, it might be argued that while a trade-off exists, it is a bargain that most would be as highly unpalatable. This goes back to an earlier remark we made in that WS itself does not necessarily imply that compensating for a loss of a particular asset is inexpensive. However, many writers have criticized the sustainability approach because it assumes substitution.

First, they suggest that one should to focus on weak sustainability because it creates a sense of comfort to the effect that the environment can be dispensed with, but it is hard to understand why such a discussion should preclude advocacy of strong sustainability by those who believe in it. More to the point, the preliminary evidence on weak sustainability indicators shows the potential for surprise: a large number of economies fail the weak sustainability test and if they fail they are likely to fail any strong sustainability test (although not necessarily so), Atkinson *et al* (1997). Second, it is suggested that monetary indicators of constant capital fail because they use market process rather than externality-adjusted prices. But the whole point of valuing capital is to value the externalities. Whether this is done by applying shadow prices to marketed outputs or by valuing the externality, e.g. air pollution, directly, is immaterial.

Cecelia (2009) adopted Bo Kjellen 'Diamond of Sustainability', illustrates the fundamentals of social sciences in dealing with economic, political and social problems, the challenge now is to integrate the social sciences into developing policy focusing on long-term global sustainability." The Kjellen diamond is particularly useful as a graphical representation of the principles of sustainability. A list of principles for sustainable development is as individual as its author, but certain points appear consistently. Reading the compass points reaffirms the primary focus on social, environment and economic concerns. The diamond adds natural balance the concern for human 'resources' (social). In the north-east quadrant, we meet the principles related to equitable sharing of natural resources and the need to encourage lifestyles of responsible consumption to ease the burden of each person's ecological footprint). In the south-east quadrant, one finds the principles related and engender respect for biological and cultural systems of the planet that sustain all life. Sustainable policies should ensure that natural resources are not depleted and engender respect for biological and cultural diversity. Moving clockwise to the south-west quadrant, we enter the domain of man-made system. Equitable distribution of knowledge and information, and equitable working conditions for those who create products and services drive these principles. Finally, in the north-west quadrant, the principles are concerned with the quality of life measured in access to food, land, water, clean air and medical attention. The diamond is one of numerous frameworks that provide guidance for communication and activity in the progress toward sustainable development.

- **Empirical Evidence**

Cecilia Haskins (2009) in a paper "Using the concept of sustainable development to encourage corporate responsibility in small enterprise" employed the "Diamond of sustainability" principle which entails the principles of sustainability to focus on social, environment and Economic Issues as to how they affect sustainable development in the discharge of corporate social responsibility. In the progress towards sustainable development Awareness, Application, Integration and Leadership issues must be entailed in the drive towards sustainable development. With reference to a particular study of the Verdal industrial park (VIP) Aker Kvaerner, that deals in the supply of tunkey projects, niche products and specialized services in the offshore industrial area in the North Sea encountered vital challenges in the business due to change in the market conditions in the oil production industry. They later encountered improvement in business by given alternative services through internal department within the park, For the sustainable growth of VIP, a project was conducted in four phases: first a survey was designed with the guidance of the park managers for the VIP; second the survey was distributed after a kick-off meeting describing its goals to the target audience; namely, the Chief Executive Officer(CEOs) of the industries of VIP: third, the result survey were validated by interviews analyzed and presented to the VIP community and other stake holders, fourthly, a brainstorming session was conducted to a great future vision for the VIP. They concluded that firms in VIP are very good place to work as they are particularly concerned about economic an environmental performance. Based on this sampling, respondents appear to have a minimal awareness of the concept of eco-efficiency, but their eco-performance is probably better based on response from the interviews. A simple dashboard for plotting self-assessment from the tenants is proposed as a way to track industry and cover the progress toward sustainability.

Cecilia concluded that sustainable development can be explained clearly enough to motivate some actors within the park to consider ways in which they can contribute to the overall sustainability of industrial area and local community. A similar condition ensues in which the desire for sustainability suggest responsible corporate activities that will enhance the future of region.

David Pearce and Giles Atkinson in a working paper (CSERGE PA 98-02), "The concept of Sustain development: An Evaluation of its usefulness ten years after Brudtland" referred to sustainable development as being equated with a development path that ensures non-declining per capita well-being over some time horizon. In a bid to address the issue of how to achieve sustainable development, they employed the augmented Solow model which deals with the widening of the concept of man-made capital to include the skills and knowledge embodied in human capital and natural capital. They also included social capital which addressed the issue of relationship between industrial and government/institutions, stating that for the capital

base of sustainable development, we would need a positive technological change, a positive population change and natural asset constancy.

In addition, the concept of weak sustainability was clarified: Weak sustainability – that all forms of capital are substitutable for each other- and strong sustainability-weak sustainability plus preserved natural capital.

They cited Beckerman's critique which suggested that weak sustainability adds nothing to conventional economic optimality as it precludes a declining path of per capita wellbeing overtime which is not envisaged by conventional optimization when translated into rules for maximsing the present value of utility overtime; This problem according to Beckerman has not been really addressed by strong sustainability advocates A greater understanding of how technological change is created is vital and that genuine savings natural assets and environmental depreciation also have Implication for sustainability.

They concluded with the statement:

"Nevertheless to the extent that scientific community can offer evidence regarding what constitute natural assets, the Key indicators for an economy will be twofold: are stocks of critical natural assets declining?

And are genuine savings rate persistently negative? A positive answer to these questions would be an indication of unsustainability" (David Pearce and Giles Atkinson CSGE PA 98-02)

Jonathan M. Harris (2000) in his paper, employed the Rostow's stages of Economic growth to advance his argument for sustainable Development. He also emphasized the major area of concentration for development purposes over the years which are; industrialization and agriculture, basic needs in the 1970s which included Education, nutrition, health, sanitation and employment Human Development index (HDI) which uses health and education measured together with Gross Domestic product(GDP), by the 1980s, the focus shifted to "structural adjustment" which included liberalization of trade, eliminating government deficits and parastatals With significant advancement both in GDP and HDI in most countries, he highlighted two major criticisms in the development records which are:

- The benefits of development have been distributed unevenly with income inequality remaining persistent and increasing overtime.
- There have been major negative impacts of development on the environments and on existing social structures He cited the criticism by Richard Nogarrd who sees development as indicative of fundamental error which is stated as follows:

"Modernism and its more recent manifestation as development have betrayed progress… While a few have attained material abundance, resource depletion and environmental degradation now endanger many and threaten the hope of all to come……"Modernism betrayed progress by leading us into, and preventing us from seeing and addressing interwoven, environmental, organizational and cultural problems. Jonathan(2000) see sustainable development as "the development which meets the need of the present without compromising the ability of the future generation to meet their own needs with particular interest in the three areas of sustainable development which are economic, environmental and social issues. In the treatment of the economic prospective, he employed the neo-classical perspective which analyses sustainability as the maximization of welfare overtime, which included important elements of human welfare. A related issue he discussed is the operationalisation and conservation of natural capital by adopting a limit to resource consumption for renewable to sustainable yield levels, and for non-renewable to invest its proceeds in renewable capital. In addition to maintain constant per capita stock of natural capital, it would require a stable level of human population.

He referred to Michael Toman Suggestion that the issue of sustainability will be resolved by the neoclassical market efficiency and the adoption of safe minimum standards to protect essential resource and environmental functions.

In an ecological perspective, sustainability must involve limits on the population and Consumption levels and the process that generate variability and novelty-the generation of genetic diversity and the resultant processes of evolution and change in species and ecosystem Jonathan Harris (2000) noted that advocates of sustainable development recognize social development as an essential part of the parading. The major area of emphasis included.

Human Development index per capita GNP/GDP Gender Equity, poverty, e.t.c

He concluded by saying that

"true sustainability means a major shift from existing techniques and organization of production (in areas as Agriculture, Energy, industry, renewable resource system) to newer techniques that will practically address the real issues without Jeopardizing the future, but instead, presence it."

The study observed that building momentum in expanding trade for sustainable development in Nigeria should involve a shift from existing techniques and organization of production and trade policies.

3. Challenges in Expanding Trade for Sustainable Development in Nigeria

This research work is a descriptive and quantitative type of survey in nature. The method used in the study is to examine issues, prospects and challenges in expanding trade for sustainable development. The paper highlights some of the challenges in expanding trade for sustainable development as follows;

i. Structural Challenges: Nigerian economy is facing some structural challenges, characterized by structural rigidities, dualism and the false paradigm model. Generally, the sectors of the economy are in silos to the extent that the primary sector does not relate meaningfully with the secondary sector and the same for the secondary and the tertiary sectors.

Agricultural produce end up as final consumer goods as only a small quantity is processed or used as raw materials for local manufacturing industries. Also, the producer of the extractive industries are exported in their raw forms without local value addition. Given the higher incomes in the oil and gas sub-sector of the extractive industry, attention is concentrated there to the almost total neglect of the mainstream economy. Consequently, the economy is broken into the very rich (relying on the oil and gas industry) and the very poor (relying on the mainstream economy) with almost a complete vacuum in-between these two. The false paradigm model also plays out in the economy in the sense that while the few very wealthy group clamour for relevance in the context of 'expert' advise, the very poor suffer from ignorance, disease and malnutrition. Thus, there is no structural change and, hence, the attitudinal changes expected of economic transformation are absent.

ii. Infrastructural Challenges: one of the main challenges facing the economy is poor economic and social infrastructure: bad transport network, erratic power supply, limited access to portable water and basic healthcare institutional challenges and much more. Building a vibrant economy or restoring growth to a sluggish economy takes resources. To ensure long-term growth and prosperity, Nigeria must use its resources wisely, invest in advanced technology and rebuild the infrastructure without which the economy will not gain from the 'power of productivity'. This will help in expanding trade for sustainable development. A nation enjoys higher standards of living if the economy have infrastructural company to produce large quantities of goods and services for local consumption and extra for export. The deficiencies in the economy lead to low productivity, poor quality products and non-competitiveness in the global market place.

iii. Poor Institutions and Corporate Governance: Another important challenge in expanding for sustainable economic growth and development in Nigeria is lack of effective institutions and good governance. These factors have been hindering various efforts and reforms of the government to stimulate economic growth for sustainable development in Nigeria. The prevalence of weak institutions and poor corporate governance as well as poor ethical standards in most public and private organizations, hinder the attainment of the goals of economic policies in the country. Poor corporate governance has adversely

affected the quality of institutions to the extent that public and private institutions are used for selfish interests, thereby, making regulation and law enforcement ineffective.

iv. Corruption Challenges: Although corruption is a global scourge, Nigeria appears to suffer particularly from it. Everyone appears to believe that the nation has a 'culture of corruption'. Over the years, Nigeria has earned huge sums of money from crude oil, which appears to have largely gone down the sinkhole created by corruption. In an article, "Oil giant that runs

on grease of politics," Nigeria was described as a rich nation floating on oil wealth "but almost none of it flows to the people" (San Francisco Chronicle, March 11, 2007). Corruption has denied Nigerians the value of the petro-dollar that has accrued to the country over the years. The failure of infrastructure, political and ethical standards as well as moral and educational standards can easily be traced to corruption.

v. Low quality of education: Education is an important factor in economic growth and development. But the nation's educational system has been facing myriad of challenges, which prevent the country from achieving its economic objectives. The problems include inadequate funding and planning and management, inadequate infrastructure, irrelevance of curricula to industrial needs, and inadequate commitment on the part of students and teachers, among others. All these have combined to hinder the production of a high quality work force to propel the economy (UNESS for Nigeria: 2006-2015). As Dike (2006) noted, the state of a nation's educational sector, among other things, determines the economic health of the nation.

vi. The Dutch Disease: Since the oil price boom of the early 1970s, the country abandoned the agricultural and industrial sectors of the economy to the old and weak**.** Both the public and private sectors of the economy concentrate their efforts in the oil and gas industry to the extent that the mainstream economy is denied funding, requisite investment and even managerial capabilities. Thus, the mainstream economy has become uncompetitive globally while the country has turned into a trading outpost for foreign companies. This has hindered the much-needed transformation of the economy in the last four decades.

vii. Poor Investment climate: The consequence of all that have been said above is the poor investment climate in the economy that has rendered the economy uncompetitive. In the absence of adequate infrastructure (power, roads, water, etc.) the cost of doing business in the country remain high, thereby hampering trade expansion.

4. Prospects for the Economy

Having reviewed the growth performance of the Nigerian economy and the challenges facing it, the next appropriate question to address is whether there are for the economy. The answer to this question depends on the policies articulated for the medium-to-long term and the seriousness with which they are implemented. Indeed, it has been projected that by the year

2050, Brazil, Russia, India and China, usually referred to as the BRIC countries, would have a combined economy that is bigger than the group of six (G6) industrialized countries – USA, Japan, Germany, UK, France and Italy. In addition, in 2005 "Global Economics" Paper No. 134 published a list of eleven countries that could have the BRIC effect and achieve global economy-giant-status by 2025. The countries include: Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, Philippines, South Korea, Turkey and Vietnam. In the projection of Goldman Sachs, only about 11 countries may have bigger economies than Nigeria by 2050. It is clear that the Nigerian economy has great potential; all that is required is a policy framework that can jump-start it. Nigeria can leverage on its sizeable population, with a relatively highly-educated and enterprising workforce and its richly endowed economic potentials: physical, human and

Natural resources. Nigeria is the 8th largest producer of crude petroleum in the World and has the 6th largest deposit of natural gas in the World. Therefore, the potentials in the oil and gas sectors, agriculture and manufacturing, telecommunications and tourism, among others brighten the growth prospects of the country. Nigeria is also a major growth pole in the West African sub-region and the African continent, and so has enormous geo-political and strategic advantage that if leveraged upon would foster growth.

Having said this, economic growth, especially in a developing country like Nigeria, must be people-oriented. Therefore, pro-poor policies and those that improve on the welfare of a majority of the people should be emphasized. In this connection, in the light of the contribution of the agricultural sector to the growth of the real GDP, developments in the sector are likely to impact the people the most. Therefore, to realize the full potentials of the agricultural sector, the value-chain of the sector has to be explicitly targeted for growth. Thus, while food production is improved through improved utilization of fertilizers and improved seedlings, implying greater research efforts, further mechanization of the sector should be pursued. This is likely to enable the release of surplus labour from the sector without sacrificing food security. Trade as in processing is another level of the value-chain that has been abandoned over the years. It will not only encourage the farmers to produce without fear of organic wastes or price decline, it would also excite research and development in the sector as well as foster entry into international markets. These efforts have to be complemented by appropriate trade and tariff policies that would protect the local operators from unhealthy competition from abroad. Already a lot of efforts have been made, including those by the Central Bank of Nigeria, aimed at improving the funding of the sector at affordable costs. Among the newest financing incentive to agriculture is the Nigeria Incentive - based Risk Sharing framework for Agricultural lending.

This model of financing agriculture is different in many ways from the current financing models which have not yielded the desired impact of making adequate credit available to the sector. NIRSAL is a demand driven credit facility rather than the current supply driven funding. It would adopt a value chain approach to lending as banks would be free to choose which part of the value chain they would be interested in lending to. It would build the capacity of the banks to engage and deliver loan, reduce counterpart risks facing banks through innovative crop insurance products, reward performance in agricultural lending, and would be managed with performance based incentives. NIRSAL would be tailored along the already developed model of the Impact Investing Fund for African Agriculture (IIFAA) based on Nigeria's financial and agricultural development requirements. It would pool together the current resources in CBN's agricultural financing shemes and other investor's funds and transfer these into the five components of the programme but managed outside of the CBN.

In other words, existing agricultural support frameworks would be assessed, modified and integrated into five components. Specifically, the objectives of the programme include:

- Stimulate innovations in agricultural lending;
- Encourage banks that are lending to the sector;
- Eliminate state dependency by banks for deploying loanable funds to agriculture;
- Leverage DMBs balance sheet for lending into agriculture; and
- Ensure risk sharing approach that will build a business approach where banks share in the risk of lending to the sector.

In achieving these objectives, there would be five integrating components to ensure increased bank credit to the agricultural sector, ensure systemic change and reward performance based on evidence using market driven incentives.

These five pillars would work together in an integrative way to change the way banks lend to agricultural sector. The five major components of this programme are: Risk Sharing Facility (RSF), Insurance Component (IC), Technical Assistance Facility (TAF), Bank Incentive Mechanism (BIM) and Agricultural Bank Rating System (ABRS). Thus, agriculture can grow by as high as 12.0 per cent or more in the near-term and beyond, if appropriate environment and incentives are put in place, along with the funding needs of the sector.

The industrial sector also has great potential for growth. The major challenge is adequate infrastructure, especially power. The Central Bank of Nigeria has also taken a bold step in this regard in addition to the efforts of the Federal Government. While efforts are made to revive the ailing core industries (iron and steel, petrochemicals, aluminum, etc.), the small and medium industries should be encouraged to venture into the production of the basic non-durable goods needed by the teaming population in Nigeria and in the sub-

region. The industrial research institutes have many findings that need to be commercialized. The solid minerals sub-sector also should be opened up for more aggressive exploitation. The link between the oil and gas industry and the rest of the economy should be strengthened through a more effective implementation of the local content policy. Industry, especially manufacturing, would, thus, be able to contribute as much as 16.0 per cent to GDP and the solid mineral sub-sector 20.0 per cent in the near-to-medium term from 7.9 per cent and 12.8 per cent in 2009, respectively. The oil and gas industry can be grown through its greater integration with the rest of the economy. Gas utilization at both the industrial and domestic fronts can be expanded while utilization for power generation is further encouraged by the establishment of more thermal power plants. Far reaching reforms in the Petroleum Industry will help to enhance the gains from the oil and gas industry. Sustained peace in the Niger Delta area would guarantee that Nigeria's OPEC quota is met at the current price. Thus, the contribution of the oil and gas industry to the economy may recover from negative 1.33 per cent in 2009 to positive 4.0-5.0 per cent in the near-to-medium term.

With improvements in the agricultural and industrial sectors and the resultant improvement in household incomes, the building and construction sector and the wholesale and retail trade sectors would blossom and contribute as high as 24.0 and 22.0 per cent to the GDP in the near-to-medium term from 12.3 and 11.3 per cent in 2009. The services sector is another source of life for the Nigerian economy. The telecommunications sub-sector continues to drive that sector.

Improvements in power supply would increase the output of the sector. The local content of the sector can also be improved upon. Nigerians are already gaining knowledge in the area and inclusion of more of the aspects of technology in school curricula would help to deepen knowledge and value addition to the industry. Thus, this sector can grow by up to 45.0 per cent in the near-to-medium term from 34.2 per cent in 2009. The transport sub-sector is another sub-sector that appears to have been abandoned. However, in the recent past, the government has stepped up efforts towards its revival. It can, therefore, increase its contribution to the GDP from 2012 and beyond.

The positive outlook that has been painted above, however, is predicated on the sustained implementation of the various reform initiatives that have been articulated for the various sectors of the economy and the programmes/policies enunciated in the Vision 2020 document. Rehabilitation of the dilapidated infrastructure and development of new ones are an integral part of the reforms that should drive future prosperous Nigerian economy. In the event that the sectoral targets are achieved in the near-to-medium term and beyond, the GDP is capable of growing by up to 13.0 per cent per annum during this period, from the 2009 level of 6.7 per cent. Once the economy is able to jump-start, it is likely to boom, given massive resources that are currently lying idle and untapped. Furthermore, we should not discount the influence of the political environment in the whole process of launching Nigeria into league of industrialized nations by 2020.

In summary, this growth prospect can be achieved and sustained if:

- The balance of trade is persistently positive, as it has been in the last five years;
- External reserves can be substantially built up to boost the credit worthiness of the economy and attract foreign investment;
- Efforts are sustained to maintain peace in Niger Delta to boost crude oil and gas output; and reduce insurgency (Boko Haram) in the North-East of Nigeria.
- Electricity supply is increased to 15,000-25,000 Mwh between now and 2020, to boost manufacturing capacity utilization and activities in other critical sectors;
- The banking sector reforms and efforts to resolve liquidity challenges are sustained to channel credit massively to the real sector of the economy;
- Government sustains the current reforms in the various sectors of the economy to achieve rapid growth and development;

- we increase agricultural output barring adverse weather conditions, with continued implementation of various government programmes, especially preserving, processing and marketing activities;
- We sustain the growth in the services sector, by increasing the local content of the industry and by expanding the tele-density of the country;
- We deregulate the downstream petroleum sub-sector and encourage the setting up of private refineries;
- Diversify the economy away from primary products and away from crude oil and natural gas;
- Improve other key economic and social infrastructure; and
- Sustain the subsisting democratic governance.

The global environment for development has changed quite significantly in recent years, with the rapid growth in world trade, capital flows and information and communications technology. Nigeria can benefit from these changes by providing a more conducive investment climate in the country.

5. Conclusion

The prospects for growth in Nigeria are very bright going by the achievements recorded during the last ten years and the current reforms in the various sectors.

However, for Nigeria to consolidate these economic gains and move higher in the frontlines of growth and development, it must deepen reforms that improve human capital, promote high-quality public infrastructure, and encourage competition in building momentum in expounding trade for sustainable development in Nigeria. The pillars to sustain this consolidation must include a firm fiscal policy, transparent fiscal operations, development-oriented monetary and exchange rate policies, strengthening of the financial sector and strict adherence to the rule-of-law and respect for the sanctity of contract as well as commitment to fighting corruption and corrupt practices. In all of these, Nigeria has opportunity for progress. We must break away from the past to deliver a new Nigeria that the future generations of Nigerians would be proud of. Our Electoral process must not only be credible, but must be seen to be credible, since robust economic performance necessarily requires a robust political environment to happen.

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