Journal of Sustainable Development in Africa (Volume 12, No.4, 2010)

ISSN: 1520-5509
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Achieving Vision 2020 in Nigeria:
A Review of the Economic and Market-Oriented Business Reforms

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ABSTRACT

Several economic reforms and strategic plans have been put in place in Nigeria to diversify the revenue sources of the economy towards achieving the nation's vision 2020. Many of these reforms and plans have lasted without substantial assurance of the country's targets. The aim of this paper, therefore, is to review some of the stated reforms for vision 2020. Nigeria is the single largest entity in West Africa and the most populous black nation in the world. It covers a land area of about 923,768 square kilometers and, according to the 2006 National head count, has a population of about 140 million people. By the time the country got her political independence in 1960, agriculture was the main stay of the economy, accounting for about 70 percent of GDP and about 90 percent of foreign exchange earnings. Manufacturing, which contributed 3.9 percent in 1960/61, reached a peak of about 10 percent in 1981 and, since then, it has declined progressively to lowest level of 2.57 percent in 2006. Crude petroleum became dominant in the Nigerian economy, starting from 1970s and presently accounts for about 40 percent of GDP, over 95 percent of foreign exchange earnings, and over 70 percent of Federal Government revenue source, as well as over 90 percent of all new investments. Presently, the Nigerian economy, with about $170 billion GDP, requires yearly growth rate of 13 percent to reach $900 billion, which is the goal of vision 2020. In addition to the many structural defects discussed in the paper, the economy is still mono-cultural, moving from over dependence on agriculture to over dependence on crude petroleum, hence realizing the goals of the vision requires not just increasing the size of the economy, but also diversifying its revenue sources. These constitute very serious challenges for vision 2020 more so as there have been several such consolidation reforms in place with minimal outcomes. The paper, therefore, recommends for better goal-oriented reforms, solid innovative behaviors, and institutional perception of the people.

Keywords: Reforms, Strategic Plans, Market-Oriented, Goal-Oriented, Innovative Behaviour, Institutional Perception.

INTRODUCTION

Studies have been conducted to underpin the changing structure of the Nigerian economy (Adedipe, 2004; Owolabi, 2003; CBN, 2003a, 2000; Mudasiru & Adabonyon, 2001; FRN, 1996). Some of these studies have gaps of limit ed sectoral coverage by ignoring some emerging sectors, like communication, education, and other social services; while others, like the CBN, focused on the effects of the reform programs on macro-economic stability. There is, however, the need for further study more since the economic reforms are on-going. Moreover, no study has been conducted after the implementation of the strategic plan, the NEEDS Document. The democratic government of Shehu Musa Yar'Adua has come up with another strategic goal; Vision 2020, which aims to launch Nigeria into the league of the top 20 economies by the year 2020. That is less than 12 years from now, which implies growing the economy consistently at 13 percent and moving from a current GDP position of about $170 billion to $900 billion. Opinions are, however, divided on realizing the vision. While those outside the government believe that this is an unrealistic goal, those in the government circle believe it is achievable. For instance, an elder statesman and economic adviser to former president, Olusegun Obasanjo, Chief Philip Asiodu lamented that President Yar'Adua's Administration has not shown any commitment to the vision since its proclamation at the inception of his administration. Chief Asiodu added that though what the government is trying to do is not new, the present government would find it difficult to achieve much unless the OPS were ready to stake their heads into the vision (The Nation 2008b).

Economic growth, represented by GDP, simply put, is the value added; economic agents/operators bring unto it, wealth creation. Accordingly, this study will seek answers to the following questions: What are the current growth trends in the Nigerian economy? What is the extent of diversification and structural/sectoral composition of the Nigeria GDP? What are the implications of the above for realizing the vision 2020? The paper is divided into five parts: Following this introduction are overview of Nigerian economy; the sectoral performance of the Nigerian economy; discussions and implications of this analysis for realizing the Vision 2020; conclusions and recommendations as final section of the study.

OVERVIEW OF THE NIGERIAN ECONOMY

The Nigerian economy has undergone fundamental structural changes over the last four decades. According to the Federal Office of Statistics (FOS), now National Bureau of Statistics (NBS), there is evidence, however, that the dramatic structural shifts that occurred did not result in any appreciable and sustained economic growth and development (FRN/NBS, 1996). The economy, which was largely at a rudimentary stage of development at the first half of the last century, started experiencing some structural transformation immediately after the country's independence in 1960. Throughout the 1950's and 1960's and the early part of 1970's, agriculture was the core of economic activities in Nigeria, followed by manufacturing and mining activities at very low levels of development. The country's participation in international trade was informed by the level of economic activities in agriculture, mainly. Agricultural commodities dominated the country's export trade, while manufactured items dominated imports (FRN, 1996). By the time Nigeria became independent in October 1960, agriculture was the dominant sector in Nigerian economy, contributing about 70 percent of GDP, employing about the same percentage of the working population, and accounting for about 90 percent of foreign exchange earnings and Federal Government revenue (Adedipe, 2004). The early period of post-independence, up until mid 1970's, saw a rapid growth of industrial capacity and output as the contribution of the manufacturing sub-sector to GDP rose from 3.9 percent to about 10 percent in 1981. "This pattern changed when oil suddenly became of strategic importance to the world economy through its supply-price nexus" (Adedipe, 2004). This is shown in Table 1.

Table 1 Nigeria: Structural Composition of Gross Domestic Product (GDP) (in percent)

Sector	1960/61	1970/71	1981	1990	2000	2002	2004	2005	2006
Agriculture	65.6	44.7	34.06	26.04	26.04	48.57	34.21	32.76	32.00
Crude Petroleum	-	11.00	14.03	12.89	47.72	26.02	37.22	38.87	37.61
Manufacturing	3.9	7.5	9.89	8.15	3.68	3.43	3.07	2.83	2.57
Distribution	12.0	12.3	13.02	12.72	11.51	11.17	13.01	12.82	14.77
Others	17.1	24.5	28.32	27.18	11.05	10.81	12.49	12.72	13.05

Sources: FRN/FOS 1996:Socio-economic Profile of Nigeria; and NBS 2007: National Account of Nigeria

The massive increase in oil revenue, accruing to the federal government of Nigeria since early 1970s, created an unprecedented, unexpected, and unplanned wealth for Nigeria. In order to make the business environment conducive for new investments, the government began investing the new found wealth in socio-economic infrastructure across the country, especially in urban areas; the services sector grew as well (Adedipe, 2004). The massive investments in socio-economic infrastructure led to the migration of many able-bodied young men and women from the hinter land to the urban areas and cities took part in the expanding and burgeoning oil-driven urban economy; a situation that created many social problems, such as congestion, pollution, unemployment, and criminal activities. The national currency, Naira, strengthened as foreign exchange inflows outweighed out flows, and external reserves were built up. As Adedipe (2004) puts it:

> Up till 1985, the Naira was stronger than the US Dollar. This encouraged import-oriented consumption habit that soon turned Nigeria into a perennial net importer, which became a major problem when oil earnings decreased with lower international oil prices. External reserves collapsed, fiscal deficits mounted, and external borrowing ensued with the jumbo loans taken in 1979. Most of Nigeria’s macro-economic indices became unstable and worrisome.

The manufacturing sector is among the real productive sectors, which its importance cannot be ignored. The sector, which contributed only 3.9 percent of GDP in the 1960/61, experienced steady growth and peaked at 9.89 percent in 1981. By 1990, the manufacturing sector’s contribution to GDP had dropped to 8.5 percent and since then, the fortunes of this sector has continued to dwindle to as low as 2.58 percent in 2006. The rapid growth in the contribution of this sector to the GDP, between 1960/61 and 1981, is attributed mainly to the post-independence policy of import substitution industrialization policy. This policy led to massive investments, through government entrepreneurship in Core Industrial Product (CIP) occasioned by the new found oil wealth. The objective of the policy was to diversify the productive base of the economy and expand the export structure. Unfortunately, the import substitution industrialization turned out to be highly import dependent, relying, as it were for effective implementation, on the importation of major inputs, such as machinery, other capital equipments, and spare parts, as well as industrial raw materials. This situation paved way for the vulnerability of the manufacturing sector and the economy, in general, to external shocks. According to the FRN (1996), the manufacturing sector became more vulnerable when the floating exchange rate policy was adopted in Nigeria through the Structural

Adjustment Program (SAP). The objective of diversifying the economic base through the expansion of the manufacturing sector vis-à-vis the diversification of the exportables is therefore, yet to be achieved in Nigeria. As Olekah, et al (2003) put it:

> Despite the high priority given to the promotion of non-oil exports, particularly manufactures, under SAP, the sub-sector has not made a significant impact on Nigeria's economic recovery process. The first official record of manufactured exports was made in 1988, when it accounted for only 0.4 percent of total export revenue… with a low average of 0.3 percent for the period 1990 – 1998

This scenario compares poorly with international experiences: total manufactures in global merchandise exports was 78.1 percent in 1990, made up of 80.9 percent for industrial countries and 30 percent for less developing countries (CBN/NEXIM in Oleka, et al., 2003). The reason for this ugly situation is not farfetched. The Nigerian economy is highly informal and this was exacerbated by the economic crises of the early 1980s and the subsequent adoption of SAP in 1986. Ngongang (2007) agrees that the economies of some zones in Africa were becoming increasingly informal as a result of the serious economic crises, which struck these countries in the mid 1980s. This sector is very difficult to measure and cannot adopt modern business methods and technology, especially information communication technology to boost operations.

Another sector, which its contribution to economic activities has been relatively significant, is distribution, wholesale, and retail trade. As shown in Table 1, the contribution of this sector to GDP in 1960/61 was 12 percent and has been relatively more stable and stood at 14.77 percent in 2006, with a yearly average of about 13 percent. Ukwu (1985) reported that although services accounted for 48.3 percent of GDP in 1980, the largest, in terms of output, was by far the distribution services, which provided 20 percent of GDP and 15.2 percent of total employment. Thus, the distribution sector, despite all its weaknesses, remains strategic to the economy, both in terms of output and employment (Adam, 2005; Adegbite, 2007; Egwakhe, 2007; Egwakhe & Osabuohiem, 2009).

STRUCTURE OF THE NIGERIAN ECONOMY

Structurally, the Nigeria economy has been dominated by two sectors. They are agriculture and crude petroleum sectors. In terms of revenue generation, however, the economy is so far mono-cultural. In the 1960s and early 1970s, the major revenue earner was agriculture and since the late 1970s, it has been the oil sector. Accordingly, two approaches will be adopted in the analysis of the structural performance: the relative contribution to GDP and to revenues. The highlights of the structure of the Nigerian economy and changes, therein, are as follows:

- Nigeria is the largest geographical unit in West Africa, with land area of 923,768 square kilometers and an estimated population of 140 million. About 47 percent of who are below 15 years of age and 3 percent aged 65 years and above. These, according to Adedipe (2004), give a dependency ratio of 1:1 against 1:3 or less in advanced countries.
- Agriculture dominated the GDP, but its contribution has reduced gradually over the years since 1960. The ratio dropped from 65.6 percent in 1960/61 to 32.00 percent in 2006, as shown in Table 1.

- Manufacturing improved in the early post independence years, reaching a peak of 10.00 percent contribution in 1981 from a mere 3 percent in 1960/61. Its contribution has nose dived steadily since 1990 to as low as 2.57 percent in 2006.
- Crude petroleum became prominent, contributing less than one percent to GDP in 1960/61 and increased steadily to 47.7 percent in 2000 and dripping slightly to 37.6 percent in 2006.
- Dualistic nature, in which there is a mix of formal (organized) and informal (curb, markets) systems. The later is a huge sector that is difficult to measure, as it owes its existence to institutional weaknesses, policy inconsistencies, and policy implementation deficiencies. Estimates often indicate it to represent between 40 and 50 percent of economic activities in Nigeria (Adedipe, 2004).
- Increasing inequalities in interpersonal incomes and a widening gap between urban and rural incomes, especially with the adoption of SAP in 1986.
- Weak social and institutional structures in education and health. Enrollment figures show improved distribution in favor of secondary and tertiary education, but there are concerns about the quality of education regarding the dynamics of work environment and its requirements. Table 2.
- A vibrant financial system that has seen cycles of stability/prosperity and distress, pronounced in the early to mid 1990s. The improved enforcement of regulation and increasing commitment to corporate governance principles by the operators assures soundness of the financial system moving forward.
- External trade is dominated by oil, which accounted for 34. 2 percent of total external trade in 1970 and 64.5 percent in 2003. External trade/GDP ratio stood at 64.6 percent in 2002, making the economy highly susceptible to external shocks Table 6 .
- Raw materials and consumption goods dominate imports, while primary products dominate exports, contributing over 95 percent of export earnings, further entrenching the Nigerian economy as import dependent and reliant on crude petroleum as the major export.

Table: 2 Trends in Nigeria Export Trade (Percent Composition)

Sector	1970	1980	1990	2000	2001	2002	2003	2004	2005	2006
Oil	57.6	96.1	97.0	98.7	98.1	95.0	96.8	95.8	99.2	97.7
Non-Oil	42.4	3.9	3.0	1.3	1.9	5.0	3.2	4.2	0.8	2.3

Sources: CBN 2006b: Statistical Bulletin; and NBS 2006: The Nigeria Statistical Facts...

Table 3 Nigeria: Educational Enrollment

Level	1970	1990	1996	1998	2000	2003
Primary	90.4%	80.8%	76.5%	76.9	77.1	77.4
Secondary	9.2%	17.2%	20.8%	19.8	19.7	19.4
Tertiary	0.4%	1.9%	2.7%	3.3	3.2	3.2

Source: CBN 2000: Changing structure of the Nigerian Economy and CBN 2003a Annual Report…

Table 4 Nigeria: Total External Trade

Sector	1970	1980	1990	2000	2001	2002	2003	2004	2005	2006
Oil	34.2	59.5	72.4	72.9	65.2	64.6	64.5	72.1	75.2	70.5
Non-Oil	65.8	40.5	27.6	27.1	34.8	35.8	35.5	27.9	24.8	29.5

Source: CBN Statistical Bulletin, (2006b)

The above structural issues can be summarized as follows in the last decade and half. Oil accounts for over 95 percent of export earnings as show in Table 2, about 40 percent of GDP, and about 70 percent of the Federal Government revenue. It also accounts for over 90 percent of new investments (CBN, 2000; Adedipe, 2004). There are indications that the oil sector provides employment for less than 10 percent of Nigerian working population, where the upstream and gas exploration activities are largely in-tech, while the downstream, that opens more to low skill workers, is a troubled sub sector (Adedipe, 2004).

Another important factor in the structural analysis of Nigeria's GDP is aggregate final consumption, shown in Table 5. In the 1975/76, aggregate final consumption stood as 73.9 percent of GDP, which, incidentally, is the lowest. Since then, this has soared reaching an all time high of 96.1 percent in 2002. This simply shows that Nigeria is a mere consuming nation as little is saved for investment.

Table 5 Nigeria: Gross Final Consumption and Savings as percent of GDP

Sector	1975/76	1985	1995	2001	2002	2003	2004	2005	2006
Consumption	73.9	84.7	84.0	81.5	96.1	84.2	80.1	78.3	74.4
Savings	26.1	15.3	16.0	18.5	3.9	15.8	19.9	21.7	25.6

Source: CBN 2006b:Statistical Bulletin; and CBN 2006a: Annual Report…

The structural issues, in any economy, are reflected in the changing production patterns and trade patterns. Of particular importance is the international trade, which impacts on economic growth cannot be overemphasized. Trade/GDP ratio, used to measure the degree of openness of any economy as well as the degree of vulnerability for Nigeria (Table 6), shows that the country has moved from a ratio of 31.5 percent in 1970/71 to as high as 77.5 percent in 2003, making the economy overly external with the consequence that the economy is always susceptible to external shocks. Lairson and Skidmore (1993) reported that between the 1960s and 1980s, the period of high economic growth in Japan, which its ratio of trade to GNP was much like the United States; at below 30 percent. They stated that "though quite important, foreign trade has a more limited impact on the Japanese economy". Over dependence on the international trade with crude oil as the dominant export earner no doubt has very negative consequences for an undiversified economy, like Nigeria, and this has serious implications for realizing the goals of Vision 2020.

Table 6 Nigeria: Trade/GDP Ratio

1970/71	1980	1990	2000	2003
31.5	45.8	56.7	59.8	77.5

Source: CBN 2003b, Statistical Bulletin

DISCUSSIONS AND IMPLICATIONS FOR VISION 2020

We have presented the overview, as well as the structural issues, of the Nigerian economy since independence. The Nigerian economy is reported to be growing, presently, at 7 percent, but the economy is not diversified. According to the 2007 Nobel Laureate in Economics, Prof Eric Marskin of Princeton University explains that the growth is not reflected on the people because the people are not involved in producing the wealth (Business Day, 2008). Accordingly, fear, as well as opinions, have been on expressed that growth has largely been on oil GDP and this has much to do with macroeconomic reforms (Oluba, 2008). Oil production in Nigeria in 2008 was seriously affected by many factors just as the revenue from it is highly volatile, thereby affecting production and stability in the whole economy. As Okiti (2008) laments in relation to the oil sector, whereas oil production was at its peak in 2005, we experienced daily declines in oil production in 2008. Projected crude oil production of 2.45 million barrels per day was largely not sustained and, therefore, the projected exports were not sustained as well and this was at 2.01 million barrels per day.

The various activity sectors of an economy can be segregated into three areas: primary, secondary, and tertiary sectors. The primary sector consists of agriculture and mining. The secondary sector is composed of manufacturing, utilities, and construction activities, while the tertiary sector is made up of service activities, like transportation, distributive trade, hotel and restaurant services, finance and insurance, real estate, other business services and government services. Owolabi (2003) noted:

> Ordinarily, a developing country, like ours, is expected to have more contributions from the primary sector to total output like we have in seventies and eighties, but the reversed is the case in our present situation. In a structured designed economy, the primary sector is the major base upon which other sectors are built. However, as the secondary and tertiary sectors develop dependency on, primary becomes gradually reduced. It is instructive to note that the sectors are interdependent and intertwined any negative performance on one will undoubtedly affect the other. (Currently the economy is mono-cultural with the oil sector producing the major income and foreign exchange earnings). In the sixties the non-oil exports was responsible for more than 70 percent of Nigeria exports… the whole scenario changed in 1975 and 1992, as the climax of the reversal. It is pragmatically obvious that this trend is still what we are experiencing in the Nigeria economy today. (Asogwa, 2005; Osabuohiem & Egwakhe, 2007).

Analysts, commentators, researchers, and academics are in agreement that Nigeria has experienced stunted growth since the last four or so decades, in spite of the many development, rolling and other strategic plans (FRN, 1996; Mudasiru &

Adabonyon, 2001; Owolabi, 2003; Soludo, 2006). This scenario was well captured in a Federal Republic of Nigeria (FRN) document, thus: the Nigerian economy, after about four decodes of political independence and economic management, suffered from fundamental structural defects, and remained in a persistent state of disequilibrium. The productive and technological base was weak, outdated, narrow, inflexible, and externally dependent (Mudasiru and Adabonyon, 2001). Thus, Ukaegbu (1991) submits that Nigerian industries, as with industries in many developing countries, are characterized by their inability to revolutionalize production.

There are evidences that the Nigerian economy is already showing signs of maturity. That is, an economy where services dominate; thus, the economy is moving from primary production to services. The experience of developed and emerging economies has not shown incontrovertible evidence of nations that have become prosperous by by-passing the phase of industrialization, straight from primary production to services (Garba in Njiforti and Adama, 2007). Experience of Nigeria, since 1986, has shown that financial or paper wealth is not synonymous with growth, jobs, income equality, and poverty reduction (Njiforti and Adama, 2007). The present economic crises in the country is a clear evidence that no economy thrives on the back of services sector, but on the real sector upon which services sectors should thrive on.

In light of the above scenario, what are the implications for realizing the vision 2020, which is a strategic vision of the Yar'Adua administration aimed at launching Nigeria into the league of top 20 economies by year 2020? The vision 2020 was informed by the series of studies by Goldman Sachs Economic Research that Nigeria is projected to be the 20th largest economy in year 2025 (ahead of Egypt, Bangladesh, and others), but could become the 12th largest economy in the world by 2050, ahead of Korea, Italy, Canada, etc. Projections on Nigeria are based on conservative statistics of its initial conditions (GDP and Growth Environments Score) (Soludo, 2006). This belief by Goldman Sachs projections on Nigeria, which was conservative, may have informed the belief of the Yar'Adua Government to think that this is achievable in a shorter period of 2020 against the projected year of 2025. By the IMF/World Bank (2006 as reported in the Nation), estimates of nominal GDP, Nigeria is the 48th largest economy in the World and, in terms of GDP per capita, Nigeria occupies 165th position in the world and 33rd position in Africa (in The Nation, 2008a); and achieving this goal requires that the economy grows at an annual rate of 13 percent steadily for 12 years. In the case of Nigeria, the Goldman Sachs paper observed that Nigerians standing, in particular, highlights the large amount of work that will be needed if it is to have a serious claim in achieving the potential growth outlined in the new 2025 projections (Soludo, 2006). In the light of this, Soludo raised the poser whether Nigeria can do what is necessary to achieve that status. “Put differently, Nigeria seems destined for greatness, but whether and when it achieves it remains an open question” (Soludo, 2006). What are those things to be done for Nigeria to realize its vision 2020 goals?

A lot of declarations have been made on the challenges toward realizing the vision 2020. The 14th Nigeria Economic Summary Group (NESG 14), held in October, 2008, made a number of declarations, one of which points to the problems of governance and institutional capacity. The Group concluded that these deficiencies are major obstacles in the race to become one of the 20 leading economies in the world. NESG 14 claimed that Nigeria is ranked 106 of 134 by the World Economic

Forums current Global Competitiveness Index (GCI). This means that “a lot of work is needed to improve our standing in the global economy” (Abdullahi, 2008).

Accordingly, the Group recommended among others that Government should restore confidence in all Nigerians by helping to change their mindsets; a change in mindset at all levels of government; and a comprehensive system approach to economic growth and national development. NESG 14 also called on the Federal Government to reinstate the reform plan that aimed at 100 percent enrollment in basic education by the year 2012.

Speaking in the same vein, the former Chief Economic Adviser to President Olusegun Obasango, Chief Philip Asiodu, lamented that President Yar’Adua’s administration has not shown any commitment to the vision since its proclamation at the beginning of the administration, adding that although what the government was trying to do was not new, “the present government would find it difficult to achieve much unless the organized private sector (OPS) are ready to stake their heads into it (The Nation, 2008b). Asiodu listed the requirements for achieving the vision to include “average per annum GDP growth rate to be 13 percent, required power generation capacity of 60,000 MW, which is currently hovering around 3,000 MW, required investment generation of US $60 Billion, the modernization and expansion of railways to provide bulk transportation for vastly increased volumes of raw materials, and finished goods products to cost around US $50 billion”.

Another issue with a very serious implication for realizing the vision 2020 is the level of National savings relative to GDP. This analysis is focused on the ability of the Nigerian monetary sector to encourage savings and investment for economic growth and by extension realizing the goals of the vision. Table 5, below, shows the Nigeria savings/GDP ratio.

Nigeria saving/GDP ratio was appreciable in the 1980s and early 1990s, but depreciated significantly reaching a very low level of 3.9 percent in 2002. Since 2004, however, it has contained to grow to a high level of 25.6 in 2006 with an annual average of 17.6 percent between 2001 and 2006. This, however, fell short of 26 percent savings/GDP ratio for middle income countries and 22 percent for high income economies in 1997. The size of the financial superstructure as measured by GDP/investment ratio and averaged 10.8 percent between 1980 and 1999, while savings/GDP ratio averaged 13.5 percent in the same period (Fakiyesi, 2001). Investments declined significantly in Nigeria over the years and were below savings with wide gaps. The low savings and investment ratio in Nigeria is indicative of the shallowness of the financial market and overall decline in economic activity, especially during the period 1980 – 1999; and this problem of low investment is central to the explanation of low growth in Nigeria. The former Minister of National Planning, Senator Sanusi Daggash, had announced that the vision 2020 will cost N12 trillion, about US $92 billon, to implement. The role of the monetary sector in realizing this huge amount is instructive. Financial savings must be stimulated to enhance the availability of liquidity, which translates to higher levels of investment. As Fakiyesi (2001) puts it, “it is the ability of financial system to effectively and efficiently mobilize resources, as well as create credit that encourages saving”.

Undoubtedly, one issue that has the most important implication for the vision 2020 is industrialization, especially manufacturing. In economic development literature, industrialization has been accepted as the major force driving the modern economy; hence, Kayode (in Olekah et al., 2003) described industry and, in particular, the manufacturing sub-sector, as the heart of the economy. There is a consensus among policy makers, experts, and researchers a like that achieving the vision 2020 requires moving the economy from its current size of about $170 billion to $900 billion. Achieving this goal is important, but diversifying the economy and ensuring the manufacturing taking its pride of place is another thing. This is more so as the G20, or top 20 economies of the world, are not just largest economies, but industrialized economies. As Chinweizu puts it:

> In any case, this ambition cannot be taken seriously because Yar'Adua and his team do not even know what they are aspiring to join. They think that the G20 is simply the group of the largest economics in the world. However, a crucial little fact has escaped their inattention … the G-20 members are all seriously industrialized economies, each with a substantial manufacturing sub-sector. The G-20, actually, is the group of the largest industrialized economies (Chinweizu, 2008).

Manufacturing/GDP ratio (Table 1) started from as low as 3.9 percent in 1960/61 and peaked at about 10 percent in 1981, after which it declined to lowest level of below 3 percent in 2006, less than the 1960/61 level. A more serious issue explaining the very low level of manufacturing in Nigeria is the manufacturing value added/GDP ratio (Table 7). Since 1986, when it peaked at 9.2 percent, it, however, declined progressively reaching the lowest level of 2.2 percent in 2006. This tragic situation corroborates Ikpeze, Soludo and Elekwa (2004) submission that manufacturing value, added as percentage of GDP, was about five percent in 2000 (less than the proportion at independence in 1960), making Nigeria one of the twenty least industrialized countries in the world. This is a big challenge for the vision 2020.

Table 7: Nigeria Manufacturing Value Added/GDP Ratio

1981	1986	1991	1999	2001	2002	2004	2005	2006
9.1	9.2	6.5	5.0	4.4	3.7	3.4	2.3	2.2

Source: NBS 2007:National Account of Nigeria.

The above problem is further compounded by the natural resource curse that Nigeria has found itself. It has been estimated by the World Bank that Nigeria's wealth (on a per capita basis is one of the lowest in Africa), is based mostly on natural resources and not much on produced or intangible wealth (Soludo, 2006). He defined intangible wealth as human and social capital and institutions. He pointed out that whereas the intangible wealth constitutes about 80 percent of the national wealth of South Africa, Mauritius and Ghana; but that intangible wealth contributes a negative of 71 percent for Nigeria. The negative contribution of intangible wealth means that investments are inefficient, he said, stressing that with an inefficient investment, "it means that we are depleting and consuming our natural resources without savings or investing it well enough to produce enough capacities in the future" (Soludo, 2006). This further buttresses the low manufacturing value added in the economy. It is, however, a wakeup call for the managers of the economy on issues relating to the realization of the vision 2020. Emphasis must be made to ensure that we not only get value for our natural resources, but also spend the proceeds wisely. It is pertinent to equally mention that while it is necessary to get value for our resources, natural resource endowment is no longer a factor in the global economy (Stiroh & Straham, 2003). As Alvin Toffler puts it, “the comparative advantage of most third world countries has rested upon one of three sets of resources: strategic location, critical raw materials, and cheap labor. All these three may become less central in the functioning of the world economy in years ahead” (Hussey, 1980; Larson & Skidmore, 1993; Laker, 1999). They stated that countries that depend on bulk export of a few varieties of raw materials will suffer. This is the situation in Nigeria today with over dependence on crude petroleum export.

CONCLUSIONS AND RECOMMENDATIONS

This paper has reviewed the Nigerian economy and assessed the GDP with a view to consider those issues that are pertinent in diversifying the economy for vision 2020 goals. The Nigerian economy is still mono-cultural, but has, however, moved from over dependence on agriculture as was the case in the 1960s and early 1970s to over dependence on crude petroleum (Table 1). Despite the many national plans, rolling plans, and economic reforms, the Nigerian economic structure remains unchanged as production activities are still highly import dependent. Imported consumer goods relative to total imports remains high at over 30 percent. Oil accounts for over 95 percent of foreign exchange earnings, about 40 percent of GDP, and over 70 percent of Federal Government revenue. Inter-sectoral linkages remain weak and unemployment remains high, rising, and problematic. Manufacturing is the heart of any economy. Despite the many economic reforms, manufacturing has yet to make any serious contribution to the economy. The manufacturing sub-sector witnessed increasing activities during the early years of independence. From 1960/61, its contribution to GDP was 3.9 percent and, since then, it reached a peak of about 10 percent in 1981 and, from this period, it declined progressively, reaching the lowest of 2.57 percent in 2006 (Table 1). Added to this is the issue of manufacturing value added, which peaked at 9.2 percent in 1986 and declined progressively to the lowest level of 2.2 percent in 2006 (Table 7), making Nigeria one of the 20 least industrialized countries of the World. This is in addition to the many other issues raised in the paper that has obvious implications for realizing the goals of vision 2020. More so, as the G20 members are not just the largest economies, but economies with substantial manufacturing sub-sector. The Nigeria economy has a vibrant financial sector that has passed through phases of stress and distress. However, the efficiency of the financial sector is still a source of concern. This is evidenced by the savings/GDP which, although it is improving, was very low at 11.4 percent in 2003 (Table 6); and the savings/investment gap, which is on the high side. All these added to the problems of infrastructure remain the major challenges to the goals of vision 2020. Issues of efficiency of investments and the natural resource curse should also be looked into as they pose serious challenges to the goals of the vision. Importantly, too, the government must move away from being the driver of the economy from the point of consumption to active facilitator of private investment and production.

Against the above conclusions, it is recommended that there is an urgent need to diversify the Nigerian economy. It is, therefore, imperative that we re-examine and reactivate the following sectors: Agriculture, Manufacturing, Infrastructure/Utilities, Education and Human capital development, Science and Technology, focus on competitive/ comparative advantage, attractive financial resources for development, macroeconomic stability, war on corruption, better goal-oriented reforms, solid innovative behavior, and institutional perception of the people.

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