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Nigeria without Oil – A Critical and Emperical Evaluation and the Option of a Diversification Model

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Abstract
For 56 years after her independence, Nigeria is still battling with the problem of underdevelopment. Part of the causes stems from inability of the country to harness adequately all the resources she has been gifted with. Nigeria has also failed to grow, develop and sustain her economy with overdependence on a single product – oil. In view of the above, this paper evaluates the nature of the Nigerian economy prior to the discovery of oil, examines the contributions of oil to the growth, development and sustainability of the economy. The current economic recession, its causes, and influences on the Nigerian citizens were discussed in full. The policy made by the present Federal Government of Nigeria and the strategies it designed to tackle the problems were presented and critically examined in line the strategies other countries apply in solving such problems. The paper also presented Nigeria's unique model and strategies for revamping the ailing economy. The paper adopted qualitative descriptive research design to collect the qualitative data for the study while content analysis was used to analyze the data. The findings from the analysis show that really Nigeria has fallen into economic recession through her overdependence on oil and some of the negative models she applied in dealing with the recession. The conclusion is that since this is the case, there is need to find workable action-based entrepreneurial model to solve the problems once and for all and that is exactly what the paper did. Recommendations were based on the conclusion that Nigerian government should apply the model and strategies provided by this paper.

Keywords: Nigeria, Oil, Critical Evaluation, Diversification, Model

1. Introduction

Nigerian economy was initially dependent on agricultural products since the British people colonized her and gave her British Education and modernization. As time goes on, oil was discovered in Nigeria which supposed to be a complementary product to the already existed oil. Since the discovery of oil in commercial quantity in 1956 and the oil boom of 1970s, Nigeria has to a large extent depended on oil and its products for her sustenance. From that period, oil continued to account for a substantial percentage in the growth and development of Nigeria's economy. Due to the huge sum of money generated from oil, there grew a tendency in Nigeria to depend solely on oil for her sustenance. A report by Agbaeze, Udeh and Onwuka (2015) stated that "oil accounts for more than 90 percent of the country's exports, 25 percent of the Gross Domestic Product (GDP), and 80 percent of government total revenues". This according to them has contributed to the Nigerian economy being substantially unstable, and has led to heavy dependence of the economy on oil revenue and the volatility in prices of oil and oil products.

The period from 1970s till the 1980s witnessed a period known and referred to oil boom. The oil boom seemed to be a blessing to Nigeria economic development, but Nigeria mismanaged it by abandoning other alternative and complementary sectors that have helped to sustain her prior to the emergence of oil. Oil and its products are naturally volatile. This volatility in its production ushered in fluctuations in international oil price. Due to the fluctuations in oil prices, many oil producing countries experienced anxieties about the future of the oil sector. Nigeria was not left out in the problem because she has abandoned all the other areas of economic and national development and depended almost solely on oil. Activities at the oil international market were that of fierce competition and increase in the supply of crude oil and its products. This increase in supply and less dependent of other countries on the Nigeria's crude oil forced the demand for the Nigerian crude to fall drastically. This started affecting the Nigerian economy gradually. Reports from the National Bureau of Statistics (NBS, 2014) stated "that during the first quarter of 2014, the contribution of the oil sector to economic development as a percentage of the nation's real Gross Domestic Product (GDP) was estimated at about 14.75 percent compared to 15.80 percent (a decline of over 100 basis points) in the corresponding period in 2013" (NBS, 2014).

Mismanagement of public funds, embezzlement, reckless spending by the government joined hands with the natural fall in the prices of Nigeria's crude oil at the International market and increase their negative effect in the Nigerian economy. A country that discovered nearly five decades ago (1956 – 2016) is supposed by all implications to be moving up instead of going down. Lack of sincerity, selfishness, dishonesty, embezzlement and absolute mismanagement of resources have plunged Nigeria into a negative result it practically acted upon as against the theory it stated down in her blue print in developmental agenda. In addition to the above, another report had it "that average daily production of crude oil was 2.29 million barrels per day/(mbpd) in the first quarter, as against 2.35 mbpd in the corresponding quarter in 2013". This record was based on authentic data collected from the record of the Nigerian National Petroleum Corporation (NNPC, 2014). The same reported stated "that the current average daily crude oil production is less than the projected 253 mbdp on which the 2014 Federal Government Estimates are based, crude oil production in Nigeria increased to BBL/D/IK in March of 2017". "Crude oil production in Nigeria average 18 93.63 BBL/D/IK from 1973 until 2017 reaching an all-time high rate of 2475 BBL/D/IK in November of 2005 and a record of low rate of 675 BBL/D/IK in February of 1983".

This dependency on oil and its attendant faulty policies and unprecedented implementation led to the present recession which has long been planned by Nigeria (Soludo, 2017). The former Governor of Central Bank continued by saying that Nigeria went into recession due to faulty model of response to the overdependence on oil. The poor state of the Nigerian economy solely dependent on oil is represented below.

Balance of Trade	227044.30	34829950	2177553.03		- 592200.72	NGNM (+)
Exports	985816.90	1062854.30	2648881.76		322.93	NGNM (+)
Imports	758772.70	714554.80	1554732.90		167.88	NGNM (+)
Current Account	- 404.65	1432.44	9455.37		- 5695.27	USDM (+)
Current Account GDP	- 3.80	0.20	32.80		- 18.70	Percent M (+)
Terms of Trade	100.23	102.71	160.25		49.48	Index Points (+)
Foreign Direct	673.95	88732	3084.90		501.83	USD Million (+)
Capital flows	- 5821.99	5330.35	20302.97		- 15439.95	USDM (+)
Gold Reserves	21.37	21.37	21.37		21.37	Tones (+)
Crude oil production	1484.00	1210.00	2475.00		675.00	BBL/D/IK (+)
Terrorism index	9.31	9.21	9.31		3.86	(+)
External Debt	11406.28	11261.89	11406.28		3627.50	USDM (+)

NNPC, 2017

The above report presents the present performance of Nigerian economy from crude oil production plus previous releases, historical high and low, short – term forecast and long term prediction, economic calendar, survey consensus and news. Nigeria crude Oil Production, actual data, historical chart and calendar of releases – was last updated in May 2017. (NNPC, 2017) in the area of ranking in oil production, recent report has it that "with a maximum crude oil production capacity of 20 million barrels per day, Nigeria ranks Africa's largest producer of oil and the sixth largest oil producing country in the world (NNPC, 2017) probably because of her concentration on the production of oil to the detriment of other products, but this so called record has not been benefited Nigeria much.

Other oil producing countries in the world and their level of production in relationship with that of Nigeria to date is as follows:

Russia	10733.00	Jan. 2017
United States	9031.00	Feb. 2017
Canada	4107.00	Jan. 2017
China	3855.00	Jan. 2017
Brazil	2730.00	Dec. 2016
Mexico	2208.00	Jan. 2017
United Kingdom	969.00	Dec. 2016
Indonesia	830.00	Dec. 2016
India	735.00	Dec. 2016
Australia	268.00	Dec. 2016
Italy	96.00	Dec. 2016
Turkey	48.00	Dec. 2016
Netherlands	21.00	Dec. 2016
France	16.00	Dec. 2016
Japan	4.00	Dec. 2016
Spain	2.00	Dec. 2016

From the record above as evidenced from Nigerian National Petroleum Corporation NNPC (2017), many countries are also facing similar problems like Nigeria. For instance, in 2016, the oil producing countries in their production (bb1/day), the top twenty countries and their production capacities as presented by Wikipedia, 2016 production capacities country are as follows:

Russia	10,250,000
1.Saudi Arabia (OPEC)	10,250,000
2.United States	8,744,000
3.Iraq (OPEC)	4,836,000
4.Republic of China	3,938,000
5.Iran (OPEC)	3,920,000
6.Canada	3,893,000
7.United Arab Emirates	3,188,000
8. Kuwait (OPEC)	3,000,000
9. Brazil	2,624,000
10. Venezuela (OPEC)	2,316,000
11. Mexico	2,193,000
12. Norway	1,763,000
13, Kazakhstan	1,746,000
14. Nigeria (OPEC)	1,476,000
15. Angola (OPEC)	1,507,000
16. Omari	1,008,4
17. United Kingdom	978,000
18. Colombia	955,000
19. Azerbaijanis	876,000 etc, etc, etc.

Source: Wikipedia 2016

Although the list continued to 117 with Hong Kong ranking 116th with 100 (2015) and Zimbabwe ranking 100 (2015), Nigeria ranked 15th position with 1,476,000. This record is not adequate for Nigeria considering her tick population of 182.2 million in 2015, GDP of 486.8 billion in 2015, GDP growth of 2.7% in 2015 and inflation rate of 15.7% in 2016. The highest of the reason is because Nigeria does not have any other strong product(s) to augment the falling standard in oil production, sales and revenue. Countries that depend solely on oil will be trapped while other countries that have other alternatives will quickly switch over to them in order to sustain their economy.

Naturally Nigeria wouldn't have found herself in this pitiable condition if not for obvious mistakes of believing that the oil will not finish and or selfish and unskillful managerial ability of the leaders' inability to predict the fact that in future Nigeria will no longer depend on oil as the only source of her revenue as the international market is an unpredictable, complex and competitive market.

Secondly, Nigeria is heavily blessed in such other alternatives as coal, tin, available land for all forms of agriculture, suitable vegetation for animal husbandry, qualified manpower in large quantity for creation of ideas and innovative capacities and capabilities, for diversification in manufacturing of diverse products. Therefore, the issue of overdependence on oil wouldn't have arisen in the first instance.

Things fell apart when Nigeria abandoned the products that have sustained her as a nation and madly rushed, into oil as the 'alpha and omega. The center could no longer hold and the only option open to Nigeria is to go back to the basics and fundamental economic system that had sustained her in the past and see how she can retrace her steps positively for sustainable economic and national growth and development.

2. The Problem

It is clearly evident from the above discussion that Nigeria has for long now depended on oil but the oil sector is currently failing the country. That the Nigerian economy is intricately interlinked with the oil sector is not debatable. That the sector is presently not sustaining the country's national and economic development is obvious. That if nothing drastic is done to retrace the steps of the Nigerian economy from over-dependency on oil, the economy may crash in near future is an open fact. In view of the above, this study sets out to look for alternative strategies aimed at revamping the Nigerian economy beyond oil. These alternative strategies are expected to be key drivers for sustainable growth because Nigeria presently faces challenges of fragile economic recovery in 2017.

Absolute dependence on oil which seems to be the case in Nigeria may trigger negative consequences in the economic, social and political development of the Nigerian nation. Such negative consequences may likely include among others dependence on multinationals and their infrastructural decay in both down and upstream sectors, agricultural sector abandonment which May likely lead to impoverishments of the rural population

To historically trace the development of Nigerian economy and the emergence of the troubled oil sector,a pertinent question at this juncture is what has happened to the above alternative sources of economic sustenance in the past? Why the oil sector has suddenly taken over completely to the detriment of the other sectors? The oil sector came as a blessing in disguise but Nigeria failed to sustain its benefits by abusing it through abandoning all the other sectors. The solutions to these negative trends are not far – fetched. Nigeria needs to urgently go back to the basics, the fundamentals, the strong foundations that have been left to deteriorate and rot away due to 'get money quick syndrome' associated with oil sector. The issue does not lie in designing theories alone not backed by action. A drastic and action-based strategy is urgently needed to save the nation from imminent national catastrophe and eventual collapse and that is the thrust of the study.

3. Objectives of the Study

The main objective of the study is to design a Model to grow, develop and sustain the Nigerian economy without Oil. The specific objectives are:

1. To appraise the nature of the Nigerian economy prior to the emergence of oil.
2. To evaluate the present situation of the oil sector in relationship to its contribution to the economic development of the Nigerian Economy
3. To evaluate economic recession, its causes and influences on Nigerians
4. To design a framework which will be used as a Road-Map to ensure a sustainable economic development in Nigeria?

4. Review of the Related Literature

4.1 The nature of the Nigerian Economy Prior to the Emergence of Oil

The history of the development of Nigerian economy is usually linked to colonialism. The British government eventually gained control of the Nigerian administration which also included her economic development. After the Nigerian independence in 1960, the Nigerian economy seemed very strong and promising but it was not so practically and realistically. Practically, in the sense that the British Government gave Nigeria a faulty education system which was not tailored to her needs at that time. Realistically, in the sense that that education system could never be used to achieve the goals of self-dependent which Nigeria needed at that time? The education system was faculty in the sense that it was not tailored towards teaching Nigerian citizens how to be self-reliant but how to read and write and work for the British people. In other words, the education system then was not need-oriented. Need-oriented in the sense that the education system was not tailored to the needs of the Nigerian environment and could not be used to solve the problem of underdevelopment of Nigeria at that time.

The Nigerian nation then with a population of 25% of Africa's population, was an emerging economy. This potential however never materialized due to poor foundation in the areas of vocational skills, competencies and capabilities. A series of unfortunate political and economic events stalled the growth of the young economy. The country still plays an important economic role in the world, especially as a producer of fossil fuels (Wikipedia, 2017).

During this period, direct trade with Europe started from the fifteenth century. The Portuguese had explored the coasts to avoid Saharan intermediaries in the trade of West African gold to Europe and was a way to India. Coastal bases were built and introduced the Atlantic slave trade when they bought captives from the kingdom of Benin (nowadays Nigeria) and sold them to African tradesmen on the coast (nowadays Ghana)

Nigeria witnessed a long period of war. During these periods, economic activities almost got grounded to a halt. Hunger, unemployment, starvation, absolute poverty with all its attendant consequences was the experiences of Nigerians during the period.

From 1949, shortly after the first war, Nigeria emerged her labor, commercial, and professional elites were first consulted by the British as part of a constitutional review. The peoples of Nigeria engaged in ongoing debates over the pressure of decolonization, independence and modernization. Two coup d'états took place in 1966 and the civil war from1967 to 1970. The two coups and their effects reflected both in the economic as well as political elements of the Nigerian nation.The immediate and direct implication of the above was over-dependence on the British government and type of education cum economy they brought to Nigeria.

Though the Nigerian economy had a major problem occasioned by the type of education the nation got from the British people, but after independence, Nigerians started struggling to be on their own. The people engaged in extractive activities mainly in the areas of farming. Other indigenous activities that sustained Nigerians were mining and other forms of local activities that are not in oil sector.These activities sustained the country until the emergence of oil.

5. The Oil Sector and the Development of the Nigerian Economy (Before, during and After Recession)

The Nigerian economy has long now sorely depended on the Oil Sector. Before Oil was discovered in Nigeria in large quantity first in Oloibiri, Bayelsa State in 1956and Nigeria had some other sources of economic growth and development some of which include: agricultural products like palm oil, cocoa, groundnut, cotton, rubber, and others such as tin, coal, etc. But with the discovery of oil, almost if not all the former products were abandoned. Though huge income came from oil as at that time especially during the oil boom periods, and was useful in building roads, educational projects, but according to reports from the Nigerian Export-Import Bank (NEXIM) (2011), Nigeria has not succeeded in using the money from oil to resuscitate the dead power sector. Though, great improvements have been recorded from that period till now in the power sector but significant challenge of giving a reliable power supply to a great nation like Nigeria to sustain the economy. NEXIM reported that "Nigerian leaders failed to realize that the Nigerian oil can dry up one day as Nigeria does not have a good oil reserve like non-oil producing countries like United States of America with large oil reserve.

The state of the Nigerian economy "is such that crude oil receipts account for about 80 percent of total government revenue accruable to the Federal Account" (Agbaeze, Udeh, and Onwuka 2015). The report also stated that "95 percent of foreign exchange earnings, about 15 percent in the first quarter of 2014), and 4 percent of total employment – thus making Nigeria one of the most oil-dependent economies in the world" (Sampson, 2013). The implication of the above is that "any major shock in the international commodities market negatively affects the Nigerian economy as was seen during the global economic and financial crises when crude oil prices fell drastically from an appreciable value of $147.50 per barrel in July 2008 to less than $40 per barrel in December, 2008. This automatically affected the Nigerian economy negatively because there has been almost absolute negligence of all the other sources of sustenance for the economy. Nigeria had no other developed product to fall back to. This significant negligence has led to poor performance of all the other sectors especially the manufacturing sector. Agbaeze et al noted that the "unanimous views of Obo, 1998, Fearon, 2005, Ehawarieme, 1999, DFID 1999, 2001 was "that in the era preceding the discovery of crude oil in commercial quantity, agriculture was the major source of foreign exchange". The above report continued that "groundnut was the major source of exchange" then. The study further reported that the "groundnut pyramids of the Northern region, cocoa farms of the Western region, and palm plantations of Eastern Nigeria were the major sources of foreign exchanges that sustained these respective regions as stated by (Taiwo 1999, Vincent, 2001, Teriba, 1999, Sala-i-Martin and Subramanian," 2013).

The mistake Nigeria made was to almost depend on oil to the detriment of other sectors which have many immediate and future negative effects on the continuity of the sovereign nation known as Nigeria. Studies by Emmanuel, 2004, Gary and Karl, 2003, Karl 1997, Sampson, 2013 as reported by Agbaeze et al (2015) unanimously" found that the near over dependence on oil by Nigeria has a dire implication to the nation". The report further stated "that in 2013, the stock of the nation's external reserves and Excess Crude Account witnessed various degrees of decline as a result of fluctuations in the price and quantity of oil".

In addition to the above, the same report stated that "the CBN report (2014) shows that the gross external reserves as at December 31, 2013 stood at US$42.85 billion, representing decrease of US$0.98 billion or 2, 23 percent compared with US$43.83 billion as at the end of December, 2012". Their report still showed that "the Excess Crude Account (ECA) also declined within the period". According to them, "earlier in the first quarter 2013, external reserves has climbed to its highest level in more than four years, hitting around US$48.57 billion in May" (CBN, 2014). Their analysis further reported that "the drop in both the stock of external reserves and the ECA are attributable to a number of factors". Their observation and conviction were that the factors were firstly "a shutdown in portfolio and Direct Foreign Investments (FDIs) flows in the fourth quarter 2013, which prompted increased funding of the foreign exchange market by the CBN to stabilize the national currency". Secondly according to them, is "that there was a drop in the oil revenue inflow owing to decline in oil output – due to oil theft and pipelines vandalism at various times in 2013 which resulted in the loss of about 300.000 – 400,000 barrels per day (NNPC, 2014)".They therefore concluded that "this 'quantity stock' led to depletion in both accounts - the external reserves and the ECA". They remarked "that while the ECA and the external reserves were getting depleted, the nation's stock of public debt was on the increase all through 2013". Further observation from the report stated that "indeed according to Debt Management Office (DMO, 2014, Nigeria's total public debt stood at N10.04 trillion (US$64.51 billion as at the end of December, 2013. – With the domestic debt standing at N8.67 trillion (US$55.69 billion – representing 86.32 percent of the total debt".

The summary of the above report is that all the aspects by which positive economic standing are measured in the case of Nigeria continued to decrease instead of increase. The implication of this is that something very action-based and urgent needs to be done to save the nation from imminent collapse.

Nigerian nation dependence on oil is highly frustrated by continuous fluctuation in crude oil prices. Akpan (2017), stated "that Nigeria's excess crude oil revenue has dropped by five percent as oil prices fell to $49.26 per barrel yesterday June, 5th, posing fresh threat to implementation of the yet unsigned 2017 budget and the exchange rate of the naira". Specifically, the report stated that the "nation generated about $114 million from the export of about two million barrels per day in May, 2017 when prices stood at $57 per barrel". The report in addition to the above stated that "the revenue dropped to $108 million yesterday when oil prices crashed from over $50 per barrel to $49.29 in the global market". The implication of the development "translates to reduction in accretion to the nation's external reserves, hence reduction in dollar supplies, which undermines the stability of the Naira appreciated to N375 per dollar in May, external reserves however fell by $535 million during the month to $30.32 billion". "The fall in oil prices and excess crude oil revenue also poses a fresh threat to the implementation of the Federal Government's N7.28 trillion 2017 budget which was based on $44.5 per barrel reference price" the report concluded.

Although some people believed including the President that the fluctuation in oil prices and reduction in the value of the naira are not natural but has some kind of political undertone but the issue is that the life of Nigerians have drastically been negatively dealt with and something tangible, transformative, practical and urgent needs to be done and that is the crux of the study.

5.1. Diversification Strategy

In view of the above, the study recommends diversification as a way out of the economic problem of Nigeria at least in the present dispensation.

Diversification as a strategy is the process of a company enlarging or varying its range of products of field of operation. It can also be described as a technique that reduces risks by allocating investment among various financial investments, industries and other categories. It aims to maximize return by investing in different areas that would react differently to the same event. It has also been generally accepted by economists and managers that it is the most important component of reaching long range financial goals while minimizing risks.

The case of global warming is another pertinent reason why diversification is an immediate welcome development to the problem of overdependence on oil in Nigeria. "Global warning matter has making countries to explore alternative source of energy like solar, wind, water while placing less emphasis on oil because of its carbon emission". "The concept of carbon emission has been reported as a major cause of global warming and pollution". The implication of this is that "oil may become less relevant to the economic survival of nation in the near future".

Some countries of the world have started adjusting to alternative source of power to oil. "For instance, in 2007, the European Union member state agreed that EU is to use 20 percent renewable energy in the future and that it has to reduce carbon dioxide emission in 2020 by at least 20 percent". "It was later agreed the one-tenth of all cars and trucks in the EU 27 member countries should be running on biofuel and the implication is less reliance on oil".

Diversification strategy is akin to entrepreneurship which is a strategy that many developed countries have employed and succeeded in it. It involves manufacturing of new products and even services to fill and identified gap or opportunity in an environment. Agbionu, Ikon and Olulana (2018) stated that encouraging manufacturing industries is a welcomed development in developing countries of the world especially in Nigeria as it involves encouraging infant industries and discouraging importation of products that a specified country can produce. In support of this idea, Agbionu, Olulana and Agbodike (2018) stated the women are very essential in the development of economies of developing countries especially using or applying entrepreneurial skills. This stems from the fact that women like to face challenges and get to the root of it due to the fact that naturally, women are seen as weaker sex in some countries and as a result, their men counterpart abuse the case and religet them to the background and discriminate against them. In another development still on using entrepreneurship as a tool for economic development using diversification strategy, Agtbionu, Emeka and Ogbemudia (2019) emphasized on the use of apprenticeship as a micro tactics under entrepreneurship in order to make the youths of nations especially in developing countries like Nigeria employable. This is make them not just employees who depend on instructions and supervision to work but apply their entrepreneurial skills learnt during apprenticeship training to make themselves productive, effective and efficient.

5.2 The Concept of Economic Recession in Nigeria

The International Monetary Fund (IMF), as well as the Central Bank of Nigeria (CBN), has all agreed that Nigerian economy has plunged into recession (Noko, 2016). The reported continued by stating that "the two bodies asserted that Nigeria's economy may not regain stability until early 2017 with low growth rate of 1.5%."

Furthermore, the National Bureau of Statistics (NBER) according to the report defined economic recession as "a significant decline in economic activity spread cross the economy, lasting more than a few months, normally visible in a real gross domestic product (GDP), real income, employment, industrial production and wholesale-retail sales". Again, Noko, (2016) defined economic recession "as a negative real GDP growth rate for two consecutive quarters (say first and second quarters)". Judging by the above definition, the report stated that "Nigeria is experiencing economic recession currently, since her first and second quarter's growth in 2016 are -0.36% -0.5%" respectively. He further stated that "the second definition at times might be mis-leading because recession can quietly begin before the quarterly Gross Domestic Product reports are out". In a further statement, the report stated that "Nigeria fourth quarter for 2016 is 0.8% growth rate and added that the country cannot say it has conquered recession because of the positive value it recorded".

5.3General Causes of Economic Recessions Globally

At this juncture, one may want to know why and how Nigeria got herself into economic recession. Noko, (2016) analyzed the major cause of Nigeria's economic recession as follows:

He stated that "the major causes of economic recession in any economy (lesson from great depression, 1981, 1991, 2004, 2008, 2009 global economic recession may include:

- High inflation, a general rise in prices of goods and services – leading to low purchasing power.
- Accumulation of debt servicing especially foreign debts.
- Fall in aggregate demand, fall in wages, income
- Mass unemployment and general loss of confidence on the government due to poor economic indices. He however enumerated and analyzed the major causes of the recent economic recession in Nigeria as follows:

5.4Causes of Economic Recession in Nigeria

On the major causes of economic recession in Nigeria, Noko (2016) stated that they include the following:

Firstly, Poor economic Planning: Poor economic planning and no concrete implementation of her economic planning is the major cause of Nigeria's current recession – budget delay, exchange rate policy, Yes the government has proclaimed the usual generalities that every government indulges itself in about

- Diversifying the economy
- Improving manufacturing/mining sector
- Raising agricultural output
- Encouraging foreign investment, among others, yet no concrete evidenced strategic plan for growth was achieved.

No doubt the report continued that "the government has taken some steps like the elimination of dollar purchase privileges for importers of 40 items such as – rice, cement, toothpicks, private planes, poultry, meats, margarine, wheelbarrows, textiles and soaps." The report maintained that "the government has on the other side caused serious poverty in the land by herself". This was done it continued "by the policy of the government to widen the gap between the rich and the poor- creating more economic hardships".

Secondly, the report continued "was High inflation rate: Government banning the importation of certain essential agricultural products like Rice without considering gestation period is error". "Removal of fuel subsidy shouldn't be simultaneous with the banning of these agricultural products". "Major causes of inflation are rise in domestic oil price die to subsidy removal, fall in the global crude oil price deteriorating Nigeria exchange rate, almost the household price skyrocket as many times as possible".

Thirdly," high interest rate: Interest rate is between 26.77 – 27% and extremely high for investors". This high interest rate is discouraging investors". "The poor investment culminates into high rate of unemployment in the country, reduction in aggregate demand especially from the households".

Fourthly, "high taxation: It is only in Nigeria that I see government charging high tax rate during economic recession. Small businesses are slaughtered with high interest rate. Both high interest and tax rate have lowered Nigeria aggregate demand".

Finally, "Policy conflict: the economic policies appear conflicting. This is because of high-interest rate, high tax rate are tight monetary policy measures". But government told the public that it is adopting expansionary policy measure – budget deficit".

6. Diversification Strategy Policy of the Federal Government for Revamping the Ailing Nigerian Economy.

Much has been said and written on the problems of underdevelopment of the Nigerian economy since her independence in 1960. Many strategies of growing, developing and sustaining the nations have been put forward but none has actually worked due to many factors some of which have been discussed in this paper. Many authors in the literature have blamed it mainly on implementation problems.

The present Federal Government has already proposed a strategy which it intends to revamp the ailing Nigerian economy. The strategy according to the present Federal Government of Nigeria is known as "Diversification of the Agricultural Manufacturing Sector".

Adekunle (2017) in Vanguard quoted President Mohamed Buhari as saying the "Nigerian economic survival depends on agriculture, manufacturing sector". The president stated this at the 44th Annual General Meeting (AGM) of the Manufacturers' Association of Nigeria (MAN) held at Transcop Hilton Hotel, Abuja on Thursday. Fortunately, the theme of the conference was "Diversifying the Nigerian Economy: the Role of Government in Manufacturing". According to the President, "the dramatic fall in crude oil and other commodity prices have had a serious negative impact on world economies, especially countries like Nigeria which depended on one commodity for her export earnings".

He continued by saying the "This Administration is convinced that the key to our quest for economic survival lies in Agriculture and the Manufacturing Sector". In his words "a strong manufacturing sector will create more jobs and wealth for our people". He further stated that "it will usher in sustainable economic prosperity because we will produce what we consume as a nation and generate foreign exchange by exporting any surplus." The manufacturing sector he opined "is well positioned to be a major driver of Nigeria's economic growth because of our immense natural resources and the entrepreneurial spirit in Nigeria". He therefore beckoned on MAN to be serious about his proposal because according to him "Government will rely heavily on them and their ideas and inputs at all stages of formulation and implementation of new industrial policies". He assured MAN that "government will remove bottlenecks and create a more business friendly environment". In his closing remarks, he called on all present at the conference and ended his speech by saying that "our strategic plan to boast manufacturing activities in the country is supported by the Nigerian Industrial Revolution Plan (NIRP) and the National Enterprises Development Programme (NEDEP). These programs, according to him present a clear road map towards an industrialized Nigerian economy".

Speaking more on the modalities for achieving the above objective, the president stated "that the diversification process would be private sector- led government at both the national and sub-national levels have a huge role to play in attracting and facilitating long term investments". He promised that some of the key roles to be played by the government include:

- Articulation of clear sector specific policies along with incentive packages that commensurate with the risk inherent in each sector,
- More support for small and medium scale manufacturers, since many Nigerian manufacturers are relatively small with limited capital to support their investments;
- Boosting non-oil exports to bring in much needed foreign exchange, byratifying and implementing the road-map recently developed by the Nigerian Export Promotion Council".

The above policy which has been made recently by the Federal Government is very good and can assist significantly in tackling the economic problems of Nigeria at least to a large extent but the issue boils down on the actual and adequate implementation of the policy which has been the major challenge of previous good policies of the Federal Government of Nigeria (FGN).

The paper will at this juncture design a practical strategy which if followed is expected to actually and adequately solve the economic problem of Nigeria.

7. Entrepreneurial Strategies for the Implementation of the Diversification Strategy of the Federal Government of Nigeria.

In a much as this paper is not entirely on entrepreneurship per say but at this juncture, tested and trusted entrepreneurial action-based strategies are adopted by the study. Management by result by Peter Druker is useful here. Result- oriented management is the foundation of an entrepreneurial lasting success due to the concept of innovation involved in it. To Drucker, any definition of entrepreneurship devoid of "innovation is incomplete because entrepreneurship is innovation-driven, Drucker according to Goossen(2007) stated "that entrepreneurs focus on innovation and innovation is rooted in creating change and enduring existing resources with new wealth" and that is the main focus of this paper. Nigeria needs to employ what Peter Drucker (2005) calls managing for results. The concept of managing for result according to Peter Drucker (2005) "starts with an analysis of what he calls "business realities" – the fundamental and the constants of the outside environment, the things the business executives has to consider "givens", as constraints, as challenges. Nigeria is tired of theories not backed by results."

"Entrepreneurial management which this paper advocates "is not natural, creative or spontaneous, but instead is based on a systematic, thoughtful approach of supportive policies and practices" (Goossen, 2007). In support of this approach Drucker (2007)"believes that there has been a shift from 'managerial' to' entrepreneurial' economy in the United States, evidenced by job creation among small businesses and by increasing popularity of self-employment" and this has created a lot of jobs in the states from the time of introduction to the present time. Drucker refers to entrepreneurial management as 'new technology'. He "believes that this new technology of management fosters a significant social shift in attitudes, values and above all, behavior" and thus creates the entrepreneurial economy" environment in North America. In essence Drucker sought to provide a systematic approach to entrepreneurship rooted in practice. Drucker "stated that the starting point for successful launching of a new venture is the development of principles, practice and discipline of entrepreneurship skills" needed in the new technology.

To manage the Nigerian economy effectively, the proposed entrepreneurial managers must focus on the realities of the Nigerian environment and ensure that immediate results are got from the process.

In Nigeria, the management of the realities of the environment will involve the entrepreneurial organizations, the government, the private sector, MAN, NIRP, NEDEP and the ACADEMIA for theory provision, growth and development. This is represented in a model which the author calls Nigeria's New and Unique Model for Growth and Development.

8. Nigeria'snew and Unique Model for Growth and Development through Drucker's Entrepreneurial Management.

Peter circumstances in the economy". In addition, he stated "that a specific guide should be developed Drucker proposes an entrepreneurial management for problematic economies like Nigeria. According to him, "a set of principles should be developed and applied in a variety of for different types of organizations: namely the existing business, the public-service organization, and the new venture". In the context of this approach Drucker stressed that "there is special need for a systematic, thoughtful approach". In his view, "despite the fact that entrepreneurship is typically viewed as spontaneous, fluid, and even chaotic", he believes that "where the conventional wisdom goes wrong is in its assumption that entrepreneurship and innovation are natural, creative, or spontaneous". Gossen (2007) further stated in line with the above discussion that Drucker believes that entrepreneurship is not merely 'natural' or 'creative', "rather, he believes it is 'work'. Gossen argues that Drucker likely offers this perspective as an antidote to the perception that people who concoct bright, innovative ideas and gifted with unusual creative genius – a popular idea that is still not the case.

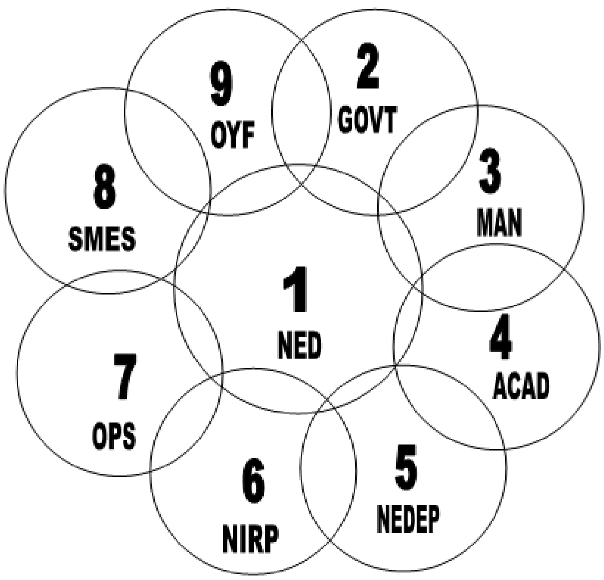
Gossen insists "that effective entrepreneurial management requires strategic development in four major areas". "First, an organisation must become receptive to innovation, willing to perceive change as an opportunity and not a threat". "Such openness does not happen by itself; rather, the entrepreneurial manager must implement policies and practices to foster this climate". "Secondly, an entrepreneur must systematically measure, or at lease appraise, a company's performance. Unless, he or she uses some form of evaluation based on measurable criteria, success is indeterminate and strategic planning is undermined". "Third, he or she must carry out specific practices pertaining organizational structure, staffing and managing and compensation and rewards". "The entrepreneurial climate must flourish in tangible ways throughout the organisation". "Lastly, entrepreneurial management involve certain 'don'ts'" and they must be observed.

To implement the above strategy, this paper recommends a cooperative and coordinated strategy that involves all the stakeholders who would interact and cooperate to coordinate the activities involved in making sure that the policy is actually implemented. They will ensure that every group is involved and that there is checks and balances between and among the interacting groups. No group will be left behind and this will ensure that everybody concerned will be represented.

From the model, the Nigerian economic development (NED) is at the centre and that is the main aim of all the other groups. The second is the government (GOVT) that makes the policy followed by the Manufacturers Association of Nigeria (MAN).Their duty is to make sure that the policy of the government is implemented. MAN is expected to work together with the representative of the academia (ACAD), the National Enterprises Development Programme (NEPEP) and the Nigeria Industrial Revolution Plan (NIRP). These groups work with the Organized Private Body (OPB), Small and Medium Enterprises (SMES) and the Organized Youth Forum (OYF).

The essence of these groups is for democratic and equal representation of the interest groups in the policy implementation of the policy. This model was designed because implementation has continued to forestall, stagnate and frustrate good policies of the government in the past in Nigeria.

NIGERIAN UNIQUE ECONOMIC DEVELOPMENT MODEL



KEY:

1. NIGERIAN ECONOMIC DEVELOPMENT (NED)
2. GOVERNMENTS
3. MANUFACTURERS ASSOCIATION OF NIGERIA (MAN)
4. ACADEMIA (ACAD)
5. NATIONAL ENTERPRISES DEVELOPMENT PROGRAMME (NEDEP)
6. NIGERIAN INDUSTRIAL REVOLUTION PLAN (NIRP)
7. ORGANISED PRIVATE SECTOR (OPS)
8. SMALL AND MEDIUM ENTERPRISES (SMES)
9. ORGANISED YOUTH FORUM (OYF)

DEVELOPED BY THE AUTHOR

In addition to effective management of the realities, the President stated "that government observed that many of the agricultural manufacturing industries in Nigeria are small scale and as such government will offer the needed support for them to be strong". Based on this, the study recommends what Brokaw called "301 Great Management Ideas from most innovative small companies". In support of Brokaw, Jeffrey Sudikoff founder, chairman and chief executive officer of IDB Communications Group, California stated that:

"An entrepreneur knows that start-up needs to focus on little things. Not the global strategy. Not the Big Plan. A

start-up needs cash flow, not a corporate infrastructure. A start-up need sales staff, not fancy office space and computer systems"

9.301 Great Management Ideas from America's Most Innovative Small Compnies which are summarized as follows:

Some of these strategies relevant to the management of small business are also presented so that if adopted the entrepreneurial manufacturing organizations which this paper proposes in line with the present federal government policy would be effectively managed. This is because management experts as well as economists have also agreed that one of the major problems facing Nigeria's economic growth and development is poor management (NDC, 2005). Some of these strategies are here presented as follows:

301 Great management ideas from American----

Low-cost take-home messages : Include a marketing piece with every product
Easy guarantees : The reliability of his company's Products could be a sales feature
Marketing with competitors : The advantages of joining together outweighs the negative
Reward frequent buyers : Adopted the airlines' frequent-flyer concept.
When a product doesn't sell : Accept money that can be used to advertise the product
Finding an ad agency : Put three months into choosing the Right agency
Borrow from Other industries : Stand out in one industry just by applying techniques that are standard in another firm
The Spoils of War : Capitalize on rivalries
Mimic the Superstores : Make your place look like a discount place".
Inside Info on Outside Rivals : Newsletters are a good way to pass along industry information
Taking Stock of competitor : Become an "insider" by buying a share of your competitors
Encouraging On Site : Subtract the cost of a round –trip airfare from the first invoice.
Integrate Your Direct Marketing: Combine their marketing efforts into a single package.
Continuity Clubs for Everyone : Applying the concept of continuity, or club, sa.
Class Acts for Your Customers : Customer education can generate immediate sales.
From Easy Orders to Disorder : Sign only a short term agreement.
Join the Club : 38% doing business internationally.
First Steps to Foreign Markets : Three steps a company can take to find overseas agents.
Sales –Rep Form : Send potential reps a one-page fax –back application.
Packing for Foreign Trade Shows: What to bring (and what to leave at home):
Flameproof Online Marketing : Reach prospects through message boards.
Catch Customers on the Web : On the Web, "our information will be as accessible as theirs."
What' in an Internet Name? : Don't delay registering your business name as an Internet "domain name".
Using Customer as Beta Sites : Representatives observe new users.
Quick Reaction : "The market –research minute".
When Staffers Do Research : The ideas they suggested are grounded in real life.
Focused Focus Groups : Good questions are usually open-ended.
Focusing on Your Real Customer: Conducted a customer poll
Capitalize on Disgruntled Customers: Disappointed customers provide invaluable feedback.
Share and Share Alike : Call other store owners for advice.
Easy Order Taking : Turn every employee into a potential order take
Customer –Friendly Brochures : Stock-photography collections.
Put Prospects in the Picture : Polaroid snap-shot of the product they're considering.
Making It Easy to be found : Made sure buyers could find her even if they couldn't find a store that carried her goods:
Turn Salespeople into Profit Watchers: The sales-compensation system was changed to take profitability into account.
When You Sell into New Markets : Bring on new sales reps know that industry cold.
Make Prospecting Pay : Paying an extra 1% commission for first-time customers
You Earn It, You Keep It : Give them the sales incentive up front
Making Your Customer your Partner: Bringing buyers in on packaging decisions.
Know Thy Partner : Research both industries to make sure she understood their pressures.
Tie in with Big Brands : Get a big company to help them market it as a product tie-in.
Pricing Pitfalls : Prohibits companies from discriminating among customers by offering special terms.
Under pricing is as bad as Overpricing: Conduct a direct-mail campaign that tests different offers.
Sweetening the Deal : Create a combined package.
Avoid the Price –Cut Trap : Building products together can help move regularly- priced products.
Letter Quality : A compelling tagline on your company's stationery.
Do-It (Mostly)-Yourself PR : Take her on as a client but charge just by the hour.
Write on the Money : $500 bonus to any employee who could write an article and get it published.
Picking a PR Firm : Check out its reputation with the reporters who cover your industry or region.
Closing the Sale (Completely) : Tie sales-people's commissions to the collection of receivables
No Pay, No Work : Stop work on any job for which payments were 20 days overdue.
Writing off Temptation : Control the points at which debts are either turned over to collection agencies or written off".

Postdate Headaches **:** Consult a lawyer about the laws in your state regulating postdated checks.
Collection a-No's Don't **:** even think about adopting an alias when pursuing credit deadbeats.
Computer Gets Personal **:** Create a computer font of the handwriting of the restaurant's chef.
Passing Ideas to Customers : The "pay –for-me" form.
The Other Kind of Customer Credit: Give plaques to customers who offer suggestions.
You Ought to Be in Pictures **:** Lines them up under a sign with the company trademark and snaps their pictures.
Plugging Your Customers **:** Running ads in the company newsletter promoting customers.
Contact at Every Job **:** Let customers deal directly with the people who help make the product.
The Personal Touch : Sending a personal thanks –you note to each customer.
Using Customer Database daily **:** A self-generated computer report.
Tracking Customer Comments : Each message is entered into a database.
Opening Your Books to Customers: Tracks its costs, customer by customer, and then shows the figures to them.
Greeting the E-Mail Nation : Electronic mail access to your business.
Next –Day Relay : Two-step system of first acknowledging and then answering all letters.
Capitalizing on Complaints : Asking an angry customer what he or she would like you to do.
Preempting Refund Requests **:** It sends customers their refunds before they ask for them.
Minimizing Double Trouble **:** Track orders from customers with past problems.

10. Research Design and Data Collection of the Study
The study adopted a qualitative and quantitative descriptive and exploratory research design. The qualitative data were collected from books, journals, magazines and other periodicals. Data from the qualitative source were used to design the model for the study. Quantitative data were collected from the secondary data and analyzed qualitatively and descriptively.

11. Data Analysis of the Study
The data collected from both primary and secondary source were analyzed using qualitative content analysis of the variables under investigation.

12. Findings from the Study
The results from the qualitative content analysis of the data collected shows as follows:
- That Nigeria economy was thriving moderately without oil but was sustained by mainly proceeds from the agricultural sectors and other sectors such as mining.
- That Nigeria abandoned other sectors especially agriculture
- That the development of the Nigerian economy has been unduly delayed due to overdependence on a single sector - oil
- That the Nigerian government observed and accepted that Nigeria is really in a recession she help to put herself into.
- That the Nigerian government has made a policy to revamp Nigerian economy which it calls growing and developing the agricultural manufacturing sector.
- That sustainable economic growth and development is an on-going process and that nations should look around their environment and see what worked for other countries and see if it can work for them,
- That Action-based entrepreneurial economic management can help rescue Nigeria from the economic recession it has found herself for a long time now.

13. Conclusion
The study concludes the fact that Nigeria was doing fairly well prior to the discovery of oil in large quantities in Bayelsa State in 1956. The Nigerian leaders made a mistake of abandoning all the other sectors that were sustaining the country prior to the discovery of oil and because crude oil is now highly competitive due to the fact that other countries now discovered oil. This increase in the supply of crude oil in the international market and because of the fluidity of oil, the price fluctuates downwards causes a drastic decrease in the price of the Nigerian crude oil and this makes the quality of naira to fall in relationship with dollars.Nigeria reacted to this reaction using increase in the price of consumer commodities especially oil believing that it will increase government revenue and reduce expenditure by government and the Nigerian people. Instead, the model brought untold hardship to the people of Nigeria because there is already a significant decrease in the supply of goods and services as at that time. Increasing the price of goods when supply was low became negative naturally and recession sets in.

14. Recommendations
From the above findings, these recommendations become imminent.
- That the federal government should make concerted efforts at making sure that the policies it made are adequately implemented using the models and strategies suggested in this paper.
- That the government should as a matter of urgency encourage the small scale manufacturing industries so that they can be able to concentrate in the production of goods and services without much problem.
- Make policies that would make incoming government not to abandon the projects and good strategies their successors started to ensure continuity and avoid abandonment.
- Encourage manufacturing industries not only in the agricultural sector so as not to concentrate in one sector to the detriment of other sectors.

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