

MONO ECONOMY SYNDROME OF NIGERIA: REPOSITION OF MANUFACTURING SECTOR FOR SUSTAINABLE DIVERSIFICATION AND DEVELOPMENT

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Abstract

The study examines Nigeria's challenge of the mono-culture economy due to an overreliance on oil, and coupled with the threat of being stranded arising from the global campaign and signed Paris agreement in 2015 is an economic risk that could jeopardize her economic development. Answers to why the manufacturing sector has occupied a peripheral position in the Nigeria's economic development aspiration question alongside the overarching goal of articulating pragmatic mediums and approaches for revamping the manufacturing industry from the encumbrances hindering its full capacity functioning. This research was undertaken to examine the manufacturing sector as an alternative to Nigeria's petroleum dependence economy by dissecting its problems and how to repositioning it for a viable diversification. The ex-post facto research method was adopted using impeccable secondary data sources. Insecurity and poor political governance were among other impediments to the manufacturing optimum performance, and strengthening the political institution for an all-inclusive government, amongst others, is proffered as panacea.

Keywords: Diversification, Economy, Manufacturing, Nigeria, Development.

Background

Nigeria is blessed with abundant solid mineral resources that could be beneficial to varieties of industries in the country. These solid mineral resources include bitumen, coal, gold, iron ore, limestone, salt, tin, among others and these solid mineral resources cut across the states of the federation. With these and other raw materials from agricultural sector, it is expected that Nigeria's industrial sector should not lack the necessary inputs for its take off in the production of intermediate and finish goods. Nigeria is an agrarian economy with vast arable land, large proportion of the population is into agricultural activities for their livelihood, and statistics shows that Nigeria has over 80% of its land arable but unfortunately, less than 40% of the land is cultivated. In addition, Nigeria is among the leading exporter of crude oil in commercial quantities since 1968 and this has remained so making oil money the major source of foreign exchange earning accounting for almost 80% (Sule & Inedu, 2018). With a population of over 190 million, vast fertile agrarian land, and endowed with oil reserves, coal, gold, bitumen, iron ore and uranium, the nation-state appears

favorably positioned for multi-sectoral industrial linkages and diversified economic base. However, the reality seems to contradict the ideal situation or expectation as the oil-induced economy is been witnessed in almost five of the six decades of the country's existence.

Nigeria found herself in this mono-economy miasma not only because of the disarticulation of the nation micro and macroeconomic policy and programs, but it was also due to the fretting away of our billions of petrol dollars earned from the sales of crude oil in international market and the inability of the past administration at the central government to diversify the nation economy by channeling our earned resources to non-oil sector of the economy etc. Other factors such as corruption was also fingered. To reverse this ugly scenario of mono-economy plaguing the nation, the role of Public Administration cannot be over orchestrated. It holds the ace for the diversification of the Nigerian economy because economic policy initiated by the central government aimed at diversifying the nation economy is implemented by Public Administration and bureaucrats (Okosun & Aihie-ezomo, 2016). Oil and gas accounted for 95 percent of export income and 85 percent of government revenue in Nigeria. The overbearing impact of the sector on the economy has exposed the state to external influence and vagary of the global price fluctuations on the domestic micro and macro-economic behaviors; sluggish the national income and development agenda performance; and it has weakened the economic base, such that is making the utilization of the national potentials almost a mirage. Hence, calls for economic diversification has continually been echoed since the country's independence in 1960, especially a decade after characterized by 'oil-wind-fall' due to the astronomical rise of crude oil price in the global market, setting the foundation for the oil-dependent economy. Moreover, the agitation becomes intensified whenever an economic recession rolled in or a sharp drop in the crude oil price is experienced. As such, exploration of agricultural, manufacturing, and mining sectors for diversification purposes has been a resonating proposal and government has been making efforts towards its actualization, especially in the recent past. Nonetheless, tangible fruits as evidence of government efforts appear yet to be seen or felt by the economy (Sule & Inedu, 2018).

Also, it is imperative to note that, aside the depleting of the oil resources, the global campaign and signed Paris agreement in 2015 – Nigeria inclusive - on ending anthropogenic carbon emission greenhouse problem of which oil and gas are major sources, and a leading cause of the current global warming (emission-intensive commodities) occasioning the adverse effects of climate change with the overall aim of returning to 2°C of the pre-industrial era, and accomplish the Sustainable Development Goal 13 (United Nations Conference on Trade and Development. This, it is expected, would make oil and gas sector stranded because of the National Determined Commitments (NDCs) mitigation and adaptability measures alongside with third party responses in no distance time,

possibly earlier than projected by the Nigerian government. Therefore, there is an urgent need for the government to pursue efforts at averting a likely catastrophic end to oil-income on its economy not only via appropriate mitigation and adaptability measures but also by vertical diversification requiring the engagement of alternative verdant sector(s). The manufacturing, in this regard, appears as viable with potentials for bridging the oil sector gaps; incorporates the means of cushioning its negative effects; and, possesses a solid platform for a diversified economic front.

Problem Statement

It is Nigeria's manufacturing capabilities of substituting the current positional role of the oil and gas sector? This seems unfit for the 'role-play' it is being canvass for because of the manifest of low contribution to economic growth indicators. From the current indices, the manufacturing requires been rightly positioned for an optimum production capacity to serve as a saving-sector from the Dutch-disease problem (Sule & Inedu, 2018), and the imminent end to oil-export revenue regime or looming economic risk in Nigeria (Okosun & Aihie-ezomo, 2016). Therefore, the realization of this height motivates the conduct of this research. The work covers five sections. The second section following this introduction is the review of the literature and the third section discusses the theoretical framework while the fourth section examines the evolution of the manufacturing industry in Nigeria. Section five highlights the challenges of the manufacturing and offers panaceas to them and the last section concludes the study.

Research Objectives

This research is undertaken with the aim to provide answers to why the manufacturing sector has occupied a peripheral position in the Nigeria's economic development aspiration question alongside the overarching goal of articulating pragmatic mediums and approaches for revamping the manufacturing industry from the encumbrances hindering its full capacity functioning.

Method

The study is based on secondary data and literature review in descriptive qualitative mode of research design. Though this study adopts the ex-post-facto research method, with independent variable positioned which cannot be manipulated but its effects measureable, but like some of the previous studies, its robust descriptive analysis of the secondary sourced data employed to elicit realistic outcomes is *sui generis*. This is a paradigm shift from the independent variables impacts measurement on the manufacturing performance often undertaken without the aid of econometric instruments or models, and in few instances, the challenges overview with somewhat non-detailed prescriptive panaceas to implementing the policy implications prevalent in the extant literature on the manufacturing sector.

Literature Review

Mono-cultural economy refers to an economy mainly dependent on a single product or resource for economic growth and development. The concept could further be referred to a case where any country depends on a single product sales or exports for its budget funding especially to the tune of 70% of revenue. Mono-cultural economy could also refer to the situation when any country depends on a basic product resource for overall higher percentage of national earnings and contribution to the Gross Domestic Product (GDP) (Nwaoba, 2016).

Nigeria's manufacturing performance has been assessed from differing perspectives with relevant variables by scholars. Moreover, the strategic position the sector occupies in the national developmental aspiration bestirs researchers, especially in the social sciences, to uncover either theoretically or empirically its fairing or factors circumventing its optimum performance. For instance, on the influence of the manufacturing capacity utilization industrial productivity and value addition on Nigeria's industrial development between 1976 and 2005 reveals a long-run relationship using counteraction text and error correction model (ECN). While the study shows the prospects of the manufacturing sector, the independent variables employed seems not holistic as it excluded human capacity development variable influencing almost all the industrial sub-sectors.

The influence of manufacturing sector performance on sustainable economic development revealing that a positive relationship between manufacturing and import capacity utilization while a negative exists between it and export, investment, and exchange rate. As broad as the work appears in terms of the variables impact measurement with panel data implying that capacity utilization and import determine manufacturing performance, it seems to fail to offer pragmatic steps towards its accomplishment. On the impact of manufacturing on the Nigerian economy growth indicates that the sector utilization has a long-run relationship and significant influence on the GDP and the sector's output. From their findings, it is evident that the manufacturing sector is capable of spurring economic growth but the lines of products and linkages required for its sparking are not highlighted (Ishakq & Ogbanje, 2015).

Nigeria in 2014 attained the status of the foremost economy in Africa, overtaking South Africa which had occupied the position for many years. An assessment of the position attained by Nigeria showed that the revenue from oil exports contributed greatly to it. Although, for the first time, other sectors were adequately assessed to reflect the country's GDP which resulted in a higher position than that of South Africa. Trading Economics in 2016 indicates that Nigeria's GDP was put at USD 568.50 billion in 2014. Crude oil export contributes enormously to the GDP figure following its accounting for nearly 90% of export product. With the decline in oil revenue since 2014 and

continued price volatility, Nigeria found itself faced with many fiscal challenges including funding of annual budgets and other fiscal responsibilities. Recently in 2016, it was revealed in the news that Nigeria slid into recession and South Africa overtook Nigeria again as the foremost economy on the African Continent. Nigeria's case is compounded and challenged by various national problems such as terrorism in the north and militancy in the south-south, which further affects oil output and revenue (Nwaoba, 2016). A lot of factors affects oil price on the global market, thus volatility persists, especially since 2014. Oil price remained at over USD 100 in 2011, 2012 and 2013. But in 2014, oil price dropped below USD 100 and went further down to below USD 50 in 2015 and below USD30 in early 2016. The data below shows the volatile price composition of oil price from 2011 to early part of 2016. On the impact of monetary policy on manufacturing performance (1986-2017) found that the monetary policy has a short-run effect on the manufacturing but does not in the long-run (Eko, Utting, & Onun, 2013). This suggests that monetary policy management in the economy should incorporate a long-run impact. The monetary policy applied to the industry might not be possible without complementary fiscal policy. On revamping the manufacturing sector as a solution for economic progress via derivable lessons from the South Korean experience. They submitted that the sector underperformed because of the Nigerian's government inappropriate selective intervention; the poor political environment; and, the state failed to encourage infant industrialization drive. These lessons emanated from the study are part of issues affecting the manufacturing sectors, nevertheless, with scanty details on the implementation of the suggested performance improvement. With the existing lacuna in the literature, this work is poised to engage the challenges, overt or manifest, from the practical angle to offer comprehensive, integrating and feasible solutions to them (Nwaoba, 2016)

Theoretical Framework

There are many appealing theories and models applicable for the analysis of economic sectoral growth such as Endogenous theory - emphasizing internally orchestrated growth - nevertheless, this paper adopts Two-sector theory. The theory was propounded by Arthur Lewis in 1954 in his "bundled together theories of growth, structural transformation, and population. Two-sector theory, as it appears, encompasses interrelated developmental concepts and issues, making it possess wide analytical tools and multiple areas of application strength. While this work concerns itself more with the growth and structural transformation of the manufacturing, it links, to a large extent, the effect of the changes on the national economic development in Nigeria as a developing country. The main assumptions of the theory are that an economic growth begins with two sectors-agriculture and industry; and, increase in the agricultural sector would spur growth to create surplus locally that is exported and/ or used to service the manufacturing or industrial sector as capital (Okosun &

Aihie-ezomo, 2016).

In other words, the agricultural sector is the take-off point for every economy and likewise serves as a linchpin for the emergence and sustenance of manufacturing. This presents the theory as a dual-model premised. Moreover, the theory is anchored on attaining an economic growth through capital accumulation for industrialization and that the industrial sector absorbs surplus labor. The excess labor, in this sense, is created from the agricultural rural-based economy because of increased outputs resulting in demand deficit and serves as workforce for the urban industrial-based sector. Hence, the theory explicitly underscores the essentiality of agriculture, human resource, industry, and their interface cum interdependent notch, requiring strategic management.

Nigeria's economic structure in the pre-colonial till pre-1970s of the post-independence era largely situates the economy as agro-based. Agriculture was the mainstay of the economy as it is the largest employer of labor, source of foreign earnings from merchandise commodity trading of cocoa, palm oil, groundnut, cotton, etc and contributes significantly to the GDP. However, the industrial sector was at an abysmally low level with almost no notable impact on the economy (Peace, Chijioko, & Scholastica, 2019).

But, since the discovery of oil and the commencement of its commercial export, it has substituted the roles played by the agricultural sector except that of employment. Thus, the economy, which shared the beginning of the two-sector theory, veered off the track by moving to another commodity as the leading economic sector instead of progressing up the ladder to catalyze industrialization. This, to a great extent, depicts a two-sector theory structural defect. And, perhaps, has been largely responsible for the boxing of the economy to a mono-product or cultured status and poor capital based on the concomitant negative consequences of rising unemployment and poverty aside slowing industrialization and technological advancement in a fast-paced world, making the country to be categorized among the industrial and technology laggard economy (Nwaoba, 2016).

Implicitly, the manufacturing sector is not only the leading sub-sectors of the industrial sectors but also provides the highest positives associated with it. This probably informs the current emphasis on the manufacturing sub-sector among the industrialists and economic development scholars. Because of this, the two-sector theory provides the lens through which Nigeria's economic diversification quest can be interrogated and critically examined for an appropriate repositioning through manufacturing.

Discussion/ Analysis

Nigerian Manufacturing Development and Policies: An Overview

The Nigerian history is divided into three phases – pre-colonial, colonial, and post-colonial,

reflecting her industrial development stages as well. In the pre-colonial era, it is characterized by, first, some considerable crafts industries, such as wood, brass, bronze, leather, hand-woven textile etc., driven by the available materials in various regions determining their specialization, and second, the contact with the Europeans through the formal trade brought about by the sourcing for industrial raw materials from Nigeria. In this context, the industrial revolution in Europe partly orchestrated the search for inputs for mass production, and as such, made Nigeria (like other African states) be spotted as well as exposed to cash crops production, though without improved implements or technology. Nevertheless, the country appears not to leverage on the contact to further an inward advancement of technology via deliberate active efforts or transfer mechanism (Sule & Inedu, 2018).

Succeeding the pre-colonial is the colonial period. The distinctive feature of this era is the transformation of the industrial scene after the Second World War. Though the raw materials trade was boosted with a considerable increase in the number of the manufacturing companies, there was no targeted policy towards domesticating consumers' products, which the raw materials were used for, making the country to be import-dependent. Similarly, Nigeria was confronted with a low level of technology, a small number of indigenous human capital, and assembly-type industries. It implies that there is a technological, technical, and high-level manpower in the colonial era but without any drastic measures to mitigate them by the colonial regimes. Consequently, the independent government was bequeathed with a weak industrialized economy.

Therefore, the post-colonial administration (stated in 1963 first development plan) adoption of import-substitution industrialization (ISI) policy appears not as a surprise. No wonder, many scholars argue that ISI is aimed at reversing the import-dependent on consumer goods, technology and foreign exchange leakage prevalence in the colonial regime. ISI objectives were meant to change the Nigerian agrarian nature, make the prototype of foreign goods produced locally, and reduce the exchange rate burden. It is interesting to note that the policy increased the number of industries (medium and large scale), increase manufacturing sector contribution to GDP to 6.1 from 4.2 in 1964, but unable to establish linkage with agricultural sector, brought sporadic production system, and entrenched an effective technology transfer to the country.

Furthermore, the Nigerian industrialization drive was encapsulated in the second national development plan (1970-1975). The period was marked by a shift from the private to public-sector led industrialization due to the dearth of manpower and requisite skills required for a domestic investors' driven growth. While the basis for government participation seems logical or timely, the oil boom that fetched more income than the envisaged largely fueled the action, discouraging private investment engagement in the drive towards an industrialized economy (Nwaoba, 2016).

In addition, the enactment of indigenization decree (captured as Nigerian Enterprises Promotion Act) in 1972 and modified in 1977 further declined the number of private foreign investment while the Nigerian entrepreneurs were bereft of the technical knowledge and skills demands for the exclusive and joint-stock ownership for small and medium scale industries because of the existing deficiencies and lack of government rapid-onset actions in this regard, setting the manufacturing growth on the backward path.

After the fourth development plan failed to revamp the industrial sector, the Federal Government of Nigeria embraced the Brettonwood Institutions promoted Structural Adjustment Program (SAP) to overcome her developmental problems including industrialization. SAP is believed to have opened the door for private sector investments, liberalization, and privatization of many of the public corporations. Thus, it paves the way for sector-specific policies and measures, such as Bank of Industry established to facilitate the funding of industries, more importantly, the small and medium scale categories. Similarly, fiscal policies favorable to onshore manufacturing while discouraging the importation of consumers' finished goods, are adopted alongside positive-impacting monetary measures (Ezeonwuka, 2014). However, the significance of these appears insufficient, discernible from the current level of manufacturing performance, to transform the sector or position it as catalyst or engine that is capable of spurring a robust economic development due to myriad, and/or multi-dimensional bottlenecks. As such, circumventing these challenges is imperative for the emergence of a vibrant manufacturing sector.

Manufacturing Challenges in Nigeria: Panacea for Repositioning

The manufacturing industry in Nigeria is made up of sub-sectors, indicating its multi-sectoral linkages, and capacity for socio-economic advancement. The sub-sectors are Food and Beverages, Textiles, Apparels and Footwear, Chemical and Pharmaceutical Products, Plastic and Rubber, Non-Metallic Products, Wood and Wood Products, and Pulp, and Paper Products. However, the performance of the sector is criticized by operators and scholars as not commensurate with the country's resources endowment, and that the sector potentials are sometimes predicated on national or sector-specific predicaments. Hence, revamping the sector for meeting the contemporary development needs appears inexcusable. This section, in this regard, examines the challenges of the manufacturing sector in Nigeria, and more importantly, proffers appropriate and feasible solutions (Ishakq & Ogbanje, 2015).

Insecurity and Poor Political Governance

Safety of investment is a prime determining factor considered by investors in choosing of location. Hence, rarely is a country with a track record of security threats flourishing in the productive sector.

The Nigeria insecurity profile since independence has been on the negative side ranging from the military rule, civil war, religious clashes, ethnic rivalry, militia groups insurrections, such as Niger-Delta volunteer force, insurgency (Boko haram invasion of the north-east region in the present time), and pocket of kidnapping cases and civil unrest across the federating states. The prevalence of elements of unsecured society in Nigeria has influenced both the local and foreign investors' perception as an unsafe investment destination.

As a corollary, political governance, expected to redress the problem of insecurity, is another key factor that determines the extent of industrialization in a country. Though political governance is a non-economic determinant of investment location, a mechanism people use to protect their interest in social and economic exchanges. The definition indicates stakeholders' (citizens and corporate entities) interest considerations in terms of socio-economic welfare by the constituted authority in governance. The six political governance indicators are, voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality and rule of law, and control of corruption. However, the poor presence of these indices in Nigeria hampers the expansion and flourishing of the manufacturing in Nigeria. This is evidenced in the state of violence, poor manufacturing regulatory environment, and pervasive corruption in both the public and private sectors. And, to a large extent, occasioned the poor index records of Nigeria's ease of doing business in the global ranking, especially in protecting minority investors, despite its overall fifteen-step upward movement from 171 in 2018 to 157 in 2019 shown in Table 1.

Table 1: World Bank Doing Business Report 2019

Indicators	Ranking		Movement	Position in Sub-Saharan Africa*
	2019	2018		
Starting a Business	120	130	10 ↑	22
Dealing with construction permits	149	147	2 ↓	31
Getting electricity	171	172	1 ↑	33
Registering property	184	179	5 ↓	48
Getting credit	12	6	6 ↓	5
Protecting minority investors	38	33	5 ↓	5
Paying Taxing	157	171	14 ↑	28
Trading across border	182	183	1 ↑	42
Enforcing contracts	92	96	4 ↑	11
Resolving insolvency	149	145	4 ↓	32
Overall doing business ranking	146	145	1 ↓	22

Source: World Bank Doing Business Report 2019

To mitigate the hurting effects of insecurity and political governance, it is imperative to not only redesign the management of the security architecture but also strengthen the political institutions for the delivery of effective services. As it appears, making an all-inclusive government encompassing all ethnic groups to build fairness consciousness in every citizen; restructuring of the political structure to minimize central government overbearing power through constitution reform or amendment- enshrine true federalism with balance of power between the centre and the federating units -; entrenching a national value of patriotism alongside transparency via re-orientation and exemplary leadership to extenuate corruption; and, ending the Boko-haram insurgency, kidnapping, herdsman-farmers clashes through the employment of stick and carrot approach would, in no small measure, outwit these challenges. Consequently, the super-structure enabling foreground for the manufacturing thriving would be properly situated. Put differently, the existing and prospective manufacturers' non-economic investment determinants would be put in the right perspective (Eko, Utting, & Onun, 2013) in *Beyond Oil: Dual-Imperatives for diversifying the Nigerian Economy*.

Inadequate Financial Capital

Funding is a stymie to the manufacturing growth in Nigeria. Although financing is a common challenge to all categories of businesses in Nigeria (Micro, small, medium and large) across sectors, the weight on the manufacturing appears heavier because of the large capital requirement for acquisition of equipment and production inputs. Moreover, Nigeria's dependence on imported foreign technology requiring a foreign exchange, which most time is to the disadvantage of the local currency (Naira), often heightens the cost of production.

Nevertheless, government efforts to close the financial capital deficit through direct capital sector-specific supports or intervention appears as a potent way-out. This is a coeval of the big push theory thrust, which underscores government deliberate provision of necessary support to facilitate economic growth. In this context, increasing BOI capitalization to increase her capacity to fund more small or medium scale and extend its services to large manufactures seems a good starting point. Additionally, federal and state governments need to intentionally collaborate with the CBN, commercial banks, and micro-finance banks for intervention sector-specific funding channels to all sizes of manufacturing firms which would, to a large extent, close the financial gap, and empower small scale entrepreneurs as the bedrock of informal sector employer.

Infrastructural Deficit

Infrastructures are basic facilities on which the functioning of the society's socioeconomics is predicated. As such, they remain the underlying base for driving a productive-growth economic

development. The continuous decline of the critical infrastructures in Nigeria has almost been overstressed by researchers and industrialist, making highlighting of fixing as fundamental to enhance the performance of the manufacturing and other sector of the economy. Nigerian government should intensify efforts to promote infrastructural investment. Additively, table one shows the importance of electricity as part of ease of doing business indicators, though reflects a slight improvement, other infrastructures such as paved roads, good rail network, water, etc deplorable status are commonplace (Badal,2018).

However, to reverse infrastructural decadence, this paper advocates for the sustenance and consolidation of the electricity sector privatization with increase efforts for renewable energy sources in pursuit of a decarbonized society and the intent to wean-off government ownership in the three value chain – generation, transmission, and distribution, to fully entrenched a private sector management regime. Similarly, Public-Private Partnership (PPP) approach, which encompasses, build, use and transfer with either private or joint ownership arrangement needs be explored for infrastructures, such as road, rail or tourist centers, which appear not conducive or amenable to privatization reform mechanism (Mgbame, Donwa, & Ogbaisi, 2015).

Spatial Distribution Disparity

In essence, small towns adjoining most of the federating state capitals within the country are almost excluded from the national industrialization plan or strategy. This seems to portend an urbanized approach industrial drive, undermining the optimal exploration cum exploitation of natural resources and agro-allied potentials of the hinterlands. Therefore, aside from the over-concentration of attention on the cities raising the rural-urban migration number, the rural developmental concerns appear abandoned. While twenty-five Free Trade Zones (FTZ) licensed by the Federal Government for controlled industrialization environment are structured along specialized (that is oil and gas FTZ) and general (that is Nigerian Export Processing FTZ (NEPFTZ)), only less than thirteen are functional. By this, the resource-premised – oil and Gas FTZ - industrial cluster would have the highest number of those festering while NEPZA, design to grow the manufacturing within the urban or semi-urban locations are likely to constitute the chunk of the stranded (Ezeonwuka, 2014).

With the presence of these features in the Nigerian manufacturing sector, it is imperative to terminate its prolonged negative impacts. Thus, encouraging the location of light manufacturing by the government to promote industrial clusters, more importantly in a resource-based community noted for natural endowment or large-scale agricultural or artisan products is expedient. For example, a deliberate facilitation of food processing firms such as oil mills, juice factory, clusters with necessary ancillary factories in Benue State, noted as an agrarian state and food basket of

the state or promotion of quality leather products, such as shoes, bags, etc. in Aba, Abia State, known for leather products manufactured to meet the international standard, by joint efforts of the federal and state governments would generate more employment, promote backward and forward production linkages, trigger technology imitation and innovation, and intensify both domestic and export merchandise trade. Nevertheless, sustainable manufacturing should be the anchor and driver of this ambition (Mgbame, Donwa, & Ogbaisi, 2015).

Inconsistent Policy and Regulatory Environment

The policies affecting the manufacturing sector range from industrial to monetary to fiscal and to the general economy. For instance, Nigerian Export Promotion Commission (NEPC), and Nigerian Investment Promotion Commission (NIPC) functions affect the sector creating space for conflicting policies, more so in a country with records of inter-agency rivalry. Moreover, the Federal Ministry of Industry, Trade, and Investment oversees both parastatals despite possessing the power to pursue non-oil exports, investment attraction, entrepreneurial development and fostering industrialization. Is this not presenting the manufacturing has been overregulated? It somewhat suggests (Peace, Chijioke, & Scholastica, 2019).

Besides, the current direct monetary policy by the CBN operates under the influence of political considerations through the ministry of finance. This, perhaps, has accounted for the frequent interruption in the market-based exchange rate regime with its adverse effects on the manufacturing cross-border business transaction. Also, the fiscal policy measures comprising taxes and subsidies are employed by the government to generate income and control production respectively. In some instances, the subsidy is deployed purposively to protect on-shore industries through its rate increase.

The indication from the policy inconsistency suggests that the business environment is uncertain and unpredictable. This is because having a coordinated regulatory surrounding with a considerable predictability certainty appears as indispensable for the emergence of a virile manufacturing sector. Therefore, while the government endeavors to harmonize the functions and functionality of the concerned ministries and agency/parastatals, dynamism must be applying to the determination/application of the fiscal and monetary policy measures to address the manufacturing concerns, reflect internal economic realities, and external environment developments.

Conclusion

This paper has undertaken a critical analysis of Nigeria's mono-economy alongside offering practical panaceas to challenges bedeviling the manufacturing sector as a reliable alternative, in terms of diversification. This becomes imperatives to avert the likelihood of oil stranding with

its attendant economic risk capable of stultifying Nigeria's developmental aspiration. The work discovers that the Nigerian government abandonment of the agricultural sector following the discovery of oil instead of using it as a stepping stone to move-up to becoming an industrialized economy, and establish a linkage between both sectors accounted for the current mono-economy syndrome. This contrast the thrust of the two-sector theory. The impacts of dependence on oil revenue were assessed along with reasons why Nigeria must diversify away from reliance on crude oil revenue for economic growth and development. Oil as the basic resource product of Nigeria accounting for about the country's 90 percent of foreign exchange earnings was discussed.

Moreover, policies and measures deployed to reverse this trend have yielded negligible impacts. Nonetheless, manufacturing is imbued with a huge capacity for an enduring sustainable diversified economy, generate employment and foreign income. The manufacturing has a long-run significant effect on economic growth but government selective intervention plus the poor political environment is responsible for its underperformance. It is strongly believed that if measures articulated in this paper for the disturbing issues are accorded requisite actionable political courage and heartily implemented, the Nigeria manufacturing sector would both be invigorated to weather the storm of uncertainty threatening the oil and gas sector, and fructified optimally.

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