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Economic and Social Issues in
**POPULATION, ENVIRONMENT
AND SUSTAINABLE DEVELOPMENT**
In Nigeria

Editor: Ibitoye, O.A.

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The views expressed in this book are strictly those of the authors

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A RE-EXAMINATION OF AGRICULTURAL PERFORMANCE IN NIGERIA AND ITS POLICY IMPLICATIONS FOR DEVELOPMENT PLANNING

Dauda, R.O.S.

INTRODUCTION

Planning has been described as any systematic projection, over a period of years, of what is to be done with the economy, together with the outline of measures to be taken to bring about the result (Milikan, 1963). Development planning could be viewed as the methods or techniques through which the government manipulates the working of the state economy for the purpose of achieving predetermined goals. It is a dynamic instrument of change to assist the central authority assume a developed status of meeting the yearnings and aspirations of the people using its human and material resources. The rationale for good planning in the rural and agricultural sector arises from the fact that there is a great linkage between agricultural development, poverty and sustained economic growth.

Among the many difficult challenges facing Nigeria, the issues of poverty eradication and raising living standards are most critical. The reasons for this are not far-fetched: real wages have continued to fall drastically; mass poverty has increased both in relative and absolute terms; rural incomes are unable to rise in step with population growth due to stagnant or even declining agricultural productivity; formal employment opportunities remain scarce; and small-scale, informal enterprises are often unable to acquire a strong foothold in the market place. Unemployment rates are among the worst in the world.

Contributing to these and other problems is the lack of proper planning which fail to orientate all the different sectors of the economy towards the most efficient use of resources. Not only that the uncoordinated planning for agriculture vis-à-vis the rest of the economy has led to the obvious shortcomings in the role expected of agriculture in the general economic strategy. Though several criticisms have been made of the economic significance of agriculture in national development process. It is the contention of this paper that hunger, poverty and national production crisis have an inescapable linkage with agro-rural underdevelopment. The more efficient agriculture is made to be, the better it can perform its potential roles of providing sufficient food for a growing population and constituting a major source of foreign exchange earning from trade in exportable agricultural commodities on one the hand. On the other hand, agriculture is considered to be an effective instrument with whose aid it is possible to reduce underemployment, and as agriculture's contribution to the macroeconomic investment ratio increases, it will in the long run culminate in the growth of other sectors. According to Myrdal (1978), it is in the agricultural sector that the battle for long-term economic development will be won or lost. This paper upholds this view. This has been confirmed by FAO (1978), World Bank (1991) and several other independent researchers' works, Adekanye (1981); Akinbode, (1986).

In view of the foregoing, this paper combines theoretical, historical and statistical techniques to examine the agricultural development trend in Nigeria, and also demonstrate the relationship between agricultural performance and trends in living standards. The rest of the paper is structured as follows: Section two presents theoretical background and literature review. A retrospective appraisal of the trends of agricultural development is given in section three. Section four sheds light on the linkage between agricultural performance and poverty level. Summary, conclusion and policy recommendations are contained in section five.

THEORETICAL FRAMEWORK

Several theories and models that underscore the imperatives of agriculture in development process have amply been discussed in the literature. The dual economy model, developed by Joseph Boeke (1953) and popularized by Arthur Lewis (1954), pin-pointed the interdependence of the capitalist industrial sector and subsistence farming. The modern sector is market-oriented and uses considerable capital, equipment, and technology, while the subsistence sector produces for family consumption and relies on non-purchased inputs such as family labour and land for production. The subsistence sector is characterized by absence of savings and capital formation, resulting in an unlimited supply of labour in the agricultural sector with the marginal productivity, which equals zero. According to this school of thought, surplus labour is transferred to the modern sector and it was believed that this strategy would ensure cumulative growth of farmers income, employment and rapid structural transformation of the developing economies.

Ranis-Fei (1961) modified this model and emphasized that as development proceeded in the modern sector, a time would come when surplus labour would cease to exist in the subsistence sector. Though the dual economy models of development are intellectually illuminating, their usefulness, applicability and relevance are limited.

Schultz's (1964) high-input pay-off model also stressed the potential role of agriculture in development. In this framework, emphasis was laid on input prices as the chief factor in profitability and innovation essential for agricultural development. A strategic role is assigned to new, high-yielding input varieties, and educated rural labour. It was argued that agricultural modernization strategy must emphasize a price policy, which lowers input prices and raises those of output in an effort to obtain favorable input-output rate. It was noted that agricultural modernization couldn't proceed far unless there is investment in research to produce and disseminate inputs embodying low technology and in the education of rural people, on whom rests the task of allocating the resources for development. As a matter of fact, it is contended in this paper that deficiency in the development policy, which ignores investment in education to improve scientific understanding, the development of rural credit institutions, marketing arrangement, and market roads to farms, forms the bane of low agricultural productivity and development. This in turn has macro-economic implications, in that it exacerbates the problem of food insecurity, depletes the foreign exchange reserves and perpetuates the low level of underdevelopment.

In literature, efforts have been made to trace the sequence of agricultural transformation. For instance, in this regard, Timmer (1990), as cited in Chuta (1998), has identified four environmental phases. These are as follows: Mosher environment, which involves setting up appropriate institutional framework for getting agriculture moving, i.e. new technology, structure of markets, incentives and infrastructure; Johnston-Mellor environment aims at moving agriculture to contribute to growth-establishing market links with industry, improving factor markets and mobilizing rural resources; followed by Schultz and Ruttan, which underscores the integration of agriculture into the macro-economy via declining share of food in urban budgets, making agriculture efficient, reducing labour in agriculture and improving income distribution. Lastly, Gale Johnson environment focuses on the role of agriculture in industrialized economies such that agricultural labourforce drops to a fairly small proportion of overall the labourforce.

The implication of all this is that each environment calls for distinct policy measures to ensure that agriculture plays its role in the development process, namely: increase in food supply for domestic consumption, release of labour for industrial use, increase in size of market for individual foods, increase in domestic savings and increase in foreign exchange earnings (Chuta, 1998).

Within the Nigerian context, literature is replete on the role of agriculture in economic transformation and productivity. Ojo (1986) clearly posited that the agricultural sector has the largest potential for creating employment opportunities. He identified two strategies for employment promotion in the sector. The first step is to undertake a comprehensive modernization of the agricultural sector by boosting small-holder production. The second is to embark on special

development schemes, which are capable of substantial labour absorption. In the same vein, Famoriye (1996), Evbuomwan, (1995 and 1997), Olayide, (1972), emphasize the pivotal role of agriculture in structural transformation of the economy. Nyong (1998), by using an econometric procedure to determine factors responsible for agricultural productivity, found out that resource endowment, technical input and technology embodied in human capital are critical factors in productivity improvement in agriculture. His results conform to a prior economic theory. However, Chuta (1998) contends Nyongs findings, arguing that it does not tell us precisely what type of technical change is needed to raise productivity in a particular land use and ecological zone.

Most studies reviewed faulted the government's approach of designing agricultural policy. Adubi (1996: 364) aptly summarizes the general consensus of these studies that government approach to policy design is often macro, rather than micro, with little attention paid to the institutional mechanism required to facilitate micro level activities to be able to meet the macro objectives. Non-recognition of the peculiarities of small-scale farming has been largely responsible for failure of Nigerian agricultural policies. There is no doubt, however, that the problems of enhancing agricultural productivity are rather too complex to be resolved within a macro-economic model.

Adubi (1996) sought to know the extent to which economic reform programmes have influenced agricultural management. He noted that economic reform programmes carried out since independence till 1994 made a positive impact on the development of the agricultural sector. However, this impact was made insignificant by inflation that accompanied the deregulation of the foreign exchange market. He concluded that one noticeable flaw of previous government efforts is the fact that the sector is often treated in isolation and the problems are not treated in an integrated fashion to reflect the interlink between agricultural and other sectors.

Agricultural credit caught the attention of Geo-Jaja and Nwankwo (1998). Credit was identified as a significant factor for agricultural development. It was noted that agricultural underdevelopment is as much a result of inadequate credit facilities as that of the banks' mode of operation, as well as collateral requirements, which discriminate against and alienate the rural small-scale farmer. It was asserted that, thus far, establishment of banks' rural branches has not contributed significantly to agricultural transformation, but rather they are instruments used to redistribute income by siphoning rural deposits to the bourgeois class. However, several other studies have shown that when loans have been made to very small enterprises by the banks, the default rate has been very high. (Tella 1995). It is our opinion in this paper that the mere provision of agricultural credit or the elimination of farm credit bottlenecks cannot solve all the problems of increased agricultural development. Therefore, as succinctly expressed by Iniodu and Ukpak (1996), the provision of agricultural credit to rural farmers must be accompanied by the acquisition of capital inputs if increased productivity is to be achieved. In particular, rural farmers need to be educated in farm and financial management strategies and in the use of new and modern technology.

THE NIGERIAN AGRICULTURAL SECTOR: AN OVERVIEW OF POLICY ENVIRONMENT AND PERFORMANCE

This section briefly presents a review of agricultural components in national development plans in historical perspectives. An attempt is made to review some facts on agricultural indicators in order to assess the performance of this sector and the effectiveness of Nigerian agricultural policies.

The Pre-Independence and Post-Independence Plans (1946-56; 1962-68) hardly made any deliberate effort to provide a coherent agricultural policy. Conscious attempts were made not to promote the agricultural sector beyond the rudimentary stage. The primary (agricultural) export products from which Nigeria derived the bulk of her foreign exchange were merely exploited and processed under unfavourable terms of international trade (Bairoch, 1975: pp 126-8). The Second and Third National Development Plans (1970-74; 1995-80) brought changes in the country's

planning process and policies. Of immense importance is the high priority placed on agro-rural development. In view of its potential role in raising the quality of life of about 75% of the Nigerian people living in rural areas, policies that focused on increased agriculture production were put in place. A decentralized system of monitoring agriculture was adopted for the implementation of the various strategies within these plans. In this regard, various strategies, such as agricultural education, marketing pricing, establishment of farm settlement schemes, organizing farmers into cooperatives, providing credit facilities to farmers and research and extension services to rural areas etc, were implemented.

The period launched in era of governmental investments in the agro-rural development schemes such as the Operation Feed the Nation, the "Green Revolution", and the National Accelerated Food Production Programme (NAFPP) etc. The major weakness of the plans has been identified as their implicit assumption that agricultural development and rural development are synonymous. It is impossible to find in them an integrated programme to improve the welfare of the rural majority (Olatubosun 1975, pp. 68-69).

The outcome of the sectoral emphasis on developmental planning was, however, discouraging. There were increasing short-falls in food production, rise in prices of food stuffs and decreasing share of exports as a result of declining productivity. (Akinbode, 1986).

To bring about rural transformation and in pursuance of the objectives of the Fourth National Development Plan, which stresses the need to increase rural productivity and income through a sustained effort to raise agricultural productivity, provide basic human needs such as hygienic water supply, health facilities, access roads, electricity, etc.; in 1986, the Directorate for Food Roads and Rural Infrastructure was created. The fundamental philosophy was to "ensure a deeply-rooted and self-sustained development process based on effectively-mobilized mass participation starting from the grassroots and encompassing the entire nation". This strategy was clearly pursued further through the Better Life Programme. The programme was aimed at motivating the majority of the rural women to discover themselves, recognize new potentials and help improve themselves, their families and their immediate environment. Several other specific programmes and institutional reforms were carried out. These include ADP, NDE, etc (see Table 1 which depicts a picture of the various strategies adopted before and after 1985).

Table 1: Schematic Overview of Nigeria's Agricultural Programmes

Before 1985	After 1985
* Commodity Marketing Boards	* Directorate of Foods, Roads, and Rural Infrastructure
* The Farm Settlement Scheme	* Better Life Programme
* Research Stations	* School to Land Programme
* National Accelerated Food Production Programme	* National Directorate of Employment
* National Agricultural and Cooperative Bank	* National Fertilizer Company of Nigeria
* Operation Feed the Nation	* Establishment of Universities of Agriculture
* River Basin Development Authorities	* National Agricultural Land Development Authority
* National Seeds services	* Agricultural Development Projects
* Agricultural Credit Guarantee Scheme Fund	* Nigerian Agricultural Insurance Company
* Rural Banking Scheme	*
* The Green Revolution	*
* The Tractor Purchase Programme	*

Sources: Famoriyo (1996) Present and Future Management of Nigeria's Agricultural Economy in Conference Proceedings of Nigerian Economic Society, pp. 211-222.

Olayemi J.K. and Dittoh Saa (1995) Macro-economic Policies and Agricultural Sector in Macro-economic Policy Issues in an Open Developing Economy: A Case Study of Nigeria. Ed. by Akin Iwayemi

Despite the sound objectives of the programmes, the hopes that the agricultural sector would become an agent of growth where the vast majority of the rural dwellers would have benefited present a gloomy picture. Factors responsible for the failure of the previous projects could be identified as lack of commitment at the national level, lack of a consistent framework for the actualization of policy measures; rife conflicts due to duplication of efforts and corrupt practices.

We have so far considered the various agricultural reforms embarked upon by the Nigerian government. At this juncture, it would be helpful to present some indicators of agricultural performance during the period under review.

The findings in Table 2 to 4 simply demonstrated the "ineffectiveness and non-sustainability of Nigeria's agricultural reforms". From table 2, over a period of 27 years, it can be seen that government expenditure on agriculture continues to dwindle.

Table 2: Average Growth Rate Budget Performances in Agriculture

1971-1975	1976-1980	1981-1985	1986-1990	1991-1998
2.0	2.9	12.0	7.4	3.0

Sources: CBN, Annual Report and Statement of Accounts, various years.

Empirical evidence, as seen in Table 3, shows that data on indices of agricultural production in the sector recorded an average negative growth of about 2% during the period 1970-1980, and then rose to 2.6% in 1981-1985. Thereafter, the output growth rate increased to 10% in 1986-1990, but declined in the subsequent period of 1991-1998.

Table 4 shows agricultural sector output as proxied by its contribution to GDP, averaged 50.2% during the period 1960-1970. Thereafter, its contribution declined persistently, reaching a low average of 21.8% between 1976 and 1980, before an upward swing to 39.6% in 1981-1985. The contribution increased further to 41.2% in 1986-1990, following the introduction of SAP in 1986, but declined to 38.7% in subsequent periods.

Table 3 Average Growth Rate of Agricultural Output in Nigeria, 1970 to 1998

Types of Agricultural Activity

Period	Aggregate	Crops	Staples	Other Crops	Livestock	Fishery	Forestry
1970-1975	-2.9	-3.6	-4.4	2.1	-0.1	4.6	2.9
1976-1980	-2.3	-3.7	-6.7	4.1	-0.3	3.9	3.9
1981-1985	2.6	2.5	3.9	-0.3	7	-15	-1
1986-1990	10	12	13	7	9	5	3
1991-1998	4.5	5.9	6.5	2.9	1.7	4.2	1.6

Sources: CBN, Annual Report and Statement of Accounts, 2000.

Table 4 Agricultural Sector Contribution to Nigeria's GDP(%), 1971-1998

YEAR	SHARE OF SECTOR OUTPUT IN GDP AS A % OF TOTAL GDP
1971 – 1975	29.6
1976 – 1980	21.8
1981 – 1985	39.6
1986 – 1990	41.2
1991 – 1998	38.7

The above analysis rekindles our interest in the issues relating to the nexus between agricultural production performance and poverty levels in Nigeria, since the country is largely agrarian. The findings in Tables 5&6 indicate that poverty trends show similar trend with agricultural production and per capita real agricultural GDP during the same period. The real wage declined during the period. Although aggregate agricultural production increased marginally in the 1990s, by 1996, the index of per capita real GDP of agriculture was 10 percent points lower than 1970. It implies that the agricultural growth rate was lower than the population growth rate. Many studies carried out in Nigeria have established that there is a linkage between agricultural change and performance and trends in living standards (FOS, 1999). Several reasons have been adjudged for low agricultural

A Statistical analysis of 1996/97 National Consumer Survey with reference to 1980, 1985 and 1992 survey. Productivity. Among contemporary economists, low and declining investment allocation to agriculture is part of a broad critic of the poor growth in the sector. Trends in investment in allocation to agriculture have exhibited a long run decline. Over time, this led to a reduction in the agricultural stock. Net transfers from the public sector have constituted a major source of investment allocation to agriculture in Nigeria, but these declined significantly in the 1980's onwards as a result of economic crisis and fiscal reforms (Dike, 1999).

Considering the rapid population growth and the growing trend of poverty, the next section attempts to examine the causal relationship between poverty level and agricultural production performance.

Year	Real wage Rate	Index of Agric. Production	Agric. GDP (N Billion)	Per capital real Agri. GDP(N)	Agric capital expenditure as % total fed. Cap. Expenditure	Agric. GDP as % of total GDP	Index Per Capital Agric. GDP	Inflation Rate	Unemployment Rate
1980	214	92.5	22.5	550	4.9	23.4	117	9.9	6.4
1981	221	95.2	24.5	447	18.0	34.8	95	21	6.1
1982	205	98.3	25.1	492	7.7	35.8	91	7.0	6.5
1983	171	93.9	25.0	428	11.3	37.7	91	23.2	3.4
1984	121	100.0	31.1	392	5.3	49.4	83	39.6	6.2
1985	118	104.6	27.8	447	17.9	40.3	95	5.2	6.1
1986	17	108.3	30.4	471	4.1	42.8	100	5.4	5.3
1987	100	116.1	29.4	445	6.9	41.6	94	10.2	7
1988	79	138.5	32.3	473	7.9	41.5	100	56.1	5.3
1989	53	153.0	33.8	480	11.5	40.5	102	50.5	4.5
1990	4	167.5	35.8	489	6.6	39.6	104	7.5	3.5
1991	67	178.9	36.5	493	4.3	37.8	105	12.9	3.1
1992	45	200.0	37.3	498	2.4	38.5	106	44.6	3.4
1993	41	203.7	37.8	505	3.3	37.8	107	57.2	2.7
1994	40	209.7	38.6	512	3.1	38.1	109	57.0	2.0
1995	25	206.8	40.0	520	2.0	38.6	110	72.8	1.8
1996	18.7	224.8	41.7	568	2.5	39.0	120	29.3	3.4

Sources: FOS (1996) "Socio-Economic Profile of Nigeria", Lagos.

Central Bank of Nigeria. Annual Report and Statement

Table 6: Evolution of Poverty in Nigeria (Headcount Ratio %)

Year	Poor	Core Poor	Urban core Poor	Rural core poor
1990	28.1	6.2	3.0	6.5
1981	32	7.5	4.0	8.0
1982	35.5	8.8	4.8	9.8
1983	39.0	9.8	5.7	11.2
1984	43	11.0	6.8	13.0
1985	46.3	12.1	7.5	14.8
1986	46	12.3	8.0	14.9
1987	45.4	12.7	8.5	15.0
1988	45.0	13.0	9.0	15.2
1989	44.5	13.2	9.2	15.7
1990	44.0	13.5	9.5	15.8
1991	43.5	13.7	10.2	15.7
1992	42.7	13.9	10.7	15.8
1993	49.0	16.0	11.0	2.0
1994	54.7	21.8	14.0	24.2
1995	60.0	25.0	22.0	28.0
1996	65.6	29.3	25.2	31.6

Source: Adapted from table 5,6&7 of FOS (1999) Poverty profile for Nigeria:

**AGRICULTURAL PRODUCTION PERFORMANCE/POVERTY LINKAGES:
SOME REGRESSION RESULTS**

Data Sources and Model Specification

In this section, within the context of a rapid population growth and growing trend of poverty, attempt is made to go beyond theoretical postulates by demonstrating the relationship between the growing trend of poverty and agricultural production performance. Secondary data used here were collected from the Central Bank of Nigeria (CBN) and Federal Office of Statistics (FOS) publications. The annual data obtained runs from 1980 to 1996. It is worthwhile to mention that paucity of data makes it impossible to extend the scope of the study. The data analysis was performed using ordinary least squares regression model with real wage rate denoting the poverty level as the dependent variable. Factors hypothesized to influence the dependent variable are agricultural GDP (AGDP) and consumer price index (CPI). The expectation is that the agricultural GDP variable should show a negative and significant relationship with poverty level. The coefficient of Consumer price index is to show positive signs.

The relationship is specified as follows:

$$1/RW=f(AGDP, CPI)$$

The equation was thus of the form:

$$1/RW = b_0 + b_1AGDP + b_2CPI + U$$

where:

- 1/RW=Inverse of Real Wage Rate denoting the poverty
- AGDP = Agricultural GDP (N Billion)
- CPI Consumer Price Index
- U = Stochastic variable

Empirical Results and Analysis

Firstly, attempt is made to identify the contributions of the explanatory variables to the dependent variable. The result showed that there was a correlation between poverty level and agricultural GDP (AGDP), and consumer price index (CPI). The coefficients of the estimated equation have the right signs. It is indicated that consumer price index is positively related to poverty level while agricultural GDP as a measure of agricultural production performance is inversely related to poverty level. For instance, an increase in the AGDP decreases the poverty level, which conforms to our prior expectation. The result indicates that only agricultural GDP is significant at the conventional level of significance. Although the CPI is positively related to the poverty level, it is insignificant in this effect.

The main results of the study are summarized thus:

$$1/RW = 10.66 - 0.219 \text{ AGDP} + 0.058 \text{ CPI} + U$$

(2.147) (0.073) (0.063)

t^* 4.966 -2.998 0.921

$R^2 =$ 0.494 (49.4%)

Adjusted $R^2 =$ 0.421 (42.1%)

$F^* = 6.829$

$SE = 1.116$

$DW = 2.75$

The figures in the brackets are the standard errors of the coefficients.

The R^2 value, which ensures the goodness of fit of the equation, is satisfactory. The R^2 value stood at 49.4%. It shows that the explanatory variables explicate a significant proportion of the variations in the dependent variable, (1/RW). The overall regression is significant as indicated by the F-statistics. The Durbin-Watson test confirmed that there is no evidence of auto-correlation.

POLICY IMPLICATIONS FOR DEVELOPMENT PLANNING

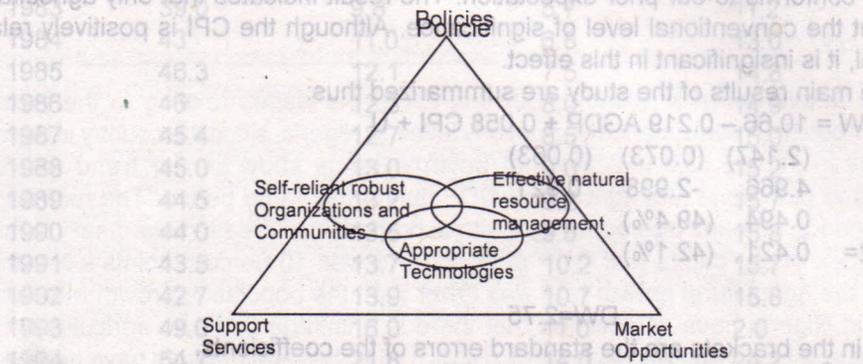
The policy implications of the findings of the study can be summarized thus: first, development planners need to refocus attention on the transformation of the agricultural sector. In spite of the theoreticians' view that the higher the level of the nations' economic development, the lower the share of agricultural sector's contribution to gross domestic product and also the lower the share of total labourforce engaged in agriculture, agriculture still has a crucial role to play in the national development process. At this stage of Nigeria's development, the agricultural sector still has the potential role of not only providing employment opportunities for the active labourforce, providing adequate food for a growing population, generating foreign exchange, but also in the production of raw materials and the release of surplus or under-utilized resources for use in the other sectors. The paper underscores the pivotal role of a meaningful agricultural planning which should be embarked upon within the broad framework of long-term or perspective planning. Agricultural development policy or strategy in Nigeria should, among other things, be aimed at identifying the problems of all stakeholders in the sector in order to know their areas of needs. Second, in the Nigerian context, the government has a significant role to play. To enhance agricultural development, it is pertinent to devise a decentralized "funding" system whereby about 3% of revenue generated at the local, state, and federal government levels must "compulsorily" be allocated in the form of investment in agricultural research and development, extension services, human capital and rural infrastructure. Government investments (both physical and human) can directly increase agricultural output by shifting the production frontier.

Third, one of the most important policy supports to agricultural productivity and transformation is to create a supportive business environment for the farmers through provision of loans at reasonable interest rates; liberalization of the agricultural export policies; giving of tax incentives to encourage foreign direct investment in the sector.

Within the African context, including Nigeria, the rigid indigenous land tenure system has been identified as a constraint to agricultural productivity. Institutional arrangements/reforms need

to be carried out to make the land tenureship systems more dynamic in nature and responsive to changes in the socio-economic environment. More lands should be made available to efficient producers.

Fourth, in order to promote agricultural development and to increase the income of majority in the rural areas, one cannot but agree and freely suggest the model by Carnage et al (1998:6) which depicts the nexus between all elements of sustainable agriculture-based rural livelihoods as shown in fig. 1 below. Figure 1. The Nexus between Elements of Sustainable Agriculture-Based Rural Livelihoods.



Identifying the key support of success is the first bold step in the model. The key elements are as follows: self reliant, robust rural organizations/communities, with a number of attributes usually associated with sustainable and self-reliant organizations, with 8-25 members, a clear written constitution with a set membership rules, broad objectives, clear member-driven objectives etc.; effective natural resource management; regenerative/appropriate technology that must be equally appropriate both to the users and to the situation if sustainability must be enhanced. There are also external elements that influence sustainability of local rural livelihood. They include policies, support services and market opportunities.

Policies: Sustainable agriculture-based rural livelihoods (SARLs) operate as within a wider policy environment. Government policies must identify the basic problems/needs of the beneficiaries in order to design proper measures of intervention.

Support Services: The various range of services provided by the public, private and non-governmental organizations influence SARL. But in order to receive appropriate and effective services, farmers and farmers' organizations must have the ability to question the actions of the service providers. This is possible only where participants are involved in the production and perpetuation of knowledge and power relations.

Market opportunities: This involves creating market opportunities that determine the type of activities undertaken by the organization to ensure its financial and economic survival. It is very clear from the above that the legal, financial, and decision-making mechanisms formulated for implementation of the scheme need to be effectively institutionalized. Lastly, since any meaningful agricultural transformation primarily implies economic betterment and social transformation of the rural dwellers, emphasis should also be placed on a wholistic development approach at the local/regional level.

CONCLUSION

In this paper, an attempt has been made to examine the economic significance of agriculture in the national development process and analyze the impact of agricultural development policies on the sector's performance since independence. In the process, the content and rationale of the policy to tackle the problem of low agricultural productivity and declining rural

productivity and income were discussed. The study recognized that unco-ordinated planning for agriculture, vis-à-vis the rest of the economy, has led to the obvious shortcomings in the expected role of agriculture in general economic strategy. The paper observed that, in the period under review, real wages continued to fall drastically, mass poverty increased, rural incomes are unable to rise in step with population growth rate due to declining agricultural productivity. It was argued that the government has a significant role to play. The paper offers recommendations that would enhance proper development planning, with a view to achieving 'sustainable' agricultural development, social welfare maximization and macro-economic stability.

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