

AGRIBUSINESS POLICY IMPLEMENTATION: WEALTH CREATION AND SUSTAINABLE DEVELOPMENT IN RURAL NIGERIA

¹REMIGIUS, EDWIN CHUKWUDINSO. ²EZEODILL-OTTI, VERA NKIRUKA and ³EMEBO, OLUCHUKWU SAMUEL

Department of Public Administration, Federal Polytechnic, Oko, Anambra state, Nigeria

Corresponding Author's email: edwinchukwudinsoremigius@gmail.com

Abstract

Agriculture, today, is the world's biggest employer and largest economic sector for many countries. Yet rural people who produce 80 percent of our food – make up four-fifths of the global poor Nigeria, Argentina, Angola, Algeria etc (WB 2022). The Nigeria government have tried many ways, initiated lots of policy and programmes which is aimed at restoring the country's agricultural sector to its pride (Adama and Ofiobor, 2016). Progressive development is an interest of every country. Advancement in development is an indicator of successful policy implementation. When policies are properly implemented it will create wealth that would sustain development in the state. This paper review literatures that have empirically show that policy implementation would enable wealth creation in our rural sector however the administrators not implementing policies, the public not showing interest in agriculture equally affected development in the state. The study adopted exploration method to make analysis. Source of data is secondary sources. The study review that the administrators at the local government do little or nothing to have policies implemented; the public lack interest in agriculture as a profession. The study recommends that the government should set a monitoring team that would ensure policy implementation. The citizens should have access to loan.

Keywords: Policy Implementation, Wealth Creation, Sustainable Development, Policy Implementation and Wealth Creation Issues.

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Introduction

Policy relates to political decision making generally at the level of the government. Policy analysis starts from the vague goals identified by the politicians and involves defining the problem, the objectives, the alternative means or courses of action, the availability of resources and the evaluation of effectiveness. The implementation stage of the policy process is usually critical for the success of policy initiatives. Implementation frequently ends up with unintended and unanticipated outcomes. Literature on implementation points to the complexity of the process and frequently faulty implementation:

"The implementation process is ... characterized by the maneuvering of a large number of semi-autonomous actors , each of which tries to gain access to program elements not under its own control while at the same time trying to extract better terms from other actors seeking access to elements that they do not control."(Bardach, 1977). Accelerated investment in sustainable agriculture and food systems, and in rural people is a proven accelerator of sustainable development that helps countries realize multiple SDGs: ending extreme poverty, hunger and malnutrition; promoting sustainable management of natural resources.

In Nigeria, there are four major sectors that contribute to the country's economy, which are petroleum/oil, services, manufacturing and agriculture ("Nigeria Economy". nigeria-consulate-frankfurt.de). The agricultural sector is then divided into crop production, forestry, livestock and fishing. The petroleum sector is the largest sources of public revenue and of the foreign exchange earnings for the country. The agricultural sector always has been the highest contributor to Nigeria GDP, followed by the petroleum industry, service and manufacturing. In 2013 the Agriculture sector contributed about 22% of Nigeria GDP while Crude Oil 14% telecommunication 9% and manufacturing 7% (US Department of State, 2014). Services, telecommunications, finance and construction contributes about 52% of the GDP, and at 2016 the agriculture sector contributed 24.18% of the GDP more than oil and manufacturing combined (CBN, 2016). This shows that agriculture is important and essential to the reviving and development of the Nigeria economy that is not doing well at present, and as well as in improving the living standard of the people. The federal government of Nigeria believes that revenue generation will help in growing of the economy and get Nigeria out of the current recession, if

areas such as Agriculture and manufacturing are concentrated on. The Nigeria government have tried different programmes and initiated different policies aiming at bring back the pride of the agricultural sector to the economy. The Nigeria agricultural sector used to be one of the pillars of the country's economy, achieved in a sustainable means, has lost its place. The different ways, policies and programmes put in place to promote investment and diversification in the agricultural sector have not been able to produce desired results (Ufiobor, 2017).

Despite the effort of the government coming up with policies that could boost agricultural practices which extend to the rural areas that were meant to sustain the economic viability of the state; is it that the local administrators that were meant to ensure the policy implementation were not doing what is expected of them; is it that the public interest is not keyed to the government policies of creating wealth in the rural areas or would it be that the policy implementation is ambiguous? This paper tries to review the scholars view on this issue. In addition this review is intended to be useful to policy makers as well as to add to the frontier of knowledge.

Conceptual framework

Policy Implementation

There is increasing demand by public officials to adopt evidence based implementation practices in various policy areas. This has contributed to an increasing focus on research based policy implementation dynamics (Saetren, 2005). More focus on policy creation and analysis than implementation (O'Toole, 2000). Many policies in the world have fallen short of achieving their intended objectives (Blanco-Mancilla, 2011; Polidano, 1999; Yanguas&Bukenya, 2016). Changes in policies and political regimes have not helped solve the problem either. The developing world continues to reign in poverty and inadequate social services Nigeria not exempted. Countries are unsuccessfully striving to shift in their stages of development without success. Policies to improve the wellbeing of the masses are often a failure or inappropriately implemented (O'Toole, 2000). It is clear that the practical world is in need of valid knowledge about policy implementation (Lester &Goggin, 1998; Blanco-Mancilla, 2011).Policy implementation would include leadership, communication and feedback mechanisms. Leadership is needed at all levels of the system for policy implementation. From a political perspective, the appropriate level of leadership is needed to reshape mandates, resources, structures and programmes.

Wealth Creation

Arrow et al. (2010) defined comprehensive wealth as “the social worth of an economy’s entire productive base,” which “consists of the entire range of factors that determine intergenerational well-being.”

Definitions of Types of Wealth Physical capital – Includes the stock of produced capital goods (i.e., buildings and equipment) used by firms to produce outputs; infrastructure used by firms and households to reduce costs of commerce (e.g., roads, bridges, waterways, telecommunication networks); and durable goods used by households for either production or consumption purposes (e.g., buildings, vehicles, household equipment). Natural capital – The stock of naturally occurring assets that yield a flow of valuable goods or services into the future (e.g., air, water, land, minerals, flora and fauna) (Costanza and Daly, 1992). Natural capital includes renewable natural resources such as ecosystems and non-renewable resources such as fossil fuel and mineral deposits. Financial capital – Money and other liquid financial assets (assets than can be readily sold and converted to money), such as stocks, bonds, futures contracts, and letters of credit, net of financial liabilities. Human capital – Human capital investments were defined by Becker (1993) as investments that “improve skills, knowledge, or health, and thereby raise money or psychic incomes” of people. Examples of human capital include the level of education, training, and health of workers. Intellectual capital – Knowledge and innovation. Unlike human capital, which is embodied in individuals, intellectual capital exists separately from individuals and is thus “nonrival” in nature, meaning its use by one agent does not reduce its availability to others (Romer, 1990). Examples include knowledge and innovations stored in books, articles, patents, etc. Social capital defined by Putnam (1993) as “features of social organization, such as networks, norms, and trust that facilitate coordination and cooperation for mutual benefit.” Examples include formal organizations and informal associations and networks, such as networks of migrant workers and the social relationships that bind them. Cultural capital defined by Flora and Flora (2004) as people understands of society and their role in it, values, symbols, and rituals. An example is the “Protestant work ethic,” which Weber (1905) argued was an important factor contributing to the rise of capitalism in the West. Political capital defined by Flora and Flora (2004) as “the ability of a group to influence the distribution of resources within a social unit.” An

example is the political strength held by farm lobbies and agribusiness companies in agricultural policy circles.

Sustainable Development

The Club of Rome was the first organization to use the term "sustainable" in its 1972 report on the 'The Limits to Growth', written by a group of scientists led by Dennis and Donella Meadows. Describing the desirable "state of global equilibrium", the authors wrote, "We are searching for a model output that represents a world system that is: 1. sustainable without sudden and uncontrolled collapse; and 2. capable of satisfying the basic material requirements of all of its people." But developing a world system where a state of equilibrium prevails requires balancing economic production, peoples' actions and desires, and nature's ability to renew depleted resources, when no one is able to determine the feasible rate of resource extraction or the actual rate of resource renewal or control people's actions. In 1987, the Brundtland Commission issued its report on the state of the world's environment and development, in which it used the term 'sustainable development' for the first time. The commission defined sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Michael Needham goes beyond this definition to say, sustainable development is "the ability to meet the needs of the present while contributing to [meeting] the future generations' needs." Therefore, sustainable development could be defined as "a pattern of economic growth in which resource use aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but also for generations to come."(MohamedRabie, 2016).

The UN declaration of the 2005 World Summit refers to the interdependent and mutually reinforcing pillars of sustainable development as economic development, social development, and environmental protection. However, the concept of social development is often referred to as 'human development.' Yet these pillars have largely been treated as separate spheres of life; an issue that need to be addressed to improve our chances of achieving sustainable development.

In the field of sustainable development, there are many major challenges to be addressed. They require us to re-think our economy and our growth in favor of a society that is more economical in its use of raw materials and energy. Some of these challenges include: threats to public health,

poverty, social exclusion, management of natural resources, and land use. In this context, sustainable development approaches are now essential obligations,” says the Legrand Group. The Legrand Group says, “The concept of sustainable development is based on a set of requirements. It must allow the basic needs of present and future generations to be fulfilled with regard to demographic constraints, such as: access to water, education, health, employment, and the fight against hunger.” The report argues further that development should aim to improve the quality of life, which involves easier access to medical care, social services and culture. (Mohamed Rabie 2016).

Buhari Administration Vision and Approach

The vision of the Buhari Administration for agriculture is to work with key stakeholders to build an agribusiness economy capable of delivering sustained prosperity by meeting domestic food security goals, generating exports, and supporting sustainable income and job growth. In this regard, a number of specific objectives for the period 2016 – 2020 emerge:

- Agriculture’s Share of GDP: 23% (Q1 2016)
- Agriculture’s Share of the Labor Force: 70%
- Agricultural Activity Mix: Crop Production: 85%; Livestock and other non-crop: 15%

2. Integrate agricultural commodity value chains into the broader supply chain of Nigerian and global industry, driving job growth, increasing the contribution of agriculture to wealth creation, and enhancing the capacity of the country to earn foreign exchange from agricultural exports;

- Agriculture’s Share of Non-Oil Exports Earnings: 75%

Promote the responsible use of land, water and other natural resources to create a vibrant agricultural sector offering employment and livelihood for a growing population;

4. Facilitate the government’s capacity to meet its obligations to Nigerians on food security, food safety and quality nutrition

- Agriculture’s Share of Federal Budget: 2.0%

5. Create a mechanism for improved governance of agriculture by the supervising institutions, and improving quality of engagement between the Federal and State Governments.

Issues that Hinders Agriculture as a Source of Wealth Creation in the Rural Area

Lack of Development

Lack of development in general is a problem when it comes to Agriculture in Nigeria. The lack of development include: social development (development relating her people and the country), economic development (development relating finance and wealth of the country), and environmental development (development relating to quality of the air, water, soil etc), and political development (development relating to political system). Identifying and tackling development constraints in the Nigeria agricultural system will help create a climate to improve performance, and will help promote and accelerate the growth in this sector. In (Oni, 2013) some of the main factors affecting development in Nigeria was discussed and some of these factors will be discussed briefly below.

Marketing problem

Marketing involves the conveying of agricultural product from farmers to consumers. Some of the problems of marketing affecting the Nigeria agricultural system include poor transportation means, poor packaging and poor quality. If you have poor packaging system (making product look good and attractive to customers) and your competitor have a better packaging system than you, then customers are more likely to buy from your competitor even if the qualities are the same. Good road are needed in order to effectively transport good from one place to another. Unfortunately, the overall marketing system of the country is primitive. Departments that have been assign to build road and railways for transportation takes many years and sometimes up to a decade to get a network constructed because of corruption. Even the little road and rail constructed normally crumbles due to poor maintenance (Oni, 2013).

Storage and processing

The lack of storage and processing facilities affect both national food security and household food security. Even when there is a lot of harvest and the production of farm product seem enough,

because of lack of good storage it will still lead to food scarcity as the food will not be available or be in a good condition when it's time for consumption. Good storage and processing are required to ensure that food is available in good condition when ever it's required. Simple and effective method for storing perishable food like tubers, fruits and vegetables are not really developed and well known in Nigeria when compare to that of grains (Oni, 2013). Storage is a problem for Nigeria as a large number of food produce perishes, because of the lack storage and processing facilities. The traditional methods of storage used contain flaws, like having low base, which therefore becomes easily accessible to rodent and having wooden floor which is an easy target for termite and also some of the storage are non-moisture proof surface which could get damage by water. Due to the inadequate storage and processing system, farmers' loss heavily and especially when it's time for profuse harvesting. Safe places to store product from farms are not efficient and are inadequate. Improved storage system and technique have been developed by experts from different institute but these systems have not been adopted and sometimes not even known to farmers.

Lack of good Infrastructure

In this case infrastructure will include physical structure, such as health and educational facilities, social services (stable electricity and safe water) and effective communication system. Agriculture in Nigeria suffers greatly because of the lack of developed infrastructure. For example in the rural area where most of the farmers operate without good infrastructure in place, is a major problem, as it affect investment, trade, and agricultural production. This problem is mostly caused by the government, as the government favours urban development over rural development by a great margin. The lack of infrastructure continues because of bad political leadership, poor governance, government neglect, poor maintenance culture and poor funding. Electricity, safe water and health facilities is often not enough for those living in the rural area, as the urban area is favoured more by the government. For example people living in the rural area can be without electricity for up to a week on a regular bases and even the urban area does not have stable electricity. Some places in the villages have one tap for water which does not always work because of lack of electricity, so water used in the farm and houses are gotten from the rivers, and this could take hours to fetch as the river could be far from the houses and the farms.

Unstable prices

One of the problems affecting external and internal investment in Nigeria is the escalating cost of important farm tools and machines. The average cost of tools and machine such as cutlass, hoe, tractors and combine harvester have been increasing for many years. These unstable prices are caused by the unstable macroeconomic policy which then lead to inflationary pressures and high interest rate and then lead to a volatile exchange rate (Oni, 2013). All these have the tendency to cause rising prices in fuel, transportation, farm inputs and therefore increase cost of production

Agricultural labour

The traditional system (farming system without the use of machine) used in Nigeria affects the use of farmland because of the availability of labour. In Nigeria the agriculture system is mainly done without machines and thus human labour becomes important in the production system, accounting for about 90% of the farm operations. While under a semi-mechanized system human labour is still up to 70% of the farm operations (NISER, 2001). So labour could be and is affected by the continuous migration of able bodied young men to the urban area which in turn causes labour shortages and in time when labour is required for land preparation and harvesting. The main cause of this migration is the perception by young men that farm labour cannot support them and their families (Chemonics, 2003).

Unlocking Nigeria Full Agricultural Potential

Unlocking full agricultural potential which has base in the rural areas requires that Nigeria solve the identified challenges in its agricultural system, through the following:

Policy Framework

Nigeria suffers from policy instability driven by high rate of turnover of programmes and personnel, which in turn has made the application of policy instruments unstable. The outcome is an uneven development pathway for agriculture; lack of policy accountability, transparency and due process of law, relating to wilful violation of the constitution and subsidiary legislations governing the agriculture sector. That in turn has made the business environment unpredictable and discourages investors. To address this challenge, Nigeria needs to create a policy structure

that matches evidence-driven coordination among decision-making authorities with common and public goals for an agricultural transformation of the country. Building that evidence base requires that Nigeria adopt a consistent fact base to drive decision making, as well as build on prior successes e.g. the Jonathan Administration's pioneering Agricultural Transformation Agenda (ATA).

Political Commitment

This pertains to the non-implementation of international protocols or conventions agreed to with other members of the comity of nations. For example, Nigeria has failed to achieve the targets in the Maputo Declaration that prescribes a minimum of 10% budgetary allocation to the agricultural sector. Political commitment at both the Federal and State levels will be required to enforce reforms.

Agricultural Technology

Persistent shortcomings of the National Agricultural Research System (NARS) to generate and commercialize new agricultural technologies that meet local market needs. NARS's challenges have been relatively severe particularly around improved varieties of seed or other planting materials and breeds of livestock and aquatic species. The failure to also deliver already proven technologies available on the shelf to farmers' fields where they are needed is a challenge. Addressing these will require better coordination among extension delivery system, the national agricultural research system, as well as public and private sector suppliers of agricultural inputs.

Infrastructure Deficit

Nigeria's agricultural sector suffers from an infrastructure challenge. Infrastructure such as motor roads, railroads or irrigation dams are either insufficient, or when available, not cost competitive. They are thus unable to operate to support scale-driven agriculture. That imposes an added cost (up to 50% - 100%) on the delivered price of agricultural produce in Nigeria, making it uncompetitive compared to global peers. In order to boost farm productivity, raise the level of marketable surplus and expand value chain participants' access to low cost infrastructure, Nigeria will need to rethink the business and operating model for agricultural infrastructure (FAO, 2016).

Finance and Risk Management

Nigeria's agriculture sector continues to have poor access to financial services that enable farmers and other agricultural producers to adopt new technologies, improve market linkages, and increase their resilience to economic shocks. Poor access to financial services that enable input suppliers, processors, traders and others in agribusiness to address liquidity and encourage targeted private sector engagement in agriculture remains a challenge. Lending rates still routinely range from 10% to 30% subject to whether the borrower is considered prime, has access to low cost, government-provided financing (BoA, CBN, BOI), or is offered a NIRSAL Plc. -financed interest rate subsidy and credit guarantee. To improve financing options and de-risk value chains further, Nigeria will need to intensify innovation in financing ecosystems (FAO, 2016).

Institutional Reform and Realignment

Today, many federal and state agricultural institutions only exist on paper. In fact, the system even ignores local government areas which are actually where a majority of activity takes place. There is a need to streamline, clarify mandates and ensure continued accountability for results. Unless these issues are tackled, Nigeria will continue to struggle with the capacity of its agricultural institutions to deliver on their public mandates. A turnaround will mean, for example, adding more resources such as adding up to 15,000 extension workers, setting up more operational coordination mechanisms between the Federal Government and States in between the National Council of Agriculture, and linking rewards to performance.

Conclusion

Within this overall set of policy principles, the Federal Government will concentrate on providing an enabling environment for stakeholders at federal, state, and local level to play their distinctive roles. The policy emphasis will be on providing a revamping legislative and agricultural knowledge framework, macro policies, and security enhancing physical infrastructure sand institutional mechanisms for coordination and enhancing access to adequate inputs, finance information on innovation, agricultural services and markets.

Recommendations

The reviewed study recommends the following:

1. Policies that create a transparent, liquid market for agricultural land, improving likelihood of land being used as collateral.
2. Policy implementers should be properly taught on how to pursue policy implementation.
3. There is lack of interest from the teeming youths in the rural areas for not been encouraged by the government especially in the area of not having access to loan.
4. The study reveals that there are no much effort by the local administrators to support agricultural practices in a mechanized form.

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