

**AGRICULTURAL FUNDING AS A MEASURES TO
NIGERIA ECONOMIC DIVERSIFICATION**

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(B. Sc. ECONOMICS)

DEPARTMENT OF ECONOMICS

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MANAGEMENT AND SOCIAL SCIENCES IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE AWARD OF BACHELORS OF SCIENCE (BSc.) DEGREE
IN ECONOMICS.**

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**SUPERVISED BY
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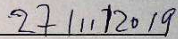
NOVEMBER, 2019

DECLARATION

I, certify that this project work is carried out by Isah Abdul'aziz, of the Department of Economics Federal University Gusau, is an embodiment of original work and has not been submitted in part or full to this university or any higher institution of learning.



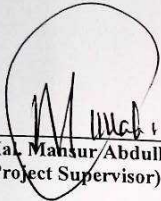
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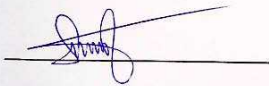
CERTIFICATION

The project work titled AGRICULTUAL FUNDING AS A MEASURES TO NIGERIA ECONOMIC DIVERSIFICATION, carried out by Isah Abdul'aziz meets the requirements governing the award of Bachelor Of Science Economics of Federal University Gusau, and is approved for its contribution to knowledge and literary presentation.



Ma. Mansur/Abdullahi
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Dr. Dahiru Sulaiman
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11/2/2019
Date

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Date

(External Examiner)

Date

DEDICATION

This project work is dedicated to Almighty Allah (S.W) for His Blessings, Guidance and Mercies over me.

ACKNOWLEDGEMENT

I am most grateful to Allah for making it possible for me to accomplish this work successfully.

I would like to express my deepest gratitude to my project supervisor, Mal. Mansur Abdullahi for his dedication and fatherly treatments over the ideas and suggestions he shared with me. I thank you from the bottom of my heart for all the support which are difficult to express in words.

My deepest appreciation goes to my parent and my senior brother in the name of Sani Abdul'aziz for their financial and the moral support throughout my life I pray that Allah will reward them abundantly. I am grateful to my friends, Abdullahi Hashimu, Bello Attahiru, Ibrahim Jinjiri, Abubakar Yusuf for their support and advice toward this work.

I would also like to thanks my HOD Dr. Dahiru Sulaiman and the entire staff of the Economic Department for their countless supports and advice.

It gives me pleasure to express my sense of gratitude to my parent cousins more especially Kabiru Jibril, Falalu Abdullahi, Alh Bala Jibril for their constant encouragement and advice, you people are great blessing to me, may Allah give you what you want.

ABSTRACT

The study analyzed the Agricultural funding as a measures to Nigeria economic diversification, the population used in this study was 100 staff of the ministry of agriculture Zamfara state. The research design used for this study was descriptive research. Data collected from all the respondents, because the population is small, the researcher adopted the random sampling technique to successfully complete the study data collected were analyzed using frequencies and percentages. Interpretation and analysis of data was also used to describe items in tables and charts used for this study. Data for this study was collected from the respondents through the use of questionnaires. Questionnaires were shared to all 100 respondents of the organization, and field surveys through responses to questions in the questionnaire served as the main source of primary data for this study. Other information was collected from textbooks, journals etc. The study showed that Agricultural funding has considerable impact on the Nigeria economic diversification. It was therefore, recommended by the researcher that Federal government should revive all the agricultural research institutes, school of agriculture, and reintroduce farm settlements and other river basin authorities to encourage massive production of agricultural produce.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

As global oil prices continue to fall sharply over the past 18 months, from November 2015 to April 2017 Nigerians for an economy that is largely dependent on oil needs not be told that tough times beckon. Thus we must recognize the urgency and severity of the matter. As a matter of fact, all efforts must be geared and directed towards the rejected difficulties, which must now become the chief corner stone as a means to set the nation's economy on a path of rebirth and recovery. Setting the nation's economy on the path of rebirth and recovery requires a complete shift of attention back to the Agricultural sector as the only way out of this difficult question. Ogben, 2016.

Before the discovery of oil in 1956 in Nigeria, Nigeria was famous in her agrarian economy through which cash crops like palm produce, cocoa, rubber, timber, ground nuts, were exported, thus making Nigeria a major exporter in that respect. Also, Nigeria had 19 million heads of cattle, the largest in Africa. At present, Nigeria is no longer a major producer of groundnuts (peanuts), rubber, and palm oil. Cocoa production, mostly from obsolete varieties and overage trees, has nevertheless increased from around 180,000 tons annually to 350,000 tons. Undoubtedly, the discovery of crude oil has contributed and assisted Nigeria's economic prosperity and growth. Nevertheless, the current from dling in oil price since June 2014, after five years of oil windfall, has immensely affected the economy of major oil exporters like Nigeria, Saudi Arabia, Iraq and Libya, etc. as was majorly aggravated by Middle East unrest and wars. Another huge blow to crude oil exporters was America's reduction in the number of barrels they import from nations. These factors have created a bad market for Nigeria and thus, her economy is presently shaking.

This scenario is worsening by Nigeria's running mono-economic economy and the abandonment of agriculture. The adverse effect of this boom and euphoria led to the establishment of new urban cities that necessitated mass exodus of able-bodied men and women from the rural areas to the cities in search of white-collar jobs and quick money. This development drastically reduced interest in agriculture and agrarian economy. (Ariyo, 1997). Agricultural sector has been the leading provider of employment in Nigeria since the sixties and seventies, when the sector provided employment for more than 70 percent of the Nigerian population. Unfortunately, in the wake of oil discovery, the attention on this sector of the economy was gradually and myopically shifted to the oil sector where employment opportunities were very low and the traditional agricultural exports have been on a progressive decline. Regrettably, the scenario has given rise to acute unemployment as oil sector could only employ limited number of the population and worse still, only experts. Navigating these roads thus should begin a journey to revisit the pre-oil boom years. In the 1960's, the Agricultural sector was the most important one in terms of its contribution to domestic production, employment and foreign exchange earnings. During the oil boom decade of the 1970's the sector remained largely stagnated and this accounts largely for the declining share of its contribution these days. Onikosi, 2015

1.2 STATEMENT OF THE PROBLEM

Options for diversifying an economy abound, such as agriculture, entertainment, financial services, industrialization, information and communication technology, tourism, mining, etc. However, it is worthy to note that country-specific circumstances ought to as a matter of necessity, be considered. This is cogent, since due to structural differences, a model that fits an economy perfectly well may prove irrelevant in another. With a major objective of diversifying the productive base of the Nigerian economy with a view to reducing dependence on the oil sector, this study zero in on 'agriculture' as imperatives. The choice of this approach is informed

by Developmental Policy in Nigeria and the huge successes recorded by some Asian countries— which are collectively referred to as ‘Asian Tigers’—in applying these imperative, as well as the fact that these countries were basically at the same level of national development with Nigeria, at the time of their respective take-off and still share certain similarities with Nigeria. The effects of diversification in an economy (Eko, et al. 2015).

1.3 RESEARCH QUESTIONS

- 1 What are the benefits accruing from the diversification of the Nigerian economy?
- 2 What are the prospects of agricultural funding in the diversification of the Nigerian economy?
- 3 What is the contribution of agriculture in the growth and development of the Nigerian economy?

1.4 OBJECTIVES OF THE STUDY

Broad objective of this research is to determine the impact of agricultural funding as a tool for economic diversification.

The following are the specific objectives:

- 1 To examine the benefits accruing from the diversification of the Nigerian economy.
- 2 To determine the prospects of agricultural funding in the diversification of the Nigerian economy.
- 3 To determine the contribution of agriculture to the growth and development of the Nigerian economy.

1.5 SIGNIFICANCE OF THE STUDY

The following are the significance of this study:

- 1 The results of this study will educate the general public on approaches by which agricultural funding can be used as a tool for the diversification of the Nigerian economy.

2 This research will be a contribution to the body of literature in the area of the effect of personality trait on student's academic performance, thereby constituting the empirical literature for future research in the subject area.

1.6 SCOPE AND LIMITATIONS OF THE STUDY

This study will cover the effect of agricultural funding on the diversification of the Nigerian economy from 2015 to 2019.

Financial constraint- Insufficient fund tends to impede the efficiency of the researcher in sourcing for the relevant materials, literature or information and in the process of data collection (internet, questionnaire and interview).

Time constraint- The researcher will simultaneously engage in this study with other academic work. This consequently will cut down on the time devoted for the research work.

1.7 ORGANIZATION OF CHAPTERS

The study is organized into five chapters: chapter one contains background of the study, statement of the problem, research questions, objectives of the study, significance of the study, scope and limitation of the study, organization of chapter. Chapter two will captures literature review and theoretical framework, Conceptual literature, empirical literature, theoretical framework. Chapter three will present methodology, research design, population and sampling, method of data collection, technique of data analysis, model specification. Chapter four contains data presentation and analysis, result and discussion, hypothesis testing. Chapter five contains summary and conclusion, summary of the major findings, conclusion and recommendations.

CHAPTER TWO

THEORETICAL FRAMEWORK AND LITERATURE REVIEW

2.0 INTRODUCTION

This chapter gives an insight into various studies conducted by outstanding researchers, as well as explained terminologies with regards to agricultural funding as a measure to Nigeria economic diversification. The chapter also gives a brief history and present status of the problem delineated by a concise review of previous studies into closely related problems.

2.1 CONCEPTUAL LITERATURE

2.1.1 ECONOMIC DIVERSIFICATION IN NIGERIA

A survey of the international scene of developing countries shows that governments of various Less Developed Countries (LDCs) have engaged in varieties of strategies and programmes in order to develop their economies and achieve sustainable growth. This programme is referred to, in economic parlance, as 'instruments of national policy. They include the establishment of public organizations that take different legal and organizational structures, different managerial patterns and different sets of relationships with governments to understand and to review the different means by which they can achieve sustainable development in their countries with the limited resources at their disposal. The global financial and economic crisis has revealed Africa's vulnerability to external economic shocks because of Africa's effort to meet the millennium development goals by 2015. Economic diversification which demands active participation in wide range of sectors, and firmly integrated into different regions, are better able to generate robust growth and great potential to increase Africa's resilience and contribute to achieving and sustaining long economic growth and development in the continent.

A strong growing sustainable economy is the goal of every nation in the world. However, scholars agree that economic development has been very slow on the African continent. Hyden (2015) notes: Despite its riches, African countries have not been very successful in wooing investors to the continent. A significant bottleneck for economic development in many countries of the region is its poor physical infrastructure. Essential services such as electric power, water, roads, railways, ports, and communications have been neglected, especially in the rural areas. The most important things to reiterate about the region's economy are that it remains undeveloped and is becoming increasingly marginalized in a competitive global economy where other developing regions are making the fastest headway. Africa continues to rely on exporting primary commodities. It cannot generate enough investment capital from within and is largely failing to attract foreign investments. Without exaggerating, it is a well-known fact that Nigeria ranks among the most richly endowed nations of the world in terms of natural, mineral and human resources. Nigeria has a variety of both renewable and non-renewable resources, some of which have not yet been effectively tapped. Solar energy, probably the most extensive of the underutilized renewable resources, is likely to remain untapped for some time, and the vast reserves of natural gas produced with crude oil have yet to be fully utilized (Akpan,2013&Olumola,2011).

Before the discovery of oil in 1956 in Nigeria, Nigeria was famous in her agrarian economy through which cash crops like palm produce, cocoa, rubber, timber, ground nuts, were exported, thus making Nigeria a major exporter in that respect. Also, Nigeria had 19 million heads of cattle, the largest in Africa. At present, Nigeria is no longer a major producer of groundnuts (peanuts), rubber, and palm oil. Cocoa production, mostly from obsolete varieties and overage trees, has nevertheless increased from around 180,000 tons annually to 350,000 tons. Undoubtedly, the discovery of crude oil has contributed and assisted Nigeria's economic prosperity and growth.

Nevertheless, the current dwindling in oil price since June 2014, after five years of oil windfall, has immensely affected the economy of major oil exporters like Nigeria, Saudi Arabia, Iraq and Libya, etc. as was majorly aggravated by Middle East unrest and wars. Another huge blow to crude oil exporters was America's reduction in the number of barrels they import from nations. These factors have created a bad market for Nigeria and thus, her economy is presently shaking. This scenario is worsening by Nigeria's running mono-economic economy and the abandonment of agriculture.

Thus today, agriculture has suffered from long years of neglect, mismanagement, inconsistent and poorly conceived government policies, lack of government meaningful incentive to farmers, lack of basic infrastructure and a lot of bureaucratic bottlenecks in executing policies and agricultural programmes among government agencies (Ariyo, 2016). This research however, attempts to seek out how diversification of the economy will enhance stable and viable economic growth in Nigeria.

2.2 REVIEW OF LITERATURE

2.2.1 THE ROLE OF AGRICULTURE IN THE NIGERIAN ECONOMY

Agriculture is one of the important sectors of Nigeria's economy. Its role in economic development cannot be overemphasized. The history of agriculture can be traced back to, at-least to the mid-eighteenth century, and which was central to the early development of the analytical economics by Adam Smith, David Richardo, and Thomas Malthius, typically some 40 to 60 percent of the national income is produced in agriculture and from 50 to 80 percent of the labour force is engaged in agricultural production.

However, agriculture has four major roles to play in economic development. These are, to increase the supply of food for domestic consumption, to release labour for industrial output, to increase the supply of domestic savings and to earn foreign exchange. The final role, that is the

earn foreign exchange implies that the country is open to international trade.

Notwithstanding the roles of agriculture in the country's economy, agriculture is encountering a lot of problems, which lead to decline and poor performance in agricultural sector. These problems include lack of fund: inadequacies in the supply and use of farm inputs, unfavorable macro-economic policy; land constraints; poor post-harvest technology; environmental hazards; disease and pest infestation; labor constraints; low rate of adoption of appropriate technology; transportation; low income earning etc., in fact agriculture in Nigeria is caught in a low level of equilibrium trap.

In the past, attention given to agriculture by government was not encouraging. Farming was pushed to the background and farmers were not introduced to the modern method of farming which would have gone a long way in helping to boost agriculture. Until 1976, during the first Obasanjo regime, alteration was beginning to be given to agriculture with launching of operation feed the Nation (OFN). The idea behind OFN was that all Nigerians should join hands together to produce food for ourselves and the nation. Ever since then, successive governments have followed with different programmes all aiming at developing agriculture and agricultural projects. Moreso, government has shown great concern in this wise idea with the establishment of Nigerian Agricultural and co-operative Bank Ltd. (NACB). This bank, which is an apex up to grant agricultural credit to the agricultural and agro-allied sector of the Nigerian economy. This is carried out through the provision of loans to individuals, co-operatives organizations, limited liability companies, state and federal government agencies.

2.2.2 Agricultural Growth

Nigeria is fortunate to have an abundance of fertile soil along with a climate suitable for agriculture. There is also a supply of human resources that could benefit from having the

agricultural sector to work in. As stated above, Nigeria can join the league of economically developed nations by focusing on the improvement of its agricultural sector. A recent group study (Diao, Xinshen, Hazell, Peter & Thurlow, 2014) examined the effect of other channels of growth on the decrease in poverty and the overall growth rate in six low-income countries of Africa. The findings of that research can be applicable to Nigeria as well. According to the study, industrial growth is less effective in reducing poverty than agricultural growth because a major percentage of the population (about 70%) live in rural areas. The agricultural sector is favourable as it allows greater employment opportunities for the poor. It was also noted by Diao et al that even though the industrial sector is important for boosting the economy, it fails to create sufficient employment opportunities for the poor and unskilled workers. In addition, the study stated that there was little evidence to prove that African countries could launch a successful economic transformation without going through an agricultural revolution on a country-wide basis.

2.2.3 Agriculture/ Nigerian Economy

Nigeria has an abundance of material and human resources. The country is divided into three main regions; the Eastern, Western and Northern regions. The Northern region of Nigeria is the largest of the three. It contributes the most to the agricultural sector. A study identified that the main problems of Nigeria stem from the fact that they are unable to access the natural and human resources (Muhammed, &Atte, 2015). In the study, Muhammed et al observed growth in many different sub sectors of agriculture and their contribution to the Nigerian economy during the years 1981 to 2003. They also identified the various factors that have an impact on the national agricultural production in Nigeria. They specifically examined the sectors of crops, livestock, fishery and forest. The factors that were examined included population growth rate, GDP growth rate, consumer price index, food import values and the expenditure of government on the

agricultural sector. Land, labour and machinery; which are equally important factors were not included in the analysis. In his study, Muhammed *et al.*, found that a negative coefficient exists between the values of food imports. This means that whenever food import in the country increases, national agricultural production tends to decline. Other variables in the study had a positive coefficient leading to the notion that any increase in the variable will result in an increase in the national agricultural production (2015). Muhammad *et al* however, did not examine the amount of output and its contribution to the GDP. He also failed to observe whether this amount was sufficient to instigate a transformation in the economy of Nigeria. One may also wonder how much more the government needs to allot to agriculture expenditure to yield a certain amount of agricultural output. Moreover, there is also a need to further investigate whether allocating such an amount in the existing budget is feasible or not. In case of a lack of availability of funds, further study needs to be carried out to find whether acquiring foreign aid to fund the agricultural sector will be a sensible decision or not.

2.3 THEORETICAL FRAMEWORK

This section of the work deals with a brief review of economic growth theory and recent related studies. The review was taken in order to gain more insight into the scope of the research in the related field.

2.3.1 The Neo-Classical Growth Model (NGM)

To understand the neo-Classical growth Model, it will be judicious to first comprehend the meaning of economic growth. Economic growth is simply one of the four macroeconomic goals of any society. Simply defined, it refers to the increase overtime of an economy's capacity to produce those goods and services needed to improve the wellbeing of the citizen in increasing

numbers and diversity. It is the steady process by which the production capacity of the economy is increased overtime to bring about rising levels of national income (Todaro and Smith 2009). Thus, this research employs the neo-classical growth model to gain more insight into the scope of the work.

The neo-classical growth mode attributed essentially to the works of Robert Solow attempted to correct a major defect of the Harrod-Domar growth model, that defect being the rigidity of the model imparted to it by the underlying Leontief type production function. This type of production is characterized by fixed capital labour proportions. This fixity eliminates the possibility of increasing output by increasing the supply of one factor alone. In other words, the scope of factor substitution (diversification) is zero implying the impossibility of factor substitution.

It is this defect inherent in the Harrod-Domar growth model that the neo-classical growth model proceeded to redress. In doing this, the assumption of a Leontief type production function was dropped and replaced by a more realistic production function characterized by well behaved negatively sloping isogants. This production function was considered more realistic as it recognized the possibility of factor substitution. The elegance of this production function was its permission of a variation in the capital output ratio k . Thus, an inequality between s/k and n i.e. $s/k = n$ could be corrected by an alteration in k . Hence for example, $s/k > n$ implies that the capital stock grows at a slower rate than the labour force. When this happens, the capital output ratio, k will fall thus raising s/k and restoring the equality of s/k and n in the process. Conversely, $s/k < n$ implies that the capital stock growth rate outstrips the labour force growth rate as well as the output growth rate. The resulting rise in the capital-output ratio k will bring about a fall in the s/k output growth rate. The resulting rise in the capital-output ratio k will bring about a fall in the s/k ratio thus again restoring the equality between s/k and n . Therefore, the neo-classical growth

model as opposed to its Harrod-Domar growth model counterpart thrives on the possibility of correcting any discrepancy between the warranted and natural growth rates through changes in capital output ratio, k . Like the Harrod-Domar growth model, the neo-classical growth model implies that the part and speed of an economy's growth are endogenous policy variables that are within the ambit of policy makers and not homogenous policy. This therefore, implies that Nigerian policy makers should make every urgent effort to encourage diversification of our resources (endogenous) and not encouraging mono-economy which is (homogenous).

2.4 EMPIRICAL LITERATURE

Studies and mathematical models have shown that maintaining a well- diversified economy will yield the most cost-effective level of risk reduction and economic growth in a country. Samuelson (2016) in describing economic diversification as an act of investing in a variety of assets, mentioned its benefit as that which reduces risk especially in the time of recession, inflation, deflation etc. Economic diversification strives to smooth out unsystematic risk events in a portfolio so that the positive performance of some investments will neutralize the negative performance of others. An empirical example relating economic diversification to risk reduction and economic growth was a research carried out by Elton and Gruber (2014).

They worked out an empirical example of the gains from economic diversification. Their approach was to consider a population of 3,290 securities available for possible inclusion in a portfolio, and to consider the average risk over all possible randomly chosen n -asset portfolios with equal amounts held in each included asset, for various values of n . Their result shows that most of the gains from diversification come for $n \leq 30$ which indicates continuous economic growth.

Number of Stocks in Portfolio	Average Standard Deviation of Annual Portfolio Returns	Ratio of Portfolio Standard Deviation to Standard Deviation of a Single Stock
1	49.24%	1.00
2	37.36	0.76
4	29.69	0.60
6	26.64	0.54
8	24.98	0.51
10	23.93	0.49
20	21.68	0.44
30	20.87	0.42
40	20.46	0.42
50	20.20	0.41
400	19.29	0.39
500	19.27	0.39
1000	19.21	0.39

Source: [http://en.wikipedia.org/wiki/diversification_\(finance\)](http://en.wikipedia.org/wiki/diversification_(finance))

Oliner and Sichel (2014), Jorgenson and Stiroh (2014) and Whelan (2014) used endogenous growth model to study the implication of growth rebound in the US economy. Their findings support the assertion of improving economic diversification through other means like information technology which they see as the main sources of the rebound; hence the role of technological progress in agriculture cannot be underestimated. Other researchers like Young (2016) applied the same framework and discovered that the higher growth of output in the newly industrialized countries of East Asia than the rest of the world is almost entirely due to rising in economic diversification which increases labour force participation and empowerment in labour quality (through knowledge accumulation) and not attributable to rapid technological progress.

Adebayo (2015) noted this when he said that the neglect of agriculture and the rural economy and the concentration of economic activity in the oil sector was the cause of the current scarcity of raw materials, which has led to heavy imports of raw materials and foodstuff.

Muttaka (2015) examined the effect of Nigeria's oil dependency on economic growth. He observed that Nigeria has wasted much of its opportunities to break away from underdevelopment despite its massive natural and human resources endowment due to heavy reliance on her huge crude oil resources, regrettably mismanaged, as the major source of revenue. He identified and discussed on some key drivers of economic diversification such as investment, governance and regional dimensions of economic diversification as well as human and natural resources. He maintained that of all the other drivers, good governance remains a prerequisite in building an enabling environment for such diversification. Onucheyo (2017) earlier predicted the fall in oil prices, when he pointed out that in the 21st century nuclear, solar, geothermal and other energy sources will be sufficiently developed to meet most of the world's energy requirements. A situation which, according to Onucheyo, raises fears for Nigeria's oil powered monocultural economy. Onucheyo maintained that Nigeria's position in the 21st century will not depend on its oil, but the development of its agricultural sector and related human resources.

Egunjobi (2015) assessed the impact of urban unemployment on economic growth using co-integration and the error correction mechanisms. The research was of the opinion that income, government expenditure and investment in human resources had direct impact while urban-unemployment rate had an indirect impact on economic growth. Hence, he recommended investment in human resources. Nonetheless, this research has really filled a knowledge gap by studying two important macroeconomic variables: agriculture and human resources/capital management in Nigeria with neo-classical model of growth which concentrates on various

activities that will continually raise potential output, causing a shift in the long run aggregate supply. The theory has, in addition, demonstrated that capital deepening in one sector alone cannot lead to continual shifts in the potential output in the long run. Other researches already carried out were done with variables like agriculture or human resources separately, but this study has filled a gap by combining the two variables. Hence, agriculture and human resources management is needed to compliment capital for the inducement of growth in the long run and increase in the standard of living.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Methodology

This chapter will states the various methods that is going to use in the research, as well as the population of the study, and sampling techniques in determining the sample size for the research. How data will collect and analyze is also discusses in this chapter.

The main objectives of this research are achieve through quantitative methods, as inferential statistics are use to measure the level of accuracy and validate responses from the respondents in accordance to the objectives of the research.

3.2 RESEARCH DESIGN

The research design will going to use for this study is the descriptive research design. Since data characteristics are describe using frequencies and percentages, and no manipulations of data or variables are necessary, the researcher chose this research design. The researcher will discarded other alternatives such as the causal and explanatory research designs, because accurate findings and data analysis June could not be achieve.

3.3 POPULATION AND SAMPLING

Population of a study comprises the staff of the ministry of agriculture in Zamfara state. According to the register of staff, ministry of agriculture has a number of two hundred staff. In which simple random sampling was used to select one hundred respondents.

3.4 METHOD OF DATA COLLECTION

Data for this study collected from the respondents through the use of questionnaires. Questionnaires which was distributed to 100 respondents of the ministry, and field surveys

through responses to questions in the questionnaire served as the main source of primary data for this study. Other information will be collected from text books, journals and other secondary sources of data.

3.5 TECHNIQUES OF DATA ANALYSIS

Various analytical tools and software such as pie charts, bar charts, tables, and Statistical Package for Social Science (SPSS) software are used in analyzing data for this study.

Data collected would be analyzed using frequencies and percentages. These frequencies and percentages enabled the researcher to clearly represent true data characteristics and findings with a great deal of accuracy. Interpretation and analysis of data is also used to describe items in tables and charts used for this.

3.6 MODEL SPECIFICATION

The main aim of this study is to examine the effect or relationship between agricultural funding and Nigeria economic diversification. The model is adopted from a simple open macroeconomic model employed by Boboye and Ojo, (2014). The model is specified as

follows:

X= score of each question

N=total sample size and

P%=the percentage arrived at and hence the formula. Also, the chi-square (χ^2) test was employed to test the validity of the hypothesis and then a meaningful conclusion was drawn. This was carried out using the chi-square formula; Where

O=Observed frequency

E=Expected frequency

Σ = Summation

The test was done at 5% significance level with a degree of freedom given as $V = (R - C) (C - 1)$.

Where:

R = the number of rows and

C = the number of columns

H₀: Agricultural funding is not a measure to Nigeria's economic diversification.

H₁: Agricultural funding is a measure to Nigeria's economic diversification.

Level of significance: 0.05

Conclusions is drawn base on the decision rule that accepts the null hypothesis (H₀) and reject the alternative hypothesis (H₁) if the x calculated is less than x tabulated. On the other hand we shall accept the alternative hypothesis (H₁) and reject the null hypothesis (H₀) if x calculated is greater than x tabulated at 5% level of significance.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

Cumulative this chapter is devoted to the presentation, analysis and interpretation of the data gathered in the course of this study. The data are based on the number of copies of the questionnaire completed and returned by the respondents. The data are presented in tables and the analysis is done using the chi-square test.

4.1 RESULT AND DISCUSSION

The results presented below were gathered during field work:

BIO DATA OF RESPONDENTS

Table 1 sex of respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	65	64.5	64.5	64.5
	female	35	35.5	35.5	100.0
	Total	100	100.0	100.0	

Source: field Survey, 2019.

Table 1 above shows the gender distribution of the respondents used for this study.

65 respondents which represent 64.5 percent of the population are male while the remaining 35 respondents which represent 35.5 percent of the population are female.

Table 2 age grade of respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-30 years	10	9.4	9.4	9.4

31-40 years	18	18.8	18.8	28.1
41-50 years	25	25.0	25.0	53.1
51-60 years	31	31.2	31.2	84.4
Above 60 years	16	15.6	15.6	100.0
Total	100	100.0	100.0	

Source: field Survey, 2019.

Table 2 above shows the age grade of the respondents used for this study.

10 respondents which represent 9.4 percent of the population are 18-30 yrs. 18 respondents which represent 18.8 percent of the population are between 31-40 yrs. 25 respondents which represent 25.0 percent of the population are between 41-50 yrs. 31 respondents which represent 31.2 percent of the population are between 51-60 yrs while the remaining 16 respondents which represent 15.6 percent of the population are above 60 yrs.

Table 3 educational qualification of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary	13	12.5	12.5	12.5
	Secondary	31	31.2	31.2	43.8
	Tertiary	31	31.2	31.2	75.0
	OTHERS	25	25.0	25.0	100.0
	Total	100	100.0	100.0	

Source: field Survey, 2019.

Table 3 above shows the educational background of the respondents used for this study.

Out of the total number of 100 respondents, 13 respondents which represent 12.5 percent of the population are primary certificate holders. 31 respondents which represent 31.2 percent of the population are secondary certificate, that is WASSCE/NECO holders. 31 respondents which represent 31.2 percent of the population are tertiary certificate, that is OND/HND/BSC holders.

While the remaining 25 respondents which represent 21.0 percent of the population had other types of certificates.

Table 4 Marital status of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	single	31	31.2	31.2	31.2
	married	63	62.5	62.5	93.8
	divorced	3	3.1	3.1	96.9
	widowed	3	3.1	3.1	100.0
	Total	100	100.0	100.0	

Source: field Survey, 2019.

Table 4 above shows the marital status of the respondents used for this study.

Out of the total number of 100 respondents, 31 respondents which represent 31.2 percent of the population are single. 63 respondents which represent 62.5 percent of the population are married. 3 respondent which represent 3.1 percent of the population is divorced while the remaining 3 respondent which represent 3.1 percent of the population is widowed.

Table 5 position of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	junior staff	63	62.5	62.5	62.5
	senior staff	37	37.5	37.5	100.0
	Total	100	100.0	100.0	

Source: field Survey, 2019.

Table 5 above shows the level or position of respondents used for this study.

Out of the 100 respondents, 63 which represent 62.5 percent of the population are junior staff while 37 which represent 37.5 percent of the population are senior staff.

Table 6 years of service of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-2 years	25	25.0	25.0	
	3-5 years	31	31.2	31.2	25.0
	6-11 years	31	31.2	31.2	56.2
	above 12 years	13	12.5	12.5	87.5
	Total	100	100.0	100.0	100.0

Source: field Survey, 2019.

Table 6 above shows the years of experience of the respondents used for this study.

Out of the 100 respondents, 25 which represent 25.0percent of the population have had 0-2yrs experience at work.32 which represent 31.2 percent of the population have had 3-5yrs experience.31 which represent 31.2percent of the population have had 6-11yrs experience while the remaining 13 which represent 12.5 percent of the population have had more than 12yrs experience.

TABLES BASED ON RESEARCH QUESTIONS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	57	56.2	56.2	56.2
	agree	31	31.2	31.2	87.5
	undecided	6	6.2	6.2	93.8
	disagree	6	6.2	6.2	100.0
	Total	100	100.0	100.0	

Source: field Survey, 2019.

Table 7 above shows the responses of respondents that agriculture is a major source income. 57 respondents which represent 56.2 percent of the population strongly agreed that agriculture is a major source income.31respondents which represent 31.2 percent of the population agreed that agriculture is a major source of economic income. 6 respondents representing 6.2 percent of the

population are undecided while the remaining 6 respondents which represent 6.2 percent of the population disagreed that agriculture is a major source of economic income.

Table 8 AGRICULTURE IS UNDER FUNDED IN NIGERIA

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	50	50.0	50.0	50.0
	agree	31	31.2	31.2	81.2
	undecided	13	12.5	12.5	93.8
	disagree	6	6.2	6.2	100.0
	Total	100	100.0	100.0	

Source: field Survey, 2019.

Table 8 above shows the responses of respondents that agriculture is underfunded in Nigeria. 50 respondents which represent 50.0 percent of the population strongly agreed that agriculture is underfunded in Nigeria. 31 respondents which represent 31.2 percent of the population agreed that agriculture is underfunded in Nigeria. 13 respondents representing 12.5 percent of the population are undecided while the remaining 6 respondents which represent 6.2 percent of the population disagreed that achieving sustainable peace would enhance economic development.

Table 9 EFFECTIVE AGRICULTURAL FUNDING WOULD IMPROVE ECONOMIC DIVERSIFICATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	31	31.2	31.2	31.2
	agree	60	59.4	59.4	90.6
	undecided	6	6.2	6.2	96.9

strongly disagree	3	3.1	3.1	100.0
Total	100	100.0	100.0	

Source: field Survey, 2019.

Table 9 above shows the responses of respondents that effective agricultural funding would improve economic diversification.

31 respondents which represent 31.2 percent of the population strongly agreed that effective agricultural funding would improve economic diversification.60 respondents which represent 59.4 percent of the population agreed that effective agricultural funding would improve economic diversification.6 respondents representing 6.2 percent of the population are undecided while the remaining 3 respondent which represent 3.1 percent of the population disagreed that effective agricultural funding would improve economic diversification.

Table 10 AGRICULTURAL FUNDING IS A MEASURES TO NIGERIA ECONOMIC DIVERSIFICATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	50	50.0	50.0	50.0
	agree	31	31.2	31.2	81.2
	undecided	13	12.5	12.5	93.8
	disagree	6	6.2	6.2	100.0
	Total	100	100.0	100.0	

Source: field Survey, 2019.

Table 10 above shows the responses of respondents that agricultural funding is a measures to Nigeria economic diversification.

50 respondents which represent 50.0 percent of the population strongly agreed that agricultural funding is a measure to Nigeria economic diversification. 31 respondents which represent 31.2 percent of the population agreed that agricultural funding is a measure to Nigeria economic diversification. 13 respondents representing 12.5 percent of the population are undecided while the remaining 6 respondents which represent 6.2 percent of the population disagreed that agricultural funding is a measure to Nigeria economic diversification.

4.2 HYPOTHESIS TESTING

The H_0 : Agricultural funding is not a measure to Nigeria's economy diversification.

H_1 : Agricultural funding is a measure to Nigeria's economy diversification.

Level of significance: 0.05

Decision rule: reject the null hypothesis if the p-value is less than the level of significance.

Test Statistics	
	Agricultural funding is a measure to Nigeria's economy diversification
Chi-Square	15.000 ^a
Df	3
Asymp. Sig.	.002

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 8.0.

Conclusion based on the decision rule:

Since the p-value (0.002) is less than the level of significance (0.05), we reject the null hypothesis and accept the alternative thereby concluding that agricultural funding is a measure to Nigeria's economy diversification.

CHAPTER FIVE

SUMMARY AND CONCLUSION

This chapter was discussed under the following sub headings;

- ✓ Summary
- ✓ Conclusion
- ✓ Recommendation

5.1 SUMMARY OF THE MAJOR FINDINGS

The chapter summarized the entire write up (chapter 1-5), conclusion was made based on the existing gap and recommendations were made based on the challenges.

The summary of the major findings is base on the following objectives

1. To examines the benefits accruing from the diversification of the Nigerian economy.
2. To determine the prospects of agricultural funding in the diversification of the Nigerian economy.
3. To determine the contribution of agriculture in the growth and development of the Nigerian economy.

Findings from the study revealed that majority of the respondents are of the opinion that agriculture is a major source of economic income and that effective agricultural funding would improve economic diversification.

5.2 CONCLUSION

From this presentation, a careful reader would observe that any government that runs a mono-economy is announcing her economic obituary. Therefore, the only thing that will save Nigeria

from her economic crisis now or in future is the diversification of her economy. Equally, government must have the political will to do the needful and develop a heterogeneous economy. The clarion call for diversification should not only be government's responsibility. Other stake holders must cooperate and collaborate with the government to make this dream come true. Lastly, if Nigeria diversifies her economy, I postulate that it will increase her GDP and IGR for sustainable development.

5.3 RECOMMENDATIONS

Having seen the gross problem caused by the neglects of agriculture and poor human resource management in Nigeria, which have engendered the dwindling of the Nigerian economy, it becomes therefore, necessary to offer some recommendations that will be pivotal to the change of the status quo.

1. Nigerian government, at all levels, should urgently create an enabling environment that will favour diversification of the economy that will de-emphasize mono-economy system and pay more attention to heterogeneous economy.
2. There is an urgent need to establish a working and functional bank of agriculture or any micro finance bank that will be exclusively for farmers for easy access of soft loans. Government should create a special grant solely for genuine farmers.
3. To make agriculture attractive, government should, as a matter of concern, put in place policies that will favour subsidy for agriculture. The implication is that government should incentivize farmers and subsidize their produce.

4. Many farmers in Nigeria are still making use of crude and un-mechanized methods that favour low productivity. Therefore, there is an urgent need to introduce at all levels mechanized system of agriculture to increase productivity and to reduce strenuous human labour.
5. Federal government should revive all the agricultural research institutes, school of agriculture, and reintroduce farm settlements and other river basin authorities to encourage massive production of agricultural produce.
6. Government should Endeavour to give scholarships to all those who are interested in studying agriculture to enhance human capital.
7. Government should discourage politicizing implementation of agricultural projects, especially where some politicians hijack the system against the genuine farmers by creating unnecessary bureaucratic bottlenecks.
8. Government should partner with media houses to promote agricultural programmes that will inculcate in the Nigerian youths the value and importance of agriculture.
9. Government should introduce agricultural science as an obligatory subject in secondary schools and could offer first class students scholarship to universities to boost interest in agriculture.
10. Government should Endeavour to provide intermittently courses, capacity building, training and retraining in agriculture for professional development.
11. Government should package programmes in agriculture to be attractive and have the political will to pay attractive salaries to workers.

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APPENDIX I

QUESTIONNAIRE ADMINISTRATION

Department of economics

Dear, Respondents,

I am an undergraduate student of federal university Gusau, Zamfara State. Conducting research on the agricultural funding is a measure to Nigeria economic diversification.

It will be most appreciated if you kindly respond to the attached questionnaire. The information provided will be used strictly for academic purpose and will be handling without most confidentially.

INSTRUCTION: Please endeavor to complete the questionnaire by ticking the correct answer (s) from the options or supply the information where necessary.

1. Gender

a. Male

b. Female

2. Age range

a. 18-30

b. 31-40

c. 41-50

d. 51-60

e. Above 60

3. Educational qualificatio

- a. Primary
- b. Secondary
- c. Tertiary
-

d. Others

4. Marital Status

- a. Single
- b. Married
- c. Divorced
- d. Widowed

5. Years of service/experience

- a. 0-2yrs
- b. 3-5yrs
- c. 6-8yrs
- d. 9-11yrs
- e. 11-13yrs
- f. Above 13yrs

6. Position/Staff Level

- a. Junior Staff
- b. Senior Staff

SECTION B

7. Agriculture is a major source of income.

- a. Strongly agreed
- b. Agreed
- c. Undecided
- d. Disagreed
- e. Strongly disagreed

8. Agriculture is under-funded in Nigeria.

- a. Strongly agreed
- b. Agreed
- c. Undecided
- d. Disagreed
- e. Strongly disagreed

9. Effective agricultural funding would improve economic diversification.

- a. Strongly agreed
- b. Agreed
- c. Undecided
- d. Disagreed
- e. Strongly disagreed

10. Agricultural funding is a measure to Nigeria economic diversification.

- a. Strongly agreed
- b. Agreed
- c. Undecided
- d. Disagreed
- e. Strongly disagreed