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Sustaining the Millennium Development Goals (MDGs) in Nigeria - The Need for Economic Diversification

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Abstract

This paper discussed and overviewed the MDGs as well as reviewed the Nigerian economy. It also surmised salient issues contained in the MDGs report for 2010 as it affects Nigeria with a view to elucidating those issues that are pertinent in diversifying the economy and bringing to focus the drawbacks and strengths of the MDGs and their sustainability. The Nigerian economy is still mono-cultural. Diversification of the Nigerian economy will provide a platform to engage the development process for actualizing the MDGs. However, the situation in Nigeria indicates that there are challenges in meeting the goals by 2015 going by the present economic indices where oil revenue contributes 97.5% of export and 81% of the national budget. The MDGs should not be mistaken with Vision 20:20:20 which remains an indigenous phenomenon. It is only in a diversified economy that MDGs can been attained and once attained to a reasonable extent, the nation is on its sure way to joining the 20 most vibrant and stable economies of the world. There is therefore, the urgent need to consciously drift the economy from its present mono-sector dependence to a multi-sector dependence. Achieving the MDGs will be a mirage unless the economy is revitalized and strengthened through diversification. Drawing from the forgoing, the researchers recommended among others the urgent need for Nigeria to pursue vigorously her diversification efforts in order to fully develop her ability to revamp employment opportunities through non-oil industry sectors such as agriculture, manufacturing, distribution in whole sale and retail, entrepreneurship development, transportation, services, etc. By this, manufacturing and production sectors which are presently comatose would be revitalized, while ensuring the promotion of inter-sectoral linkages so as to reaping the optimal benefit of diversification.

KEYWORDS: Millennium Development Goals, Nigerian Economy, Economic Diversification, Multi-sector Dependence, entrepreneurship development, Revitalized, Inter-sectoral Linkages

Introduction

Nigeria is a country in West Africa, on the Gulf of Guinea, south of Niger, and became an independent member of the British Commonwealth in 1960. It has a population of 138,283,240 (2008 estimate), and occupies an area of 923,768 sq km/356,669 sq mi. (Microsoft Encarta, 2009)

The Millennium Development Goals (MDGs) are eight international development goals that all 192 United Nations member states and at least 23 international organizations have agreed to achieve by the year 2015, during the millennium summit in 2001. In the summit, which had Nigeria as a member nation and participant, it was noted that more than a billion people in the world still in acute poverty and suffer grossly due to inadequate resources and insufficient services such as education and health. The MDGs aim to spur development by improving social and economic conditions in the world poorest countries.

The Millennium Development Goals (MDGs) established a unifying set of developmental objectives for the global community. Bringing together United Nations agencies, governments and civil society around eight key development issues, the MDGs foster collaborative action to reduce poverty, improve health and address educational and environmental concerns around the world's most pressing development problems. The MDGs are specifically designed to address the needs of the world's poorest citizens and the world's most marginalized populations (Enger and Smith 2006).

Opinions are divided as to the achievability of the set goals and the implementation targets going by the mono dependence on oil. For instance, Az-Zubair (2010) disclosed that with the amount of money running into several billions of Naira that has been pumped into it and the strict monitoring from government agencies, Nigeria is among the nations making reasonable progress in that direction. However, going by the observations of Olubosi (2010) that Nigeria's rich environmental resource base is being undermined by deforestation (3.5% per annum), erosion, desertification, gas flare and oil pollution while access to safe drinking water is improving but access to sanitation is still low while housing has reached a crisis point with only 31.0% having secured tenure, there is a problem of reconciliation between both claims. In corroboration, Tsan (2010) writes that maternal mortality remains a daunting challenge to Nigeria. For instance, against a global target of less than 75/100,000LB in 2015, Nigeria presently has 800/100,000 LB. With this scenario, it will be difficult for the intellectuals to reach a consensus as to the achievability of the MDGs. Muo and Okeke (2007) criticized the Nigerian economy to be mono-cultural, moving from over dependence on agriculture to over dependence on crude oil. The researchers feel that achieving the MDGs will be a mirage unless the economy is revitalized and strengthened through diversification

Overview of the Nigerian Economy

The Nigerian Economy has undergone fundamental and structural changes over the last four decades. However, the National Bureau of Statistics NBS (1996) disclosed that such changes did not result in any appreciable and sustained economic growth and development. The economy which was largely at a rudimentary stage of development in the first half of the last century started experiencing some structural transformation immediately after the independence in 1960. Through out this period, agriculture was the core of economic activities in Nigeria while tourism, mining, manufacturing etc were at their lowest ebb. (FRN, 1996).

As at 1960, agriculture was the dominant sector in Nigerian economy, contributing about 70% of GDP, employing about the same percentage of the working population, and accounting for about 90% of foreign exchange earning and Federal government revenue (Adedipe, 2004). Sadly, he

continued, the pattern changed when the oil suddenly became strategic importance to the world economy through its supply-price nexus, neglecting other sectors such as entrepreneurship, distribution (wholesale and retail trade), manufacturing, agriculture, tourism, services etc. According to FRN (1996), the manufacturing sector became more vulnerable when floating exchange rate policy was adopted in Nigeria through the Structural adjustment Programme (SAP). The objective of diversifying the economic base through the expansion of the manufacturing sector vis-à-vis diversification into export products (and others) is yet to be achieved in Nigeria.

Millennium Development Goals (MDGs)

World leaders gathered at the Millennium Summit in New York in September 2000 adopted an ambitious set of goals aimed at achieving measurable progress towards reducing poverty and improving human well-being across the globe. There is growing international concern that while Africa has made some modest progress in a few areas, it will not be able to even approach the Millennium Development Goals (MDGs) by the target year of 2015 — unless both African countries and the international community mobilize far more efforts and resources. The MDGs are to:

- Eradicate extreme poverty and hunger
- Achieve Universal Primary Education
- Promote gender equality and empower women
- Reduce child mortality ratio
- Improve material health
- Combat HIV/AIDS, malaria and other diseases
- Develop a global partnership for development

The aim of the Millennium Development Goals (MDGs) is to encourage development by improving social and economic conditions in the world's poorest countries. They derive from earlier international development targets, and were officially established following the Millennium Summit in 2000, where all world leaders present adopted the United Nations Millennium Declaration from which the eight goals were derived by a group headed by Jeffery Sachs.

The approval of the MDGs was possibly the main outcome of the Millennium Summit. In the area of peace and security, the adoption of the Brahimi Report was seen as properly equipping the organization to carry out the mandates given by the Security Council.

Ideas Behind the MDGs

The Millennium Development Goals (MDGs) originated from the Millennium produced by the United Nations. The Declaration asserts that every individual has the right to dignity, freedom, equality, a basic standard of living that includes freedom from hunger and violence, and encourages tolerance and solidarity. The MDGs were made to operationalize these ideas by setting targets and indicators for poverty reduction in order to achieve the rights set forth in the Declaration on a set fifteen-year timeline. (Denuelin and Shahani, 2009)

The MDGs focus on three major areas of Human Development (Humanity): bolstering human capital, improving infrastructure, and increasing social, economic and political rights, with the majority of the focus going towards increasing basic standards of living. In a report by Haines and Cassels (2004), the objectives chosen within the human capital focus include improving nutrition, healthcare (including reducing levels of child mortality, HIV/AIDS, tuberculosis and malaria, and increasing reproductive health, and education. For the infrastructure focus, the objectives include improving infrastructure

through increasing access to safe drinking water, energy and modern information/communication technology; amplifying farm outputs through sustainable practices; improving transportation infrastructure; and preserving the environment. Lastly, for the social, economic and political rights focus, the objectives include empowering women, reducing violence, increasing political voice, ensuring equal access to public services, and increasing security of property rights. The goals chosen were intended to increase an individual's human capabilities and "advance the means to a productive life". The MDGs emphasize that individual policies needed to achieve these goals should be tailored to individual country's needs; therefore most policy suggestions are general. (UN, 2006)

The MDGs also emphasize the role of developed countries in aiding developing countries, as outlined in Goal Eight. Goal Eight sets objectives and targets for developed countries to achieve a "global partnership for development" by supporting fair trade, debt relief for developing nations, increasing aid and access to affordable essential medicines, and encouraging technology transfer. Thus developing nations, according to are not seen as left to achieve the MDGs on their own, but as a partner in the developing-developed compact to reduce world poverty.

Drawbacks of the MDGs

The impediments on the track of the attainment of the MDGs, in the opinion of Denuelin and Shahani (2009) include the lack of analytical power and justification behind the chosen objectives. The MDGs leave out important ideals, such as the lack of strong objectives and indicators for equality, which is considered by many scholars to be a major flaw of the MDGs due to the disparities of progress towards poverty reduction between groups within nations. The MDGs also lack a focus on local participation and empowerment (excluding women's empowerment) [Deneulin & Shahani 2009]. Again, the MDGs lack an emphasis on sustainability, making their future after 2015 questionable. Thus, while the MDGs are a tool for tracking progress toward basic poverty reduction and provide a very basic policy road map to achieving these goals, they do not capture all elements needed to achieve the ideals set out in the Millennium Declaration (Kaber, 2010)

Another criticism of the MDGs is the difficulty or lack of measurements for some of the goals. For instance, Attaran (2005) argues that goals related to maternal mortality, malaria and tuberculosis are in practice impossible to measure and that current UN estimates do not have scientifically and empirically validity. Household surveys are often used by the UN organizations to estimate data for the health MDGs as according to him, these surveys have been argued to be poor measurements of the data they are trying to collect, and many different organizations have redundant surveys, which waste limited resources. Furthermore, countries with the highest levels of maternal mortality, malaria, and tuberculosis often have the least amount of reliable data collection. Attaran argues that without accurate measures of past and current data for the health related MDGs, it is impossible to determine if progress has been made toward the goals, leaving the MDGs as little more than a rhetorical call to arms.

Also, political conflicts, strife, civil unrest, kidnapping and hostage taking, environmental degradation, and the present youth restiveness experienced in the Niger-Delta region, political uncertainty, religious intolerance in some part of the Northern states are pose serious impediments to the actualization of the MDGs goals.

Strength of the MDGs

Proponents for the MDGs argue that while some goals are difficult to measure, that there is still validity in setting goals as they provide a political and operational framework to achieving the goals. Such Scholars include McArthur, Sachs, and Schmidt-Traub (2005). They assert that non-health related

MDGs are often well measured, and so, it is wrong to assume that all MDGs are doomed to fail due to lack of data. They further argued that for goals that are difficult to measure, best practices have be identified and their implication is measurable as well as their positive effects on progress. With an increase in the quantity and quality of healthcare systems in developing countries such as Nigeria, more data will be collected, as well as more progress made. The MDGs bring attention to measurements of wellbeing beyond income, and this attention alone helps bring funding to achieving these goals. (Denuelin and Shahani, 2009)

The MDGs are also argued to help the human development by providing a measurement of human development that is not based solely on income, prioritizing interventions, establishing obtainable objectives with operationalized measurements of progress (though the data needed to measure progress is difficult to obtain), and increasing the developed world's involvement in worldwide poverty reduction. The measurement of human development in the MDGs goes beyond income, and even just basic health and education, to include gender and reproductive rights, environmental sustainability and spread of technology. Prioritizing interventions helps developing countries with limited resources make decisions about where to allocate their resources through which public policies. The MDGs also strengthen the commitment of developed countries to helping developing countries, and encourage the flow of aid and information sharing.

Finally, the joint responsibility of developing and developed nations for achieving the MDGs increases the likelihood of their success, which is reinforced by their 189-country support (the MDGs are the most broadly supported poverty reduction targets ever set by the world) (UN, 2006)

Diversification - MDGs and Vision 20:20:20 Juxtaposed

Case (2009) defined diversification as the financial strategy of holding different kinds of investments to reduce the risk of financial loss. Vision 20:20:20 unlike MDGs remains an indigenous phenomenon whereas the latter is a global phenomenon. Vision 20:20:20's main focus is to make Nigeria one of the 20 most developed economies by the year 2020. MDGs on the other hand, remain an initiative of several nations of the world and spearheaded by the United Nations as the chief financier. Vision 20:20:20 and MDGs are complimentary and not mutually exclusive. The later should serve as a driver to the latter and it is the opinion of the researchers that it is only in a diversified economy that MDGs can been attained and once attained to a reasonable extent, the nation is on its sure way to joining the 20 most vibrant and stable economies of the world.

The Nigerian economy is reported to be growing at 7 percent but the economy is not diversified. Perhaps, this explains why the growth is not reflected on the people because according to Marskin (2008), the people are not involved in producing the wealth. Other sectors such as manufacturing, distribution, services, tourism, agriculture, etc., are not actively involved save the petroleum crude. The various activity sectors in Nigeria can be aggregated into three: the primary, secondary and the tertiary sectors. The primary sector consists of agriculture generally, and mining. The secondary sector is composed of manufacturing, utilities and construction activities, while the tertiary sector is made up of service activities such as transportation, distributive trade, hotel and reataurant business service, government service, etc. According to Owolabi (2003), a developing country like Nigeria is expected to have more contribution from the primary sector to total output. He sees the primary sector as the base upon which other sectors are built.

By the IMF/World (2006) estimate of national GDP, Nigeria is the 48th largest economy in the World and in terms of GDP per capita Nigeria occupies 165th position in the World and 33rd position in Africa. (Chinweizu 2008). For a country that claims to be the giant of Africa to have this kind of appraisal does

not only make a nonsensical of the claim. According to Soludo (2006), the economy must grow at not less than 13% steadily for the next 12 years. He continued that, Nigeria's present standing highlights the large amount of work that will be needed if it is to have a serious claim in achieving the (desired) potential growth. In the words of Olusola (2008), this is not possible with the present mono-dependence on oil to the exclusion of other sectors.

A lot of declarations have been made on the challenge towards realizing the Vision 20:20:20. For instance, the 14th National Economic Summit Group (NESG 14) held in October, 2008 in one of its declarations points to the problems of governance and institutional capacity. The Group concluded that these deficiencies are major obstacles in the race to becoming one of the 20 leading economies in the world by 2020. This assertion by extension includes the realization of the MDGs. NESG 14 claimed that Nigeria is ranked 106th of 134 by the World economic Forum's current Global Competitiveness Index (GCI). Again, as put by Abdullai (2008), a lot of work is needed to improve our standing in the global economy.

Academics, intellectuals and researchers are in agreement that Nigeria has experienced stunted economic growth since the last four decades or so in spite of the many development and other strategic plans (FRN, 1996; Owolabi 2003; & Soludo 2006). Thus the Nigerian economy, after about five decades of political independence and indigenous economic management, still suffer from fundamental structural defects and remained in a persistent state of disequilibrium. According to Mudasiril and Adabonyon (2001), the productive and technological base is weak, outdated, inflexible and externally dependent. Perhaps, this accounts for why the Nigerian industries and manufacturing sector is characterized by their inability to revolutionalize production, agricultural sector comatose, distribution in the areas of retail and wholesale neglected, and the whole lot of other factors militating against diversification of the Nigerian economy.

According to Njiforti and Adama (2007), there are evidences that the Nigerian economy is already showing some sign of maturity. However, it is pertinent to note that no nation has become prosperous by by-passing and neglecting the phase of industrialization, as they continued that experience of Nigeria since 1986 shows that financial or paper wealth is not synonymous with growth, job creation, income equality and poverty reduction.

Summary of the 2010 MDGs report for Nigeria

The 2010 MDGs report is the latest in Nigeria and was launched in August 2010 by he federal Government. As the nation counts down to the 2015 Millennium Development Goals (MDGs), the 2010 reports for MDGs has shown that the country is unlikely to meet the deadline for poverty eradication, as five of every ten Nigerian is adjudged to still live in poverty. The report also doubted the ability of the country to scale the deadline on improved maternal health and environmental sustainability. It noted that MDGs implementation in the country over the past years is a mixed-bag of modest and steady progress on many goals and a slow progress on few others. Nigeria has so far recorded an average performance on five MDGs with less satisfactory performance on three others. Listed under the less satisfactory performance is goal 1, 5 and 7.

Goal 1 which is to eradicate extreme poverty and hunger by 2015; the report noted "although poverty has reduced since 2000, the reality is that among every ten Nigerians, five still live in poverty. On goal 5, improve maternal health, the report noted that though there is sizeable reduction of maternal mortality ratio from 800/100,000 (2003) to 157/100,000 (2008). Proportion of births attended by skilled health personnel only increased slightly from 36% (2003) to 39% (2008) with marginal increase in contraceptive prevalence rate from 8.0% (2003) to 10.0% (2008). The last goal that was listed as

unlikely to be achieved is that of environmental sustainability, goal 7. According to the report, access to safe water and sanitation has not improved significantly and other environmental challenges such as erosion coastal flooding and climate change are growing.

On the other five goals, the report noted that the country has made significant progress and likely to be achieved. The goals are universal primary education, gender equality, reduced child mortality, combat HIV/AIDs, malaria and other diseases and global partnership for development.

According to Tsan (2010), over N1.04 trillion has so far been spent on MDG's since 2006 as reported by Mrs. Amina Az-Zubair, the Senior Special assistant to the President on MDGs. In a sharp contrast, Mrs Az-Zubir continued that her office got N59.3 billion and disbursed N2.3 billion to states while the states returned a total of N1.5b as unspent funds. Similarly, in 2009, the office received N32.66 billion and spent N27.04 billion while in 2010, it appropriated N35.02 billion. One is at a loss as to why such huge amount of money should be returned unspent when there is a lot left undone.

CONCLUSION

This paper discussed and overviewed the MDGs as well as reviewed the Nigerian economy. The Nigerian economy is still mono-cultural. The problem of development in developing countries like Nigeria is a global challenge and the MDGs is a direct response by world leaders. The researchers are of the opinion that diversification in the Nigerian economy provides a platform to engage the development process for actualizing the MDGs. However, the situation in Nigeria indicates that there are challenges in meeting the goals by 2015 going by the present economic indices where oil revenue contributes 97.5% of export and 81% of the national budget. The second largest economy in the African continent and the self acclaimed giant of Africa earns an estimated $2.2 million every day from oil exports alone, yet has its GDP per capita at just over $1,400 is comparable to some of the poorest nations. Its population continues to live in extreme poverty without access to fundamental necessities. Added to these are far less than optimistic human development indices and the latest threat of growing militancy in the Niger Delta region, and religious intolerance in the Northern region of the country are speedily constituting a clog on the track of the MDGs. For Nigeria to meet the MDGs goals in 2015, there is the need to formulate and implement policies that will promote transparency and accountability in our economic system, overcome institutional constraints as well as promote pro-poor growth that will bring about structural change and enhanced distributive equity in the economy that does not dependent on one sector as is the present case with Nigeria.

Recommendation

The MDGs is a gargantuan task that require all stake holders at the international, national, state and local level as well as the civil society to synergize their efforts towards its sustainability. The following recommendations are therefore postulated:

- There is the urgent need to consciously drift the economy from its present mono-sectoral dependence to a multi-sectoral dependent one. By this, the country should pursue vigorously her diversification efforts in order to fully develop her ability to revamp employment opportunities through non-oil industry sectors such as agriculture, manufacturing, distribution in whole sale and retail, entrepreneurship development, transportation, services, etc.
- The manufacturing and production sectors which are presently comatose should be revitalized, while ensuring the promotion of inter-sectoral linkages so as to reaping the optimal benefit of diversification. By this, Nigeria should purse the process of industrialization through the

strengthening and revitalization of the manufacturing sub-sector as almost all the most sustained economies of the world attained the status through the industrial revolution.

- It is equally imperative that the country re-examines and reactivate the following sectors: Agriculture, Manufacturing, Infrastructure/Utilities, Education and Human Capital development, Toursim, transportation, Distribution in wholesale and retail, etc.
- Finally, it is also germane to focus on competitive and comparative advantage, attract financial resource for development, ensure micro and macro economic stability and sustainability, as well as prosecute diligently the wars on corruption, ethnic violence, religious intolerance, intra and inter communal conflicts, and youth restiveness in the county since no serious minded investor would like to risk business in an unstable economy.

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