

## Challenges Undermining the Promotion of Non-Oil Export in Nigeria

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### ABSTRACT

Since the 70s, Nigeria has been experiencing a form of the mono-economy by relying mostly on oil as its major income earner, thereby neglecting other non-oil sectors. This study analyses the challenges undermining the promotion of non-oil export in Nigeria through questionnaire survey used to obtain descriptive statistics. The sample was determined by simple random sampling technique. The questionnaire consists of closed-ended questions on five-point Likert Scale with options ranging from Strongly Agree (1) to Disagree (5), and was analyzed with the aid of Statistical Package for Social Sciences (SPSS). From the findings, it was revealed that weak infrastructure undermines the promotion of non-oil export in Nigeria. The result of finding in shows that poor access to finance is a major impediment to the promotion of non-oil export in Nigeria. Generally, the finding of the study proves that the lack of continuity in export policies discourage the promotion of non-oil export, thereby undermining the performance of non-oil sector export. From the findings, it was recommended that government should make provision for infrastructure to promote non-oil export in Nigeria. The government should create an enabling environment such as finance that will enhance the promotion of non-oil export in Nigeria. There should be continuity in export policies to encourage the promotion of non-oil export.

**Keywords:** Challenges; Oil; Non-oil; Export; Non-oil export

### INTRODUCTION

Nigeria, since the 70s has been a mono-cultural economy relying heavily on oil as its major income earner. The implication is that the dynamics of the economy is at the whims and caprices of the price of oil, which for the most part, has been volatile (Enoma and Mustafa, 2011). The major fallout of this fragile structure of the Nigerian economy is a situation where the economy has been growing without creating jobs and reducing poverty (Adeniran and Ben, 2018; Onodugo, 2013).

The on-hand explanation to this economic paradox is that the oil sector that produces about 90% of export earnings are in the hands of less than one per cent of the Nigerian population dominated by expatriates and members of the political class who control production and the proceeds respectively.

Worse still, the sector is disconnected from other tiers and sectors of the economy and thus offers little or no linkage and multiplier effect on the economy as a whole.

The adverse consequences of over-dependency on oil trade heightened the need and call to

diversify Nigerian economy away from oil towards the direction of non-oil export trade. Proponents of this increased proportion of non-oil export argue that the non-oil trade has great potentials to propel the Nigerian economy to the desired growth and development. For instance, Onwualu (2012) maintains that the value chain approach to agriculture has the potentials to open up the economy and generate various activities which are capable of creating jobs and enhancing industrialization and thus makes the non-oil sub-sector to hold the aces for future Nigerian sustainable economic growth.

Successive Nigerian governments on its part have shown efforts over the years to grow the non-oil export trade by establishing supportive policies. Some of these policies with varying degrees of successes include but not restricted to: protectionism policy in the mode of import substitution policy of industrialization in the 1960s; trade liberalization policy (this took the form of Structural Adjustment Programme) of the mid-1980s and export promotion policy of 1990s which was executed through intensified policy support to Small and Medium Scale Enterprises (SMEs) to enhance productivity and subsequently, the export of local products.

There are scholars at the other end of the pole, who are sceptical about the possible significant positive impact of non-oil export trade on growth. They argue that since the economy is currently largely oil-dependent what should have made sense is to increase the local content and technology transfer profile of the sector and ensure effective management of the proceeds from oil for development.

Available evidence point to a noticeable increase in the contribution of the non-oil sector to the growth of the Nigerian economy over the last ten years (Soludo, 2007; Olayiwola and Okodua, 2010; Aigbakhram, 2008). Specifically, The Central Bank of Nigeria (CBN) has attributed the growth in Nigeria's Gross Domestic Product (GDP) from 6.9 per cent in third quarter 2012 to 7.1 per cent in the fourth quarter of the same year to the increase in the contribution of the non-oil sectors, particularly the industrial sector (NBS, 2012). In its report titled "Economic Report Fourth-Quarter 2012" CBN submits that non-oil receipts stood at N589.98 billion (24.4 per cent of the total). Adekunle (2012)) maintains that Nigeria has the potential to realize N310bn from non-oil export by the end of last year. National Bureau of Statistics (NBS) further reports that the non-oil sector grew at 9.07% in the fourth quarter of 2011 higher than the 8.93% increase recorded in the fourth quarter of 2010.

The growing body of literature indicating a possible linkage between non-oil export and growth of the Nigerian economy notwithstanding, there is still a paucity of empirical evidence as to the magnitude of the contribution of non-oil export to the growth, and specific sectors and factors that are behind such growth. Further, it is observed that most time-series studies in this line of investigation on Nigerian economy have focused on export promotion strategy of industrialization, as a way of diversifying the productive base of the Nigerian economy (Onayemi and Ishola, 2009) without clear information on how strong the impact of non-oil export has on the rate of change in the Gross Domestic Product (GDP). This study, therefore, analyzes the challenges undermining the promotion of non-oil export in Nigeria.

### LITERATURE REVIEW

#### The Performance of Nigerian Non-Oil Sector under Different Policy Regimes

The Nigerian Government has displayed determination over the years to grow the non-oil

sector of the economy by putting in place supportive policies and incentives. These policies have been targeted at encouraging the diversification of the economy. These policies can be categorized into three, namely: Protectionism policy, Trade liberalization policy and Export promotion policy. To evaluate the growth pattern of the non-oil sector, it is necessary to look at how the non-oil sector has performed under these policy regimes.

#### Protectionism Policy Era

In the early 1960s and late 1970s, agricultural production was encouraged by the removal of agricultural export and sales taxes and by the increased tariffs on agricultural imports. Agricultural inputs, particularly fertilizers, were subsidized. By 1982, all exports, except cotton and all food crops were positively protected (Oyejide, 1986).

The Pre – SAP era featured an era of import substitution industrialization. The policies under the era were aimed at expanding the industrialization-base, enhancement of cash crop exports, encouraging farmers to expand their farms and increase the production of cash crops with guaranteed external markets by the marketing boards, an adjustment in the demands for foreign exchange, the introduction of trade barriers (regulation of import licensing and import tariffs) to control imports. The ultimate goal was to protect domestic industries that were set up to produce import substitutes.

The customs tariff structure was deliberately discriminatory, biased in favour of capital goods and raw materials. Items considered as luxury goods were either put on the import prohibition list or had very high import tariffs placed on them. Protectionism ended in 1974 with the removal of restrictions on import. By the Third National Development Plan (1981 – 1985) trade policies were relaxed due to falling oil revenue and decline in foreign exchange.

#### Trade Liberalization Policy Era

Trade policies since 1986 have been aimed at liberalization of the economy as well as the achievement of greater openness and greater integration with the world economy. The policies thus ranged from abolition of marketing boards to introduction of the second-tier foreign exchange market (SFEM), various export expansion incentive schemes, the establishment of the Nigeria Export-Import Bank etc. Thus, in July 1986, the Structural Adjustment Programme (SAP) was introduced to tackle the

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problem of imbalances in the economy and thereby pave the way for stable growth and development. The Export Incentive and Miscellaneous Provisions Decree of 1986 were promulgated to encourage exports. As a result of the various policy supports, significant growth was experienced in the agricultural, telecommunication and business sectors (Analogbei, 2000).

### Export Promotion Policy Era

The restoration of democracy from 1999 witnessed a rapid transformation of the non-oil sector, following intensified policy support to SMEs to enhance the export of their products.

In all considerations, current government policies are aimed at facilitating the diversification of the economy. One of the incentive policies in this regard has been the Export Expansion Grant (EEG) Scheme, which operates under the legal context provided under the Export (Incentives and Miscellaneous Provisions) Act 1986. The export grant is given to exporters to cushion the impact of infrastructural disadvantages faced by Nigerian exporters and make our exports competitive in the international market. No incentive has been as effective as the EEG in encouraging exports in the non-oil sector (Adeloye, 2012). The Nigerian Export Promotion Council (NEPC) is responsible for the administration of the policy. Realizing the importance of the policy in promoting non-oil exports, the government subjected the EEG policy to reform in 2006 with technical assistance from international consultants, Price Water House Coopers.

The scheme was streamlined to make it more effective by categorizing export products according to their degree of value addition and processing and rewarding those companies which generate higher export growth and new investment in export capacity building (Adeloye, 2012). Consequent upon these reforms, informed industry position put it that the growth in non-oil exports from \$1 billion in 2006 to \$2.3 billion in 2010. Following the EEG policy emphasis on value addition, exporting companies embarked on forwarding integration and made heavy investment in plant and machinery to add value to indigenous commodities. There has been a clear shift towards export of processed and value-added products (Adeloye, 2012).

Cocoa Export: Decades ago, Nigeria was known to be an exporter of raw cocoa, but now, Nigeria

exports cocoa products, such as cocoa cake, cocoa liquor, cocoa butter and cocoa powder (Adeloye, 2012).

Leather Export: The country banned the export of wet blue (leather in semi-finished stage) almost a decade ago, which led to huge investment in tanneries to export finished leather and recently, articles of leather (Adeloye, 2012).

Cashew Export: From an exporter of raw cashew, Nigeria now exports processed cashew.

Sesame Seed Export: Nigerian de-hulled sesame seeds are now being exported to Japan.

Seafood Export: The industrial trawling industry invested in highly capital intensive trawlers for onboard processing of wild shrimps and cold chain to embark on the export of highly perishable products.

Innovative Exports: One of the most innovative stories has been the export of re-cycled polyester fibre produced in the most environmentally sustainable manner as a result of which Nigeria has become the largest exporter of polyester staple fibre in Africa, destined for the European market. The recycling fibre plant in Lagos, according to the NEPC, provides direct and indirect employment to 2,000 Nigerians (Adeloye, 2012).

### Exports under the African Growth & Opportunity Act (AGOA)

It is interesting to observe how persistent efforts of Nigerian exporting companies have led to the acceptance of their products in some of the highly quality conscious customers and markets. Consider a few examples. Ten years after AGOA (African Growth & Opportunity Act) was passed by the USA to allow duty-free access to products from sub-Saharan Africa, Nigerian exports seem to have achieved a breakthrough. Today, Nigerian products such as cocoa beans and butter, dried-split ginger, leather, woven sacks and technically specified rubber (TSR) are being exported to the US. Hibiscus flowers are also being exported to the USA.

Reform of the Textile Sector: As a result of the Bank of Industry's intervention in the textile industry, the remaining textile mills have embarked on re-tooling of their equipment. Accordingly, some companies, apart from accessing funds for machinery refurbishment and upgrading, have been going for industrial or technical skills upgrade to have some

competitive edge. Nigerian textile products, such as cotton textiles comprising wax prints, cotton yarn and fabrics are exported to West and Central Africa and the EU (Adeloye, 2012).

Cluster development: A very positive fall out of the non-oil export expansion has been the emergence of export processing clusters. Challawa industrial estate in Kano has emerged as a major export cluster with modern tanneries situated in this zone (Yusuf, 2012).

Annual exports from this industrial zone which also has integrated textile mills are estimated at over \$700 million. Likewise, cocoa processing clusters have emerged in the southwestern part of the country, rubber processing in Sapele in Delta State and large scale shrimp processing in Lagos. The private companies located in these clusters have invested in plant and machinery and infrastructure, almost substituting the role of the government, to meet international quality standards and provide employment to hundreds of thousands directly and indirectly (Yusuf, 2012).

Boosting foreign exchange earnings: Boosting export earnings become even more pertinent today because of the weakening exchange rate of Naira and shrinking foreign exchange reserves. According to an NEPC official who is familiar with the past export trends, "a positive feature of the EEG scheme has been the tendency on the part of exporters to operate through official channels which compliments CBN efforts to discourage the unofficial forex market in Niger (Yusuf, 2012).

These developments have impacted positively on economic indices in recent times. According to the 2012 Economic Outlook Report by the National Bureau of Statistics (NBS), the non-oil sector grew at 9.07% in Q4 2011 higher than the 8.93% recorded in Q4 2010.

The report also stated that the non-oil sector continued to be a major driver of the Nigerian economy in the fourth quarter of 2011. When compared with the corresponding quarter in 2010, the sector recorded 9.07 per cent growth in real terms as indicated in figure 1. This growth was largely driven by improved activities in the telecommunications, Building & Construction, Hotel & Restaurant, Business services and other sectors.

### EMPIRICAL REVIEW

It has been argued and rightly established that export trade is an engine of growth, being that it

enhances employment generation through the development of export-oriented industries, increase foreign exchange earnings and improves the balance of payment position of a given economy. There are some studies in the literature that support this claim. For instance, Onayemi and Ishola (2009) report that elaborate historical studies have provided empirical validation of the view that growth performance is more satisfactory under export promotion. This supports earlier findings by Krueger (1928), Bhawati (1978), and Papageorgious *et al* (1991), each of whom had earlier reported that sustainable increase in income per capita is better achieved under export promotion policy.

On his export demand model, Iyola (1995) highlights the powerful effect of foreign trade on economic growth (though he used crude oil exports only). The attempt at finding out the extent to which Nigerian export promotion strategies have been effective in diversifying the productive base of Nigeria led Onayemi and Ishola (2009) into revealing that non-oil export has performed below expectation under export promotion policy. This outcome supports the argument by Subasat (2002) that export promotion does not have any significant impact on the economic growth of low-income countries. This same result, however, contradicts Usman (2010) who discovered that an insignificant non-oil export and exchange rate would slow down economic growth given that non-oil export for previous year positively affects growth.

In another perspective, Subasat (2002) supports Koester' (1986) view that concentrating exports to developed countries had slowed the growth of developing economy that does so. While emphasizing the limitations of the Export Oriented Industries (EOI) strategies, Blecker (1999) notes that export-led growth is a strategy that cannot be pursued by all countries at the same time. He argues that export promotion requires that at the other end, there is an importer of last resort. Using China as a case study, he noted that the integration of China into the world economy and its relatively low labour costs suggest that countries with higher labour cost would find it increasingly difficult to pursue export-oriented development strategies.

The emphasis of most works reviewed herein was on the assessment of export promotion strategies as it affects growth in all economy. Usman (2010), who investigated the impact of non-oil export on the growth of the Nigerian

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economy, had serious problems in the specification of the model employed. The result obtained, therefore, could not be relied upon for policy purposes. In the model, trade openness of the economy was not incorporated. This study intends to improve on these observed shortcomings while focusing on an assessment of the impact of non-oil export trade on the growth of the Nigerian economy.

The non-oil sector comprises those groups of economic activities which are outside the petroleum and gas industry or those not directly linked to them. It consists of sectors such as manufacturing, agriculture, telecommunication, service, finance, tourism, real estate, construction and health sectors. Non-oil (mostly agricultural) products such as groundnuts, palm kernel, palm oil, cocoa, rubber, cotton, coffee, beans, hides, skin and cattle dominated Nigeria's export trade in the 1960s. But the discovery of crude oil in commercial quantity shifted the attention from non-oil export to a "petroleum mono-cultural economy" since the 1970s. While petroleum export was growing, non-oil exports were declining, this made the dominance of oil export over non-oil export much more rapid and pervasive.

The transformation of Nigeria from a net exporter of agricultural products to a large-scale importer of the same commodities was particularly marked during the period 1973–1982 (Oyejide, 1986). Osuntogun et al (1997), report that nominal non-oil export earnings fell from N363.5 million in 1973 to N203.2 million in 1982. The decline was even more dramatic in real terms as oil exports, in contrast, rose phenomenally, from about N2 billion to about N8 billion in nominal terms during the same period. Also, continued reliance on developed countries as markets for oil and non-oil exports has caused Nigeria great misfortunes, as recessions in developed countries are usually fully transmitted to Nigeria. Onwualu (2009), identifies key impediments to the growth of the non-oil sector as follows:

- Weak Infrastructure – a national challenge.
- Supply-side constraints – due to the low level of technology. This constraint is particularly prominent in the agricultural sector.
- Low level of human capital development – general.
- Weak Institutional framework – general.
- Poor Access to finance – general

Consequently, efforts have been made over the years by Nigerian governments to grow the non-oil sector of the economy by initiating supportive policies and incentives to encouraging the diversification of the economy.

These policies can be categorized into three, namely:

- Protectionism Policy (1960 to 1986) - import substitution industrialization was aimed at expanding the industrial base, enhancing cash crop exports, encouraging farmers to expand their farms and increasing the production of cash crops. The ultimate goal was to protect domestic industries that were set up to produce import substitutes.
- Trade Liberalisation Policy (1986 SAP era) - trade policies of this era was aimed at deregulation, commercialization, privatization and liberalization of the economy to achieve greater openness to and integration with the world economy; and to tackle the challenges of imbalances in the economy and thereby pave way for sustainable economic growth and development. And
- Export Promotion Policy (Post SAP period) - government policies from 1999 till date are aimed at facilitating the diversification of the economy through policy support to SMEs to enhance the export of their products. Export grant, as reported by Onwualu (2012), is given to exporters to cushion the impact of infrastructural disadvantages faced by Nigerian exporters and to make exports competitive in the international market.

Exports play a vital role in the growth of any economy just as Ricardo (1817) pointed out that foreign trade is highly beneficial to a nation. Also, as observed by Singh (2010), trade is one of the several catalysts of productivity and growth and hence its contribution is contingent on its weight in the aggregate economic activity. The knowledge of this has helped many nations achieve economic growth and development. In light of this, the Nigerian economy left import substitution policies for the export promotion strategies or export-led growth approach.

Export promotion strategies or outward-oriented strategies are policies that encourage exports, often through the free movement of capital, workers, enterprises, and students; a welcome to multinational corporations; and open communications (Todaro & Smith, 2011). According to Abou-Strait (2005), and export-led

growth strategy aims to provide producers with incentives to export their goods through various economic and governmental policies. These strategies are aimed at increasing the level of national output to increase the volume of exports of the nation. The government encourages and helps to enhance the output of domestic industries for it to exceed the domestic demand so that the surplus can be sold in the international market for an inflow of foreign exchange.

Export promotion involves encouraging domestic production for exportation usually by providing incentives for the domestic producers. This could be in the form of tax cuts or holidays, subsidies, finding markets for such products, providing special loans, etc. It is, however, important to note that this export promotion strategy rests upon diversification and expansion of non-traditional exports (Dunn & Mutti, 2004). Earlier as the 1970s, studies were published showing that developing countries that pursued an export-led approach experienced far more rapid economic growth than did countries with protectionist policies. The original Four Tigers (Hong Kong, Taiwan, Singapore, and South Korea) were the subject of most of this early research, but the second wave of Asian newly industrialized countries or NICs (Indonesia, Thailand, Malaysia, and China) has also been very successful in pursuing export markets. As a result, these countries have grown rapidly. India, Mexico, and Brazil could be added as recent converts to this approach (Dunn & Mutti, 2004). Abou-Strait (2005) found out that exports of goods and services represent one of the most important sources of foreign exchange income that ease the pressure on the balance of payments and create employment opportunities.

Also, according to Frankel & Romer (1999), trade increase GDP which ultimately increases the income per person. In other words, trade not only enhances economic growth but is also a useful tool in achieving economic development provided there are other structural and institutional changes in the economy and as Morton and Tullock (1976) noted, international

trade brings gains to a nation and it acts as a stimulus to growth.

Having reviewed the numerous pertinent works of literature on the subject of this study, it is imperative to note that all the reviewed literature point to the outcome of studies previously carried out with relation to export promotion and its impact on non-sector. Nonetheless, the relevant reviewed literature will act to provide the basis for the current study. Essentially, this current study will validate the outcome of previous studies or update knowledge in the area of study, considering the change and situations at different times of study.

### METHODOLOGY

For this study, the survey research method was adopted. Simple random sampling technique was adopted whereby an individual is chosen entirely by chance and each member of the population has an equal chance of being included in the sample.

Also, the questionnaire instrument was adopted to achieve descriptive statistics. This contains a five-point Likert Scale with options ranging from Strongly Agree (1) to Disagree (5). Close-ended questions were deployed for the convenience of the respondents. The data were analyzed with the aid of the Statistical Package for Social Sciences (SPSS).

### RESULTS AND DISCUSSION

This section presents the results and discussion which include the presentation of demographic data, and analysis of the research question. A total of one hundred and eight (108) questionnaires were administered, and ninety-seven (97) were satisfactorily completed and returned. The frequency distribution method was adopted for the analysis. Finally, the non-parametric Chi-Square statistic was used to test the hypotheses at 0.05 significance levels by using the Statistical Packages for the Social Sciences (SPSS vs. 20). This gave useful information which helped in the drawing of conclusions and making necessary recommendations at the end of the study.

**Table 1.** Demographic characteristics of respondents

	Variable	Frequency	Percentage	Valid Percentage	Cumulative Percentage
1	<b>GENDER</b>				
	Male	44	45.4	45.4	45.4
	Female	53	54.6	54.6	100.0
	Total	97	100.0	100.0	
2	<b>MARITAL STATUS</b>				

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	<b>Single</b>	28	28.9	28.9	28.9
	<b>Married</b>	53	54.6	54.6	83.5
	<b>Divorced</b>	10	10.3	10.3	93.8
	<b>Separated</b>	6	6.2	6.2	100.0
	<b>Total</b>	97	100.0	100.0	
<b>3</b>	<b>EDUCATIONAL QUALIFICATION</b>				
	<b>O'Level</b>	7	7.2	7.2	7.2
	<b>OND/NCE</b>	29	29.9	29.9	37.1
	<b>HND/B.Sc</b>	48	49.5	49.5	86.6
	<b>Postgraduate</b>	11	11.3	11.3	97.9
	<b>Others</b>	2	2.1	2.1	100.0
	<b>Total</b>	97	100.0	100.0	
<b>4</b>	<b>AGE</b>				
	<b>21-30years</b>	38	39.2	39.2	39.2
	<b>31-40years</b>	40	41.2	41.2	80.4
	<b>41-50years</b>	18	18.6	18.6	99.0
	<b>51years and above</b>	1	1.0	1.0	100.0
	<b>Total</b>	97	100.0	100.0	
<b>5</b>	<b>ETHNICITY</b>				
	<b>Igbo</b>	32	33.0	33.0	33.0
	<b>Yoruba</b>	54	55.7	55.7	88.7
	<b>Hausa</b>	10	10.3	10.3	99.0
	<b>Others</b>	1	1.0	1.0	100.0
	<b>Total</b>	97	100.0	100.0	
<b>6</b>	<b>RELIGION</b>				
	<b>Christianity</b>	55	56.7	56.7	56.7
	<b>Islam</b>	39	40.2	40.2	96.9
	<b>Tradition</b>	3	3.1	3.1	100.0
	<b>Total</b>	97	100.0	100.0	
<b>7</b>	<b>LENGTH OF SERVICE</b>				
	<b>1-5years</b>	46	47.4	47.4	47.4
	<b>6-10years</b>	43	44.3	44.3	91.8
	<b>11-15years</b>	3	3.1	3.1	94.8
	<b>16years and above</b>	5	5.2	5.2	100.0
	<b>Total</b>	97	100.0	100.0	

Source: *Field Survey, 2018*

From Table 1 above which shows the information on the gender of the respondents, 44 which represents 45.4% of the respondents are males, while 53 representing 54.6% of the respondents are females. This goes to show that there are more female than male respondents. On the information about the marital status of the respondents, 28 which represents 28.9% of the respondents are single, 53 which represents 54.6% of the respondents are married, 10 which represents 10.3% of the respondents are divorced while 6 which represents 6.2% of the respondents are separated from their partners. However, there are more married respondents than single.

On the information about educational background, 7 which represents 7.2% of the respondents are O'Level holders, 29 which represents 29.9% of the respondents are OND/NCE holders, 48 which represents 49.5%

of the respondents are HND/B.Sc holders, 11 which represents 11.3% of the respondents are Postgraduate degree holders while 2 which represents 2.1% of the respondents are holders of another kind of qualifications. The above analysis shows that the respondents have at least the minimum educational qualifications to understand the subject matter.

On the information on the age distribution of the respondents, 38 which represents 39.2% of the respondents between the age bracket of 21-30 years, 40 which represents 41.2% of the respondents are between the age bracket of 31-40 years, 18 which represents 18.6% are between the age bracket of 41-50 years, while 1 which represents 1.0% is 51 years or above. It shows that we have younger staff amongst the respondents since more are within the age brackets of 21 and 40.

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On the information about the ethnicity of the respondents, 32 which represents 33.0% of the respondents are Igbos, 54 which represents 55.7% of the respondents are Yorubas, 10 which represents 10.3% of the respondents are Hausas while 1 which represents 1.0% of the respondents is another tribe apart from the three above.

On the information about the religion of the respondents, 55 which represents 56.7% of the respondents are Christians, 39 which represents 40.2% of the respondents practise Islam, while 3 which represents 3.1% of the respondents are Traditionalists. It shows that we have more Christians as respondents to the questionnaire.

On the information on respondents' length of service, 46 which represents 47.4% of the respondents spent between 1-5 years in service, 43 which represents 44.3% of the respondents

spent between 6-10 years in service, 3 which represents 3.1% spent between 11-15 years in service, while 5 which represents 5.2% spent 16 years and above. It shows that we have more staff within 1-10 years in service.

From table 2, the responses to the statement "Low level of human capital development undermines the promotion of non-oil export in Nigeria". 15 which represents 15.5% of the respondents strongly agreed, 20 which represents 20.6% of the respondents agreed, 19 which represents 19.6% of the respondents are undecided, 36 which represents 37.1% of the respondents disagreed, while 7 which represents 7.2% of the respondents strongly disagreed. Since 55.7% of the respondents cumulatively agreed, therefore a low level of human capital development undermines the promotion of non-oil export in Nigeria.

**Table2.** Challenges undermining the promotion of non-oil export in Nigeria

S/N	QUESTIONNAIRE ITEM	RESPONSES					Total (%)
		5 SA (%)	4 A (%)	3 U (%)	2 D (%)	1 SD (%)	
1	Weak Infrastructure undermines the promotion of non-oil export in Nigeria	23 (23.7)	28 (28.9)	18 (18.6)	15 (15.5)	13 (13.4)	97 (100)
2	Supply-side constraints due to low level of technology have hindered the promotion of non-oil export	20 (20.6)	21 (21.6)	15 (15.5)	29 (29.9)	12 (12.4)	97 (100)
3	Low level of human capital development undermines the promotion of non-oil export in Nigeria	15 (15.5)	20 (20.6)	19 (19.6)	36 (37.1)	7 (7.2)	97 (100)
4	Weak institutional framework limits the promotion of non-oil export in Nigeria	17 (17.5)	12 (12.4)	24 (24.7)	27 (27.8)	17 (17.5)	97 (100)
5	Lack of continuity in export policies discourage the promotion of non-oil export	21 (21.6)	26 (26.8)	23 (23.7)	8 (8.2)	19 (19.6)	97 (100)
6	Poor Access to finance is a major impediment to the promotion of non-oil export in Nigeria	31 (32.0)	21 (21.6)	12 (12.4)	9 (9.3)	24 (24.7)	97 (100)
7	Low consultations with relevant stakeholders pose a major challenge to the promotion of non-oil export	36 (37.1)	19 (19.6)	10 (10.3)	22 (22.7)	10 (10.3)	97 (100)

**Source:** Field Survey, 2018

The response to the statement "Weak Infrastructure undermines the promotion of non-oil export in Nigeria." 23 which represents 23.7% of the respondents strongly agreed, 28 which represents 28.9% of the respondents agreed, 18 which represents 18.6% of the respondents are undecided, 15 which represents 15.5% of the respondents disagreed, while 13 which represents 13.4% of the respondents strongly disagreed. Since 52.6% of the respondents cumulatively agreed, therefore weak Infrastructure undermines the promotion of non-oil export in Nigeria.

The response to the statement "Supply-side constraints due to low level of technology have hindered the promotion of non-oil export". 20 which represents 20.6% of the respondents strongly agreed, 21 which represents 21.6% of the respondents agreed, 15 which represents 15.5% of the respondents are undecided, 29 which represents 29.9% of the respondents disagreed, while 12 which represents 12.4% of the respondents strongly disagreed. The respondents cumulatively agreed and disagreed on an equal basis at 42.3% each. But supply-side constraints due to low level of technology

should hinder the promotion of non-oil export be reviewed.

The response to the statement "Weak institutional framework limits the promotion of non-oil export in Nigeria". 17 which represents 17.5% of the respondents strongly agreed, 12 which represents 12.4% of the respondents agreed, 24 which represents 24.7% of the respondents are undecided, 27 which represents 27.8% of the respondents disagreed, while 17 which represents 17.5% of the respondents strongly disagreed. Since 54.6% of the respondents cumulatively agreed, therefore Weak institutional framework limits the promotion of non-oil export in Nigeria.

The responses to the statement "Lack of continuity in export policies discourage the promotion of non-oil export".

21 which represents 21.6% of the respondents strongly agreed, 26 which represents 26.8% of the respondents agreed, 23 which represents 23.7% of the respondents are undecided, 8 which represents 8.2% of the respondents disagreed, while 19 which represents 19.6% of the respondents strongly disagreed. Since 48.5% of the respondents cumulatively agreed which is more than disagreed, therefore lack of continuity in export policies discourage the promotion of non-oil export.

The responses to the statement "Poor Access to finance is a major impediment to the promotion of non-oil export in Nigeria". 31 which represents 32.0% of the respondents strongly agreed, 21 which represents 21.6% of the respondents agreed, 12 which represents 12.4% of the respondents are undecided, 9 which represents 9.3% of the respondents disagreed, while 24 which represents 24.7% of the respondents strongly disagreed.

Since 53.6% of the respondents cumulatively agreed, therefore poor Access to finance is a major impediment to the promotion of non-oil export in Nigeria.

Finally, the responses to the statement "Low consultations with relevant stake holders poses a major challenge to the promotion of promotion of non-oil export." 36 which represents 37.1% of the respondents strongly agreed, 19 which represents 19.6% of the respondents agreed, 10 which represents 10.3% of the respondents are undecided, 22 which represents 22.7% of the respondents disagreed, while 10 which represents 10.3% of the respondents strongly disagreed. Since 56.7% of the respondents cumulatively agreed, therefore low consultations

with relevant stakeholders pose a major challenge to the promotion of non-oil export.

From the findings, it was revealed that weak infrastructure undermines the promotion of non-oil export in Nigeria. The result of finding in shows that poor access to finance is a major impediment to the promotion of non-oil export in Nigeria. Generally, the finding of the study proves that the lack of continuity in export policies discourage the promotion of non-oil export, thereby undermining the performance of non-oil sector export.

From the findings, it was recommended that infrastructure should be provided for the promotion of non-oil export in Nigeria. The government should create an enabling environment such as finance that will enhance the promotion of non-oil export in Nigeria. There should be continuity in export policies to encourage the promotion of non-oil export.

### CONCLUSION AND RECOMMENDATIONS

This study analyses the challenges undermining the promotion of non-oil export in Nigeria through questionnaire survey used to obtain descriptive statistics. The sample was determined by simple random sampling technique. The questionnaire consists of closed-ended questions on five-point Likert Scale with options ranging from Strongly Agree (1) to Disagree (5), and was analyzed with the aid of Statistical Package for Social Sciences (SPSS).

From the findings, it was revealed that weak infrastructure undermines the promotion of non-oil export in Nigeria. The result of finding in shows that poor access to finance is a major impediment to the promotion of non-oil export in Nigeria. Generally, the finding of the study proves that the lack of continuity in export policies discourage the promotion of non-oil export, thereby undermining the performance of non-oil sector export.

From the findings, it was recommended that government should make provision for infrastructure to promote non-oil export in Nigeria. The government should create an enabling environment such as finance that will enhance the promotion of non-oil export in Nigeria. There should be continuity in export policies to encourage the promotion of non-oil export.

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