

Improvement of Agricultural Businesses and Rural Sector Development in Nigeria

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Abstract—*The World Bank has a deep commitment in its mission to assist private sector development broadly (e.g., through the activities of the International Finance Corporation or the use of grants to assist rural businesses get started and grow.), and specifically to foster small and medium enterprises (SMEs). The Government of Nigeria is not left behind on this lofty scheme. Series of policies and programmes have been put in place to improve Agric Businesses in the rural sector with a view to accelerate development in the long neglected sector of the country. There is no country that develops without taking into consideration its rural populace, and the only viable project requires for taking along the rural sector is a viable Agric Business policies in the sector that will lay the foundation for its development. This paper seeks to look at some few Agric Business Policies geared at the rural areas, the problems encountered in the process and the Solutions. Only secondary means of data collection was used in the course of this research.*

Keywords: Agriculture, Business, Rural, Development.

1. INTRODUCTION

Lele (1975), rural development is seen as improving living standards of the mass of the low-income population residing in rural areas and making the process of their development sustaining. Buttressing the above, Aguda (1986) stressed that, rural development can be seen as the improvement of living conditions in rural areas, through increased productivity of agricultural and related enterprises which constitute the main economic activities of the population. And if the increased productivity so achieved is to benefit the average rural man then, there has to be fair and equitable distribution which gives due consideration to per capita consumption, investment and communal social services Rural development is also seen as the development that is concerned with the improvement as well as the transformation of the social, mental, economic and environmental conditions of rural areas thereby leading to an enhanced standard of living of the rural inhabitants. It therefore, requires a multi-faceted attack on all areas such as the provision of portable water supply, good roads, health centers, decent housing, etc (Claude; 1982).

In November 2002, the Bank joined a number of international and bilateral development organizations in launching in Germany a consultation and learning process about

approaches to rural economic development with a focus on agriculture-based enterprise development. This process involved representatives from donors, agencies and national governments, field-level practitioners, the private sector and NGOs. Considerable potential for efficiency gains was identified, especially with regard to cooperation between organizations and across different disciplines and backgrounds. The process led to the joint development of an analytical framework for Rural Economic and Enterprise Development - REED. It is based on the analysis of both success factors in rural economic development and lessons learned from failures.

According to United Nation's, rural development is seen as a strategy designed to transform rural life by extending the masses of the rural population the benefits of economic and social progress... It stresses a fundamental principle, that the rural poor must share fully through equitable access to the resources, inputs and services and participation in the design and implementation of development programmes (Ukwu; 1986).The Nigeria Government also set series of policies and programmes in place to improve Agric Businesses in the rural sector with a view to accelerate development in the long neglected sector of the country.

Some Selected Governments' Policies in Rural Development

There has been a lot of rhetoric about the pattern of life and living in the rural areas. The rhetoric ranges from romanticized account of pastoral beauty at the serenity of living found in rural areas. To this, Nigeria is not an exception. There has been a lot of misunderstanding about what rural development is. The services and misunderstanding about rural areas is evident in the various governmental programmes that have been tossed around. Some of the policies are briefly summarized below.(K. Chukwuemeka Obetta, 2012)

A. The National Accelerated Food Production Project (NAFPP). This project was launched in 1973 and it continued until 1976 when it was replaced by the Operation Feed the Nation Programme. It was an impact-making agricultural

strategy to increase food production in specific areas and sub-sectors of the agricultural economy. NAFPP relied heavily on the cooperative approach as well as on technical assistance for its success. The scheme was a well-conceived and guided change programme for rural development, especially in the area of food production. The (NAFPP) was a well conceptualized strategy which incorporated research, extension and input supply (through a network of agro-service centers) and farmers only minimally involved in participatory technology development.

B. Operation Feed the Nation. This programme was launched in 1976 by the then Head of State of Nigeria. Lt. Gen. Olusegun Obasanjo. It was designed to awaken in the generality of Nigerians the advantages of the agricultural occupation, especially, those living in the rural areas. The objectives of the Operation Feed the Nation among other things were to mobilize the nation towards self-sufficiency and self-reliance in food production, to encourage the sector of the community relying heavily on food purchase to grow their own food, encouraging general pride in agriculture and finally to support balanced nutritional feeding and thereby produce a healthy nation.

C. The Agricultural Development Projects (ADP). The projects commenced in Nigeria in 1975. The World Bank, the Federal and State Governments jointly own them. The ultimate objective of the Agricultural Development Projects system was to raise productivity, increase farm output, income and standard of living of the rural people. The emphasis was on the promotion of small-scale autonomous projects operated by a multi-disciplinary management unit. Using the cooperative approach, they tackled many aspects of agriculture, which include production, marketing, infrastructure and training. The problem with the Agricultural Development Projects was that they used a mixture of settlement and big-push approaches. As such, their heavy capitalization prevented their adoption by government and organizations. The ADP extension system was based on the premise that a combination of essential factors comprising of the right technology, effective extension, access to physical production-enhancing inputs, adequate market and other infrastructure facilities are essential to get agriculture moving (FACU, 1986)

D. The River-Basin Development Authority (RBDA). It was first launched in 1962, expanded in 1976 and further expanded in 1983. However, it was revised and curtailed between 1984 and 1986. The declared aim of the authority was to make the nation self-sufficient in food production and to uplift the socio-economic standard of the rural dwellers. Accordingly, Federal Republic of Nigeria (1981) reported that government provided in the Third National Development Plan huge sum of money to develop the main rivers of the country to benefit agriculture and rural development. The RBDAs were established to provide water for irrigation and domestic

water supply, improvement of navigation, hydro-electric power generation, and recreation facilities and fisheries projects. The basins were also expected to engender big plantation farming and encourage the establishment of industrial complexes that could bring the private and public sectors in joint business partnership.

E. Green Revolution. It is a crash programme launched in 1980 by Alhaji Shehu Shagari's Administration. It was aimed at boosting food production in a bid to provide food to every Nigerian. Unfortunately, it failed because the same government that instituted Green Revolution with the aim of making Nigeria self-sufficient as at 1985 embarked on a large-scale importation of rice from India and America, and essential food items for survival and sustenance (Otoghagua, 1999). Again, the sole intention of the programme was food and crop production so that the physical hunger of urban areas and the impoverished foreign exchange account of the government might be replenished. The presumption was that once agriculture was improved, and the yields per acre were increased, the peasant farmers who constitute the major bulk of the producers would automatically have their economic and social standard improved. It is very clear that there was no mention of how to channel the money back, extracted from the rural areas to develop the area.

F. Directorate for Food, Roads and Rural Infrastructure (DFRRI). The directorate was one of the numerous programmes that were instituted by the then President of Nigeria, Gen. Ibrahim Badamasi Babangida in 1985. It was a kind of home-grown social dimensions of Adjustment project for Nigeria. DFRRI, which represented a marked shift in focus from previous policies because of its unprecedentedly wide scope. Encompassing the increased and improved production of agricultural inputs, the development of social and economic infrastructure, community participation in development, and technological improvement in the agricultural practice, the DFRRI was set to leave no stone unturned in the project of national social and economic prosperity.

Problems to Agric Business and Rural Development in Nigeria

Ijere (1990) remarked that rural development will continue to be a basic problem to developing countries including Nigeria, because of the following reasons:

- **Lack of National Philosophical Base.** The Nigerian rural development strategy lacked a philosophical, ideological and holistic foundation. It had a body (policy-makers and government functionaries) but had no soul to give it life and sense of direction. The usual practice has been to be in office propounding slogans and manifestations for the people below. That was instrumental to the failure of some rural development projects such as Farm Settlement Scheme, Operation Feed the Nation, Green Revolution, etc

- **Lack of Integrated Pilot Demonstration.** Before 1976, there was no national rural development programme in Nigeria. What was in vogue was segmented or uncoordinated rural development where it is assumed that new programmes in one community will have ripple effects on other communities and institutions. According to Oyaide ((1988), the first Department of Rural Development at federal level was established in 1976 to mobilize people, initiate local projects with local leadership, promote agriculture, rural development and community projects. By 1978, the government was not so sure of what to do with rural development. As such, the term "rural development" was added to the Federal Ministry of Agriculture, and later replaced with Water Resources. All these occur because it is not certain about the place of rural development in the overall development strategy.
 - **Lack of Cohesive Identity.** Failures have occurred in rural development as people regard the social and cultural aspects of development as subordinate to the economic development. Any innovation that does not guarantee the cohesiveness of the group and respect for their history and beliefs have little hope of survival.
 - **Defective Local Economies.** People tend to treat rural development projects as charity or welfare packages. Few people are interested in the costing, evaluating and ensuring that targets are met. As such, production is emphasized in rural development policy while marketing and marketing outlets are neglected.
 - **Lack of Core Project Leadership.** The failure of project leadership to come from within to sustain the development projects has led to the falling apart of things in rural development. The tendency has been to rely on official leadership for carrying out rural projects. These official leaders are not prepared to motivate and sustain the enthusiasm of the people in the face of conflicts, depressions and unfulfilled expectations.
 - **Inadequate Community Participation.** The top-bottom approach to rural development employed by government functionaries whip up enthusiasm among the people, as there is absence of total community participation. Due to the approach adopted, people evoke unwilling response as they are regarded as being incapable of standing on their feet.
 - **Lack of Grassroots Planning.** There is little or no attempt to allow the rural communities to identify the problems and goals, analyze their own needs, and commit themselves to the achievement of targets. Local experts, Chiefs and community leaders, were taken for granted in deciding what projects to embark upon, and where and how to execute them. The planners do not consult even the interest groups, the co-operatives, and professional organizations.
 - **Inability to Optimize Local Resources.** Due to Nigeria's penchant for foreign-made goods, local resources are neglected for the imported goods. Local talents and manpower as well as other resources are also ignored, thereby losing the opportunity of evolving appropriate technology.
 - **Neglect of Community Structural Approach.** The pattern in Rural Development Programmes in Nigeria centres on the imposition of imported schemes whether or not they are related to the cultural and sociological life of the people. Examples of these areas of neglect include: appointing new leaders where such leaders already exist, not making use of youth organizations, age grades and women's groups in the initiation and implementation of programmes.
- Solutions to Agric Business and Rural Development in Nigeria
- It has been observed that all the government's efforts on rural development have as their primary aim, improvement of food, cash crops and agricultural production. However, the truth of the matter is that rural development is more comprehensive than agricultural development. This is because; agricultural development simply aims at increasing farm yield, whether for consumption, for industries or for export. Therefore, while agricultural development could increase the economic prosperity of the rural people (dwellers), the experience so far shows that it was more for the benefits of others (especially, urban dwellers). One of the major points on the way forward is reducing corruption would boost the future of rural development policies in Nigeria. Corruption is a consequence of ideology which informs our social organization. The same explanation accounts for the failure of various existing categories of control measure. Formal conventional measures and mechanisms, sermonizing and moralizing efforts (Odekunle; 1994). There is the need for even development. An overall achievement of the state should be the primary focus and objectives of the present government. The current Government should assuage the fear of marginalization among various ethnic groups. The rural areas are worst hit in terms of amenities.
- In addition to the above, the population should be empowered against corruption at the grassroots level and at the work place. For instance, the broad outline of the federal government subvention to each local government should be printed on posted and be posted all over the public places of the local government areas. However, the following additional points should be adopted by the Government if at all is has the need to improve Agric Business development in the rural areas with a view to accelerate development
- i. To improve the quality of life of the rural people so that they would enjoy desired wants, and would want to stay where they are.

- ii. To promote more equitable distribution of public investments between the rural and urban areas so as to instil in the rural people a sense of hope, confidence, and self-determination.
- iii. To make the rural environment so healthy and attractive as to trigger off a reverse the voluntary rural-urban migration among the present urban refugees.
- iv. To provide opportunity for the rural people to express their political awareness and restructure their traditional relationship and stereotypic mutual attitudes of urban and rural dwellers.
- v. To enhance the production of food and industrial raw materials for national development.

The strategies for sustainable rural development in Nigeria, according to Eboh (1995) include the following:

- Investing in human development to alleviate rural poverty, human misery and stabilize populations;
 - ensuring food security (not just food-sufficiency) through rural compensation measures like selective poverty-targeted relief;
 - creating incentives for rural growth and employment by improving access to production resources and institutional services;
 - empowering rural people via participatory and community-oriented development that is woven around local principles, skills and technologies, and
- a. Based on the fore-going, Ogbazi (2006) states that the programme of action in rural transformation as contained in the objectives of the National Policy on Rural Development should include Adequate Supply of Infrastructural Facilities, which will discourage rural urban migration, Provision of Small and Medium-scale Industries,. Formation of Co-operative Societies and Political Empowerment of the Rural People:

2. CONCLUSION,

The existence of a conducive business climate, or enabling environment, is considered essential to engender economic growth and development. However, what “an enabling environment” should encompass in practical terms remains elusive to many scholars and policy makers, particularly when discussed at the sub-sector level. Government and policy makers must evolve a comprehensive, monitored long term plan in Agric Business with a view to addressing the rural sector development. Frequent evaluation of progress must also be in place if the desired objectives are to be achieved. All what has been discussed so far in this research is not enough to answer the millions of question on the subject under study, but it will go a long if adopted and strictly monitored to the latter. Efforts should also be intensified to provide the

enabling environment without which all the planned programs may not see the light of the day.

Although most participants agreed that the creation of agribusiness and agro-industry-enabling environments depends on the will and ability of national governments, and there is need for public investment in strengthening relevant government institutions and ensuring appropriate infrastructure, in addition to providing other traditional public goods. The creation of stable and sustainable enabling environments requires good governance and the incorporation of accountability mechanisms in the institutional and governance systems, to guarantee efficiency in public expenditure.

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