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Collaborative Public Management and Economic Diversification in Nigeria: Fads or Policy Realities

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Abstract
Collaborative public management (CPM) and economic diversification are two policies that have gained unprecedented popularity in Nigeria over time but more under the Buhari administration. This paper interrogated the practicalities of both policies between 2015 and 2021. The underlining theoretical analysis was the **tie-level theory** propounded by Kilduff and Tsai in 2003, which upholds the principle of organizational networking. The secondary data that were derived by the study left no doubt about the existential reality of the policies in the economy. However, the effectiveness of the policies is undermined by feeble political will and commitment of the operators which has precipitated several impediments including the absence of business-friendly environment, poor sector choice and targets, low-level technology, low investor trust and confidence among others. It was concluded that a surgical operation on the two policies is necessary to actualize their ideals else they will remain a pipe-dream.

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I. Introduction

The implications of operating a mono-product economy with over-dependence on crude oil revenues for several decades by Nigeria have re-awaken calls by economic managers and experts, policymakers and shapers, as well as the academia to diversify the economy to non-oil resources. Economic diversification has been recognized as an important policy option or target since it can temper the boom-and-burst-cycle of resource-rich countries (Lashitew, Ross & Werker, 2021) and is essential for poorer countries to foster structural transformation, create jobs, reduce poverty and engender economic growth and development (Freire, 2020; Fruman, 2017). Policy makers in the country have been enjoined to aggressively invest resources and technology in the diversification drive in order to protect the mono-product economy from vulnerabilities to recessions and other economic shocks. The phenomenon has also captured the attention of the political class which seems to have come to grips with the intractable crises into which the economy has been plunged and the need to change its mono-income source or single engine structure to a range of sectors and markets that are less vulnerable, stronger and more resilient. This renewed interest in and recurrence of the economic diversification appeal has more than ever before invoked the pertinence of collaborative public management (CPM), a fallout of the "steering and rowing" mantra of the New Public Management (NPM), which has further been reinforced by the institutional pluralism model that solicits the interface of all segments of the citizenry – public actors, market players, and the not-for-profit sector – to whip up participatory democracy in service delivery.

The federal government which anchors the nation's economy is the prime and leading promoter of both economic diversification and CPM, with vocal popularity especially under the Buhari-led administration. Hardly is there any public discourse or conversation, forum or engagement on the Nigerian economy involving the federal tier without mention of economic diversification by its managers, representatives or agents. Similarly, the media are awash with both assertive and allusive statements by federal government functionaries expressing government's unflinching and ardent desire and determination to foster private sector collaborative initiatives to drive economic prosperity and sustainability through diversification. Short-to-medium term plans like National Economic Empowerment and Development Strategy (NEEDS) (2003-2007), Economic Recovery and Growth

Plan (ERGP) (2017-2020) and the Economic Sustainability Plan (ESP) (2020) in Nigeria have all recorded over 80 percent of evidential emphasis on government's resolve and commitment to partner business organizations in the drive towards economic diversification. In fact, Agba (2022) revealed that over 26 private sector entities participated in drafting Nigeria's 2021-2024 National Development Plan, which the private sector is expected to provide over 80 percent funding or more than N350 trillion in absolute numbers.

The federal tier though passionate about diversifying the economy in partnership with the private and voluntary sectors using the mechanism of CPM appears over-ambitious and obsessive. This obsessive attention has made the two development policies reflect the description of O' Flynn (2008) as the latest fad to penetrate the public service, especially when considered from the perspective of the reservations expressed by Ake (1981) with regards to economic management in Africa that African leaders do possess clear economic goals and well articulated policy frameworks, but often suffer from ineffective or complete absence of decisive functional strategies. It is in this light therefore that the argument of Bryson, Crosby and Middleton-Stone (2006) that the buzz around CPM has intensified so much that it seems to become the holy grail, the 'one best way' of doing everything irrespective of proven evidence of no value addition carries so much weight.

Past studies while extolling the efficacy and significance of economic diversification in creating jobs and reducing unemployment, raising the Gross Domestic Product (GDP) and per capita income, reducing poverty among other economic woes focused primarily on structural expansion and transformation of the economy to broaden its natural resource base for these outcomes, but failed to address the critical issues of governance structure and quality with respect to private sector engagement. They neither situated nor carved a place or context for the private sector in its assigned role of "rowing" thus under-exploring the existing literature on CPM and economic diversification in Nigeria. Put differently, CPM and economic diversification have become central to public policy and management in Nigeria yet there is limited research on them. This study derives inspiration from this limited research and attempts to bridge the gap. Furthermore, the staunch and special attention received by CPM and economic diversification in Nigeria suggests a fundamental shift in public management to constructive cross-sector synergies but with doubts about functionality and effectiveness, as well as palpability of the gap between theory and practice or myth and reality. This study attempts to address these concerns in such a manner as to ascertain the popularity-practicality nexus. To achieve this, the paper delineates a 5-section structure. Following this introductory section, is section two which explores perspectives on the concepts of CPM and economic diversification, pinpointing the prevailing affinity. The section also pins analysis in the paper to the tie-level theory whose thrust is network linkages among individuals, groups, organizations or governments. The third section provides insights on the conditions that favour CPM and economic diversification to germinate and bear fruits. In the fourth section, data in the form of governmental policy enactments and structures to facilitate the two strategies and their outcomes are provided and discussed. The paper concludes in section five for intensive reforms of the two policies to ensure success.

Conceptual Perspectives

Collaborative public management: CPM goes by several identities such as public-private partnership (PPP), networking, network governance or collaborative governance. An elementary perception of the concept connotes esprit de corps which compels the constructive interaction of individuals, groups, organizations, and governments to foster participation in the delivery of public goods and services. Huxham (1996) refers to CPM as working with others to realize outcomes that are beneficial to all. Gray (1989) defines inter-organizational collaboration as a process between interdependent actors who negotiate answers to shared concerns. Bardach (1998) refers to CPM as any joint activity by two or more agencies working together with the goal or intention of providing publicly essential and beneficial goods and services. Agranoff and McGuire (2003) conceptualize CPM as an arrangement that engenders mutual cooperation amongst groups or organizations which enables the remediation of problems that cannot be solved easily by a single entity. The authors stress that CPM entails working across sector or organizational boundaries in a cooperative or coordinated manner to achieve common goals of profitable value. Himmelman (2002:3) defines collaboration as "a process in which organizations exchange information, alter activities, share resources, and enhance each other's capacity for mutual benefit and a common purpose by sharing risks, responsibilities, and rewards. Ansell and Gash (2008) refer to collaborative governance as an arrangement where public agencies engage interested or willing non-state actors in decision making and implementation in the policy domain. Another perspective views CPM as a contractual engagement between public and private entities which allows the complementary allocation of skills, assets, and financial resources in order to achieve optimal and value for money public service delivery (Organization for Economic Cooperation and Development [OECD], 2013; Asian Development Bank [ADB], 2012; The Economist Intelligence Unit, 2015).

The justification for collaboration has been overwhelmingly expressed by policy makers, practitioners and public management scholars. The literature on collaboration identifies a number of push and pull forces as responsible for the surge in network governance across the globe. Basu (2012) traces the push and pull scenario

to the 1980s when the market mechanism took centre stage in the delivery scheme of public goods and services, what has been termed by Walsh as marketization of the public service (as cited in Osaghae & Umoru, 2017). Among the push forces that have regularized and perhaps legitimized CPM are a legion of diverse, large, more complex and complicated problems which confronts governments, demanding more flexible and more inclusive remedial strategies (Eggers, 2008; McGuire, 2006; Bhan, 2013). The pull factors on the other hand are represented by the emerging general trend towards dispersal of decision making and implementation powers to non-state entities and the citizenry (Sapru, 2013) and the availability of new and better governance tools in the private and third sectors which affords innovative and creative responses (Eggers, 2008; O'Leary & Vij, 2012).

Economic diversification: Economic diversification is a concept common with economies that are highly dependent on revenue from natural resources. Diversification occurs by reducing over-dependence on this narrow economic base. It is done among levels of the economy, usually from lower and more primitive to higher and more advanced stages (primary to secondary or tertiary) in a manner that elevates some sectors over and above others, which enables a country to move to a more diverse and broad-based production and trade structure. This is the perspective to which much of the literature tilts. Schuh and Barghouti (1988) and Petit and Barghouti (1992) refer to economic diversification as a structural transformation process whereby resources are shifted out of primary (natural resource-based) sectors into secondary (manufacturing) and tertiary (service) sectors with the intention of, as Harris (1999) and Scitovsky (1989) corroborate, growing some sectors and declining others. Siegel, Johnson and Alwang (1995) maintain that diversification is a deliberate attempt at entrenching and expediting unbalanced growth among economic sectors by promoting the growth of sectors with high income elasticities of demand. Economic diversification represents a transition from subsistence agriculture, natural resources extraction, and other forms of primary production towards value-added manufacturing, services, and other advanced production mechanisms (Usman & Landry, 2021). The process entails moving the production base away from the extractive sector by supporting manufacturing and non-resource sectors thus making the economy more diverse in the production of goods and services (Esanov, 2016).

Economic diversification commands immense significance in economic development due to the direct and inextricable linkage of the duo. The more varied or diverse an economy of a country the higher and more stable its performance, which is why Lagarde (2019) states that economic diversification is good for growth, tremendously important for economic resilience, and monumentally beneficial to all families and communities within a country. The World Bank (2019) reveals that a lack of economic diversification exposes and increases an economy's vulnerability to external shocks that can undermine prospects for longer term economic growth. Ndung'u (2020) extols the link between economic diversification and economic development stating explicitly that economies that are diversified tend to provide a solid base for accelerated development while those that are not have weak institutions and capacity and are susceptible to stunted growth, economic shocks and global crises. The concentration of economic activities around a single or few natural resources renders an economy vulnerable to price shocks and resource-depletion volatilities (Devlin & Titman, 2004; Van der Ploeg & Poelhakke, 2009; Venables, 2016 as cited in Lashitew, Ross & Werker, 2021). Albassam (2015) upholds this position emphasizing that an undiversified economy, dependent on one natural resource faces the danger of instability or total collapse if and when the price of the commodity in question decreases or crashes in the international market. Another significant fallout of diversification is that the sectoral progression or advancement stimulates and raises industrial activities thereby creating employment which leads to rising per capita incomes, growth in the Gross Domestic Product (GDP), and reduction in the poverty levels (Usman & Landry, 2021; Uwaleke, 2020; Fruman, 2017; Albassam, 2015). Esanov (2016) had acknowledged that as the structure of the economy changes due to industrialization, countries income grows concomitantly thus leading to improvements in standards of living of the citizenry. Furthermore, the resultant industrial transformation increases exports and by extension higher foreign exchange earnings, which in turn boosts and strengthens a country's foreign reserves.

The conceptualization of economic diversification presents three dimensions of the policy. The first, structural diversification (which is also known as GDP diversification), entails the sectoral expansion of the economy to boost output and generate employment. The economy structurally transits from a primary base to more technologically sophisticated sectors, shifting from informal economic sectors towards formal sectors of the production value chain (Usman & Landry, 2021). Schott (2004) describes structural diversification as a transition across diversification cones during which raw material sectors such as agriculture, solid minerals, forestry and the like diminishes in importance while manufacturing and tertiary activities increase in prominence. The second strand is trade diversification otherwise referred to as exports diversification which denotes an increase in the production of a country's major goods and services that are sold to global trade partners. It entails increasing a country's share or percentage of durable goods or income in export trade (Siegel,

Johnson & Alwang, 1995). Trade diversification is essential to profitably tap into the gains of trade liberalization and the benefits derivable from globalization (Esanov, 2016). The third variant, fiscal diversification is relatively obscure and least popular. Usman and Landry (2021) see it as a process which involves expanding or broadening the sources of government revenue or taxing powers and targets of public expenditure. It entails identifying more revenue streams that boost public revenue and increase the outlets and volume of public expenditure. Todaro and Smith (2011) describe fiscal diversification of an economy as the dispersal of a nation's income and revenue yielding investment opportunities in order to create and sustain wealth. Government evolves creative ways and means of investing in revenue generation and expansion locally in order to run public affairs.

The CPM-Economic Diversification Nexus

The hierarchical model of governance has declined in popularity and influence since the 1980s due to its poor or waning capacity to effectively, efficiently, reliably or dependably deliver quality public service. Its challenger, the market mechanism canvassed for a competitive state where networks arising from the market itself, civil and voluntary institutions will freely interact, compete or complement in the delivery of public goods and services (Yissa & Ejeh, 2018). This implies a shift of public service provision from the state to the market and its corollary (the voluntary sector) thus making it imperative for these sectors to participate in economic development. Generally, economic diversification efforts by countries seek to allow increasing private sector participation in economic activities which is an indication of the nexus between CPM and economic diversification. The private and voluntary organizations are required to make key and substantial investments in those sectors of the economy earmarked for diversification. Private sector intervention is needed in the entire diversification value chain – from the extraction of raw materials (primary production) to the establishment and management of industrial and service concerns.

The bond between CPM and economic diversification is further established by finance, technology, managerial capacity and the like which are critical ingredients for effective economic diversification, and have been adjudged to be absent in the public sector but evidently abundant in the private sector. Involvement of the private sector in economic management has the potential of increasing operating efficiency by making investments in new technologies, proffering innovative solutions, and erecting more transparent management structures (ADB, 2012). Leveraging the private sector to access these resources is by every means necessary, which buttresses the affinity between CPM and economic diversification. In other words, attracting all these from the private sector in the drive towards economic diversification requires robust and extensive synergies that are result-oriented. Public, private, and voluntary sector organizations must come under one platform to explore a common position, with each playing a critical role in realizing the diversification dream.

Collaborative public management and economic diversification are equally intertwined within the context of lateral thinking. Economic diversification is both dynamic and normative (Siegel, Johnson & Alwang, 1995). What this means is that economic diversification involves a varying degree of changes in the structure, process and orientation of the economy, as well as policies, ethics, norms and values towards creativity and innovation. Lateral thinking seeks collaboration to harness the gains of creatively transferring ideas and knowledge from one substantive discipline to an entirely different one otherwise known as thinking Da Vinci (O'Leary & Vij, 2012). Transforming an economy from the traditional sectors to the modern sectors of production inevitably demands engagement of the citizenry either as market players or voluntary groups to cross-fertilize problem solving and decision making ideas in the business of governance.

Theoretical Framework

The **tie-level theory** was utilized to underpin analysis in this study. The theory was propounded by Kilduff and Tsai in 2003. The tie-level theory is used to analyze and explain social networks in terms of network linkages and their implications. A tie is simply a link between one person, group or organization and another. The theory holds that people are connected together to form organizations and organizations in turn are linked to each other through people thus creating social networks that exert either positive or negative impacts on projects, policies or programmes (Kilduff & Tsai, 2003). The networks knit the social fabric, making people to become committed to one another and to common ideals thereby strengthening relationships and increasing the probability of goal attainment in the task of building a strong society. Ties occur in levels deriving from the nature and orientation or arrangement of the relationship. On the basis of this, therefore, the tie-level theory is anchored on and facilitated by three major concepts: strength, reciprocity, and multiplicity.

A network tie may be strong or weak, light or loose depending on the intensity of emotions, intimacy, and time spent in the relationship (Abiola and Adebayo, 2011). The strength of a network tie is critical to and determines its success. Strong and robust ties are more frequent, durable and facilitate the diffusion of ideas, knowledge and technology, while loose ties, though infrequent and less durable, still ensure diverse information to collaborators. Multiplicity or plurality refers to the number of ties involved in the relationship or linking the

actors together in a network, and this in turn has a close affinity with the strength of the tie. The more diverse the relationships, the stronger, more coherent and durable the tie while single ties are weak and susceptible to disintegration or collapse. Reciprocity in networking denotes the arrangement of the relationship among partners in a way as to cater for feelings of imbalance and dissatisfaction (Kilduff & Tsai, 2003). The partners are satisfied, cooperative and mutually reciprocatory where the relationship is balanced and this is referred to as symmetric reciprocity (Shapiro, 2005). On the contrary, when the actors feel dissatisfied with the terms, conditions, power configuration and operations of the collaboration, they tend to manifest unfriendly characteristics or tendencies described as asymmetric reciprocity. Networking provides numerous and excellent opportunities for the participants. Benefits such as social and intellectual capital are among the major derivatives of strong ties but, as Rotter & Ozbek (2010) observe, cannot accrue without the expenditure of resources like finance, technology and know-how, innovation, time and trust.

The tie-level theory fits analysis in this study because economic diversification demands the interface of a network of actors from the public, private, and voluntary sectors linked together in a CPM arrangement. Put differently, the CPM and economic diversification strategies involve stakeholders whose efforts and support are necessary to complement and maximize wealth creation in the value chain. The strength, success and prosperity of these strategies depend on the mechanisms evolved in terms of distribution of responsibilities and risks, the flexibility of the synergies, and the competitive capabilities of the participants.

Pre-Conditions for Collaboration

Collaboration does not occur in a vacuum or by mere expression of interest or willingness. Certain factors facilitate its existence and must be present before it can take place and thrive. These conditions include among other things:

Context: Collaborations operate within specific policy and environmental contexts such that a successful collaboration in a given context or environment may be unsuccessful in another (O'Leary & Vij, 2012). A robust, stable and competitive market underpinned by a strong legal framework including judicial autonomy and fair regulation constitute some of the environmental complexities that characterize collaborative arrangements.

Purpose and mission: Collaborations are created for different purposes or missions though with varying and sometimes conflicting interests of the collaborating partners or agents. Interest alignment may be difficult to attain but goal or mission compatibility is necessary to ensure success. Collaborators must, therefore, mutually agree on the common purpose or mission of the collaboration right from the outset to avoid failure.

Governance structure: The structure and governance of the collaboration are critical for its success or failure. While structure delineates authority and responsibilities to the collaborators or participants, governance deals with decision making and implementation, mode of interaction and communication, as well as resource distribution mechanisms within the collaboration. It is in this perspective that Mattessich and Monsey (1992) extol the virtues of collaboration noting that it allows the creation of new structures of authority, entrenchment of common mission and facilitation of comprehensive planning and communication across multiple levels. What this implies is that the governance structure to a greater extent determines the power configuration – that is, the source, distribution and balance (or imbalance) of power among collaborators, which tends to ensure the workability, durability and success of the pact.

Trust: Trust between and among collaborators is essential for success and sustainability of the partnership. Adhering to commitments, being honest and sincere during negotiations, and avoidance of undue advantage over individuals or groups constitute trust (Commings and Bromiley, as cited in O'Leary & Vij, 2012), which scholars like Bardach (1998) and Huxham (1996) maintain, is critical for building and sustaining collaborative relationships. O'Leary and Vij (2012) further observe that trust in CPM can develop through interest and goal alignment, honest and open communication, free and unhindered access to information and knowledge, as well as clear and manifest accountability.

Information technology: Information and Communication Technology (ICT) exerts a huge influence on all activities - public, private and joint including collaborations. The information revolution through the internet with diverse technological innovations and streams has given rise to e-governance which facilitates CPM. Collaborators and participants, therefore, have no choice than to weigh or gauge their participatory capacities and capabilities in terms of harnessing and managing the variants in the information toolkits in order to make the collaboration effective and result-oriented.

Determinants of Economic Diversification

Economic diversification efforts of countries are usually tailored towards stimulating and activating private sector participation in economic activities. For the private sector to engage in and drive the diversification process, a fertile ground must be present by way of institutional mechanisms and effective policy instruments. Research has shown that physical capital, trade policy, macroeconomic and institutional variables

influence the diversification process (Esanov, 2016). Scholars and practitioners have identified a number of elements or conditions that enhance private sector-driven economic diversification to include but not limited to:
Deciding the sectors (sector target): It is an established fact that diversification is a movement along the sectoral continuum of an economy, from primary through secondary to tertiary. A country prioritizes sectors, that is, decides whether to move from the extractive sector to the industrial sector or from manufacturing to service. In some cases, a country can do backward integration, descending from manufacturing to encourage primary production of particularly desiring or needed raw materials for the industrial sector. If a country chooses to move from primary to secondary, for example, the selection of industries or industrial targets or priorities becomes critical. Esanov (2016) notes that focus should be on industries that have the potential to expand quickly and ultimately develop sufficient capacity to compete in the global market. Furthermore, emphasis should be on the production and export of sophisticated high-value and quality goods.
Choice of policies: Policy instruments that often stimulate the diversification process abound at the disposal of a country. Choosing the right and effective policies that would facilitate the reallocation of economic resources to new and value-adding activities is critical to success. Fruman (2017) suggests that policies that will spur access to finance or capital, enhance labour mobility and provide labour-market balance should be prioritized. Similarly, investment-friendly policies and regulations such as creating and improving the business operating environment, removing trade barriers, allowing free and fair market competition, ensuring effective product and service markets among others are germane to long term success.
Development of competitive capabilities: For economic diversification to be meaningful and successful, a country must develop competitive capabilities to drive the growth of the non-resource component of the economy. Lashitew, Ross and Werker (2021) categorize the elements of competitive capabilities into three: *Human capital development* – anchored on the Human Development Index (HDI), Human Capital Index (HCI), and tertiary education enrollment rate;
public and intellectual capital development – measured on expenditures on Research and Development (R&D), patent application rate, and investments in infrastructure; *business capacity development* – covering support for the growth of entrepreneurship and small businesses, fostering a healthy competitive business climate that facilitates new ventures among others.
Government interventions: Government must be alert to intervene at appropriate times to mitigate specific market, policy and institutional failures or shortcomings. This could be in the form of instituting adequate and appropriate incentive frameworks, providing information and knowledge on new foreign markets and market standards, evolving policy reforms that reduce trade costs, ensuring efficient trade logistics, discovering new products or ways of adding value to existing ones.

Efforts and Outcomes of Economic Diversification in Nigeria

Successive administrations in Nigeria have made efforts over the years but more concerted recently (under the Buhari administration) to diversify the economy. To this end, several structures have been created and policies enacted to actualize the diversification dream. Some of the structural platforms to foster economic diversification are highlighted immediately below while the policy instruments are presented in Table 1.
Renaming of the Ministry of Communications as Ministry of Communication and Digital Economy in 2019 – to stimulate and expand the digitalization process.
Renaming of the Ministry of Science and Technology as Ministry of Science, Technology and Innovation in 2021 – to shift R&D to be more industry and service demand-driven.
Ministry of Humanitarian Affairs, Disaster Management and Social Development – created in 2019 and housing or anchoring all the social investment programmes to mitigate the tides of poverty, unemployment, hunger and disasters.
Presidential Enabling Business Council (PEBEC) 2016 – to create enabling environment for business ideas, creativity and innovations to thrive.
Micro, Small and Medium Enterprises (MSMEs) Clinics – where the federal, states, and the private sector synergize to create opportunities for businesses to grow and innovate.
Special Economic Zones (SEZs) such as the Calabar Free Trade Zone (CFTZ), Lekki Free Trade Zone (LFTZ), Kano Free Trade Zone (KFTZ), Enyimba Economic City (EEC) among others – meant to provide industrial and other businesses with free land rents, tax holidays, duty free importation and many other incentives to encourage industrial growth.
Development Bank of Nigeria (DBN) 2016 – to muster funding and foster development.

Table 1: Some major policies to drive economic diversification

Sector	Plan/Policy/Programme	Period (Years)	Main objective
Planning	ERGP	2017-2020	Economic growth and development
	ESP	2020	Mitigate COVID-19 impact on businesses
	National Development Plan	2021-2024	Economic growth and development
Infrastructure	NIIMP	2015	Boost and modernize infrastructure assets
	PIDF	2017	Finance special infrastructure projects
	INFRACO	2020	Scale private investments in infrastructure
Agriculture	ABP	2015	Provision of farm inputs to farmers
	PFI	2017	Affordable fertilizer supply to farmers
Solid minerals	PAGMI		Encourage and boost the mining of gold
	ASSMF	2018	Finance small-scale quarrying and mining
Industry and Business	NIRP	2014	Support industrial competitive advantage
	NEDEP	2014	Assist MSMEs
	SME Survival Fund	2020	Mitigate COVID-19 effects on businesses
	NYIF	2020	Youth empowerment for self-employment
Power and Energy	PSRP	2017-2021	Improve electricity supply in the country
	PIA	2021	Competition and innovation in oil and gas

Source: Compiled by the authors (2022).
Interpretation:
NIIMP – National Integrated Infrastructure Master Plan
PIDF – Presidential Infrastructure Development Fund
INFRACO – Infrastructure Company of Nigeria
ABP – Anchor Borrowers' Programme
PFI – Presidential Fertilizer Initiative
PAGMI – Presidential Artisanal Gold Mining Initiative
ASSMF – Artisanal and Small-scale Mining Fund
NIRP – National Industrial Revolution Plan
NEDEP – National Enterprise Development Programme
NYIF – National Youth Investment Fund
PSRP – Power Sector Reform Programme
PIA – Petroleum Industry Act
Table 1 displays some of the major policies initiated by the federal government aimed at diversifying the economy between 2014 and 2021. The policies targeted priority sectors of agriculture, solid minerals, manufacturing, construction and real estate, oil and gas, and MSMEs. Some of the policies and programmes such as PIDF, PFI, PAGMI are directly under the Presidency while the activities of others like ABP, ASSMF are coordinated by parent MDAs. Citizens are expected to actively participate through the instrumentality of CPM which will enable economic diversification, empowerment and growth.

Nigeria's diversification efforts have yielded minimal results when measured against the vocal popularity enjoyed by the policy. The data in Table 2 reflect the contributions of the oil and non-oil sectors to GDP growth during the period covered by this study.

Table 2: Contributions of oil and non-oil sectors to GDP (2015-2020)

Year	Oil and Gas (%)	Non-Oil (%)
2015	9.5	90.4
2016	7.5	92.85
2017	10.1	89.9
2018	9.8	90.2
2019	8.9	91.22
2020	8.16	91.84

Source: NBS data (2021).

Table 2 shows that the non-oil sector has been contributing higher GDP to the economy than its oil counterpart in the six years considered by this study. Specifically, the table indicates that non-oil GDP has been on the increase of over 90 percent across the period except for the year 2017, which recorded slightly (about 0.1 percent) below the 90 percent mark. Incidentally, the oil sector recorded the highest GDP value during the same year. The GDP drivers in the non-oil sector over this period were the service sector spearheaded by information and communication underpinned by telecommunication and broadcasting. Other notable drivers were agriculture, manufacturing, real estate, mining and quarrying, as well as construction (NBS, 2021).

A breakdown of the non-oil sector into the three broad economic sectors of primary, secondary and tertiary represented by agriculture, manufacturing, and telecommunication and information services respectively during the period under study, the yearly GDP contribution is as presented in Table 3.

Table 3: Annual GDP contribution of agriculture, manufacturing, and telecommunication services in Nigeria (2015-2020)

Year	Agriculture (%)	Manufacturing (%)	Telecommunication (%)
2015	15.13	9.5	53.2
2016	20.02	1.89	53.5
2017	21.45	-0.21	55.8
2018	21.12	2.09	52.01
2019	22.36	0.77	53.2
2020	26.21	28.22	46.39

Source: NBS data (2021).

The data in Table 3 reveal a picture of a fast-growing tertiary sector than the primary and secondary sectors. A critical examination of the data shows a gradual but steady single-digit rise of the service sector with a peak in 2017 and a decline of over 2 percent in 2018. The trend rose slightly by about 0.19 percent in 2019 and dropped sharply by over 6 percent in the year 2020 due probably to the effect of the COVID-19 pandemic on the economy. Meanwhile the lower sectors parading agriculture and manufacturing have witnessed chequered marginal or minimum gains, recording what could be described as a boom in 2017 while manufacturing declined to its lowest nadir of -0.21 percent in the same year.

II. Discussion

A critical review of the CPM and economic diversification policies in Nigeria reveals a plethora of inadequacies or shortcomings both within and outside the policy arena which are undermining or impeding the operational success. Lashitew, Ross and Werker (2021) identify a tripod for measuring economic diversification: Variety-based, quality-based, and output-based. The authors elaborate that variety-based measures look to justify or fulfill the literal meaning of economic diversification by gauging the diversity of economic activities without considering their quality. The quality-based measures relate to the concept of structural metamorphosis which fosters the shift of production towards economic activities that bring forth greater value addition and competitive advantage. Output-based measurement on the other hand considers changes in non-resource economic production regardless of its composition or factor combination.

Nigeria's diversification can be contextualized within the variety-based approach which emphasizes quantity. In this regard, it is discernible that a lot of economic activities have been and are still going on especially in the non-oil sector of the economy albeit on a small holder or subsistence basis. More people have engaged in economic ventures on a small-scale with the motive of maintaining access to sustenance culminating in the GDP in the sector. However, since the activities embarked upon are mostly individual and not group-based, effective inter-organizational or cross-sector coordination for constructive CPM engagements becomes a herculean task. Furthermore, the dominance of petty trading and informal businesses, not leveraging technology has neither generated the needed employment nor engendered the revenue-yielding or enhancing growth usually associated with economic diversification because most of the activities are not creating or adding value due to low levels of competitive capabilities particularly intellectual capital. Schwab and Sala-i-Martin (as cited in Lashitew, Ross and Werker, 2021) suggest that developing intellectual capital, creative and innovative capacities enhances value upgrading by increasing domestic capacity to create new technologies or absorptive capacity to assimilate and internalize imported technologies, which tends to boost the diversification process. Nigeria ranks low (0.4 percent) on the HDI and deplorable (1.4 percent) on the HCI and tertiary education enrolment rate (0.9 percent). Her R&D expenditure to GDP is 0.21 percent while patent application and private sector access to credit remain as low as 5 percent and 15 percent respectively (Lashitew, Ross & Werker, 2021). This explains why the country often boasts of increased GDP but fails to sustain the growth momentum in the non-resource sectors, and which hardly reflects improvements in the lives of citizens. In fact, the high GDP growth in the non-oil sector viz-a-viz the oil sector as contained in Table 2 is misleading because in reality, Nigeria's GDP growth is still significantly tied to the oil sector. Once oil prices surge, GDP increases like between 2001 and 2010 as well as 2011 and 2014. The stable decline in oil prices is responsible for the slump in GDP and the accompanying trade deficits since 2016 (O'Neill, 2021).

Structural transformation of the economy usually proceeds vertically upwards from primary production to secondary or industrial and then to the tertiary or service sector, with full private sector engagement at all the levels. Nigeria has rather embarked on what could be termed lateral diversification, investing much of her resources and time in diversifying into agriculture and other primary subsectors than industrial production. This

has left the industrial sector on a downward trajectory, occupying position 165 on the 2016 global industrial growth ranking (Metu, 2021) and declining from a GDP contribution of 2.15 percent in 2017 to -5.8 percent in 2020 (NBS, 2021). Yet government seems to exhibit a waning commitment to support industrial growth. Umoru (2021) reports that the capital votes of the Ministry of Industry, Trade and Investment have been declining in recent years from N19 billion each in 2017 and 2018 to N8.8 billion in 2019, and N3.8 billion in 2020 before rising to N6.5 billion in 2021 and 2022 respectively. Worse still, the manufacturing sector is gradually being disempowered through multiple taxes imposed by the three tiers of government. The investment climate harbours a weak regulatory framework inundated with a myriad of lapses and injustices that undermine investor trust and confidence thereby jeopardizing the CPM flair, which is essential for addressing the complex problem of economic diversification. Evidence indicates that these pitfalls and others like Customs inefficiency and low logistics performance are causing the Nigerian economy to leap-frog the industrial sector and transit to the service sector (Metu, 2021) as the data in Table 3 reveal.

The agricultural sector presents significant cases of CPM and economic diversification policies. One case involves the Central Bank of Nigeria (CBN) and RIFAN (Rice Farmers Association of Nigeria) in collaboration with 23 private financial institutions across the country through the ABP. According to the CBN Governor, over 3.1 million farmers across the country have benefited from ABP to cultivate 3.8 million hectares of land and produce 21 commodities (Adewale, Danjuma, Akhaine & Idris, 2021; Mojeed, 2021). However, the ABP faces sustainability threats due to stakeholder or participant trust deficits and renege. There is severe danger of the programme fizzling out sooner than expected as a result of massive loan default to the tune of over N77 billion among ABP's loan beneficiaries triggered by the raging insecurity perpetrated by activities of bandits and herdsmen which has hampered farming activities (Azeez, 2021; Adewale, Danjuma, Akhaine & Idris, 2021). Another notable case is the PFI which occasioned a synergy between the federal government, state governments and private sector organizations in the provision of fertilizer. As at year 2020, the Nigeria Sovereign Investment Authority (NSIA) (funder of the programme) reported an increase in the number of participating blending plants from barely seven before 2016 to 44, culminating in the production of about 30 million bags of 50kg fertilizer (Mojeed, 2021).

CPM and economic diversification have not enjoyed a better deal in connection with public infrastructure delivery. The World Bank (2019) observes that the domestic market in Nigeria is big but constrained by limited connective infrastructure which reduces producers' and firms' ability to reach wider markets. The poor infrastructure connectivity also dampens the country's regional economic collaboration and cooperation. It equally renders the manufacturing sector fragile which prevents it from withstanding global competition. Metu (2021), reports that the country is ranked low (96th) on the Quality of Infrastructure Index and 124th on the Global Competitive Index. Recently, however, collaborative networks are gradually building momentum in the quest for adequate and efficient infrastructure delivery. In the road sector, for instance, the Road Investment and Refurbishment Tax Credit Scheme introduced by the federal government in 2017 and strengthened by Executive Order No. 007 of 2019 seems to attract domestic investment into the sector as exemplified in the construction of the Obajana-Kabba Road in Kogi State by the Dangote Group, the construction of Bodo-Bonny Road in Rivers State through a tripartite agreement involving the Federal Government, Nigeria Liquefied Natural Gas (NLNG) and Julius Berger Nigeria Plc, and the request by the NNPC (Nigerian National Petroleum Company) Ltd. to invest N621 billion in the delivery of 21 federal roads across the country. Private sector intervention in infrastructure has equally been obtained in the mining industry particularly Gold mining. Olatunji (2020), reports that the federal government licensed two private sector firms to set up Gold refineries in Abuja and Ogun State.

The diversification efforts are also extraporated to fiscal diversification to broaden the revenue base of government. Revenue targets are often set for revenue-bearing agencies like Federal Inland Revenue Service (FIRS), Nigeria Customs Service, Nigeria Ports Authority (NPA) among others. However, narrow tax base features prominently as an inhibitor because most of the economic endeavours undertaken by citizens are not captured in the tax net. A few that appear in the tax net are prone to tax evasion. The efforts at fiscal expansion also led to unpopular and anti-people decisions such as increase in Value Added Tax (VAT) from 5 percent to 7.5 percent in 2019, increase in electricity tariffs in 2021, removal of petroleum subsidy which is scheduled for year 2022, proposed addition of N10 tax to carbonated drinks in 2022 and so forth. In all this, network governance or tie-level has been minimal, loose or completely absent resulting to low target achievement due to system inefficiency and leakages.

III. Conclusion

Nigeria is classified among extremely resource-endowed nations that desperately need the constructive engagement of public, private and civil society organizations to properly and adequately harness the resources for development. The popularity of CPM and economic diversification has intensified but the approach towards realizing the full potentials and dividends of the policies remains weak and more at the level of lip service.

Strong demarcations and bureaucratic barriers still exist that deter CPM and make the network ties (where they exist at all) loose. There are several concerns bothering on the political will and commitment, governance structure, stakeholder and investor trust and confidence, policy choice, competitive capabilities, access to information and technology among others. No doubt economic diversification is ongoing in the country but the diversification is variety-based. It is occurring within the primary level of the economy with over-emphasis on agricultural production and not a transition from primary to industrial production which creates, adds or upgrades value. The situation has delinked the manufacturing sector and superintended the service sector, which though has grown the GDP the growth is unsustainable because it is not technology-driven. Output, product or service quality, and value addition in most of the activities are all constrained leaving the country with an insignificant record of achievement in the diversification drive which culminates in low ranking among the top 21 economies being diversified in Africa. Overall, therefore, CPM and economic diversification though appealing still remain aspirational ideals that if not properly and intensively worked on would prove to be passing fads than realities in Nigeria.

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