# TRADE LIBERALISATION AND FOOD SECURITY: AN ASSESSMENT OF THE IMPACT OF WTO ON AGRICULTURAL PRODUCTION IN NIGERIA 1999 – 2007

**BY**

**MOHAMMED NGOZI THELMA**

**FEBRUARY, 2013**

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**NIGERIA**


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**NIGERIA**

**FEBRUARY, 2013**

## DECLARATION

This thesis entitled Trade Liberalisation and Food Security: An Assessment of the Impact of WTO on Agricultural Production in Nigeria 1999 – 2007, by Mohammed Ngozi Thelma meets the regulations governing the award of the degree of Doctor of Philosophy of the Department of Political Science, Ahmadu Bello University, Zaria.

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N T Mohammed (Mrs.)  DATE

## CERTIFICATION

This thesis titled Trade Liberalisation and Food Security: An Assessment of the Impact of WTO on Agricultural Production in Nigeria 1999 – 2007, meets the regulations governing the award of the degree of Doctor of Philosophy of the Department of Political Science, Ahmadu Bello University, Zaria. And is approved for its contribution to knowledge and literary presentation.

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## DEDICATION

This work is dedicated to my most loving parents, Mr. and Mrs. A.U Johnson and to all my sisters and brother: Betty, Doris, Laura, Maureen, Peggy, Uche, and to my husband, Captain Mohammed (rtd) and also my children, Aisha and Amina. With you all my life has achieved its essence.

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## LIST OF ACRONYMS

| | |
|---|---|
| **ACP** | Africa, Caribbean and Pacific |
| **AOA** | Agreement on Agriculture |
| **BOA** | Bank of Agriculture |
| **CAADP** | Comprehensive Africa Agriculture Development Programme |
| **CAFTA** | Central American Free Trade Agreement |
| **CRIN** | Cocoa Research Institute of Nigeria |
| **CBN** | Central Bank of Nigeria |
| **ECOWAS** | Economic Community of West African States |
| **DFRRI** | Directorate of Food Road and Rural Infrastructure |
| **EFTA** | European Free Trade Area |
| **ERA/FOEN** | Environmental Right Action Friend of the earth Nigeria |
| **EU** | European Union |
| **FAO** | Food and Agriculture Organisation |
| **GATT** | General Agreement on Tariffs and Trade |
| **GDP** | Gross Domestic Product |
| **(ICAR)** | Indian Council of Agricultural Research |
| **IMF** | International Monetary Fund |
| **IFPRI** | International Food Policy Research Institute (IFPRI) |
| **LDC** | Least Developed Country |
| **MDG** | Millennium Development Goal |
| **MNC** | Multinational Corporation |
| **NAFPP** | National Accelerated Food Production Programme |
| **NALDA** | National Land Development Authority |
| **NPAFS** | National Policy on Agriculture and Food Security (NPAFS) |
| **NEEDS** | National Economic Empowerment and Development Strategy |
| **WTO** | World Trade Organisation |
| **NAFCON** | National Fertilizer Company of Nigeria |
| **NAFTA** | North American Free Trade Agreement |
| **NIHORT** | National Institute for Horticultural Research and Training |
| **NFSP** | National Food Security Programme |
| **NSFRP** | National Strategic Food Reserves Programme |
| **NIFOR** | National Institute for Oil Palm Research |

| | |
|---|---|
| **NIRSAL** | Nigerian Incentive Based Risk Sharing System for Agricultural Lending |
| **NTB** | Non-Tariff' Barrier |
| **OECD** | Organisation for Economic Cooperation and Development |
| **TRQ** | Tariff Rate Quota |
| **U.A.C** | United African Company |
| **UNIDO** | United Nations Industrial Development Organisation |
| **UNDP** | United Nations Development Programmes |
| **NACRDB** | Nigerian Agricultural Cooperative and Rural Development Bank |
| **UNCTAD** | United Nations Conference on Trade and Development |
| **RBDA** | River Basin Development Authority |
| **SMEDA** | Small and Medium Enterprises Development Agency |

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## ABSTRACT

The research work is on the impact of trade liberalisation as articulated by the WTO and its implication for food security in Nigeria. Using 1999-2007 as a period of study, the research set out to show that both the trade liberalisation policy and government practices constitute challenges to food security in Nigeria. If anything they are mere reactions to a more fundamental problem, that is the disconnect between policy and practice and the use of skewed and faulty statistics in analysing food security problems in Nigeria. The research made enquiries such as to what extent Nigeria can be considered food secured; to know the impact of policy and practice on food security; and the socio-economic implications of trade on agriculture and food security in Nigeria. The method of data collection included interviews, documentary methods, structured questionnaires to farmers and household. The method of data analysis was the quantitative and descriptive methods .Simple percentages were used to present the data. The research reveals that trade liberalisation is not the panacea for food security in Nigeria, if anything; the country needs to devise a strategy to counter the problems of agriculture and in turn bring about food security in Nigeria. The link between agriculture and industry and, public private partnership in all ramifications which ensure increased agricultural productivity should be encouraged. Thereafter, a review of trade liberalisation policy would now be of benefit and interest to Nigeria.

# CHAPTER ONE

# INTRODUCTION

## 1.1 BACKGROUND TO THE STUDY

The emerging global system can be seen as one of the greatest challenges to the world economic development especially developing economies. This system known as globalisation has widened and expanded linkages of national economies into a worldwide market for goods and services. The term refers to a process of interaction and integration among people, companies, and governments of different nations, a process driven by international trade and investment and aided by information technology (Hughes, 2009:10). It has impacts on countries, affecting socio-economic, political, cultural, technological advancement and other aspects of human lives. But this influence is glaringly manifested in the area of economics where trade is a major aspect. This trend towards a unipolar world order has replaced the cold war political and economic divide. The global economic structure rests on the powers of the International Monetary Fund (1MF), The International Bank for Reconstruction and Development (World Bank) and World Trade Organisation (WTO). These powerful transnational bodies were supposedly created to promote economic policies that will aid even development. But as it turned out, global economic equality is lopsided in favour of developed economies because of the lopsided nature of global policy dislocation and opportunities among nations involved in the trade.

The policy of trade liberalisation, the vehicle through which this economic order would spread trade across the world has recorded important shift from how market and trade worked. It has encouraged world economies to restructure or

undertake economic reforms to conform to the needs of the international system without minding their weakness. Trade liberalisation refers to the removal of government incentives and restrictions from trade among nations (Hunter, 2001:31). It is the theoretical removal of all trade barriers, allowing for completely free and unfettered trade among nations. The historical antecedents of free trade dates back in economic thoughts to the mercantilist era when trade was advanced as a critical factor in the growth of nations. The concept emerged from the French Phrase 'Laissez faire' meaning "allow to do" and made popular by a group of French writers called physiocrats between the 1750s and 1780s, but it was a group of thinkers called the British classical school led by Scottish economists Adam Smith, David Ricardo among others that gave trade liberalisation its fullest explanation and defence between the 1770s and the 1840s. (Hunter 2001:32). Both schools stressed that laissez faire system which ensures greater competition enables international division of labour and more efficient allocation of gains. With the Uruguay Round of multilateral trade of 1986 - 94 (which resulted in the Agreement on Agriculture) agriculture was brought into the global trade negotiations and ever since it has been one of the' most contentious and hotly debated issues in international trade (Sharma. 2006:17)

Trade liberalisation in this research is discussed within the context of food security. Food has been an essential component of man's existence. Food is life. People can subsist for long periods with inadequate housing, insufficient clothing and other manufactured goods but they cannot survive without enough food, let alone work efficiently (Adeyemi 1999:23). Though food production and its sustainability have been achieved in some industrialised countries and parts of Asia, food insecurity still remains a global phenomenon. Information has shown that about 925million people suffer from hunger globally (Inside story, Ajezeera.net, January 4, 2012)

In Africa and other developing countries, food insecurity has been an acute problem. This is because food production is not growing at the same rate with population and demand. For instance in sub - Saharan Africa, the number of hungry people has risen to over 19% in the last decade (Mead, 2004:3) and the ratio of their food output represents only 6% of the world food supply (Borlang and Dowswel, 2004:16). The importance of self-sufficiency in food production cannot be overemphasized; this explains why the attainment of self sufficiency in food production is seen as part of the requirement or criterion for rating development/ underdevelopment of a given country. Globally, food is a strong weapon of international politics and a nation that cannot feed itself becomes dependent and vulnerable to external threats. Food shortages and resultant poverty have generated crisis and other disturbances in Egypt, Senegal, Mauritania, Cameroon, etc, where people have taken to the streets to protest the exorbitant cost and inadequate food supply (The Economist, December 2007:11) .

Food security remains the centre of focus in Nigeria's agricultural sector. For some decades now with the introduction of the trade liberalisation policy, Nigeria has experienced some level of food insecurity as a result of mindless importation of food stuff like rice, beans, sugar, wheat etc. The necessary incentives needed by the local farmers to aid production of food have been wiped off by government policy of trade liberalisation introduced by SAP and later WTO. Today, such companies like Dangote, Plc, have for a prolonged period dominated food importation in Nigeria with adverse consequences for local food production. Despite good weather, large expanse of arable land and huge human resources, Nigeria currently ranks as one of the major importers of food in the world. Even the various programmes and projects such as initiated by various governments in Nigeria aimed to rapidly improve the sector,

reduce poverty and foreign exchange drain through food importation such as Operation Feed the Nation (OFN), Green Revolution (GR), National Economic Empowerment Development Strategies (NEEDS), National Food Security Programme, among others fell short of addressing food insecurity in Nigeria.

These problems faced by the sector have been heightened by trade liberalisation brought about by increased globalisation. This motive is informed by the theoretical assumption that trade liberalisation will contribute to economic growth and development, and more specifically, it was expected to reduce poverty and improve food availability for local consumption, thus contributing to a nation's food security. The realization of the expected benefits from trade liberalisation by the developing countries constitutes an increasing controversial issue. Instead of a serious re-awakening of the agricultural sector in Nigeria and in turn food security; the trade policy has been shrouded in protectionism, subsidization and marginalization by the developed countries thereby, impacting negatively on the economy of Nigeria and other developing countries alike.

Consequently, local farmers who had taken loan for the purpose of food production are now seriously indebted because of the acute competition of food imports. The bottom-line is that, trade liberalisation which occasioned mass food importation has resulted negatively on domestic competition in quality of locally produced food items and imported ones. This is indeed a threat to national security, sustainable economic development and the hope of giving Nigerians a new lease of life.

## 1.2 STATEMENT OF THE RESEARCH PROBLEM

At independence to the end of the civil war agriculture and the export of agricultural products was the main stay of the Nigerian economy. However, from the 1970s

onwards with the oil boom and the attendant 'Dutch Disease' agriculture was no longer prominent in the economy of Nigeria. Though oil has had negative impact on the agricultural sector, the policies of trade liberalization have exacerbated these negative impacts on the sector more than anything else in recent times.

With Trade Liberalisation it is envisaged that the removal or even reduction of barriers to and tariffs on international trade, the weak agricultural producing countries with little or no mechanization in agriculture and food production could count on other countries to meet their food requirements. But the application of the WTO trade liberalisation had resulted into frightening situations in the Nigeria's agricultural sector. Nigeria has turned into a dumping ground for advanced countries food and other agricultural products thus crippling local production and leading to the closure of industries especially in the food and agro-allied sector. The resultant effect is that the agricultural sector cannot meet the challenges confronting it due to the impacts of unfavorable trade competition with the advanced countries. Thus, instead of a drastic improvement of the agricultural sector and in turn food security with the domestication of this trade policy, subsistence farming became the norm and importation of agricultural products became prominent.

Trade liberalization has come to conform to a pattern where small weak agricultural countries in the third world are becoming more dependent on developed countries for food. This entrenched dependence has heightened social and economic implications on agriculture in Nigeria and has become a major threat to national security as the inability to meet domestic food demand has necessitated enormous food importation. A situation which Nigeria, blessed as it is with human and material resources, has retrogressed from food self-sufficiency which was the case in the early 1970s to a

dependent nation raises several pertinent questions. This research investigated, and analyzed the nature and character of the impact of WTO trade liberalisation on food security in Nigeria, in fact our lack luster growth in the area of food security.

## 1.3 RESEARCH QUESTIONS.

Given the preceding discussions this study intends to respond to the following questions

1. To what extent is Nigeria said to be food secured?
2. What are the impacts of trade liberalisation on food security in Nigeria?
3. What are the social and economic implications of the liberalisation of trade on agriculture in Nigeria?
4 What are the policy options for enhancing food security in Nigeria?

## 1.4 OBJECTIVES OF THE RESEARCH

The objectives of the research are:

1. To investigate the impacts of trade liberalisation on food security in Nigeria.
2. To examine the efforts of government in the promotion of agriculture and food self-sufficiency in Nigeria.
3 To find out if the Nigerian food insecurity is due to the trade liberalisation policy of the government
4 To make policy recommendations.

## 1.5 JUSTIFICATION FOR THE STUDY

Food security and hunger are age - old problems that endure to this day. More than 9 million people are chronically hungry due to extreme poverty, while up to two billion

people lack food security intermittently due to varying degrees of poverty (Global Monitoring Report 2006:5). As at late 2007, food security problem resulting from high prices of grain and other food items led to riots in several countries all over the world. In Haiti for instance, protesters chanting "we are hungry" forced the prime minister to resign. Twenty - four people were killed in Cameroon and Egypt's President ordered the army to start baking bread to avert protest, the Philippines made hoarding rice punishable by life imprisonment (Economist December 2007:11). These incidents have only shown that self sufficiency in food production is a vital tool to a nation's national security goals. Since this study aims to suggest ways in which the country can achieve self sufficiency in food production and its importance cannot be over emphasized.

This work intends to provoke further studies by researchers, and also act as a reference material for policy makers because it will enable them allocate resources as efficiently as possible and to encourage the implementation of policies for adequate food for the nation’s populace through the sustenance of small and large scale famers that produce the bulk of the food consumed in Nigeria.

The relevance of this study is borne out of the fact that the economic survival and development of the country (Nigeria) is dependent on its self-sufficiency in food production, justified by its positive contributions to government efforts to refocus and redefine the interest of Nigeria in the agricultural sector, and enable her benefit from global economic transformation. The study will also immensely contribute to the discourse on the impact of Trade liberalisation on food security in Nigeria. The research shows how "fair" trade could be achieved so that Nigeria may benefit from the gains of trade liberalisation. We believe that the works recommendations will restore agriculture to where it belongs in international trade empower the Nigerian farmers and contribute significantly to food production and self-sufficiency.

## 1.6 ASSUMPTIONS

Nigeria is abundantly blessed with agricultural potentials, so it is assumed that the country would be self- sufficient in food production. The opposite is the case and the tentative causative factors hinge on the following assumptions,

1. For the Nigerian state, trade liberalisation further entrenches its disadvantaged position in the global economy and heightens its vulnerability to external economic forces.
2. The deficit in local food production arising from trade liberalisation in agriculture, leads to the underdevelopment of the sector, poverty, inequality and unemployment in Nigeria
3 Government programmes like Operation Feed the Nation (OFN) Green Revolution and other programmes like River Basin Development Authorities (RBDAs), etc, have failed to guarantee food security.
4 Trade liberalisation and the resultant massive food importation are disincentives to local food production and a threat to national security in Nigeria.

## 1.7 LIMITATIONS OF STUDY

Problems were experienced at the stage of data collection. In some cases the unwillingness of government officials to keep to appointments and answer to questions posed and the poor documentation of Nigeria's trade statistics, finance and time were major constraints. However, their absence did not discount the quality and reliability of the work.

## 1.8 OUTLINE OF CHAPTERS

This study is organised in six chapters, each will contribute its own independent area to the work. Chapter one is a general introduction and background to the subject, statement of research problem, research questions, objectives, justification, assumptions, and limitation of study. Chapter two is a critical review of relevant literature on the advantages and disadvantages of trade liberalisation and theoretical framework using the dependency theory to ascertain its impacts on the developing countries. Chapter three examines the methodology of the research and scope of study. Chapter four presents the Perspectives of Trade liberalisation and Global Growth and Sustainable Development in Nigeria. An attempt was also made on the impacts of trade liberalisation on food security in Nigeria. Agriculture in Nigeria, contributions of agriculture to economic development among others. Chapter five is on the impacts of Trade Liberalisation on Food Security in Nigeria 1999-2007. Chapter six presents the Summary, Conclusion and Recommendations of the study.

# CHAPTER TWO

# LITERATURE REVIEW AND THEORETICAL FRAMEWORK

## 2.1 TRADE LIBERALISATION

What constitutes trade liberalisation is ambiguous. This is because of the different opinions about what it means and because the instrument to achieve it is subject to debate. Trade liberalisation has been a subject of much scholarly and political debate as a result of the impact that trade has had on the livelihood of many people especially in developing countries. Classical scholars made up of (Adam Smith and David Ricardo) and modern scholars such as (Lance Taylor and Jan Gunning) both economists, have had diverse opinion on the effects of the concept on nations especially the developing countries.

Trade liberalisation as espoused by David Ricardo and other neoclassical economists like Hechscher Ohlin is based on the principle of comparative advantage (Todaro, 1992:33). According to this principle, the pattern of specialization and international trade is a function of the relative cost of production and labour productivity (Ayorinde et.al, 1998).

The Organisation for Economic Cooperation and Development (OECD) simply defined trade liberalisation as the removal of or reduction in the trade practices that thwart free flow of goods and services from one nation to another. It includes dismantling of tariff (such as duties, surcharges and export subsidies) as well as non - tariff barriers (such as licensing regulations, quotas, and arbitrary standards) (Christopher, 2005:3-12).

In a similar definition, Taylor (1999) conceived trade liberalisation to mean a system which the trade of goods and services between or within countries flows unhindered by government imposed restrictions. Such government interventions generally increase

costs of goods and services to both consumers and producers, interventions including taxes and tariffs and even intergovernmental managed trade agreements such as the North American Free Trade Agreement (NAFTA) and Central America Free Trade Agreement (CAFTA) contrary to their formal. Taylor added that trade liberalisation entails reductions to these trade barriers in an effort for relatively unimpeded transactions.

Hunter (2001) traced the emergence of trade liberalisation to the French phrase called *Laissez Faire* which means "allow to do" and made popular by a group of French writers called physiocrats between the 1750s and 1780s. The *Laissez Faire* policy stated that government generally should not interfere with decisions made in an open competitive market. These decisions included setting prices and wages and making other choices that affected the sale of goods and services. He explained that the physiocrats who were the proponents of laissez faire believed that workers are most productive when people can pursue their private economic interest in relative freedom. At the time the physiocrats were making their campaign or call for (Laissez Faire) trade liberalisation, the government of many European Countries practiced a set of policies known as mercantilism. Mercantilism involved strict regulation of agriculture, industry, and trade. Its chief goal was to ensure that exports exceeded imports. The physiocrates insisted that such restrictions actually hindered the growth of trade. Hunter recalled further that trade liberalisation or Laissez Faire then, greatly influenced economic thought and actions during the early and mid - 1800s but failed to state the impacts of the policies on economic and social problems during the period.

The idea of trade liberalisation no doubt had its basis in the writings of the physiocrats, but its analytic foundations lie in the work of Adam Smith and the classical school, says David Pearce (2007). He explained that, Adam Smith like the physiocrats

believed that the economic affairs of society are best guided by the decisions of individuals to the virtual exclusion of collective authority. He therefore called for trade liberalisation a policy which advocates the greatest possible use of markets and the forces of competition to coordinate economic activity. The doctrine allows the state only those activities which the market cannot perform - for instance, the provision of public good - or those which are necessary to establish the framework within which the private enterprises and market can operate efficiently. The state can get involved in trade only by the establishment of the legal framework on property and contract and the adoption of such polices as antimonopoly legislation. He was however, almost silent on the effects of trade liberalisation.

According to Jan Gunning (1999) trade liberalisation in theory is the removal of all trade barriers, allowing for completely free and unfettered trade between nations. Writing under the title Trade Shocks in Developing Countries, Gunning made it clear that, 'in practice, no nation fully embraces free trade, as all nations utilize some sort of trade barrier for their own benefit'.

In Metzel and Philips view (2001), trade liberalisation refers to a reduction of the restrictiveness of control or barriers to trade regardless of the biases that may be introduced or retained, while Bezuneh and Yiheyis (2009) saw trade liberalisation as a process of becoming open to international trade through a systematic reduction and eventual elimination of tariffs and other barriers between trading partners. Others like More (1998) have defined the concept as a phenomenon of globalisation which is characterized by neo liberalism, an economic theory that emphasizes the superiority of competition over monopoly of market, administered by free choice of price. Free trade from the above denotes the widening and intensification of international

linkages in trade, investments and economic policy in the world. Trade liberalisation measures include, among others, reducing or eliminating barriers such as tariffs, quotas, import and export licensing requirement, foreign exchange control, export subsidies and taxes.

The theoretical assumption of trade liberalisation is that, the trade policy forces nations to focus on those products for which there is comparative advantage with the believe that it would result to increased export and earnings which would then be used to import the needs of the country. To the advocates of this principle, government intervention is unnecessary because it interferes with the country's natural area of comparative advantage. Also the meddling of government in economic affairs was said to spoil the market, distort competition, and promote inefficiency, corruption and waste (Aluko, 2003:38). The doctrine allows the state only those activities which the individual cannot perform like the provision of public goods and services such as health, education, defence, environmental issues etc. But on the contrary private firms are currently providing these services profitably, the neo-liberal position advocates the dominance of private enterprise in economic dynamics at all levels of analysis.

Reality has gone beyond comparative advantage. What matters is competitive advantage and states are central in enhancing the competitive advantage of nations and some of its operatives. The theory of comparative advantage is not sufficient to explore the reality of contemporary trade. Globalisation emphasizes competitive advantage as influence on economic policy. The World Trade Organisation and other organisations concerned with trade place a lot of emphasis on the doctrine. The call for a more open market was intensified on the assumption that economies must grow if poor people are to reap the benefits of globalisation. A standard pattern and idea is expected from all countries especially the developing countries, they are expected to

adopt policies that are consistent with global agenda, which has been impossible for them to resist because of their dependent nature. The World Bank and international Monetary Fund (IMF) have over the years ensured that developing countries conform to global policies and practices demanded by the international system. Many of these countries have implemented trade liberalisation policy since the 1980's and because of the nature of their economies they are compelled to take advantage of the reform on agriculture (AOA) to promote economic development through import liberalisation, reduction of domestic support and export subsidies.

Writing on liberal Internationalism, Burchill and Linklatar (2003) explained that classical liberals saw democracy and free trade as a cure for war and a way to overcome the artificial barriers between individuals and unite people. According to the theory of comparative advantage, nations would be materially better off with free trade than when they pursue nationalism and self - sufficiencies. They pointed out that, the liberalist theory was devised at a time when there were national controls on capital movement. Smith and Ricardo assumed that capital was immobile and only available for national investment, with globalisation, capital market have become highly mobile and no longer see the national community as their limits. Also trade with states as a distinct economic unit is becoming anachronistic, intra - industry and intra - firm trade dominates the manufacturing sector of the world economy. Over 40% of all trade is now comprised of Intra firm transactions, guided by a highly visible hand, production have become internationalized this runs contrary to the liberalist theory of comparative advantage.

Furthermore, the rules of free trade are gradually being eroded; protectionism and neo- mercantilism is on the rise in multilateral and regional trade agreement. For

instance there are reduced barriers to trade within blocks while those between blocks are increased. Burchill explained that powerful trade and financial institutions like IMF, World Bank, dominate economic relations while the rules of market relations are determined by powerful industrialised nations which have been criticized as imposing free market structure on developing states while they don't obey it. He explain that 'imposing identical prescriptions for economic development on all countries regardless of what conditions prevail locally, they(developing countries) are expected to adopt the free market blue print opening their economies to foreign investment, privatization of government own enterprises'.

He pointed out that, with the removal of national control on capital movement it becomes possible for financial markets to direct the economic development of developing countries. The power of the state to interfere in commercial relations have been reduced thus the sovereignty of the state is replaced by the sovereignty of capital. Burchill argued that because of the uneven distribution of values, the framing of the rules of this interdependency by dominate players in global economy, conflicts are bound to exist. Burchill and Linklatar failed to explain how the developing countries could benefit from world trade in the globalisation era.

In the same vein khor (2003), criticized liberal internationalism in the globalisation era. He pointed out that the globalisation of national policies and policy making mechanisms which until recently were under the jurisdiction of states and people within a country have come under the influence of international agencies, private corporations and financial players like WTO, World Bank, IMF, MNC etc. Their activities he said have eroded national sovereignty and narrowed the ability of government to make policy choices.

The liberalisation of markets and developments in technology has eroded national policy making capacity. This has made it difficult for countries to control the level of their currency, the flows of money in and out of the country and to determine information or communication policy because of the availability of satellite TV, Electronic Mail, Internet etc.

Another aspect he pointed out is the increasing influence of the WTO and its unequal treaty as regards the interest of the south. Member states are required to comply with the rules of WTO as non compliance can result to trade sanctions against a country's export. Thus national governments have to comply with the decisions and obligations. Many domestic economic policies of developing countries are therefore being made in the WTO negotiations, rather than in the parliament, bureaucracy or cabinet at the national level as more issues are taken up by the WTO the more the policy making machineries are whittled away from the developing world. He noted also that the loss of policy and operational influence in economic and social matters by the UN have made the Breton woods - WTO institutions become much more powerful than the UN, whose influence in social and economic matters have depleted. The -type of globalisation promoted by the UN has been sidelined while that promoted by Breton wood institutions and WTO has predominated.

The Bretton wood and WTO promote the principles of liberalisation and the laisses - faire market model and give high priority to commercial interest, thus they are given the role of leading the globalisation of policy making. The UN and its agencies represent the principle of partnership where the richer countries are expected to contribute to the development of poor counties and where the rights of people to

development and fulfillment of social needs are highlighted?. Liberalism promoted in the globalisation era, runs contrary to the liberalist theory of comparative advantage.

Writing under economic nationalism Szakonyi(2007) pointed out that the growth of the international economy and advancement in communication and transport has undermined many nations in diverse ways. He argued that for a state to achieve economic nationalism it has to have a strong sense of national purpose and support collective efforts, 'states must draw upon shared cultural resources and national allegiance which may entail the nationalization of key industries or the restriction of foreign influence, the protection and promotion of domestic industries" this is because the confidence derived from the allegiance to a strong national identity can strengthen economic growth. He pointed out that modern economic nationalism have seen the expansive process of globalisation as responsible for the economic insecurity, uneven development and progress, economic hardship and destruction of national way of life. He however noted that some authors like Robert Gilpin and James Mayan have argued that economic nationalism is purely protectionist and mercantilist and counters the ventures of foreign capitalist because of government protective policies and trade barriers.

David (1995) however expressed that experiences of the last decade showed that the spread of globalisation has Significantly changed the direction of economic nationalist because it has been seen that cooperation with other national economies can foster greater growth and development and thus advocates that economic nationalism should not solely be affiliated with protectionism but with the pursuit of national interest through economic means. The consequences of encouraging economic nationalism he explains, can involve the radicalization of politics and the persecution of segments of

the national population which can lead to fragmentation and instability within a state. David did not expanciate on his prescription of the pursuit of national interest through economic means.

Also Nickolson (1998) explained that globalisation and its interdependence structure has had severe consequences on states. In terms of employment and brain drain, the abolition of / reduced taxes which has affected the ability of government to produce goods and services like health, education, defence etc. which are better provided by government than by individual. Globalisation of finance he explained has impeded the ability of many states to do this since it has become possible to evade taxes in many ways. He submitted that with the increasing influence of WTO, IMF World Bank it has become clear that government has less control in the globalised economy than they had before and that they voluntarily abdicate their sovereignty to gain economic benefit. Nickolson is of the view that with adequate cooperation among the developing nations they could make some impact in the international system.

From the above analysis, it could be explained that in the globalisation era nationalist theory is being defeated by the terms that govern WTO. At the heart of globalisation is the spread of the idea of neo -liberalism. All the agreements of WTO are within the neo-liberal paradigm. Globalisation especially within the developing world is breaking down national consciousness and self determination, so it makes for a dependent society. We now depend on the developed world for needs like food, technology etc. Nigeria's continued importation and food dependence on the developed countries is dangerous to her national security because it could be prone to external threat.

No country in recent decades has achieved one percent living standards for its people, without being open to the rest of the world, says the International Monetary Fund (IMF) (www.imf.org. 2001). Liberalisation or opening up national economies has been an important element in the economic success of East Asia, where the average import tariff has fallen from 30 percent to less than 10 percent over the past 20 years. the IMF argue, that opening up economies to the global economy has enabled many developing countries to develop competitive advantages in the manufacture of certain products and have helped reduce the number of people in absolute poverty by over 120 million between 1993 and 1998.

Not long ago Vietnam's neighbouring countries were inundated with desperate Vietnamese fleeing economic oppression and penury from their homes. But all these changed the moment the country flung its doors open to the outside world and liberalised its economy. In a report entitled "Half-way from rags to richness" Peter Collins (2008) says Vietnam has now surpassed India as the world's second - largest rice exporter after Thailand. Vietnam's farmers have become important competitors in all sorts of agricultural produce, from nuts to pepper to rubber. They are even selling tea to Indians. Vietnamese fishermen and foresters are also doing well by feeding the world's growing demand for sea food and timber. Vietnam's economic success, the author, attributes to the "the invisible hand of Adam Smith's trade liberalisation policies", But what the author failed to clearly point out was that, none of these would have happened had Vietnam not had a fertile soil and plentiful rains with large tracts of coastal plain and river Delta ideal for cultivation.

South Korea's economy was on a par with (Upper Volta) Burkina Faso's half a century ago. Today, according to Dominic Ziegler (The Economist September 27 2008) its

citizens have an average income per person of twenty thousand US dollars ($20,000) they enjoy the highest penetration of broad band internet on Earth, along with a popular culture of television shows and music that has become a highly bankable. Asian export known as the Korean Wave. South Korea's success is often called the "Miracle of Ham", after the river that runs through the 23km - strong capital, Seoul. Yet a more obvious explanation is the sweat and the tears of a people with a passion for work and self - improvement, coupled with trade liberalisation economic polices

Dominic (2009) argue that, in contrast, South Korea's Northern neigbour North Korea which has it boarders closed to the rest of the world" is a failed state with the worst human rights record on Earth", One in every 40 has spent time in the gulag, mobile phones and the internet are forbidden, except for the elite, and radio and television sets are made to tune only to government stations. Unauthorized travel within the country is banned, at least in principle against these background warned that Africa has a lot to do if it fails to fully liberalise its economies.

In his article 'Distortions to World Trade: Impacts on Agricultural markets and farm incomes', (Anderson 2006), emphasized the need for developing countries to liberalise their agricultural sector. He posit that the challenges and opportunities provided by the WTO will eradicate poverty and promote economic growth in developing countries and argued that full liberalisation of farm policies would boost the volume of global agricultural trade by more than 50 % but would increase food prices by only 5% .Anderson stressed that the developing countries stand to benefit from the economic reforms especially the compensations that WTO would give to countries that encounter losses as a result of their participation in trade liberalisation.

And if they opt out they would lose the opportunity for greater market access into other countries, particularly the advanced ones.

Trade Liberalisation as finely wrapped in the WTO enjoined all signatory countries to allow free and unrestricted movement of trade, finance and investment across national boundaries. Aina (1997) stressed that it has been referred to as the best option for the developing countries. He explained that the admirers of this scheme have condemned the African Caribbean and Pacific and European Union (ACP-EU) preferential scheme as not being a reciprocal one; because the developing countries were not required to open their markets to E.U products. They opined that the agreement has some adverse consequences for them because it has reduced the ability of the developing countries to demand as a group, for more access into the E.U markets for those products they have comparative advantage.

For Mamphela Ramphele (BBC Focus on Africa. April - June 2002:33) developing countries especially Africa has a lot to lose if it fails to liberalise its trade. So far, post Colonial Africa has been largely left behind in the development process. Africa has been plagued by poor economic management, poverty and corruption. Since the 1960s war, famine and pestilence pay repeated calls. The land, air, water are raped, touted and polluted. Chronic instability gives way to lifelong dictatorship. HIV/AIDS and malaria are now taking an additional toll on Africa. Income level in the continent are currently lower than in the hopeful decades of the 1960s and 1970s when per capital income in Africa exceeded those in much of the developing world, including Asia. Today, Africa is the poorest continent in the world and burdened by an exceptionally large gap between rich and poor, and a wide inequality in access to basic services. The urgency of accelerated development and poverty reduction in Africa cannot be over

stated and that is why in Ramphele view Africa should "join the global trend by liberalizing its trade".

African politicians, according to Robert Guest(2004) have a tendency to blame all ills on colonialism or its legacy, even in countries that have been free for decades and have had "despots like the late Mobutu Sese Seko of former Zaire Republic who bled their countries even more efficiently than their colonial rulers". Many of its leaders believe in conspiracy theories; like Western Scientists Created AIDS to Kill Africans, and that the IMF and the World Bank are imperialist tools to get African cheap labour and raw material for the economic development of the developed countries". Sometimes foreigners really are at fault, remarked Guest, but rage at foreign wickedness should not become an excuse for African leaders to solve their myriad socio- economic and political problems. Hardly any of these Africa's problems can be solved without sustained economic growth. But African leaders do not seem to give these the attention it deserves. In the 1960s, Japan said, its top priority was to double national income within a decade; it took only seven years to attain the feat the author maintained. No African leader has pursued growth or solves their country's problem with anything like this degree of single - mindedness like Japan did. Guest advised African leaders to reform its institutions and liberalise its trade as this is the only way it can solve its myriad problems easily and quickly.

Lameck Masina's (2008:72-73) essay about President Mutharika, of Malawi is quit instructive. The Malawian President launched an agricultural revolution titled "Mutharika Initiative". An agriculture subsidy programme aimed at relieving one of the worst food security situations to hit Malawi in 2005, he ran into the teeth of opposition from the UK and the United States. Faced with a situation that would have

left half his country without food, the president ignored the Western pressure and provided his country's beleaguered farmers with cheap fertilizer and other inputs. Furious United States and UK officials refused to fund the programmes claiming they would entail a waste of resources. President Mutharika put the needs of his country before academic orthodoxies and went ahead with the scheme, relying on government funds. "Our people are poor because they lack resources to use the soil and the water we have. As long as I am the President i don't want to be going to other countries begging for food'. The president was quoted at the launch of the programme in 2005. The bumper harvest that resulted from this scheme did not benefit Malawi alone but also its regional neighbors. Malawi officials exported 40,000 tons of Maize to Zimbabwe by the end of December in 2007 and also donated 5,000 tons of maize to two countries suffering drought. Lesotho and Swaziland.

In September, 2007, the Food and Agriculture and Natural Resources Policy Analysis Network (FANRFAN), a regional body that co-ordinates food programmes and agriculture policies in twelve Southern African Countries, recognized Mutharika's efforts. The organisation awarded him the Inaugural Food Policy Leadership Award "for his sound agricultural policies which in three years transformed the country that was once reliant on international food aid to feed half of its population, into a food exporter. The point or the lesson learnt from this Malawian experience is simply that African leaders should always put the needs of their people first. The Malawian President should or could have just given in to pressures from the UK and the-United States but he refused. So also IMF and World Bank pressures could be ignored. The food security problems of Nigeria and African in general therefore are not only caused by the west or trade liberalisation but clearly African leadership problem.

Furthermore, those who argue against trade liberalisation like Kalevl Holsti,(2000) look back at wars that has been fought that has links to trade liberalisation including the Peloponnesian War between Athens and Sparta, the Opium wars between China and Britain and several colonial war and wonder if there are benefits attached to the trade policy at all? In his book Peace and War; Armed Conflicts and International Order 1648 - 1989, Holsti questioned the rationale behind some powerful nations especially, western European Countries and the United States frequently relying upon coercive means including military interventions to force weaker nations to liberalise their trade if the benefits were that obvious on the sides?

Holts cited the Anglo - Chinese Opium War of the mid nineteenth century when Britain used force to lift ban to promote what up till date, by any standard remains an illicit commodity in international trade. The author recalled that, during that period, British traders took opium to China as a trading commodity. And when Chinese authorities confiscated and later burnt the goods (opium), Britain declared war against China. That war ended in favour of Britain and resulted in China lending out Hong - Kong to Britain for 99 years as compensation for destroying British opium that lease agreement ended only in 1997. Holsti, against this background has since been convinced that Laissez Faire or free trade then, or trade liberalisation now, may have some benefits but the policy is more of an instrument for the spread of economic imperialism by rich powerful nations.

Obadina (1999) on his part, wondered why leaders from Developing countries especially Africa have not paused to reflect why each time the group of wealthy countries (the G8*)* wants to hold meeting their citizens and those of others protest and try to disrupt the gathering. He says these protestors who have turned routine

gatherings of leaders of the world's wealthiest nations Into global news - grabbing orgies of violent protest are mostly well - meaning people and their opposition to these leaders meetings, Obadina continued, is largely fuelled by moral sympathy for the plight of the world's poor peoples, whom they view as victims of these leaders sustained imperialistic policies - namely, globalisation, subsidies elimination, cut social spending, privatization, trade liberalisation.

If these young men and women as the author observed, can come out to protest (many at times at the cost of their lives) against their leaders to do something to extricate the poor countries from their wretched existence, why can't leaders of poor countries pause for a moment and ponder why these youths protest and sometimes die for the sake of the poor? Poor countries leaders hardly learn from the past experience. In the 1980s Obadina recounts, western donor institutions advised poor countries, mostly, those in Africa to carry out structural adjustment in their economies. That they should devalue their currencies, social spending and privatize national assets and institutions as a formula for building modern economy.

These prescriptions were offered to developing countries as truths, much the same way as a doctor might prescribe aspirin with certainty to a patient with a headache or as an engineer would present a plan for the building of a bridge. But decades after implementing these western donor institutions dictates including trade liberalisation or free market, these countries are yet to get to their "Economic Eldorado" (golden land). Obadina therefore cautioned developing countries not to over rely on western donor institutions like the World Bank and International Monetary Fund (IMF) advices for their economic prosperity. Economic development he says calls for

'change in the institutions, values attitude and social relations that underpin their various societies and not just trade liberalisation he warned' (Obadina, 1999).

Saleshando (BBC Focus on Africa 2007:25) also expressed similar sentiments on the effects of western motivated economic policies in Botswana. Saleshando, a member of parliament for the opposition Botswana Congress Party (SCP) asserted that western economic and financial indicators have always rated "Botswana's economy high and hailed the country as a model of excellence, achieving high growth rates, recording impressive budget surpluses and maintaining huge foreign reserves when other countries are plagued by insurmountable debt".

These showers of praise according to Saleshando had been because Botswana has since the early 1990s adopted a western donor institution tailored long - term vision which promised to change radically the economic landscape of Botswana by 2016 when the country would be celebrating its 50 years independence. The vision 2016, as it is commonly known which included trade liberalisation "promised full employment, the eradication of absolute poverty and an economy that will grow in a distributive manner".

However, available economic data indicates that over a decade of implementation of these policies, it has not steered the country sufficiently close to the noble goal posts of the vision. The immaculate achievement at a macro - economic level has for a long time been accompanied by high levels of unemployment, unacceptable levels of poverty and gross inequalities. National propensity has co-existed with deprivation for significant sections of the population. Statistics also indicate that the gap between the growth rate of the country's Gross Domestic Product (GDP) and the employment

growth rate has been widening and has, as a matter of fact, worsened during the period. Even the distribution of wealth in the country has become more "disproportionate with the result that Botswana has one of the highest levels of inequalities in the world". One key problem the reform has caused the Botswana economy as Saleshando noted, is that the country now over - rely on the mineral section, in particular diamonds. Mineral revenue accounts for over 40 percent of government revenue and about 75 percent of the country's foreign exchange earnings. The dominance of the mining over other sectors shows a much undiversified economy.

The agricultural sector, which remains labour intensive and therefore a source of employment for the rural populace, went on a downward spiral. The countries now rely mostly on food import to feed a population of less than 1.8 million people despite its large arable land. Though considered as a thriving liberal democracy by most western governments, Botswana's political institutions necessary to provide effective checks and balances are weak. 'In fact', our parliament is a department of the presidency". The legislative agenda is set by the executive and parliamentary staffs are recruited and deployed or redeployed as desired by the presidency. Botswana is perceived by western economic and financial indicators to be a model of success and regarded as a shining example of democratic governance in Africa because of its implementation of western engineered economic policies. But as Saleshando investigation revealed the country "is in a highly precarious economic situation with under-developed political institutions that need to be modernized"

Barrette (2008) who works for the World Development Movement (EDM), a UK based Organisation campaigning for global justice believes that western aids to poor

countries are never always entirely free. These aid are often "a gift - wrap to deserver pro - west policies to poor countries". Take the debt relief granted to poor countries for instance, it had strings attached to the package. To qualify for relief, poor countries must agree to IMF and World Bank policies on reforms which included privatization of public utilities. The discredited structural adjustment policies that exacerbated the debt crisis in the first place are again being imposed through debt relief.

Zambia agreed to liberalise its trade and was granted debt relief. But for removing tariffs, that country practically wiped out its textile industry because manufacturers could not compete with imports of second-hand clothing from Europe. Marlene say, Nigeria too is suffering the same problem. She added that the UK aid budget is used to drive privatisation of public services in developing countries - through funding private sector involvement, or paying UK Consultants to Steer Countries towards privatisation of its national assets. Marlene therefore forewarned poor countries not to confuse western aid with Charity or Red Cross activities as western aid always have strings attached".

Graham (BBC Focus on Africa Jan 2009:47-48) argues that "Not a single economy in the world has made a successful transition into a developed economy without the state playing a critical role as an active intervener, facilitator or regulator of that country's custom rules, tariffs or' quotas", No nation has ever taken the step from being poor to being wealthy exporting raw materials in the absence of domestic manufacturing sector. But that is exactly what the World Bank and the IMF - frontline enforces of rapid trade liberalisation have continued to encourage or forced poor countries especially those in Africa to be doing with a disastrous result of no African country

moving out from the essential economic structure bequeathed by their colonialists. Graham who made these assertions also stated that, his country Ghana is often touted as a model of trade liberalisation system but without a bed of aid the success story would look rather different. In his final analysis Yao says trade liberalisation hurts Africa more than the good its proponents thinks it's doing.

In addition to Graham's view Bartels(BBC Focus on Africa Jan 2009:47-49 ) Ghana's former minister for information told reporters that, those countries that have developed most successfully have often been those that have ignored the Bank and the Fund Polices of trade liberalisation, privatisation subsides and others, "It is no accident that the major East Asian countries that averted the Asian financial crisis China and Malaysia took a course directly opposite those advocated by the IMF and the World Bank, Kwamena therefore advised African leaders to follow the Chinese examples and ignore these western donor institution's advice, "The redemption of their countries from economic problems lies with themselves".

Weisbrot and Baker (2006) in their essay 'the impact of trade liberalisation on developing countries' argued that: 'it is not clear that trade liberalisation is the key to rapid growth and development. It is worth noting that the major success stories in the developing countries most notably South Korea, Taiwan, China, India, etc have not followed a simple part of trade liberalisation. In these countries the government have played an important role in guiding the economy'. They noted that these guiding which contributed to their success have been in form of subsidies and protection of important industries and restricting capital out flow.

Some others scholars such as Rodrik (1999) have also argued that there is a fact of double standard in the issue of trade liberalisation that it has become imperative to question its benefits to the developing countries. When the cost and benefits of continued liberalisation is considered it is noted that the developing countries are not 'making any gains rather; their participation have been met with marginalisation and significant economic losses. It has also been argued that there has not been any clear evidence between trade liberalisation and the growth of output and export form these countries as specified by the World Bank. Martin Khor (2003), Dani Rodrik (1999), Thirwall (2001) Oyejlde (2004) all share this view.

Onimode (2000) too explained that trade liberalisation has become an ideological tool with which the United States and other rich nations are using to structure world trade in their favour. That the free trade is for the developing countries to open up their economies for the North to penetrate while they adopt protectionist measures against the South. Onimode stressed that the important goals and priority of the developing countries have been neglected in favour of free trade. The third world he stated have become differentiated between the Newly Industrialised countries (NICs) -Asian Tigers, Brazil, Argentina Mexico, South Africa among others which are manufactured exporters and the others that are primary commodities exporters which he refer to as the fourth world (Onimode 2000;210).

A trade liberalisation critic, Joseph Stilglitz, former Chief economist of the World Bank, criticized the trade liberalisation policy being pursued as a disadvantage to the developing countries. He argued that dogmatism rather than pragmatism has coloured many of the demands for rapid liberalisation of international trade and currency market in poor countries. (Cited in Stefan, 2002). The crux of the matter is that there

has not really been any liberalisation on agriculture by the industrialised countries, since they are still supporting their farmers and subsidizing their farm products. If they could stop this, there would be less dumping, increased market prices, increased access to developed countries market. The WTO agreement on agriculture with its commitment on market access has actually rendered agriculture in developing countries unsustainable.

Though it is for sure that the developed countries have gained more in a globalised trade because they have available every factor to make it possible, but their attitude in implementing the trade structure leaves much to be desired. Considering the protectionist nature of their countries market and other anti -free trade activities, it will be difficult if not impossible for the developing countries to achieve any positive out come from trade liberalisation. If the developing countries must participate in the economic reform to shape their economic destiny, they should see the disadvantages as a challenge and be united in their encounter with the North for better results. Whatever may be the merits of free trade their national and collective regional interest must take priority (Onimode, 2000:210).

Sharma's (2006) proved the evils of WTO trade liberalisation on mainly poor countries around the world. For a start, Sharma's stated that even Adam Smith, an ardent supporter of trade liberalisation warned that no country should completely liberalise its trade because" were those high duties and prohibitions taken away all at once, cheaper foreign good of the same kind might be poured so fast into the home market as to deprive all at once many thousands of our people of their ordinary employment and means of subsistence".

However, most poor countries ignored this warning and listened instead to western donor institution's advice to liberalise completely without restrictions. The impacts were simply disastrous Sharma says, since a large member of developing countries especially those from Africa began the process of trade liberalisation which was tied to the Structural Adjustment Programme (SAP) That the World Bank and the IMF launched in the 1980s the continent socio - political and economic problems worsened. Rural livelihood collapsed, leading to unemployment and migration from the rural to urban areas while agricultural exports from developing countries remained restricted, import surged in many developing countries and led to the closing down of domestic enterprises. The World Bank and the IMF, under their structural adjustment policies which involved trade liberalisation has tied up credit with crop diversification. This now forced developing countries to shift from staple foods crucial for food security needs to cash crops that meet the luxury requirement of the western countries.

The writing is on the wall, Devinder remarked. "the underlying objective of the trade liberalisation paradigm is to ensure that developing countries should stop growing staple foods and some of the commercially most important commodities like cotton and sugar " The Western Countries will continue to maintain their dominance of these crops, thanks to the monumental subsides and increasing protection. Devinder thinks that developing country's socio- economic problems like hunger and poverty are the natural results of years of trade liberalisation.

But by far, the most damning criticism against trade liberalisation is that, it is considered the main cause of food insecurity in most part of the developing world. In an article captioned "Food Security in Sub - Saharan Africa" Clover (2003) opined

that trade liberalisation is the main cause of food security problem in sub -Saharan Africa. According to Clover, sub- Saharan Africa reversed from being a key exporter of agricultural commodities into being a net importer and has the highest percentage of undernourished people and has shown the least progress on reducing the prevalence of undernourishment in the last 30 years. Chronic food insecurity now affects some 28 percent of the population - this is nearly 200 million people who are suffering from malnutrition. Of the 39 countries worldwide that faced food emergencies since the beginning of 2003, 25 are in Africa. Now the continent is receiving most food aid; with some 30 million people requiring emergency food aid in anyone year. Sixty percent of the World Food Programme (WEP)'s programmes now take place in Africa.

Part of Africa's food emergencies are the result of a number of problems that ranges from drought and desertification, conflicts and poor policy to bad government. But the summary and main cause of food security problems in the continent is trade liberalisation. Market reforms which is a by word for trade liberalisation put forward by the IMF and the World Bank as the ideologically correct development path which "rejects the notion that government should intervene in the production of goods and services including food for its people". As a result, most African Countries who adhered to these institutions's doctrine reduced or stopped social spending including the subsidization of agricultural inputs such as fertilizer and the abolition of commodity boards that fixes producer prices and encourages farmers to increase food production. These handicaps, compounded by the continuous dumping (food sold below the cost of production to dispose of surpluses, usually cheaper than commercial import) of E.U and the United States food in the continent by their farmers are, in Jenny's view, the main cause of food security problems in Africa

### 2.1.2 FOOD SECURITY

Food security has traditionally been defined in terms of either food self-sufficiency or food self-reliance. Food self-sufficiency implies the provision of adequate domestic production to meet a substantial part of consumption requirements. It rules out imports as a source of food supply. Food self-reliance implies policies where the sources of food are determined by international trade patterns (FAO, 2008:11).This strategy has become common with the increased liberalisation of global trade, it has been argued that the strategy would improve food security by shifting resources to the production of non food export crops and importing staple food requirement with the earned foreign exchange.

At the 1996 Rome Declaration on World Food Security, food security was defined as "food that is available at all times, to which all persons have means or access, that is nutritionally adequate in terms of quality, quantity and variety and it is acceptable within the given culture" (www.fao.org). In the Nigerian context, Idachaba (Cited in Agbede, 2008:6) described national food security as a world in which the majority of households, communities and the Nigerian populace have economic and physical access to food that is adequate in quantity and quality for a healthy life at all times through agricultural growth, development and poverty eradication. From these assertions it is clear that, a country is considered food secured when its citizens have food available, accessible and nutritionally viable and not living in fear of starvation.

Food security has raised a lot of contentious issues. Availability of food, access and utilization of it are the three most defining characteristics of food security. Availability is determined by domestic production, import capacity, existence of food

stocks and food aid. Access depends on levels of poverty, purchasing power of households and the existence of transport, market, infrastructure and food distribution systems. While utilization of food depends on proper food storage to guard against spoilage, appropriate handling to avoid disease transmission, and proper preparation to ensure nutritiously balanced meal (www.Food in security, 2009), access to clean water, health and sanitation, which people need for a good wellbeing.

Conversely, food insecurity occurs when,"….. People lack access to sufficient amounts of safe and nutritious food and are therefore not consuming the food required for normal growth (www.fivims.org 2008). Food insecurity may be chronic, seasonal, or temporary and it may occur at the household, regional or national level (www.Foodinsecuritv.,2008). African nations make up 36 of the 50 countries most at risk in the index, these countries include the Democratic Republic of Congo, Burundi, Eretria, Sudan and Ethiopia (The Guardian,thursday19,August 2010:2).

In Nigeria, a number of reasons have been advanced as being responsible for food insecurity (NISER, Food survey, 2008:34). These include:

- Low level of agricultural Productivity which underscores the slow growing pace and declining output for some food crops and when the level of food import or food aid out-weighs domestic production leading to an in stability of supply .For some decades now it has been increasingly difficult to get enough domestic food supply as is falling behind domestic needs.

- Also, due to varying degrees of poverty like poor infrastructure, health, access to clean water, the government of a country cannot sustain the nutritional and health status of its population.

- High prices of food which is escalated with poor harvest and transport network is another factor. It is possible that food may be available physically in the country and yet there is food insecurity. This usually happen when the prices of different food commodities are too high such that they are not within the reach of the average Nigeria. As a result people cannot afford or have access to sufficient food and thus live in hunger and fear.

- High Cost of other Expenditures: Not only can high prices of food resulted in food insecurity, the high cost of other non-food items can also adversely affect food consumption pattern of individual household. Expenditures on clothing, education, health, and others have risen astronomically in Nigeria and households have to allocate their stagnant and meager income among these equally important and competing expenditures.

- Technological Advancement: The Promotion of scientific advances in agricultural sector, particularly in form of research and development, has the potential of expanding food output. Modern technology, based on biological and mechanical advances, Mechanical inputs in form of appropriate agricultural machines and processing and storage devices(value addition), not only reduce difficulties associated with production and handling of food commodities, they also ensure preservation and appropriate storage so that more quantities of food are available at most periods of the year. Biological inputs such as high yielding seeds, chemical fertilizers and pesticides can also boost food production and ensure physical food availability. In Nigeria today, the level of technological advancement in agriculture is still very low. The use of improved farm machineries is still very limited; output expansion is still

based largely on area expansion while technologies for downstream activities in the agricultural sector are still grossly inadequate. (NISER, Food survey, 2008:35).

- Liberalisation affects food security in several ways. For example, price deregulation which involves removal of all forms of subsidies on food imports and all price support for output of agricultural commodities, would affect food production in favour of greater levels of commercialization. However, increased export drive in Nigeria does not match the inflow of imported food trade deficits which lead to increased debt burden and strangulation of local capacity and further leading to increased food insecurity. Also, removal of trade barriers creates larger markets for products in the short run, gives income incentives, and generates scarce foreign revenue to develop internal markets and improve internal production structures.
- Rising population without increased food production indicates that there are many more people to feed. It also puts pressure on the natural resource base and competition for food. Apart from the changing size structure of the population, increasing age of agricultural workforce has resulted in inadequate farm labour. The nation's population is increasingly rising. The population is said to be growing at 3.2% annually which demands an increased growth in food. Frequent human - induced disasters like wars and conflicts. The crisis situation in some African countries is responsible for the precarious food conditions
- Climatic change has a profound effect on global food security: A number of agro-climatic factors such as rainfall pattern, temperature and humidity

variations do affect the capacity to produce sufficient agricultural commodities. The current global food crisis can be attributed to the global climate change caused by constant emission of the green house gases into the atmosphere through various sources across the world. Thus recent changes in climatic patterns worldwide such as the global warming and El-Nino, advancing (NISER, food survey, 2008:35). In some states in northern Nigeria with desert encroachment, deforestation, soil degradation and damage caused by desert encroachment tends to have long tend to have long term effect on the country's food security situation.

- Low per capital GDP because of the structure of the economy can lead to food insecurity.
- Natural resources. The natural resources endowment of a state goes a long way in determine food security. A well endowed state could afford food imports to augment shortages in local production by using proceeds from natural resources such as crude oil Nigeria is a good example.

- Effectiveness of government. The role of government in ensuring food security is important. This could be in form of policy formulation, effective implementation of programmes and project towards improved food production.

- Globalization has reduces the economic distance among countries and regions, as well as among the economic actors themselves. One aspect of globalization which is of immerse importance to food security in Nigeria is information flow. Thus, with increased flow of information, Nigeria now has access to the

> prices of food items in the global market. This has changed food habits as Nigerian become aware of cheap and highly nutritious food item in the other regions of the world. This has led to increased import of certain food items (rice for instance) with little demand for locally produced commodities. Due to balance of trade deficit and low real foreign exchange Nigerian economy is highly volatile to changes in world prices such that an increase of 25 per cent in world price for rice led to over 100 per cent increase in domestic price for imported rice in Nigeria.

There are lots of arguments concerning food security. Runge and Senauer (2000) in their piece "A Removable feast" took a liberal stance on food security, which incorporates trade liberalisation. They frame food security in the context of an increasingly global world economy and enumerated certain points which food security should entail. Firstly, it involves improving a developing nation's access to cheaper food from comparatively advantaged exporting countries. This is assumed to be generally more efficient and cheaper than self-sufficiency, where a nation tries to produce all crops that its population needs, regardless of the cost or the country's endowments. (2) Food security also requires that richer countries lower their tariffs on all goods from developing countries so that emerging markets can earn cash to import the foods they need. (3) Finally, the drive for food security should tap into the potential of GM (genetically modified) technology for developing countries to enhance nutrition and boost agricultural output".

But a dependency theorist, Meis (1996) disagree with this liberal school analysis. She is critical of liberal (or neo-liberal) solutions to the problem of food security. Her criticism is frankly Marxist oriented because; she tends to lean towards the idea of

self-sufficiency. She criticizes the growth of agribusiness, biotech, and export monoculture as a continuation of colonialization, and saw this extension and the growing influence of institutions of economic development *(GATT/WTO,* the IMF, the World Bank, etc) as a threat to food security. Meis's idea of self-sufficiency is a return to what she calls "subsistence agriculture".

### 2.1.3 TRADE LIBERALISATION AND FOOD SECURITY: A LINKAGE ANALYSIS

Certain questions have been posed to examine the linkage between trade liberalisation and food security to determine veracity and for the purpose of this research; the argument would be examined from both the positive and negative perspectives

Firstly, the argument has been that, opening up their economies to the global economy is essential in making many developing countries to develop competitive advantages in the production of certain commodities. It is argued that through efficiency gains from resource allocation based on comparative advantage countries are able to generate the foreign exchange necessary to import whatever quantities of food they consume over and above what it is efficient to produce (FAO, 2008). Arguably, this process will play an important role in poverty reduction in labour abundant developing countries, increase the price of labour, and raise the income of workers and expenditure. The economic model assumes that labour is fully employed and those displaced from agriculture would be re- absorbed in other sectors of the economy; that is the movement of labour and capital from less efficient to more efficient business (Weisbrot, 2006:16).

Secondly, it has been argued that Trade liberalisation encourages reduction in domestic food prices thereby increasing quality of food consumed. People will have access to varieties of food they need through importation because of the reduced distortion in food supply.

Thirdly, the trade policy is expected to help offset a negative domestic supply shock. That is whenever there are problems with domestic food availability due to variables like bad weather, soil related problems, political instability (common in developing countries), wars, famine etc, which would affect food supply, food imports, will ameliorate the situation.

On the other hand certain argument have been poised to indicate the negative effects; Thus,

Firstly, trade liberalisation implies a change in the structure of production, which is the change from the products previously produced to concentrate on particular types. The restructuring of agricultural production and trade has been inflexible and have made it difficult for developing countries to benefit from trade liberalisation because a large portion of the population engages in agriculture. Therefore, people would be unemployed because the ability of other sectors to absorb workers released from agriculture may be limited; in short this has not been effective because of increasing unemployment which in some cases has led to social upheaval which could threaten national security ( Bezuneh and Yiheyis, 2009:3).

Secondly, the induced fall in domestic food prices could adversely affect food security status of the poor since majority of them are engaged in food production and imports will become cheaper and more attractive compared to domestic goods. This in

turn will spur the growth of imports. That is the reduction of import tariff, will increase import bill .For instance in Nigeria where the tariff cut was substantial, government slashed duties on rice imports from100 percent to 2.5 percent (FAO, 2010), thus increasing rice importation. Food importation has demoralized small-scale farmers, because the withdrawal of subsidy on inputs, seedlings, etc has increased the cost of production. Their products become expensive and cannot compete with cheaper imports, for this, a fall in farmer's income is expected. They cannot afford to buy the food they need and so becomes food insecure.

Thirdly the world market is less stable and unpredictable; liberalising the trade regime could affect the stable supply of food. When countries are solely self- reliant they may be exposed to risk which could negatively affect their food security. Also, now that the United States is converting its grain crops into fuel for cars, it automatically affects grain supplies in the market. Thus leading to increase in price of grains in the developing countries, net food imports may thus face rising food imports bills. In addition, foreign prices of imports and foreign reserves of the country are important because they affect the availability of food imports. That is, if there is a rise in price of imports and foreign reserve does not increase then food insecurity sets in as there will be reduced access to food imports. The policy has led to a surge in food imports into developing countries but not to an increase in their exports, forcing local farmers out of business and into the urban areas and the concentration of farm holdings into larger corporations. This situation has led to a lot of concerns over the reliability of international market as a source of food supply. This idea has resulted in a renewed focus in many developing countries on food self-sufficiency embarking on certain strategies/ agricultural development to reduce import dependence.

### 2.1.4 **FOOD AND NATIONAL SECURITY**

Security according to Vision 20: 20, 20, (2009) is a very important concept in international relations. It is conceptualized in actual terms as the potential freedom and safety from physical/military, political, economic, socio-cultural or psychological danger or attack. That is, it is the protection or defense of people against all kinds of victimization from external/military attack, economic want, poverty, illiteracy, disease/ill-health, political oppression, social exploitation, criminality, etc. And it is perceived in terms of the generality of the population i.e. the physical, political, economic, and social security of the average citizen rather than that of the government of the day and its officials.

The Constitution of the Federal Republic of Nigeria, (1999) states that security is the condition which enhances the ability of government, its agencies, and its citizens to function without hindrance. Differently put, it implies the absence of threat to liberty, life, and property; encompasses the socio-economic well-being of the people; and enables co-existence in peace and harmony. Section 14 [1] b of Chapter 2 of the 1999 Constitution of the Federal Republic of Nigeria captures the importance of security when it states that "security and welfare of the people shall be the primary purpose of Government". Seen this way, security is a social contract between the state and its citizens in which the former is expected to protect, defend, and provide for the latter in the public arena.

In conceptualizing national security, Imobighe (1990) broadly conceived security to be freedom from danger or with threats to a nation's ability to protect and develop itself, promote its cherished values and legitimate interest and enhance the wellbeing of its people. In this definition, it is implied that security manifest at the level of nation – states, individual etc and with internal and external dimensions. This

definition is all encompassing; it went further than the narrow strategic conception to include other aspects of human endeavour.

Also encompassing is the conception of national security by Mc Namara, (1968).He argued that, in a modernizing society, security means development, security is not military force though it may encompass it; security is not traditional military activity though it may encompass it; security is not military hardware though it may encompass it; security is development and without development there can be no security because it gives vent to the connection between security and food. He further posits that,

> 'national security is a feeling of confidence that the disaster of war and the vagaries of international political life can be avoided or absorbed either by ultimate victory or good management, so that the state, its institutions and its way of life can continue to exist in a fundamentally unimpaired fashion'(Namara:1968)

In essence, he believes that the felling of security not only involves the maintenance of cherished values and way of life but the freedom to develop, and improve its position in future. To him security connotes development.

Mijah (2009:25) posits that National security is determined by both the conventional and non-conventional conceptions. The conventional conception which is the clausewitzian/strategic perspective, conjures images of weapons and weapons system for defence of cherished value. Strategic/military perspective from where the concept has often been defined deals mainly on security and defence matters. This is the traditional or basic idea. It is the need to protect the political and core interest of the state, this includes a nation's military capability, proportion of national resources, allocation to defence, the nation's military thinking, military strategy and a proper defence plan he explains. Mijah argued that in the national security role, the military legitimacy is acquired through successful performance in the defence of the state

during war time. Also in times of peace, military legitimacy is based on the societal perception of threat and their ability to meet them.

While the non-conventional perspective or the alternative perspective of security is conceived as human development. This includes a secured food system, health, money, under-development, poverty, hunger trade, HIV/Aids etc. The salient point of this non-conventional conception of security is to emphasize on security as human security Mijah submit that human security connotes protection; this is because the security is mutually supportive in the sense that improving the security of the people strengthens the legitimacy, stability and security of state. From the elasticity of the definitions of the concept of security, it is necessary to understand and accept security along the concept of food also. This is because food is an essential aspect of national security.

Adedeji (1997) argued that food remains important in ensuring and maintaining military superiority. Even if the concept of national security is defined strictly in terms of the gun, the fact remains that guns do not fire themselves, nor do tanks drive themselves. He further argued that these military implements depends on man in order to function, otherwise they remain useless irrespective of their level of technology, sophistication as inanimate objects of no importance.

Thus, one of the capabilities of an army is the soundness of their bodies which determines to a great extent their response to training and discipline which is especially the case in underdeveloped economies where ground troops form the majority and food insecurity is preponderance. In essence, adequate food for troops is essential for their effective performance. A country that cannot sustain its food requirement cannot withstand any form of food blockade in times of war he

explained. This is the experience of the still born Biafra Republic that effectively ended its aspiration of independence from Nigeria in the Nigerian civil war

According to Vogt (1986) food is a highly volatile weapons which can be used effectively to create instability in a state or even between states internally. It can lead to political instability because, when people are hungry they become disgruntled and violent, they can even become unpatriotic because they believe that government is not responsive to their needs and they would not be willing to lay down their lives in defence of the country in case of any external threat. It is said that a hungry man is an angry man, in a situation of socio-economic marginalization and alienation, a hungry man would tend to listen to his stomach than to government explanations, she explains

She further submits that as an important tool for achieving foreign policy objectives, many industrialized countries that are food secured often dispose of the surpluses as food stamps to the needy or sent out to poor countries or famine areas as food aid. With this it becomes possible for the developed countries to manipulate the socio-economic and political policies of some food unsecured countries.

Morgenthau (1985) explains that food has a lot to do with power position of a state. In this regard, a country that is food secured is said to be strong while a food insecure nation is seen to be a weak power. That a country enjoying self sufficiency in food need not divert its national energies and foreign policies from its primary objectives in order to make sure that its populations will not starve in war. Since such countries are reasonably free from that count, they have been able to pursue much more forceful

and single minded policies than otherwise would not have been possible. Self sufficiency in food has always been a source of great strength, he argued.

### 2.1.5 THE CONCEPT OF GLOBALISATION

Trade Liberalisation takes place within the context of globalisation. It is an integral part of globalisation, so it is therefore pertinent to examine the concept of globalisation within the context of trade liberalisation. Globalisation represents a process of increasing integration within the international system. These interactions permeate all facets of human endeavor, because the phenomenon of globalisation is multidimensional, spanning economic, political, cultural and social activities. Globalisation was first noticed through trade relations among countries and intensified through the role of multinational trading organisations that operate across the globe bringing people and institutions closer.

Recent trends in the international system reflect the onset of a new era in development known as globalisation. Though not a new phenomenon it has become the defining process of contemporary world. Just as the industrial revolution changed the world and triggered off a process of interdependence, so too, is the present revolution in information technology changing the world with far reaching implications (Kwanashie 2001: 27).

Globalisation is a worldwide process that is leading to increased political, economic, socio-cultural interconnectedness. The phenomenon reflects the greater openness of national and international economies to greater flows of trade, finance, capital, high technology, Foreign Direct Investment (FDI) and market integration. Globalisation encompasses both a description and a prescription. The description lies in the

widening of international flows of trade, finance and information in a single integrated global market, while the prescription lies in liberalising national and global markets in the belief that free flow of trade finance and information will produce the best outcome for both growth and human welfare (Dunmoye, 2007).

Ojo (2003) posits that globalisation could be traced to capitalism based on neo- liberal economic doctrine. It is a process that emerged from relations among nations. The emphasis on competition and the market goes pari pasu with the credo to limit the economic role of the state and its government through the policy of privatization, deregulation trade liberalisation. He refers to globalisation as a process of increasing interdependencies among economies through international trade, international migration and foreign direct investment and other capital flows. This is characterized by an intensification of cross border trade and increased financial integration, promoted by rapid liberalisation and advances in information technologies. Ojo explained that increased production would enhance growth, living standards and improve infrastructure. He explained that general integration with the rest of the world would enhance potential for economic development.

Soros (2002) sees globalisation as the development of global financial markets, the growth of International Corporation and increasing domination over national economies. He argues that the relationship between freedom of all kinds and globalisation is an important defence of global capitalism and services that has brought wealth creation. While wealth creation could be seen as a facet of globalisation, Soros fails to tell us how the wealth created is distributed within the global system. Perhaps the pains of globalisation springs from the lopsidedness in the distribution of the wealth created in favour of the countries of the North.

Seen against the backdrop of the hegemonic sustainability of International finance capital of the global economy, kwanashie argued that it was a design for the unhindered intrusion of international finance capital within the international system Kwanashie (Cited in Mijah, 2003:24).

Asobie (2001) however sees globalisation as a process of integration resulting into both vertical and horizontal integration, therefore into increase in the volume of trade. Central in his thesis is the use of transnational cooperation as a dominant agent for the infusion of international finance capital which transcends national boundaries through superior technology and consequently dominate the world economy. Therefore, according to Asobie transnationalism through the operation of MNC is a dominant facet of globalisation and has contributed to de-industrialisation of the South (2002), thus Africa has remained in a position of perfected producer of raw material for the industrialised countries and has opened doors to cheaper imports therefore shutting down many local industries.

Despite these shortcomings Akpotor,(2006) argued that globalisation has its positive side because it has opened up information technology everywhere and that third world countries should not blame all their woes on globalisation but more on inept and corrupt leadership which has been unable to stop capitalism from dictating policies that has not contributed to our development. He proposed that Africa should adopt a collective strategy to find the best way to defend its basic interest.

Baba (2000) described the concept of globalisation as a multi - dimensional process affecting all aspects of life socio-economic, cultural, and environmental as well as relations between governments on the five continents. This process which is

characteristics by increased flow of trade, capital money, direct investment, capital information, and ideas with regards to the benefits on nations. Baba pointed out that globalisation of trade has impacted negatively on farmers, since they mostly have small size of farm holdings and inadequate technology. Also, removal of subsidies, protectionist practices of the industrialized countries restrict the import of agricultural products from Africa while at the same time flood African markets with manufactured products and thereby stifling domestic production. From his argument there is ample evidence to suggest that Nigerian farmers do not benefit from the process and it diverts the attention of farmers from food production to cash crop production etc. He suggested that the government should adopt a guided form of liberalisation that would protect domestic industries, encourage product diversification and processing which add more value to products and increase their bargaining power in the international market.

### 2.1.7 **Trade Liberalisation and Food Security in Nigeria**

Larsen (2008), the head of research at the Earth Policy Institute in Washington in the United States blamed trade liberalisation for the sharp rises in the cost of food and the prevailing food security problems in poor countries including Nigeria. Explaining how she arrived at that conclusion, she says, trade liberalisation goes hand in hand with a reduction in government support for farmers, such as investment in agricultural research and extension, controlled pricing, marketing, and subsidies on input. The consequences of these and the lack of investment on roads irrigation and storage facilities simply lead to poor domestic food production and dependency on import. And since no country can be said to be safe from food security problems, depending heavily on import for its food security needs, most developing countries become vulnerable and suffer food security, problems. Nigeria, for instance, depend heavily on

the importation of grain from the United States, Larsen hints. So when the United States converted most of its grain crop into fuel for cars, it automatically affected grain supplies in the market and led to high price of grain in the country. The sharp rises in the cost of grain and other food stuff did not only cause food security problems in Nigeria but led to riots in some countries Larsen therefore strongly argues that, trade liberalisation more than any other factor is to be blamed for the food security problems in the country.

Nwafor (2003) discussed the linkages between trade liberalisatlon and poverty. The impact of tariff reduction on farmers is expected to have an appreciable effect on poverty level and increase domestic production and export but they declined instead. Nwafor explained that "Nigeria's pattern of growth and other - economic features have not been supportive of a positive relationship between openness and growth" by implication, if growth is not encouraged poverty reduction becomes difficult. Thus the decline in food production increases poverty level. From experience he explained that Trade Liberalisation alone is not sufficient to increase growth and productivity, there are other supporting factors.

Nwakeze (1998) stressed that it was the structural integration of Nigeria's agriculture into the colonial capitalist system that disrupted the sector. She explained that cash crop production was favoured to the detriment of food crop production because agricultural research, transportation and marketing were designed to favour the extraction of primary products for export. Consequently neglecting food crop production and the subsequent increase in food demand encouraged import which worsened the situation as traditional food crops could not compete against the cheap and better quality imported ones. Nwaeke argued that agriculture and food production

has progressed at a very slow rate that it could not take care of the rapidly growing population. This resulted into food insecurity.

Given the foregoing discussion, the question to be asked is if Nigeria is food secure or vulnerable to food security problems and is trade liberalisation a contributing factor?

Ekpo and Umoh (2001) said that Nigeria is suffering food insecurity. These authors in their work argue that before independence in 1960, the economy was characterized by the dominance of exports and commercial activities. There was no viable industrial sector. After independence, agriculture continued as the mainstay of the economy. In spite of fluctuations in world prices, agriculture contributed about 65 percent of Gross Domestic Product (GDP) and represented about 70 percent of total exports. Agriculture provided the foreign exchange that was utilized in importing raw materials and capital goods. The peasant farmers produced enough to feed the entire population. Maize, Millet, Sorghum, various varieties of local rice, wheat, acha, beans, cassava, potato yams, cocoyam, plantain, vegetable etc. cash crops like palm-oil, groundnut, rubber, cocoa, etc generated much revenue, the surplus of which was used by government to develop the basic infrastructure needed for long term development. Although the discovery of oil greatly affected food production in the country, these authors strongly believe that the country's food security problems today stemmed largely from 1986, when the government of former Head of State, General Ibrahim Babangida introduced International Financial Institutions inspired Structural Adjustment Programme (SAP) which included trade liberalisation. Nigeria depends heavily on imported food especially rice, sugar, wheat, etc which they prefer to those produced locally.

Ifowodo (2008) declared that Nigeria has most, if not all, of the index that qualifies a country to be considered food measure store. In 48 years of its existence the country has suffered a civil war that killed a million people, 30 years of authoritarian rule, six coups and frequent ethno - religious violence that has disrupted food production. Despite the oil wealth the country is still ranked among the poorest countries on earth. 80% percent of her estimated 140 million people live in poverty; many of the abysmally poor have no access to sufficient safe and nutritious food and the most basic resources like safe water supply source, health and sanitation. A country with all these malfunctions can hardly be self - sufficient in food production. Ofowodo is of the opinion that Nigeria suffers chronic food insecurity and the role of market reform policies advised by World Bank and IMF is not too far away in all these problems the author concluded.

For Osamede (2008), if the country's farmers have access to transport, storage facilities, market infrastructure or a working food distribution systems, the country would have been self sufficient in food production. This is because; even with archaic methods and out- dated implements Nigerian farmers have been able to make some impacts. But the countries agricultural sector and the economy generally has been devastated by the dishonesty of its politicians. All her major industries are hampered by crumbling infrastructure in both utilities and transportation. Bad roads or the lack of them and the non existence or ineffectiveness of basic industries for food processing and for the manufacture of agricultural implement are major challenges, he explained.

The general rot of the country's infrastructure has long been identified as the likeliest constraint on food distribution, but pervasive corruption and mismanagement have always prevented maintenance. The past few years the author says, the problem has

become extremely urgent. The country's 33,000 kilometers road network is among the continents biggest - a taunted infrastructure success of the oil boom in the 1970's, but most, if not all, are in a perilous state. Its prized dual carriageways are the worst affected and pitiful. Nigeria, Osamede remarked, wasted the opportunity of tackling its poor infrastructural problems to enable her combat its food security problems by paying 12.4 billion dollars to Paris Club creditor nations in a deal negotiated by the apostles of trade liberalisation. Nigeria, this author concluded have food security problem.

Reacting along the same line as Osamede, a Lagos based economist Sanusi Abubakar(www.allnigeria.com 2007) argued that it will "indeed take more than a decade before Nigeria recoups in debt service savings the lump sum it has paid to the Paris Club". Why should Nigeria take 12 billion us dollar for debt repayment when over 80 percent of her citizens suffer serious food security problem. Nigeria, Abubakar(2007) lament will continue to suffer food security problem and other associate effects as long as the country keeps listening to western donor institutions advice.

However, people like waziri Haruna Ahmadu, Mallam Adamu Bello(2005) and Abubakar Sadiq(2007) and Ibrahim think differently about the question that seeks to find out, if Nigeria is food secure or suffer food insecurity? Abubakar Sadiq for instance, believes that food security and hunger are age - old problems that endure today and sensible countries seek to eradicate it. Abubakar(2005) went further to say, for any nation to be food secure and self - sufficient in food production; it must adopt an aggressive food reservation and preservation policy. The need for scientific method of storing food becomes even more imperative, given the current global food scarcity.

In an essay titled Attaining Food Security in Nigeria amid Global Food Crisis, Abubakar stated that Nigeria has taken preemptive steps to respond to this development to reduce its impact on the millions of its vulnerable citizens. In particular, all levels of government in the country have embarked on one form of intervention measures or the other to steam the high cost of food prices, especially grains. It is on record that Nigeria maintains gains reserves in different location across the country. It is from these strategic reserves that Nigeria has in the past rendered humanitarian assistance to other needy countries like Niger, Sudan and Liberia among other. Here, this author seems to be saying the country cannot be suffering food insecurity and be rendering food assistance to other countries.

Abubakar maintained that a lot of factors may have been responsible for the current global food crisis, but Nigeria was prepared for it, and did not wait for the food crisis to wreak havoc before releasing Six Thousand, Five Hundred metric tons from its strategic grain reserves in line with the National Food Policy as contained in the present administration's seven point agenda. Government ordered the National Food Reserve Agency to release the grains to ameliorate the suffering of Nigerians occasioned by the high cost of food prices. Grains such as corn, millet and sorghum were released to the public and sold at half the prevailing market prices.

Nigeria, he says, has ten functional strategic food storage silos; four in the North - Central Region; one each in South East and South - West Regions. These strategic grain reserves centers' managed by food storage engineers with the Federal Ministry of Agriculture, were built and put into use since the 1980s. Each of them contains ten giant storage bins with each bin capable of holding two Thousand, Five Hundred

metric tons of assorted grains. Each silo at full operational capacity is capable of holding Twenty Five Thousand metric tons grains.

In a paper presented by the former Minister of Agriculture and Rural Development Mallam Adamu Bello (2005) at an agricultural retreat in Kaduna, Bello admitted that prior to 1999; the performance of the agricultural sector was pathetically low. The sector accounted for about 38 percent of the Gross Domestic Product {GDP}. The Country, Bello continued, degenerated from being a producer/exporter of agricultural products to that of importer of the same raw or semi - processed products, which it hitherto exported. It was estimated that the country was spending over 2 billion US Dollars annually in importing rice, vegetable oil, Pringles, biscuits, cookies of all sorts, animal products, roasted, salted groundnuts, cashew nuts etc.

The country's agro - based industries were either operating below capacity or shut - down completely. From 1992 to 1997, Nigeria imported about 4 million tons of wheat as against a domestic production of about 750,000 tones.

- Agriculture, the former minister says constituted a cardinal programme of the administration and for that reason, government has taking steps to rejuvenate the sector. These steps the minister outlined as follows;
- Review of the 1988 Agricultural Policy.
- Defining specific targets for the Agricultural Sector in the National Economic Empowerment and Development Strategies (NEEDS).
- Presidential initiatives on Cassava, Rice, Vegetable Oil development, livestock, Fisheries and Aquaculture Development and Tree Crops.
- Cocoa Development Programme.
- Cotton Rehabilitation Programme.

- Roots and Tuber Expansion Programme (RTEP).
- Establishment of the National agricultural Development Fund (NADF).
- National Programme for Food Security.
- National Fadama Development Project (NFDP-II).
- Community Based Agricultural Development Project Recapitalization of the Nigeria Agricultural Cooperative and Rural Development Bank
- South - South Cooperation.
- National Strategic Food Reserves Programme.
- Establishment of Three Multi - Commodity Marketing and Development Companies.
- Strengthening of Agricultural Research System.
- Community Based Agricultural Development Project
- Recapitalization of the Nigerian Agricultural Cooperative and Rural Development Bank

The former minister is of the view that by the time all these programme "go full circle", the country will not only be self - sufficient in food production but the country will regain its past glory as a major food exporter in the sub region.

For Waziri Haruna Ahmadu (BBC Focus on Africa July -September 2009) who is an agro - business consultant working with the Chief Economic Adviser to the President, food supply in the country has always remained resilient, and the government has even strengthened the sector through the provision of 1.6 million dollars for the establishment of infrastructure that would attract new investments. It has also given considerable funding to provide concessionary credit to increase output and the creation of new jobs, Waziri too seems to be saying the country does not suffer food

insecurity problem. With this it is likely that the debate on the advantages and disadvantages of trade liberalisation will continue.

In the same vein, the National Programme on Food Security (NPFS main Report 2006) explained that in pursuit of national self - sufficiency in food production departments and institutions like the Federal Department of agriculture (FDA) Federal Department of Rural Development (FDRD) Federal Department of Land Resources (FDLR) among others were put in place by the Federal Ministry of Agriculture to provide technical support to states and Local Government for Agriculture and Rural Development. Also a number of development partners like the World Bank, Africa Development Bank (ADB) Food and agricultural Organisation (FAO) UNDP USAID etc, through programmes and project are providing assistance to Nigeria in agriculture and Rural Development.

The report further explained that the pilot phase of SPFS was launched in Kano in 2001 and later in each of the thirty six (36) states and FCT with the following project proposal.

(1) Food security

(2) Aquaculture and inland fisheries project

(3) Annual Diseases and trans- boundary pest control project

(4) Marketing of Agricultural commodities and food stock management

(5) Soil fertility initiatives

Included in the program is the South - South initiative with China, for technical support in a wide variety of agricultural disciplines. The FAO will also provide technical and administrative back - up service.

With the programme major staples recorded increase in output over levels in preceding years, For instance the output of maize, millet, sorghum and rice rose by

10.0, 6.1, 5.6 and 5.5 percent respectively over the levels in 2005( Food Security Magazine), These increases the paper explained, is attributed largely to government support for the sector through the supply of fertilizer and other incentives like the strategic grain reserve programme, ban on some food items (poultry production) to stimulate domestic production and the role of multinational agencies in funding agricultural activities, For instance Mobil Nigeria partnership in rice production, World Bank and ADP support for fadama Phase II project and the south - south initiative all contributed to increased agricultural output. Also is the exposure and confidence in Federal Government NPFS by farming communities.

The publication also pointed out that high prices persist despite increased production and attributes it to government export drive in the agricultural sector which opened a way for both recorded and unrecorded trade in cassava and other crops, inadequate food storage, influx of aliens from neighboring countries of Chad and Niger as a result of famine and drought, the use of grains for livestock and fisheries products etc. Some solutions where proffered by the paper but did not explain how price of food could be stabilized.

Osuntogun and Olufokunbi(1986) in their assessment of agricultural policies in Nigeria explained that the agricultural history of Nigeria is intertwined with its political history and therefore be discussed within that context. They noted that during the colonial era no definite policy statement on agriculture was rendered .With self – rule, they explain that the first development plan of 1962 - 68, was the period when definite agricultural policies, objectives and goals started. Government made concerted plans to surpass the past growth - rate of the economy of 3.9% per annum and to possibly increase this rate .Several plans were put in place to achieve this but the

growth was too slow for the nations self sustaining growth as more attention was paid to export crops.

They pointed out that in the second development plan of 1970 - 74, the provision for agric was inadequate, no clear cut policies and direction for the sector, the devastating effect of the civil war made the government to introduce (NAFPP) National Accelerated Food Production Programme to meet the rapid rate of increase in demand on the economy. It was a tri-partite arrangement between the Federal, State Government and the farmers, designed to accelerate production through the introduction of high yielding seeds, appropriate qualities of fertilizer, insecticide, herbicides, marketing, storage and processing, thereby producing abundance of food at reasonable prices to the consumers and attracting reasonable profit to farmers'. The programme NAFPP was constrained by inadequate resources, high cost of production and competition amongst others .The military administration of General Obasanjo introduced Operation Feed The Nation (OFN) which was designed to mobilize the public to participate in agricultural production and bring about self - sufficiency in domestic food supply. Unfortunately the programme was poorly handled and did not benefit the poor farmers. It was hijacked by commercial farmers, military officer and politicians who devoted land and resources to the production of cash crops.

With the Shagari Administration, Green Revolution Programme was introduced with the aim of transforming Nigerian agriculture through food and export crop production, livestock, fisheries and forestry. This programme was constrained by lack of research, finance, inadequate infrastructure amongst others. The paper pointed out government inconsistency in agricultural policies and noted that it is one of the reasons for the dearth of activities in the sector such as food production.

In the same vein, Emeka (2007), considered the role of agriculture in engendering economic development and poverty reduction in Nigeria. Agriculture, he explained, has played a fundamental role in economic development of Nigeria, employment of labour, industrialization and a stable Contribution to the GDP. He noted that in the periods 1960 - 64 and 1965 - 69 agricultural output accounted for 63 and 54 percent of GDP. Using trend analysis, the author explained that the agricultural sector experienced decline from the 1970s, from an annual average value of 58.8 percent for the period 1960 - 69 to 33.2 percent, for the period 1970 - 74 and from 1997 - 2006, it annual average has been 41 percent .(see table).

**TABLE 2.1: Percentage of Distribution of Nigeria's GDP at 1984 Constant Factor Cost (%) Oct./Dec. 2007**

| Period Gear | GDP | Crude Oil | Manufacturing | Agriculture | Retail & Wholesale | Others |
|---|---|---|---|---|---|---|
| 1960 - 69 | 26.8 | 1.6 | 6.1 | 58.8 | N.A | 33.60 |
| 1970 – 74 | 58.2 | 17.4 | 2.5 | 33.2 | 11.0 | 35.9 |
| 1975 – 79 | 73.7 | 24.3 | 5.0 | 30.2 | 12.1 | 28.40 |
| 1980 – 84 | 68.4 | 15.5 | 9.08 | 35.36. | 13.3 | 26.94 |
| 1985 | 68.9 | 15.1 | 8.6 | 40.3 | 13.00 | 23.0 |
| 1986 | 71.1 | 13.8 | 8.0 | 42.7 | 13.0 | 22.5 |
| 1987 | 70.7 | 12.5 | 8.4 | 41.5 | 13.9 | 23.7 |
| 1988 | 79.8 | 12.3 | 8.7 | 41.5 | 13.8 | 237 |
| 1989 | 83.5 | 13.2 | 8.2 | 40.6 | 13.4 | 24.6 |
| 1990 | 90.4 | 12.8 | 8.2 | 39.0 | 12.7 | 27.3 |
| 1991 | 94.5 | 12.4 | 8.3 | 39.0 | 12_5 | 27.8 |
| 1992 | 97.4 | 13.4 | 7.9 | 38.3 | 12.5 | 27.9 |
| 1993 | 100 | 13.1 | 7.3 | 37.8 | 12.6 | 29.2 |
| 1994 | 101 | 12.6 | 7.2 | 37_3 | 125 | 30.4 |
| 1995 | 103. | 12.6 | 6.7 | 34.0 | 12.2 | 34.5 |
| 1996 | 107 | 13.1 | 6.5 | 39.0 | 11.8 | 29.6 |
| 1997 | 110 | 12.8 | 6.3 | 39.4 | 11.7 | 29.8 |
| 1998 | 112 | 11.9 | 5.9 | 40.4 | 11.8 | 30.0 |
| 1999 | 116 | 10.7 | 5.9 | 41.0 | 11.7 | 30.0 |
| 2000 | 120 | 11.5 | 6.0 | 41.0 | 11.5 | 30_0 |
| 2001 | 126 | 12.0 | 6.0 | 40_3 | 11.2 | 30.5 |
| 2002 | 131 | 9.8 | 6.1 | 41-2 | 11.7 | 31.2 |
| 2003 | 136 | 8.9 | 6.4 | 40.3 | 11.3 | 33.1 |
| 2004 | 528 | 25.7 | 3.7 | 40.9 | 12.9 | 16.8 |
| 2005 | 562 | 24.3 | 3.8 | 41.1 | 13.6 | 17.2 |
| 2006 | 594 | 21.9 | 3.9 | 41.8 | 14.8 | 17.6 |

**Source:** Computed From CBN Statistical Bulletin, Vol. 16, Dec. 2005 and CBN Annual Report and Statement of Account, 31st December, 2006. **Note: Figures from 1960-69; 1970-74, and 1975-79 are on annual averages,** 'Provisional In emphasizing

the contribution of NEEDS to agricultural growth, Emeka also pointed out that when we subtract food import bill from total imports between the period 2003 - 2006 (see table 2.2);

we find that within the said period food imports dropped to an average of 9 percent which shows a remarkable drop in the nation's food importation when compared with the period 1971 - 77 and 1979 - 86 which was high. Meaning that agriculture has been able to meet most of the food needs in Nigeria. He explained that Government and International Organisation have embarked on various policies and programmes like National Accelerated Food Production Programme (NAFPP), Operation Feed the Nation (OFN), Green Revolution(GRP), National Economic Empowerment And Development Strategies (NEEDS), and Trade liberalisation among others to strengthen the sector to perform its role and reduce poverty so that it can meet the Millennium Development Goal (MDG) of 2015.

Table 2. 2: The Nigerian Import and Food Import (1970 - 2006)

| Year | GDP At Current Basic (N-m) | Total Imports (N-m) | Food Import (N-m) | Food Imports a of Total Impo |
|---|---|---|---|---|
| 1970 | 5203.70 | 756.4 | 57.7 | 7.63 |
| 1971 | 6570.70 | 1078.9 | 88.3 | 8.18 |
| 1972 | 7208.30 | 900.1 | 95.8 | 9.68 |
| 1973 | 10990.70 | 1224.8 | 126.3 | 10.31 |
| 1974 | 18298.30 | 1737.3 | 154.8 | 8.91 |
| 1975 | 21558.80 | 3721.5 | 298.8 | 8.03 |
| 1976 | 27297.50 | 5148.5 | 441.7 | 8.58 |
| 1977 | 32747.30 | 7093.7 | 780.7 | 11.00 |
| 1978 | 36083.60 | 8211.7 | 1027.6 | 12.51 |
| 1979 | 43150.80 | 7472.5 | 1254.3 | 16.79 |
| 1980 | 50848.60 | 9095.6 | 1437.5 | 15.80 |
| 1981 | 47619.7 | 12839.6 | 1819.6 | 14.17 |
| 1982 | 49069.3 | 10770.5 | 1642.3 | 15.25 |
| 1983 | 53107.4 | 8903.7 | 1761.1 | 19.78 |
| 1984 | 59622.5 | 7178.3 | 1349.7 | 18.80 |
| 1985 | 67908.6 | 7062.6 | 1199.0 | 16.98 |
| 1986 | 69147.0 | 5983.6 | 801.9 | 13.40 |
| 1987 | 105222.9 | 17861.7 | 1873.3 | 10.49 |
| 1988 | 139085.3 | 21445.7 | 1891.6 | 8.82 |
| 1989 | 216797.5 | 30860.2 | 2108.9 | 6.83 |
| 1990 | 267550.0 | 45717.9 | 3474.5 | 7.60 |
| 1991 | 312139.8 | 87020.2 | 3045.7 | 3.50 |
| 1992 | 532613.8 | 145911.4 | 12840.2 | 8.80 |
| 1993 | 683869.8 | 166100.4 | 13953.4 | 8.40 |
| 1994 | 899893.2 | 162788.8 | 13837.0 | 8.50 |
| 1995 | 1933211.6 | 755127.7 | 88349.9 | 11.70 |
| 1996 | 2702719.1 | 562626.6 | 75392.0 | 23.40 |
| 1997 | 2801972.6 | 845716.6 | 100728.3 | 11.91 |
| 1998 | 2708430.9 | 837418.9 | 102165.1 | 12.20 |
| 1999 | 3194023.6 | 862515.7 | 103489.8 | 12.00 |
| 2000 | 4537640.0 | 985022.4 | 113630.5 | 11.54 |
| 2001 | 4685912.2 | 1371409.1 | 160209.1 | 11.68 |
| 2002 | 5403006.8 | 1512695.3 | 144297.6 | 9.54 |
| 2003 | 6947819.9 | 2080235.3 | 201648.3 | 9.70 |
| 2004 | 8264962.41 | 1987045.3 | 178747.4 | 9.00 |
| 2005 | 14553097.0 | 247932.3 | 171817.1 | 6.93 |
| 2006 | 18067830.0 | 2528086 | 174229.4 | 6.90 |

Source: Computed from CBN statistical Bulletin Vol.16. Dec. 2005, CBN Annual Reports and Statement of Account for the year ended 31$^{st}$ Dec. 2006' Provisional

From the above data, food import bill increased from 1199.0 Million Naira in 1985 to 1873.3 Million in 1987, the year the Structural Adjustment Programme (SAP) which includes trade liberalisation which had been implemented in late 1986 took effect.

With the implementation of WTO Trade liberalisation in Nigeria in 1997 the share of food import skyrocketed from 100728.3 million naira to 174229.4million naira in 2006. This high share of food import bill is an indication of dependence on foreigners for food and high level of food insecurity.

For Sheeran (The Economist April 19, 2008), food shortage or hunger, whenever they occur, and whatever is the cause produce anxiety and national insecurity. In Haiti for instance, during the recent food riots that occurred in several countries across the globe due to the high prices of grain and other food stuff, protesters chanting "we are hungry" forced the prime minister to resign. In Cameroon, angry mobs rain paggs through the streets smashing shop windows and attacking banks and post office. Unrest spread throughout the country, and a state of emergency was declared. In an effort to quell the riots, security forces open fire on crowd of protesters, killing 24 people and wounding several others. Egypt's President ordered the army to start baking breed, the Philippines made hoarding rice punishable by life imprisonment.

He explained that food shortages can be a problem even in economically stable countries. This was shown by what happened in Britain in September, 2000 when Protesters against high fuel prices blocked oil refinery exists, preventing deliveries from leaving them. Within days, gas stations ran dry; cars and trucks had no fuel, and the food distribution system ground to shelves. Sheeram(2008) of the World Food Programme, (WFP), a UN agency argue that, of all the factors that cause food shortages or food insecurity - drought, economic or trade policies, civil unrest, war inefficiencies and service break downs which do occur with great frequency in Africa, - low investment in agriculture stands out as the most that causes food insecurity in the continent.

Quoting World Bank statistics Sheeram say, there has been a long term fall in investment in farming and things that sustain it such as irrigation. The share of public spending going to agriculture in Africa has fallen by half since 1980". Africa that used to export food now imports it. Given the importance of agriculture therefore government should invest more in agriculture. They can provide basic technology; executing capital - intensive irrigation projects too large for poor individual farmers to undertake, or paying for basic science that help produce higher - yielding seeds. Since the way to feed the world is not to bring more land under cultivation but to increase yields, is crucial.

Williams (African Business August/September, 2009: 34- 37) also blame lack of investment in agriculture as the bane of the continent's food crisis. Williams opined that relevant statistics and studies by the World Bank and the FAO have sufficiently revealed that if enough fund is injected into the agricultural sector in the continent, "Africa will be one of the world's principal breadbaskets, feeding not only its own peoples but much of the worlds". But that is not the case. The situation today is that nearly all African Countries are food importers. Food imports meet over half of the continent's food requirements. William lamented that this food - import dependency is a relatively recent phenomenon, having grown over the last half century as agricultural output failed to keep pace with population growth, and low - cost food supplies from world markets, especially wheat and rice, supplanted local produce in urban centers. Increased efforts, this author reasoned, are needed to make agriculture more resilient to the vagaries of weather and other distortions through higher investments in irrigation, water management and storage, drainage and flood control.

Dunmoye (1987) stressed the importance of agriculture in the development of any nation's economy. He observed that the success of the process of structural transformation of any nation is dependent on the role of the agricultural sector within the economy". Agriculture, the political economist maintained, remains and has always remained the basis of growth or the take off stage of most economies. It represents a major, if not the only, source of capital accumulation which will be invested in other sectors of the economy. Agriculture he says played a very important role in the economic take off of developed countries like the United States, Japan and Russia and wondered whether the less developed countries cannot learn from their models. Although he said his work is neither polemic nor prescriptive, he however suggested that "the best strategy for promoting overall economic growth and agricultural transformation is to exploit the positive inter - relations between agriculture and other economic sectors. Development policies must not be biased against the agricultural sector, he warned. But that is exactly what has been happening to the agricultural sector in most African Countries including Nigeria hence the food security problem in the continent he insisted.

Addressing an international gathering of political and business leaders in cape Town South Africa, Dowden (Time Magazine June 23, 2008) explained that Aliko Dangote a businessman and "Africa's richest man" was of the opinions that poor funding of the agricultural sector is the main cause of food insecurity problem in the continent. Dangote decried that less than 4 percent of national budgets are currently spent on agriculture, and investment is hampered by pre colonial land rights that still prevail in most part of the continent. "Meanwhile the cost of fertilizer has risen even more dramatically than the cost of fuel, leaving farmers to face a triple whammy: oil and food price rises plus lack of credit". Dangote- a major food importer himself- ended

by advising African leaders to support small farmers if Africa wants to reduce import dependency.

Titilola (2008) outlined areas researchers, experts and farmers alike have identified that needs government's intervention or support in the country's agricultural sector to include just infrastructures and cheaper fertilizer. Very simple is Titilola posit and plausible enough as most theories are, but a case study at his finding will reveal that, if the government is able to provide infrastructures like feeder roads, preservation and storage facilities, then, if farmers have access to cheaper fertilizer it will go a long way to reducing food insecurity problems in the country. The author stated that although food security is part of the countries National Security Strategy but the countries hardly take food security Issues seriously.

On his part Adedeji Ebo((1997) noted that food insecurity is a manifestation of poverty and underdevelopment, if the county is able to combat food insecurity to a standstill, then it has successfully contained some of the potential threats to its national security.

### 2.1.8 THE HISTORICAL BACKGROUND OF NIGERIA'S AGRICULTURE

Historically, the structure of agriculture in Nigeria before the colonial era was predominantly rudimentary with peasants producing a variety of commodities to satisfy their needs and exchange the surpluses with other communities. Before the advent of British colonialism, agriculture was a promising sector; it had proven potentials for meeting the needs of the people. With colonialism, agriculture like other sectors of the economy was designed and structured to meet the needs of the colonial masters. Cash crops became privileged to meet the industrial needs in terms of raw materials. Secondly, it introduced a cash economy to give the natives the capacity to pay taxes and other services .Thus, the urge to earn money provided an incentive to

produce more and earn more money. This increased the purchasing power of the natives.

Oculi (1987) explained that the issue of soil fertility was important to colonial officials to meet the required quantities of product. The British colonial official came up with the concept of mixed farming, that is getting peasant farmers to keep cattle and small livestock so that they could use their manure for keeping the soil fertile , this policy was given recognition in Northern Nigeria where local governments were urged to give loans to farmers to buy cows while they proposed the settlement of Fulani nomads among the farming communities and in the Southern Region farmers were encouraged to improve production and cultivate rice in swampy areas.

He further explained that the urgent need of these cash products by the European powers for their industrial development led to some regional specializations in specific primary products, the various Nigerian communities produced a variety of crops based on their physical environment. Eastern region in palm produce, Mid-west rubber and timber, western region; cocoa, while the North produces groundnut, cotton hide and skin.

Abdullahi (1984) submits that the exploitative tendencies of the colonial masters made them to put in place some basic infrastructural facilities like roads, rail-lines, sea ports and certain communications systems which were designed primarily to serve the export-import trade and not to encourage internal trade and communication. Agricultural exports stimulated imports of both capital goods and other consumables which the colonial power produces from their industrial plants. In the case of Nigeria he explained that, the rail lines ran from North to South and to the ocean, that there is no rail linkage between Eastern and Western Nigeria. Though he explained the exploitative tendencies of the colonialist, he was silent on the implications of a bridge across the river Niger. However this could probably be because it would cost a fortune to construct a rail line across the river. This explains their exploitative tendencies because a bridge will not only aid trade but will facilitate development in that part of the country.

Nicholas, (2009) is of the opinion that colonial government encouraged massive investment in agriculture. The government was able to lay foundations for economic growth and social infrastructural development in Nigeria. Government efforts during this era were expressed in the establishment of research stations across the country. These includes, Cocoa Research Institute of Nigeria (CRIN), Ibadan; National

Institute for Horticultural Research and Training (NIHORT), Ibadan, National Institute for Oil Palm Research(NIFOR), Benin, National Veterinary Research Institute (NVRI) Vom, National Institute for Fresh Water Research, Kainji, International Institute for Tropical Agriculture (IITA),Ibadan among others. He pointed out that with increased production, Nigeria became one of the world leading producers of crops like cocoa, rubber, palm oil, groundnut etc. the proceeds of which he said accelerated the state welfare programme of Chief Awolowo in the old western region in the areas of free education, free health care delivery and funded the University of Nigeria Nsukka likewise the funds from groundnuts funded the Ahmadu Bello University, Zaria.

### 2.1. 9 CONTRIBUTIONS OF AGRICULTURE TO ECONOMIC GROWTH

Okoh, (1987) posits that Agriculture has always played a key role in a nation's economy and these observations continue to support the earlier theory of 'Net Product' of the physiocrates, who theorized in the in the $18^{th}$ century that the origin of all wealth lay in agriculture. They viewed the agricultural sector as the only area that can generate economic surpluses or net products over cost of production to initiate economic growth, and that the rate of growth of other sectors is dependent on the growth of the agricultural system. This theory made a significant impact in the economic growth of European countries because the realization of the importance of the agricultural sector by these nations brought about the early agricultural development in the economic history of industrial revolution in Europe, especially in England where there was an agrarian revolution which commercialized the sector through the re-organization of the Manorial system of agriculture into the enclosed system, he explained.

Dunmoye (1987) credited the sector with the potential of contributing substantially to the overall growth and development of the economy. As a pivotal sector, agriculture has in diverse ways contributed to other sectorial development. He identified five ways in which agricultural productivity contributes to overall economic growth.

- Substantial increase in the demand for agricultural products, which is food supply.
- Expansion of agricultural exports, cash crops especially as it is one of the most important means of increasing income and foreign exchange, particularly in the earlier stages of development
- The labour force for manufacturing and other expanding sectors of the economy drawn mainly from agriculture.
- Agriculture is expected to make a net contribution to the capital requirement for over head investment and expansion of secondary industry.
- The net cash income of the farm population may be important as stimulus. That is off farm activities.

Daramola et.al (2010) argued that the contribution of agriculture increased in absolute terms, over the years from 1960 to 1995 from 282.4 million to N138, 52.7. However, its relative share declined from 83.2% in 1960 to only 1.8% in1995. Between 1970 and 1974, agricultural exports as percentage of total exports fell from about 43 per cent to slightly over7percent. From the mid-1970s to the mid-1980s, the average annual growth rate of agricultural exports declined by 17 per cent. By 1996, agriculture accounted for only 2 per cent of exports as agricultural exports shrank from the traditional 12–15 commodities of the 1960s.

Anyanwu et al (1997) expressed that from the colonial era until the 1970s, Nigeria was mainly an agricultural economy; it was among the world leading producers of

cocoa, palm-produce, rubber etc. This sector generated enormous foreign exchange which was used as initial take off of the other sectors. For instance by 1929, export production accounted for about 57% of Nigeria's GDP, oil palm produce alone accounted for between 85% and 90% of total volume of export during this period. Though the sector experienced a lull between 1929- 1945 because of decrease in export value as a result of the Great Depression of the 1930s, and the Second World War, but in the post-world war period from 1946, Nigeria's agriculture experienced a boom with the launching in 1946 of the colonial 'Ten Year Plan of Development and Welfare which lasted till 1954 when the regional governments emerged .He explained that the plan was aimed at strengthening the colonial raw materials base in groundnut, soya beans, palm kernel cocoa among others as part of post war reconstruction effort in Europe and to revamp their industries and put back their economy to growth. The outbreak of the Korean War in 1950-53 was another avenue where Nigeria's agricultural export made some tremendous gains .The high demand of agricultural products escalated the price of primary products.

### 2. 1.10 CHALLENGES OF AGRICULTURE AND FOOD SECURITY IN NIGERIA

Nigeria's agriculture like many African countries, suffers from serious malaise. In many African countries productivity is lagging behind the rest of the world , worker productivity, wealth creation, foreign exchange generation, poverty alleviation, employment have also declined affecting general economic growth in the continent. the sector has been constrained by various challenges that has impeded its growth and development. Food production has fallen while the population has been growing. The situation now is that agriculture cannot provide enough food to feed the people nor cash crops for export,

According to (African Business magazine, 2010:28), the dearth of research has undermined the agricultural sector and in turn food security. Agricultural extension, which is the application of the benefits of science research and new knowledge to the practice of farming by means of education, has not been targeted as a crucial area of investment in the developing countries. It argued that despite the employment of seasoned researchers in the agricultural development institutes it remained unproductive because they are poorly funded and suffer dearth of facilities.

In the same vein, Tilde (2006) explained that the inadequate support of government to the agricultural institutions has affected agricultural production. Some of these institutions he said have been abandoned and dilapidated. For instance some of the World Bank funded agriculture projects Nigeria located at Nabordo (Jigawa State), Soba,(Kaduna) Funtua (Katsina state ) and Gusau (Zamfara state) have been abandoned along with the entire infrastructures that included dams, offices, stores, houses, mills etc, these sites are clear indication of government's lack of interest and neglect of agriculture. More so, there has not been a good link where the transfer of modern technique from the universities, agricultural development institutions etc to farmers is done. These are the most important avenues for farmers to acquire modern techniques but research has shown that Nigeria lags behind compared to international best practices of the ratio of farmers to extension service officer which is very minimal, he explained. According to the vision 20; 20:20 document in Nigeria, the level of agricultural technology is still very low and characterized by poor agricultural productivity. When compared to countries like Malaysia and Indonesia whose agricultural history and outputs were similar to that of Nigeria in the 1950s and 1960s the situation is different. For instance tractor usage per 100 hectare in Indonesia and Malaysia is as high as 41 and 241 respectively while Nigeria has only 10 tractors per 1000 hectare. Majority of the farmers depend on their physical labour which can

cultivate only limited hectares of land, the inadequate hands of the subsistence farmers cannot achieve food security it explained.

The document also argued that a lot of harvest is lost due to lack of value chain production- storage, processing packaging and marketing which remains a major gap in Nigeria's agro sector. This is because of the inability of the industrial sector to respond to the demands of the agricultural sector in provision of the required technology that would enable it achieve its goals. In essence, the synergy between the agricultural and the industrial sector is inadequate. The document submits that the monetary benefits from agricultural investment are not just from mere production but when additional value is added through agro – industrialization.

Emeka (2007) posits that poor credit facility is a source of discouragement for the farmers. With soaring interest rate of between 18-33 %, it is difficult for an average Nigerian farmer to secure loans from the banks. Farmers have lost hope in the banks especially the commercial farmers, the collateral and the cumbersome mode of payment. Many banks prefer to lend to the capital market, oil and gas because of their high prices. He explained that with recent happenings in the market it has shown that there is a limit to which banks can lend to these groups, considering the share and capital market collapse

Alofetekun, (2010).The agricultural sector like other sectors has had its share of poor resource management, inefficient human resource and corrupt practices of managers' which detract the attainment of sustainable agricultural development and food security. Some corrupt individuals have formed themselves into a cartel to defraud and trunket government's efforts in this regard. Speaking at the launch of the National Rice Development Strategy, Governor Muazu Babangida Aliyu of Niger State asserted that cartels were behind the inabilities of the efforts by federal and state

government to ensure higher production and consumption of locally produced rice. He explained that the cartels were responsible for the country's or Nigeria's commitment of a whopping $800 million to importation of rice alone while the subsidies were going into their pockets.

DaCosta (2003) agreed completely with the Central Intelligence Agency (CIA)'s assertion that corruption and mismanagement are the two most important contributors of the country's economic problem which includes agriculture and food insecurity. This author described Nigeria as a "heart-rending example of a country suffering from resource curse" He went further to explain what he meant by resource curse. He pointed out that countries with resources such as oil often grow more slowly, more corruptly, less equitably, more violent and with often authoritarian regime. DaCosta argues that Nigeria has exhibited all these traits. Nigeria, he continued, pumped its first barrel of oil in 1958 and has since set records in corruption. The government owned anticorruption watchdog, the Economic and Financial Crimes Commission (EFCC) estimates that between independence in 1960 and 1999, the country's rulers stole 400 billion dollars in oil revenues-an amount that equal all the foreign aid to Africa during the same period.

While a small elite are exceedingly rich this Voice of America (VOA) reporter went on, its desperately poor fight one another of the spoils, “in 47 years (now 51), the country has suffered a civil war that killed over a million people, 30 years of military rule and six military coups or interventions in the country’s body politics. Despite the oil wealth the World Bank ranks her among the poorest countries on earth. “Many of the abysmally poor have no access to the most basic resources like safe water supply, health care services, housing and a third of the population are illiterates. Gilbert commended the efforts of the EFCC, though he failed to suggest what is to be done to

combat corruption, one can infer from his work that a lot needs to be done especially in the areas of food security and food self-sufficiency.

Emeka (2003) explains that the adoption and implementation of international economic policies to restructure the Nigerian economy in line with the changes in the international system, SAP and WTO policies such as trade liberalisation introduced in 1986 and 1997 respectively negatively affected the sector. With these, government withdrew subsidies and abolished the marketing boards. The absence of an effective marketing system, created a vacuum in the marketing of agricultural products and that exposed the farmers to a lot of price variations, he explained.

He also argued that the continued protection and subsidization of farmers in the industrialized countries, has continued to lead to low prices of agricultural products in the developing countries and this has undermined farmers income because their government does not subsidize or protect farmers. A case point, from1997 to 2001 alone the combined index of all commodities fell by 53 percent in real terms. This is discouraging as it would weaken the zeal of farmers.

The issue of land grabbing in Africa by foreigners has been a source of food insecurity explains the African Business Magazine (2010). Because of cheap rentals foreigner are now buying or securing approval for cheap land for investment in agri-business in Africa where they establish big farms which products are exported.

It stated that some countries like those with natural disadvantages like Saudi Arabia which experience water scarcity have acquired considerable hectares of land in the countries in the horn of Africa for agricultural purposes adding that food grown cheaply in Africa could be sent back to their countries for consumption. Figures from the International Food Policy Research Institute (IFPRI) claim that up to 20mha of African

land has been sold to foreign companies in the last four years and that more will be acquired by 2020 if the E.U. is to reach its target of 10% of transport fuel from renewable sources. The magazine explained a large portion of Africa's land will be needed to achieve this goal

In the same vein, Idris (2010) argued that there is an increasing concern over this land grabbing. The Environmental Right Action/ Friend of the earth Nigeria (ERA/FOEN) has condemned the amount of land taken in Africa for crops for bio-fuel. Biofuels are natural liquid fuels made from renewable agricultural resources, which could be used to power machines, generate electricity, transport vehicles. The biofeul produces energy without increasing carbon into the atmosphere because the plant used have already removed carbon dioxide from the atmosphere therefore reducing atmospheric concentration of green house gases. This has given it global popularity .A statement from the Environmental Right Action/ Friend of the Earth Nigeria group explained that, in 11 African countries, at least five million hectares of land, an area the size of Denmark have been acquired by foreigners to grow produce crops for bio-fuel for the European market.

Imrana (1984) argued that with every change in government the agricultural policy was changed. Some of the projects started with a particular government is abandoned with a particular one, there was the NAFPP in 1972 with the Gowon regime, Operation Feed the Nation (OFN) in 1976 under Obasanjo, Green Revolution (GR) in 1980 during the era of Shagari, Structural Adjustment Progrmme(SAP) 1986 in the time of Babangida, National Economic Empowerment And Development Strategies (NEEDS) 2003 with Obasanjo regime, etc unfortunately in these strategies most of its targets were not deep-rooted. Thus no sustainable increase in food production, most of

the policies did not bring in 'innovations' which would arise from initiatives generated from within he argued. In other words most of the structures/facilities involved in the country's agricultural restructuring are not self generated and spontaneous, that is why the country still relies on importation of inputs like fertilizer like tractors and so on etc, he explained.

Anyanwu et.al (1997) explained that the land use decree promulgated in 1978 was intended to reform the land tenure decree which was saddle with problems. The traditional land tenure system constituted an obstacle to the development of agriculture in land used for farming, planning and introduction of better farming systems as well as land fragmentation which makes effective land conservation difficult and the land use decree was enacted to satisfy the need for larger areas of land for agricultural and non-agricultural purposes. The land for agricultural purpose is usually inherited in Nigeria making it difficult to acquire for commercial purpose. The increasing population especially in the urban areas has made land to be scarce. Also the land Tenure Act which emphasizes that land could only be used but not individually owned denied access to those that need them. The intervention of government on land constraint through the Directorate of Food, Road and Rural Infrastructure (DIFRRI), Nation Land Development Authority (NALDA) etc could not ameliorate the problem he argued.

Nicholas (2009) argued that Nigeria's food security problems stemmed from the discovery of crude oil. Nigeria, as he explained is so richly endowed with both human and natural resources, "the country has never at any given time lacked the desired soil or favourable weather conditions needed for successful agricultural production yet the country suffer food insecurity problem". Nigeria's food security problem began the

moment oil became the country's major source of foreign exchange earner and other sectors including agriculture were neglected. Nicholas did not state how agriculture could be rejuvenated in the country but the writer feels until that is done food insecurity problems will persist.

Soares and Okhomina(2008) both blamed Nigeria's food security problem on oil wealth. Ricardo ask again "what is it about the nature of oil wealth that fosters corruption and misrule. A country that was once a "power house" in food production now rely on food importation to feed it's teaming population" these authors lamented that Nigeria use to have a very vibrant agricultural sector, which still employs 70 percent of the country's workforce, use to grow its own food and was a net exporter. Now, Okhomina notes," the very crops that once built Nigeria's reputation as the largest sub-regional exporter are being imported". Since both Soares and Okhomina works were on the Niger Delta crisis, and only waved into agriculture, it is understandable why they offered no solution to the country's food security problems. Both authors however feel sorting out the Niger Delta problem could be a catalyst of development to other sectors of the economy which include Agriculture.

Time Magazine (2009) posits that, study after study blamed Nigeria's food security problems to the neglect of the agricultural sector after oil was discovered in the Niger Delta region of the country. However the US central Intelligence Agency (CIA) in a report that critically studied the country's economy considered corruption, mismanagement, inconsistency, poorly conceived government policies as well as the lack of basic infrastructure as the main cause of the country's socio-economic problems. The report which is backed with statistical data observed that although

agricultural sector still accounts for over 20 percent of the nation's GDP and two-third of employment, agricultural produce has fallen dramatically.

Nigeria is no longer a major exporter of cocoa, groundnut, rubber, and palm oil. Cocoa production, mostly from obsolete varieties and average trees, is stagnant at around 180,000 tonnes annually which twenty five years ago was 300,000 tones an even more dramatic decline is groundnut and palm oil the report maintained. Once the biggest poultry producer in Africa, corporate poultry output has been slashed from 40 million birds annually to about 18 million. Fisheries too, are poorly managed. Most critical for the country's future, the report added that the country's land tenure system does not encourage long-term investment in modem technology and does not inspire the availability of rural credit. The report had little or nothing to say on how the country should go about her food security problem, but the frequent mention of corruption, mismanagement and other factors which is blamed for the country's economic problems is a subtle way of advising the government to do more to fight these vices.

Yet, not even the pervasive corruption can fully explain the state of devastation of the country's infrastructure. All the country's major industries are hampered by crumbling infrastructure in both utilities and transportation. Bad roads or the lack them and the non existence or ineffectiveness of basic industries such as the oil refineries, machine tools, steel etc. Electricity generally epileptic in cities and almost nonexistence in rural areas.

Owen (2008) feels Nigeria's farms can provide alternatives to oil if the right condition is given. Owen says the biggest hindrance to Nigeria's food security

attainment is the poor infrastructure like better roads, other factors like access to fertilizers are problems too, but owen feels if access road from the rural area is constructed to link major market and cities there would not be food security problem in the country.

For Mallam Adamu (2007) the performance of the country's agricultural sector was pathetically low. The sector accounted for less than 30 percent of the Gross Domestic Product (GDP). The country in fact degenerated from being a producer/exporter of agricultural products to that of importer of the same raw or semi processed products, which it hitherto exported. But that was then. Adamu says, beginning from 1999 the agricultural sector had been rejuvenated. Waziri Haruna consented Adamu Argument when he said that food supply in the country has remained resilient, and the current government, he added has strengthened the sector through the provision of 1.6 billion dollars for the establishment of infrastructure which will attract new investment. The trio Sadiq, Adamu and Waziri Haruna could not show how these steps government has taken to fight food security problem in the country are working out, however given that all three ( Abubakar Sadiq, a journalist with voice of Nigeria, Mallam Adamu Bello, former Minister of Agriculture and Rural Development, Waziri Haruna, a chief consultant to the chief economic adviser to President Umaru Yar'adua) had being former or serving government officials it is easy to understand their line of argument, as pro-government and political appointee who must always be on the side of government policy irrespective of its reliability.

On the other hand, Clover (2003) explained that the lack of adequate purchasing power is a problem of food security. She posits it as a matter of both limited fund availability and restricted access to food and noted that food insecurity is no longer seen as a

failure of agriculture to produce sufficient food at national level but instead as a failure of livelihood to guarantee access to sufficient food at the household level. This manifestation of poverty has made food availability very important, without food people would not be able to work and without purchasing power, they degenerate further into poverty. Today the question of hunger cannot be solved by simply producing more food because food availability alone does not guarantee food security. A lot of people buy food rather than producing even the farmers themselves cannot produce all they need so purchasing power is needed she explained.

The United Nations estimates that there are about 840 million under nourished people; out of this about 799 million reside in the developing countries of Asia and Africa says Clover, (2009), She lamented that the worldwide trends in human suffering and hunger are alarming as progress in reducing hunger especially in the developing world has not translated into significant increase rather the number of malnourished people is growing. Despite the 1996 world food summit in Italy which set a target of reducing the number of hungry people by at least 20 million every year between 2000 – 2015. Hunger crisis can be seen in the entire continent, a lot of people need emergency assistance to survive because of food related problems, for instance in 2002 Malawi, Zimbabwe, Zambia Ethiopia, Eritrea and Lesotho each declared a national food disaster and appealed to the international community for help in food provision she explains The continuing response to food crisis has not stabilized food security.

In the same vein, Adedeji (1997) asserts that economic access by the citizens to adequate food supply is important to food security. The economy has been suffering a steady decline. There has been a consistent plunge in the purchasing power of

Nigerians in the face of increasing prices of agricultural products, particularly since the introduction of SAP in 1986..Food prices have gone beyond the reach of majority of Nigerians, the present food crisis is not the lack of physical availability of food but access to it by majority of Nigerians. Purchasing power also depends on availability of paid employments as there are no enough jobs in the country, graduates roaming the streets with certificates looking for what they can do to make ends meet. Therefore unemployment and inadequate purchasing power have negatively affected food security.

According to the National Security programme (2006), there is an increasing competition between food and industrial raw-material in Nigeria. Notable food items like maize, cassava and grains are used for animal feed, in breweries and for industrial uses. A large proportion of animal feed for poultry, livestock and fisheries depends on grains from the crop sector so it follows that when prices of grains increase, there would be a resultant effect on livestock and fishery products. Consequently, when there is a fall in the prices of grains, the prices of livestock poultry and fishery products will also drop. Therefore these products do not only satisfy human demand but also those of livestock and fisheries thus limiting the levels of human consumption and availability.

Furthermore, National Programme on Food Security (NPFS) Magazine (2005) asserts that Nigerian agriculture is predominantly rain feed making agricultural production seasonal. Irrigation agriculture has not been able to meet up with food production through dry season farming. Though the Federal government irrigation projects (National Fadama Development I, 11 & II1 Project) have been able to utilize some unused land, significant use has not been made of Nigeria's irrigation potential

estimated at between 2milion ha and 2.5 million ha. The area actually under irrigation is officially estimated at about 220,000ha which is less than 1% of the total area under cultivation; the output is not commensurate to the enormous resources expanded on these projects. Irrigation is done all year round especially in the arid and semi arid regions of Northern Nigeria, but they have not been able to grow all crops. Most of these farmers grow mostly vegetables, grains, wheat etc. They have not been able to break through into producing all crops that are grown during the wet Season. This inadequacy has generated price increases within the gestation period between planting and harvesting, making food prices go beyond the reach of ordinary Nigerians Agriculture drives the economy than any other sector, from the above we have untapped potential. Most of what has been done in the sector is subsistence farming the value chain-production, storage; processing, marketing and export are yet to be tapped. From empirical and hypothetical sources, it is apparent that food crisis will persist for some time to come because the efforts made by countries to contain food security problems have not translated into optimum growth rate of food. Nigeria like other African Countries is faced with similar food security problems

There exist a lot of literature on trade liberalisation and its impacts on food security in Nigeria. There appears to be no consensus in existing literature on the impact of trade liberalisation on food security in Nigeria. It was observed that most of the literature emphasized more on mechanized agriculture as way out for Nigeria's food self sufficiency .This is capital intensive and at the expense of subsistence agriculture where a large percentage of Nigerians are involved. Some others failed to see the wide gap between the developed and developing countries in their analysis of trade liberalisation and its implementation. There is the need to have an update on the impact of trade liberalisation on food security in Nigeria to ascertain whether as a

result of the implementation of the trade policy ,there is an improvement in food production or not, especially at the grass root.

## 2.2 THEORETICAL FRAMEWORK: DEPENDENCY THEORY

In a dissertation of this nature, three basic theoretical frame work come to mind; the Political Economy Theory, Liberalist Theory and the Dependency Theory. This dissertation adopts the dependency theory because trade liberalisation presents an uneven relationship between the developed and developing countries in the WTO.

Dependency theory was used as a qualitative tool of analysis in this research. The choice is based on its resourcefulness in explaining the subordinate nature of developing countries on external economic linkages. It argues that the dependent nature of the developing countries was the outcome of their domination; the domination facilitated by the structure of integration of the poor nations into the world economic and political system. Dependency theory became popular in the international system as a critic to modernization theory (development theory) which maintains that, industrialization, and the introduction of western ideas such as globalisation would transform traditional economies and societies, that these influences would put poor countries on a path of development similar to those of industrialised western nations.(New School 'Economic Development' July 2009).

The underdevelopment and dependency paradigm is an intellectual proposition of scholars like Andre Gunder Frank, Walter Rodney, and Fernando Henrique Cardoso among others. They believed that dependency is not a natural occurrence but were caused by colonialism and western exploitation. They posit that the persistent poverty of developing countries is as a result of their incorporation into the international

capitalist system, which began during the period of early colonial plunder and slave trade till date. Though these scholars may have different analysis of the concept, the thrust of their argument conceives dependency as 'A process through which peripheral countries have been integrated as well as assimilated in the international capitalist system and the way the former have experienced structural distortions in their domestic societies of such assimilation and penetration' (Ray,2003:29).

From the above, the level of underdevelopment in third world countries is a reflection of the international economic system that has continued to ensure the political and economic domination of the peripheries and thereby made it Impossible for them to exert control over their international relations .If the above is true, then the schools belief is that, Third World underdevelopment can best be understood in global context. This is rooted in the assumption that at the start of the relationship between the centre and the peripheral societies the center not only exploits the periphery but has as well blocked the peripheral societies from developing on their own.

It is important to point out that while the dependency theory emerged as a response by scholars of Latin American origin to underdevelopment in their continent, its method of study has become universal and useful in other places especially Africa. Henrique Cardoso conceived the dependency theory for the reason of establishing a linkage between economic and political analysis, "that is, linking those who are beneficiaries of development with those who make the decisions" (Offiong: 1980:15). His analysis attempts to situate dependency within the internal and political factors on the dependent countries with a view to explaining the "historical process of dependency in terms of class relations that ties the international economy and international politics to corresponding local factors that in turn, generate internal contradictions and

political struggles' (Atte: 1986:238). All countries named as underdeveloped in the world were exploited by others and the underdevelopment in which the world is now pre occupied is a product of capitalist exploitation.

Also, Walter Rodney (1971) argued that, the act of plunder, looting, piracy and unequal exchanges perpetrated by the developed countries generated underdevelopment in the Third World Countries. This process of capitalist contradiction breeds development on one end and underdevelopment at the other with economic and ideological dependence, political independence was merely colonialism under a different name; it did not change this pattern of relationships.

This is further buttressed by Ake (1996:3) who argues that even at independence 'the character of state remains much as it was in the colonial era', Given the fact that the convenience of the metropolitan bourgeoisie with domestic ruling elite towards making sure that apart from massive expropriation of wealth and capital to the centre, the entire political and economic lives of their people remained tied to global capital and thus their inability to have a strong hold on their national policy. Liberation from colonial countries did not change underlying economic realities, the imperialist powers handed over power to internal collaborations that will continue with their policies and continued exploitation.

With the institution of imperialism, Africa became a source of production, supply of primary products and market for manufactured products from Europe. The African economies were developed in such a way as to serve the needs of the European Countries. Foreign Capital came in for the construction of railways, communication and other utilities that would enhances the exploitation of the people and their

resources and provide a conducive environment (Offiong, 1980:76).For instance, in Nigeria the major railroad from the hinter land to the sea ports to ensure onward shipment of raw material to Europe (Alkali 2003:66). Liberation from colonial control did not change underlying economic realities, the imperialist powers handed over power to internal collaborators that will continue with their policies and continued exploitation.

According to Paul,(1981) the world system is the unit of analysis in which you have different geographical areas, for example north-south and nation therein, sees capital as a system of production for profit within a world system of exchange by which certain nations or certain areas exploit one another. He also contended that there is a direct extraction of profit from the periphery to the center. The periphery and center dialogue is about the economically weak third world countries and the economically strong developed countries of Europe and America. Historically events such as conquest, destruction of African civilization, unequal exchange of goods and services during the era of mercantilism as responsible for underdevelopment. Barren tries to link Africa's backwardness to the absence or transfer of economic surplus from the peripheries to the centre.

Amin, (1981), opined about unequal transfer of technology by advanced capitalist countries. To him, underdevelopment is not perceived as a natural form of backwardness rather it is as a result of the imposition of a system of production and implicitly a pattern of specialization in the periphery

To counter this unequal trade exchanges, many developing countries at one time or another adapted import substitution strategies for industrialisation to alleviate the

effects of the world system on their country which involve the use of trade barriers and subsidies. Even with this, they still depended on the imports of capital and Multinational Corporations to establish manufacturing firms in their countries. However, this foreign direct investment of Multinational Corporations (MNC) have had a lot of distortions in developing countries - folding up of some domestic industries which cannot compete and unemployment because of the use of capital intensive technology and interference in domestic politics, it also encouraged the remittance of profit, preventing domestic reinvestment and hindering growth. Dependency theorists argued that, in opposition to free market economist and modernization theorist, that under developed countries needed to reduce their connectedness with the world market so that they can pursue a path more in keeping with their own needs , less dictated by external pressures.(New School 'Economic Development' July 2009).

The relationship of these countries with foreign lending institutions like the IMF and World Bank made them go through some austere measures and implement economic policies that did not make any significant impact on their economies but further undermined their economies and made them become debtors.

With dependency, African economy has been tied to free market economy, the mono - economy and North- South,( N - S) trade pattern obtained in many African Countries leaves them vulnerable to the price fluctuations in the international market. They do not command high prices and even the attainment of independence did not enhance their ability to demand better prices for their exports. Most of the agric based countries are net importer of food staples; food security has been a big concern in these countries. The dependency levels have increased from 14% to 40% in a space of

l0 years (World Bank Development Report 2006:95) with such level of dependency and food Imports more strain is placed on available foreign exchange.

The main difficulties militating against Nigeria's economic development process is the dependent character of that process itself, because it has been shaped and conditioned by the forces of Western imperialism. At the heart of this constrain facing the government implementation of Trade liberalisation is dependency, which given the country's position in the international division of labour limits what can be achieved.

The solution to the problem of trade liberalisation on food security can only be by reinforcing difficulties already rooted in the dependent character of the social formation. With or without trade liberalisation, the extent to which the objectives of food security can be attained will depend on the extent to which the structures on the country's dependence can be dismantled.

**CRITIQUE OF THE STUDY**

Though the theory has been useful in explaining the dependent nature of the developing countries it has some flaws which include the following.

Some neo liberal economist have argued that India's economy improved after it moved from state controlled business to open trade but the dependency theorists have argued that South Korea E/Asia, Newly Industrialized Countries(NIC) were able to rise out of poverty using mainly of dependency theory.

The theory fails to envisage the possibility of an indigenous bourgeoisie that is involved in production and accumulation of capital bringing about underdevelopment locally.

Some other authors like Magstad (2006) have rejected this theory blaming the condition of the developing countries on unfavorable factors such as climate and natural resources, arable land, population size and growth, epidemics, ethnic rivalries and cultural values (Magstad: 2006:256); they also blamed underdevelopment on the contradictions in states, the colonial patterns - religion, ethic, tribalism - this legacy they claimed have affected many developing countries in the form of political instability, coups, civil war and even genocide as in the case of Rwanda, Liberia, Sudan, Somalia and so on. In this form of relationship, the future of the dependent countries remain bleak as they are caught in between a system of exploitation and suppression that has become difficult to detach from.

# CHAPTER THREE

# RESEARCH METHODOLOGY

Research methodology is basically the sources of information obtained, that is relevant to the work under study. In this research primary and secondary data were used in the methodology. Primary sources were obtained directly from sources which include structured questionnaires and interviews with Peasant farmers, officials of some selected agricultural related institutions and others in government and nongovernmental organisation were selected in support of the research. Since it will be difficult to have a good result relying only on the peasant farmers on issues affecting agriculture and food security, it became necessary to administer another structured questionnaire on some Nigerians in other sectors to get additional information on food security problems.

## 3.2 METHOD OF DATA COLLECTION

The study generated and used both primary and secondary data. Primary data for the research work were generated using questionnaires, personal observations, discussions and interviews with officials of some agricultural bodies like: Admiral Environmental Care Kaduna, Shonga White Farmers in Ilorin, Nigeria, Ministry of Agriculture and the Technical Adviser on food security. Also interviewed are the Bank of Agriculture Manager in Charge of Cooperative and Rural Development in Kaduna, some official of Hadejia/Azare and Ogun/Oshun River Basin Development Authorities. The Principal Technical Officer Michael Opara Agricultural University Umudike, Extension Center. Visits were made to six states, Abia, Lagos, Ogun, Kwara, Kaduna, Jigawa and the FCT.

The interviews were to ascertain the reason for the inadequacies in food production by the agricultural sector in Nigeria, particularly between 1999 and 2007 and also to ascertain why for a re-awakening of the sector and to have food self- sufficiency. It

will also seek to know the efforts of banks and the government in revamping the sector. These states represent some of the areas with farm settlements and government organised River Basin Projects. They were also chosen to reflect the multi ethnic composition of the county which may perhaps reflect the attitude of various ethnic groups to the practice, growth and development of agriculture.

Statistical data was collected from some government agencies like, Nigerian Bureau of Statistics, Abuja, Central Bank of Nigeria and Bank of Agriculture. The secondary source of data comprised mainly of books, magazines, government publications, academic journals and articles on various websites. In this regard, many available works on trade liberalisation and food security, both published and unpublished and official documents were consulted. An extensive use was made of the Sir Kashim Ibrahim Library, Arewa House Library, NDA library, and Faculty of Agriculture ABU Zaria. ECOWAS and American Embassy Libraries.

## 3.2 RESEARCH POPULATION

A research population is the segment of population from which raw data is collected. The researcher interviewed a broad spectrum of people from farmers and civil servants. Since it will be difficult to have a good result relying only on the peasant farmers on issues affecting agriculture and food security, it became necessary to administer another structured questionnaire on some members of the public in order to get additional information on food security problems. Some directly involved in agriculture, while some are technocrats involved in agricultural policies and implementation. This research took a sample from the above mentioned population. Dr Oyebanji, the Chief Technical Adviser to National Programme for Agriculture and Food Security and Alhaji Gidado Bello the coordinator South-South Cooperation

National Programme for Food Security were interviewed at the National Food Security office in Abuja

In Jigawa State, Engineer Umar Ringim, the Project Manager Hadejia/Azare Valley Irrigation Project was interviewed. One hundred (100) farmers were administered questionnaires and fifty (50) households were also administered with questionnaires in Hadejia, Dutse and Birnin Kudu. A breakdown of forty(40), thirty(30), thirty(30) questionnaires respectively were administered on the farmers while(35), (23) and (25) respectively were returned. Twenty (20), thirty (30), ten (10) questionnaires respectively were administered on the household while (13), (25) and (7) respectively were returned.

In Ogun state, Otunba Sheson, the Chief Agricultural Officer Ogun/ Oshun River Basin was interviewed. One hundred questionnaires were administered in Ogun/Oshun and neighbouring areas like Odeda, Aiyetoro and Aja. In these areas, farmers questionnaires were distributed in the ratio of sixty (60), twenty (20), eight (8), while (50), (25) and (10) respectively were returned. The household questionnaire was in the ratio of fifteen (15), five (5), and five (5) (respectively).

In Kaduna, Madlion Shedrac, head of a private agricultural establishment in agribusiness (Admiral Environmental Care, Kaduna), Omobolanle Olufunwa Manager in Charge of Cooperative and Rural Development in Bank of Agriculture, Kaduna, Mr. Samuel Musa, The farm manager Niyya Farms were interviewed. Fifty (50) farmer's questionnaires each were distributed in Buruku, Iri and Kangimi While (45), (41) and (46) respectively were returned. One hundred household questionnaires were distributed in Afaka, Kaduna North and South in the ratio of twenty five (25), fifty (50), and twenty five (25) respectively. While (21), (34) and (10) respectively were returned.

In Abia, state Mrs. Rose Kanu, the principal technical officer Michael Opara Agricultural University Umudike, Extension Center was interviewed and Fifty (50) questionnaires each were administered in Umuahia, Umudike and Olokoro respectively

While (45), (43) and (42) were returned. Thirty household questionnaires were administered while (7), (5) and (4) respectively were returned.

In Kwara, state Mr. Lukman Noibi of Shonga White Farmers was interviewed and twenty five, (25) households questionnaires administered in Ilorin metropolis while (17) were returned.

In Lagos State, Mr. Tunde Are, the Manager of Ogun/Oshun River Basin Annex, Itoikin Irrigation Scheme was interviewed where 30 farmers questionnaires and 25 house hold questionnaires were distributed (13 and 14 returned respectively). In Ikorodu 20 famers questionnaires and 20 household questionnaires were administered. 10 household questionnaires were administered in Surulere.

### 3.3 Methods of Data Collection

There are three major tools for collecting primary data namely, interviews, questionnaires and observation. The research employed the services of field research assistants in each of the locations visited. In Jigawa for instance, some agricultural extension workers in the Jigawa state agriculture and rural development authourity (JARDA) who helped in the distribution and collection of the structured questionnaire. This was preceded by an orientation and training given to them on the focus of the study. This field work lasted two days in each of the locations visited. The structured questionnaires were to help get quick and direct answers, while some are open ended. A total of 850 questionnaires were administered for the study in the selected states out of which 711 were returned, these questionnaires were shared among the above mentioned respondents.

These methods of data collection provided the opportunity of obtaining reliable data from the relevant segment of the population and acquaint the researcher with first hand information, see the level of deterioration of the sector and the issue to be investigated, share in the experiences of those to be interviewed particularly by enquiring and making comparism on how trade liberalisation affects food production. This has enabled us have a better knowledge of the situation of the agricultural sector and gain more knowledge about the subject matter under inquiry. On data analysis the recorded interviews were transcribed and edited, while the questionnaires were analysed and presented in a statistically using simple percentages. While the secondary data was analysed qualitatively using content analysis.

## 3.4 SCOPE OF STUDY

The study focuses generally on the impact of Trade Liberalisation on food security in

Nigeria between 1999 and 2007. Specifically, it evaluated the impacts of WTO, trade liberalisation on food security in Nigeria and the wider implications thereof. The study covered the period between 1999 and 2007. This period represents the Obasanjo administration which carried out a lot of economic reforms encapsulated in National Economic Empowerment Development Strategy (NEEDS). Nigeria has had different regimes and they have their own attitudes to economic reforms. It is also a period that the WTO dominated the trade liberalisation process in Nigeria.

# CHAPTER FOUR

# PERSPECTIVES OF TRADE LIBERALISATION

## 4.1 Tariffs

A tariff is a tax on imports or exports imposed by a government (Dunn and Mutti, 2004:134). Sometimes called a customs duty, Tariffs give a price advantage to locally-produced goods over similar goods which are imported, and they raise revenues for governments. Tariffs are frequently a major source of revenue for developing countries, but are primarily used for protectionist reasons in industrialized countries. At the Doha Round in Qatar, in line with WTOs, Agreement on Agriculture (AoA), it was agreed that the developed countries would improve market access for agricultural products from the developing countries. But the less developed countries are hampered by trade barriers that exist in developed country's trade market. These trade restrictions are in those areas where the Least Developed Countries (LDC's) are competitive, for instance the restrictions on the market for agricultural products have hampered export

Tariff escalations still characterize many imports to industrialized countries. Tariff escalation means that while raw materials are often imported duty free, import tariffs rise with higher level of processing (Stefan, 2002:15). In concrete terms it means higher tariffs. For instance, tariff rate for raw cocoa beans is 0.5% and its derivatives (cocoa and cocoa products) is 12.3% This tariff variations are so structured that it encourages export of agricultural products in its raw form while discouraging its processed or semi – processed form. (Adeyemo and Bankole, 2003:102). This tariff structure bares any attempt by poor countries to build up their own processing/ refining industries based on their own raw materials. The issue here is the extent to

which the developing countries can liberalise their economy to stimulate growth as a result of the de-industrialisation being experienced due to the economic reform.

Tariff distortions have affected the volume of international trade for African countries products which make up barely 2% of total world trade, a share that has been falling since the 1960's (Stefan 2002:38). These trade agreements are not really in the best interest of African countries as their inability to access the markets of the industrial countries have resulted into the failure of agricultural products to command high prices in the international market. But the proponents of this policy were quick to argue that the developing countries cannot reap the benefits of trade liberalization because they have not opened up their economies enough

Another element of trade policy of industrialized world is the rule of origin. This trade policy denies export access if the exports consist of processed goods based on raw materials produced by developing countries which are not LDC's. For instance clothes exported from an LDC will lose their tariff free status if they use cotton from China. These tariff structures traps these countries into continued raw material export and inhibits industrialization in the area that is the most promising, agriculture and textiles. Coupled with this is the development of laboratory substitutes for natural commodities through the use of bio-technology. Biotechnology has worsened the prospects of commodities of less developed countries in the international market by the actions of the agreement on agriculture (AOA).

### 4.1.2 TARIFFS AND GOVERNMENT REVENUE

Many poor countries remain dependent on import tariffs as a source of government revenues. Revenues are used to finance government spending and are major sources of non-oil revenue and a key instrument for preventing dumping and correcting

balance of payment problem (Stefan, 2006:407). In many developing countries, tariffs and other related taxes and duties account for about 30% of the income side of government budgets. Nigeria falls into the group of countries that uses import protection to generate revenue. There are two principal sources of revenue in Nigeria, oil and non-oil with import revenue constituting a significant proportion of non-oil revenue in Nigeria. With full liberalisation, the loss of revenue from tariff reduction will have an adverse impact on the economy.

In 1995 alone, total revenue from imports amounted to N37.4 billion representing 8.1 percent of total revenue (Ogunlana, 1999:18). The general reduction in tariffs as approved by WTO is expected to significantly affect the revenue accruing to government from this source in the short run, although low tariffs may promote economic growth and improve government revenue in the long run. For instance, in Nigeria the total federally collected revenue for 2009 was N4, 181.3 billion short of approved budget estimate of N5, 311.55 billion (Annual Performance of the Nigerian Economy: 2009:45). Oil continues to be the dominant source of government revenue for financing the annual budget because of its increased production and revenue generation after the general amnesty reached between governments and militants in the Niger Delta area from where the oil is extracted.

The WTO's agreement on agriculture which came into effect in 1995 brought world agricultural production and trade under multilateral trade rules. The Agreement on Agriculture and the agreement on the application of sanitary and phytosanitary measures were negotiated in parallel, and a decision on measures concerning the possible negative effects of the reform programme on least-developed and net food-importing developing countries also formed part of the overall outcome (WTO, 2003). This new agreement by WTO heralded a new era of trade liberalisation in the

agricultural sector, as hitherto agriculture had been mainly exempted from the disciplines of General Agreement on Trade and Tariffs (GATT).

Agricultural trade remains in many countries an important part of overall economic activity and continues to play a major role in domestic agricultural production. However, with respect to world trade the sector has been expanding ahead of other sectors like, automobile products, chemicals, textiles and clothing or iron and steel (WTO, 2003:8).Also among the agricultural goods traded internationally, food products make up almost 80 per cent of the total followed by agricultural raw materials. The WTO trading system plays a fundamentally important role in global food security, by ensuring that short or long term food deficits arising from adverse conditions can be met from the world markets.

The agreement on agriculture which is of great relevance to the developing countries is one of the economic areas of the WTO. For most of these countries a large percentage of their economy is agrarian. The negotiations provide a framework for the long-term reform of agricultural trade which will establish a fair and market-oriented agricultural trading system and redress domestic policies that have depressed agricultural productions and profitability in these countries. The rules governing agricultural trade would then be strengthened, which will lead to improved predictability and stability for importing and exporting countries alike (WTO: 2010). The Agreement on Agriculture (AOA) comprises of specific commitments to reduce support and protection in the areas of domestic support, export subsidies and market access.

### 4.1.3 IMPORT/ EXPORT LICENSING

Import license is a document issued by a national government authorizing the importation of certain goods into its territory. This is accompanied by a Permit that allows an importer to bring in a specified quantity of certain goods during a specified period (usually one year). Import licenses are used as means of restricting(1) outflow of foreign currency to improve a country's balance of payments position; (2) to control entry of dangerous items such as explosives, firearms, and certain substances; or (3) to protect the domestic industry from foreign competition (businessdictionary.com, 2012).

Each license specifies the volume of imports allowed, and the total volume allowed should not exceed the approved quota. Licenses can be sold to importing companies at a competitive price, or simply a fee. However, it is argued that this allocation method provides incentives for political lobbying and bribery. With openness, quotas are eliminated and this results to dumping which impacts negatively on local production. Locally produced goods cannot compete with the imported ones thus affecting food security.

### 4.1 4 SUBSIDIES

A subsidy is a sum of money granted by the state or a public body to help an industry or business keep the price of a commodity or service low (Oxforddictionary.com:12) It could also be an assistance paid to a business or economic sector. Most ***subsidies*** are

made by the government to producers or distributed as subventions. Subsides in this discussion is within the context of agriculture. Thus an agricultural subsidy is a governmental subsidy paid to farmers and agribusinesses to supplement their income, manage the supply of agricultural commodities, and influence the cost and supply of such commodity. (Dunn and Mutti, 2004:137).

Agricultural subsidies depress world prices and this is to say that unsubsidized developing -country farmers cannot compete; and the effects on poverty are particularly negative when subsidies are provided for crops that are also grown in developing countries since developing-country farmers must then compete directly with subsidized developed-country farmers. For example in agriculture where these countries have comparative advantage, income going to agricultural and agro-industrial production; is displaced from net agricultural exports thus more vulnerable to the effects of subsidies. It has been argued that subsidized agriculture in the developed world is one of the greatest obstacles to food security and in turn economic growth in the developing world. This has an indirect impact on reducing the income available to invest in rural infrastructure such as health, safe water supplies and electricity for the rural poor

In Nigeria, the bulk of agricultural subsidies are in form of fertilizer provision and other agricultural inputs that would enhance food security. Since 1976, the Nigerian government has been subsidizing fertilizer but this was eliminated or reduced with SAP in 1986 and WTO agricultural policies such as the reduction in government support to farmer which Nigeria adopted in 1997. With these policies, agricultural inputs like herbicides, fertilizer, tractors, insecticides, fungicides attracted a zero

percent subsidy to make this input available to farmers (NISER Review, 2002). The commodity was still not adequately available rather the problem was exacerbated by the closure of national fertilizer company of Nigeria (NAFCON) which reduced local production.

These inadequacies made government to reintroduce 25% subsidies on fertilizer in 1999 but by the year 2000 it completely liberalised the procurement, importation and distribution of agricultural inputs and it was now in the hands of private individuals and firms. A year later, in 2001 to be precise, government reintroduced the intervention by buying and direct sell to farmers at 25% price subsidy. In 2000, government spent ₦2,908,000,000.00 on assorted fertilizer import, this figure increased to N33,886,500,000.00 in 2007 (Nigeria Agriculture Digest, 2010:23). The financial implications of the programme are indicated on the table below.

**TABLE 4.1 FERTILIZER COST AND SUBSIDY ELEMENT (2000-2009)**

| S/N | YEAR | COST(N) | SUBSIDY 25%(N) |
|---|---|---|---|
| 1 | 2000 | 2,908,000,000.00 | 727,000,000.00 |
| 2 | 2001 | 4,042,400,000.00 | 1,010,600,000.00 |
| 3 | 2002 | 5,162,711,400.00 | 1,290,677,850.00 |
| 4 | 2003 | 5,814,400,000.00 | 1,453,600,000.00 |
| 5 | 2004 | 13,314,000,000.00 | 3,328,500,000.00 |
| 6 | 2005 | 9,044,000,000.00 | 2,261,000,000.00 |
| 7 | 2006 | 16,249,500,000.00 | 4,062,375,000.00 |
| 8 | 2007 | 33,886,500,000.00 | 8,810,490,000.00 |
| 9 | 2008 | 64,681,500,000.00 | 9,350,490,00.00 |
| 10 | 2009 | 41,175,000,000.00 | 11,000,000,000.00 |
| 11 | 2010 | 89,310,000,000.00 | 22,300,000,000.00 |

***Source***: Nigerian Agriculture Digest 2010

From the above table, fertilizer subsidy increase reflect a massive difference over the years. Despite this huge subsidy, farmers still have limited access and usage of the commodity. Nigeria is thus facing a fertilizer crisis as it uses less than 8kg per hectare while the global average is over150kg per hectare (Daily Trust, Friday April, 1, 2011). This abysmal low consumption rate of fertilizer is one of the major causes of low productivity in the agricultural sector and impact negatively on food security.

### 4.1.5 QUOTAS

A quota limits the amount of goods that can be imported. Imposing a quota also drives up the domestic price, which benefits domestic producers and reduces consumers' surplus. The net loss to the economy will be greater than with a tariff that yields the same reduction in imports if foreigners are able to claim the tariff-equivalent rent or revenue created by the quota. Import quota allows a limited quantity of specified merchandise into a country (or withdrawal of already imported merchandise from a bonded warehouse) for consumption - at normal duty rates - during a specified period.(businessdictionary.com, 2012). Domestic prices have tumbled since the easing of foreign trade restrictions and production has been severely hit and import prices are well below domestic prices due to dumping. This impact negatively on local production which cannot compete with the imported ones. Food insecurity is rife among producers in this sector and their situation has worsened considerably with the growth of imports.

### 4.1.6 DEBT **RELIEF, FOREIGN AID AND CAPITAL FLOW**

For some decades now the developing countries have experienced reduced foreign exchange, which have restricted their opportunity to import goods and finance investments in agriculture necessary for exports. With a combination of falling export prices and low growth of export volume, export revenues for developing countries will grow slowly. The foreign debt situation worsened during the 1980s and 1990s during the era of SAP because of the negative effects of its conditionalties. A lot of annual export revenue is used for debt servicing (i.e. the amount countries pay in interest and repayment on their foreign debt). The conditionalties attached to loan rescheduling packages hampered the recovery of many countries.

Foreign Debt also hinders Nigeria's participation in global trade. Nigeria is heavily in debt, with its external debt stock swelling to USD 3.947 billion as at December 31st 2009. This translates to 2.12% of the Gross Domestic Product (GDP).Within the same period, Nigeria's domestic debt stock was N3.2 trillion and this translated to 11.76% of GDP (Daily Trust, Wednesday April 28, 2010: 32). While the level of debt servicing from 2005 to 2009 is N4.2 trillion (about $28 billion) see table below.

**Table 4.2 Total Public Debt Service Payment (2005 – 2009 in $).**

| | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|
| Foreign Type Debt | 8.9billion | 6.7 billion | 1.02 billion | 464.63 million | 428.04 million |
| Domestic Debt | 1.2 billion | 1.3 billion | 2.2 billion | 3.6million | 1.9 billion |
| **TOTAL** | 10.1 billion | 8.0 billion | 3.2 billion | 4.0 billion | 2.3 billion |

Source: - Daily Trust Newspaper.

According to the Debt Management Office (DMO), Nigeria would continue to service its debt up to 2029 because of the long term nature in which the debts were contracted.

Foreign aid has long been used as an instrument to combat global poverty particularly to less developed countries that cannot attract private sector investment. Nigeria has been able to embark on some projects with the aid of foreign aid which it uses to supplement its domestic resources. However, the liberal market promoted by globalisation does not dwell much on aid because of the shift from foreign aid to private investment. It has been argued that the later has helped to offset the decline of

foreign aid. For instance the US foreign aid budget has decreased almost by 50% in the past decades and overall international assistance has fallen. In 1999 donors provided less than 60% of the $800 million the United Nations requested for emergencies and programmes for SSA countries (Dyke, 1999:28). With so much dependence on aid by Nigeria and in the event of declining or non existence of aid Nigeria would not be able to carry out its programs and thus would be in danger of being left out of the global market as it would not be able to weather their financial storm especially in the area of research and human capital development. Being heavily indebted and dependent on bilateral aid, donors and multilateral loans from organisations, developing countries such as Nigeria have been denied of their capacity to negotiate. Thus jeopardizing their food security.

## 4.2 WORLD TRADE ORGANISATION (WTO) AS AN AGENT OF GLOBALISATION

One of the major features of globalisation is liberalisation of trade. In this process, countries are to abide with the classical notion of trade and development namely, they are to specialize in those areas which they have comparative advantage. As an important aspect of this work, we shall dwell more on it in subsequent sections. The WTO came into being on 1st January 1995 after the completion of the Uruguay Round of Negotiation. It is the 'apex' institution responsible for administering multilateral trade agreements negotiated by its members. WTO provides a single institutional framework encompassing General Agreement on Trade and Tariffs (GATT) and all the results of the Uruguay Round, it is an international institution that will bind nations in a global cooperative endeavor in order to raise income and create jobs through fair and open trade (Gimba, 2000:16).

The WTO documents provide the legal ground rules for international commerce. They are essentially contracts, binding governments to keep their trade policies within agreed limits. Although negotiated and signed by governments, the goal is to help producers of goods and services, exporters, and importers conduct their business, while allowing governments to meet social and environmental objectives (WTO.org, 2009).The organization offers opportunities for the interaction of different economies in the developed, developing and least developed countries for effective interdependence.

The WTO, through a trade institution like GATT has exceptional values which has made its provisions more globally accepted and complied and is different from GATT in a few ways namely,

- The WTO is more global in its membership than the GATT. There are about 157 signatories of the WTO.
- The WTO is a full-fledged international organization in its own right like the UN, IMF, and World Bank, while GATT was basically a provisional treaty serviced by an ad hoc secretariat.
- The WTO is wider in scope as it included important areas like agriculture; trade in services, Trade Related Intellectual Property Right (TRIPS), Trade Related Investment Measures (TRIMS) and so on, as opposed to the original GATT rules which were basically on trade in goods (Gimba, 2000:17).

## 4.3 FUNCTIONS OF THE WORLD TRADE ORGANISATION (WTO)

The underlying purpose of the WTO is to help trade flow as freely as possible to enhance economic development and well-being of the people. The document spells out the principles of liberalisation, and the permitted exceptions. It also ensures that

individuals, companies and governments know what the trade rules are around the world. That is, it is expected to provide the frame for the implementation and administration of the multilateral trade agreement. It would regularly examine the trade regimes of individual members, which will be done by its various committees such as the committee in trade, in goods and the trade policy review body. This role will help to promote transparency in the Uruguay Round Agreement. The signatories of the WTO shall be transparent, making available or laying bare all domestic laws, rules and regulations regarding external trade to the WTO officials for constant review (Gimba, 2000).

The WTO's procedure for resolving trade dispute under the Dispute Settlement Understanding is vital for enforcing the rules and therefore for ensuring that trade flows smoothly. Countries bring disputes to the WTO if they think their rights under the agreements are being infringed. Under this circumstance, the WTO shall administer and apply relevant rules regarding settlement of disputes between contracting parties to the WTO in order to prevent members from taking unilateral actions which may be injurious to global trade development. (Ogunlana, 1999:15). Trade dispute that cannot be solved through bilateral talks can be adjudicated under the WTO dispute settlement 'court', and when found guilty, it is not the WTO that punishes but the country which has won the dispute is permitted to introduce trade barriers against the erring party. However if a small country wins dispute against a bigger one , in practice it has no chance of introducing trade sanctions by itself which are sever enough to affect the larger country. This explains the power politics inherent in the organisation which shows that the poor countries can not benefit from the dispute settlement mechanism.

As a member driven organisation, WTO will enhance economic and trade independence among nations. This is a basic role of all international institutions. This interdependence will enable developing and least developed nations to integrate themselves better into the international economy. But in practical terms a country's opportunities for influence are strongly dependent on its importance as a trading nation. It is very difficult for small countries to put in their veto against changes and protect their interest. In the first place they did not have much say in designing of the Uruguay round, yet they have to be committed because under WTO rules, a country must be a party to all negotiated agreements. Though this may have been necessary to accomplish the Uruguay round, it has generated complaints that many countries did not know what they were signing; therefore some are having difficulties fulfilling their obligations. For instance, once the four powerful nations (United States, Japan, Canada and the E .U countries), known as 'Quad' agree on a proposal, it will be accepted by all. The developing countries generally are marginalized as far as WTO processes are concerned.

It shall cooperate with other international organisations such as the International Monetary Fund and the World Bank group with a view to achieving greater coherence in global economic policy making. The ministers that signed the agreement obliged to strive global coherence of policies in the fields of trade, money and finance include cooperation between the WTO, the IMF and the World Bank group with a view to achieving greater coherence in global economic policy making (Ogunlana, 1999:15) this horizontal conglomeration of world economic activities under the WTO is a positive step towards effective globalisation for the developed countries and a mixed bag for the developing countries and for Nigeria's food security it has not shown any significant benefit.

Under the WTO agreement the least developed countries shall be accorded increased technical assistance in development, strengthen diversification of their products and export bases and enable them to maximize the benefits from liberalisation especially access to market. However, an assessment of the assistance accorded the least developed countries led us to ask if these are the major trade or economic problems of the third world countries and how effective the implementation of these measures would be significant to them. Negative impacts of free trade on these countries have not addressed the problem of foreign capital and investment, the influx of export in terms of trade in services and the general issue of food security etc. Political instability which is a major problem in Africa and which affects is not addressed. Technological backwardness that touches closely on the development process of least developed countries is also undermined so it becomes difficult for the developing countries to take advantage of the opportunities provided by WTO.

## 4.4 AGREEMENT ON AGRICULTURE (AOA) AND THE DEVELOPING COUNTRIES' ACCESS TO GLOBALISED MARKET

### 4.4.1 MARKET ACCESS

Article 4.2 of the agreement on Agriculture dwell on Market Access which imposes prohibition on agriculture-specific non-tariff measures, and the tariffs on virtually all agricultural products traded internationally are bound in the WTO. Such measures include quantitative import restrictions, variable import levies, minimum import prices, discretionary import licensing procedures, voluntary export restraint agreements and non-tariff measures maintained through state-trading enterprises. All similar border measures other than "normal customs duties" are also no longer permitted**.** (WTO: 2003:8) Member countries have to abolish quantitative restrictions and non-tariff barriers and replace these with tariffs. The key aspects of this

fundamental change have been to stimulate investment, production and trade in agriculture by;

(i) Making agricultural market access conditions more transparent, predictable and competitive.

(ii) Establishing or strengthening the link between national and international agricultural markets, and thus;

(iii) Relying more prominently on the market for guiding scarce resources into their most productive uses both within the agricultural sector and economy-wide. WTO; Legal Text (2010).

Furthermore, tariffs resulting from this "tariffication" process, as well as other tariffs on agricultural products, are to be reduced by an average 36 per cent in the case of developed countries with a minimum cut of 15 per cent for any product and 24 per cent in the case of developing countries, with minimum reductions for each tariff line being required. Reductions are to be undertaken over six years in the case of developed countries and over ten years in the case of developing countries. Least-developed countries are not required to reduce theirs but were required to bind all agricultural tariffs.

### 4.4.2 **Domestic Support**.

Article 6 of the agreement on agriculture dwells on domestic support. The AOA has changed fundamentally the nature of domestic support for agricultural producers. A major objective has been to reduce domestic support and allow governments to design domestic agricultural policies in response to the specific circumstances in individual countries and individual agricultural sectors. The approach agreed upon is also aimed at helping to ensure that, the specific binding commitments in the areas of market

access and export competition are not undermined through domestic support measures.

Domestic support measures are categorized under three types, namely;

(a) **Green Box**

Green box policies are excluded from reduction commitments they are measures assumed not to have effect on production. This policy applies to both developed and developing country members, but in the case of developing countries, special treatment is provided in respect of governmental stockholding programme for food security purposes and subsidized food prices for urban and rural poor. The general criteria are that the measures must have none or at most minimal, trade-distorting effects on production. Such policies include general government services, for example in the areas of research, disease control, infrastructure, marketing and promotion services and food security. It also includes direct payments to producers, for example certain forms of "decoupled" (from production) income support, structural adjustment assistance, direct payments under environmental programmes and under regional assistance programmes

(b) **The Amber Box**, or measures that are taken to be trade-distorting and have effect on production, such as input subsidies and price support. Subsidies under the Amber Box are calculated under the Aggregate Measurement of Support (AMS) which includes all product specific support and non-product-specific support in one figure and are subject to reduction discipline. Subsidies up to a certain limit (5 per cent of the total value of agricultural production for developed countries, and 10 per cent for developing countries)

are exempted. Subsidies above those levels have to be reduced from the base period 1986-88 level by 20 per cent for developed countries (over six years 1995-2000) and by 13 per cent for developing countries (over 10 years 1995-2004). LDCs are exempted from these reduction commitments; however they have also committed not to raise the level of support beyond the *de minimis* level (Third World Network 2009:2).

(c) **The Blue Box** policies are measures that ensure direct payments to farmers to compensate them for programmes to limit their production. Unlike in the green box, production is still required in order to receive the payments, but the actual payments do not relate directly to the current quantity of that production

(d) **Export Subsidies**

Export subsidies were one of the key issues addressed in the agricultural negotiations. Direct export subsidies are subject to reductions from the 1986-90 average level by 36 per cent in value and 21 per cent in volume for developed countries (over six years 1995-2000) and by 24 per cent in value and 14 per cent in volume for developing countries (over 10 years 1995-2004).

However the right to use export subsidies is limited to four situations:

(i) export subsidies subject to product-specific reduction commitments within the limits specified in the schedule of the WTO Member concerned;

(ii) any excess of budgetary outlays for export subsidies or subsidized export volume over the limits specified in the schedule which is covered by the "downstream flexibility" provision of Article 9.2(b) of the Agreement on Agriculture;

(iii) export subsidies consistent with the special and differential treatment provision for developing country Members (Article 9.4 of the Agreement); and

(iv) Export subsidies other than those subject to reduction commitments provided that they are in conformity with the anti-circumvention disciplines of Article 10 of the Agreement on Agriculture. In all other cases, the use of export subsidies for agricultural products is prohibited (Articles 3.3, 8 and 10 of the Agreement) (WTO Legal Text: 29).

The above shows that developing and the developed countries are subjected to the same disciplines to liberalise their agricultural sectors, the only concession being slightly lower reduction rates and slightly longer time schedules. The LDCs do not have to reduce their tariffs or subsidies, but they are also committed not to raise them. Thus, developing countries have to abide by a programme of liberalisation. The point is that the agreement is a generalized one and does not take into consideration the peculiarities of each country, thus it is not a programme that will be good for Nigeria and her food security issues. If anything, it would have to be modified by government otherwise the80% or so of peasant farmers that hold the secret to food security in Nigeria, for now would be affected deleteriously.

## 4.5 AOA AND THE CHALLENGES OF TRADE LIBERALISATION IN DEVELOPING COUNTRIES

The linkage between trade liberalisation and economic growth has been met with mixed results. The policy advice of international organisations to developing countries has been centered on greater market openness and better integration into the global economy. Liberalisation has brought a lot of restructuring in the agricultural

sector. As a result of the need to be part of the global economy, the developing countries were encouraged to take advantage of the opportunities provided to achieve higher growth rate, access to new technology, increased competition, economies of scale among others. Unfortunately, when the cost and benefits of trade liberalisation are analyzed, we find that the developing countries are on the losing end marginalised and placed in a dependent position.

The AOA is imbalanced in many ways. It is unfavourable to developing countries because the policies do not allow for therefore giving priority to increasing international trade is not a substitute for stimulating a domestically-oriented agricultural sector. Indeed most food is produced for local consumption (90% in developing countries) (www.actionaid.org.uk) and only a small proportion is traded internationally which means that, a solely trade-oriented approach has little relevance for many countries.

A solely trade-oriented approach can increase food insecurity, first, because relying on imported food displaces local production; and second, there is no guarantee that food produced for export to rich countries will be accepted by them because access to developed countries markets depends on producers being able to meet specific international standards. Many developing countries do not have the capacity or infrastructure to meet these standards, which in many cases are onerous and complicated (*WTO Agreement on Agriculture*, 2003:3). It has been argued that most food safety, packaging or other standards applied by European and North American countries are often applied as a way to limit imports from developing countries.

In Nigeria like many developing countries, majority of the farmers are small scaled and with only a few hectares of land and also use local implements to farm. Cheap imports made possible by trade liberalisation from developed countries, have put most of them out of business. These farmers cannot also obtain economic prices for their products and their produce cannot compete with cheaper imports because of their high cost of production. Liberalisation has led to increases in the prices of farm inputs which most of them cannot afford. More importantly, consumers may appear to gain from cheap import with trade liberalisation but they only do so if they have the money to buy more as priority to export crops would mean more food imports. This often reduces the priority that governments give to their food crop sector, while increasing the priority they accord to crops for export (Madeley; 2009:2). The priority accorded to export crops does not mean that farmers are receiving better prices for these crops. World prices for many of them are dwindling.

Coupled with these are the distortions going on in global trade particularly with the E.U and USA. These countries substantially continue with their export subsidies and provide special protection to their farmers. The developing countries, on the other hand, cannot use domestic subsidies beyond a *de minimis* level. In essence, developed countries are allowed to continue with the distortion of agricultural trade to a substantial extent and even to enhance the distortion; whereas developing countries that had not been engaging in such distortion are not allowed the use of subsidies (except in a limited way) and special protection" (TWN 2001).

In contrast, most developing countries (with a very few exceptions) have had little or no subsidies due to their lack of resources, so cannot provide special protection to their farmers. The professed reason for exempting these subsidies in the developed countries from reduction is that they do not distort trade. However, such subsidies clearly enable the farmers to sell their products at lower prices than would have been possible without the subsidy. This brings down global prices making it difficult for African products to penetrate and compete in their markets. This act is a contradiction of (Articles 3.3, 8 and 10 of the Agreement) which prohibits the use of export subsidies for agricultural products (WTO legal text 2010). All these in effect -distort the global trade.

Subsidization and protection has rendered the AOA irrelevant. Although the agreement was supposed to result in decreases in domestic support in agriculture, in fact, the overall value of such support has increased and African agriculture is lagging behind the rest of the world in agricultural productivity especially food production because these tariff and non-tariff barriers on manufactures and semi-processed products from developing countries mostly affect textiles and agricultural products where these countries have 'comparative advantage'. This offers very little benefits in terms of market access to many developing countries thus jeopardizing food security. The tariffs are so structured that manufactured or finished products can hardly have access into the industrialized countries market.

The enormous impediments of these subsidies to the development of the developing nations especially in Africa prompted the former vice-president of Kenya, Moody Awori, at an AU Ministerial meeting in Kenya to reiterate the need for their removal. He explained that the removal of the subsidies would be a clear demonstration of the ability of the multilateral trading system to respond positively to the genuine cry of

the many poor African farmers who live on less than $1 a day (www.nexis/ nexium.com).

Essentially, local famers do not produce for export, however, the excess from their subsistence produce enters the local market and the proceeds service their economic mobility. If they face finished food imports from developed economies, they will lose interest in production hence the vital complementary percentage to imported products will be lost, thereby putting more pressure on government to import more and more pressure on national financial resources

Trade liberalisation has led to more land and resources being devoted to the production of cash crops and less to domestic food production. The policy has increased the number and power of traders. Transnational commodity traders and processors, predominantly from developed countries, have the means to invest in production, processing, transporting and trading process giving them a massive advantage over small-scale producers elsewhere. There has been an increased participation of private firms and individuals in the trade of food commodities. Traders use their bargaining power to buy harvested crops at lower prices, which they later sell at much higher prices to consumers. Thus local farmers in developing countries suffer from competition with cheap imports from more efficient or subsidized producers. These Transnational /Corporate agribusiness are the main perpetrators of dumping, further impoverishing small-scale farmers in developing countries. However, “free” trade agreements of agricultural products actually allow those companies to control the globalised food market.

It is argued that growth of agricultural production is a key to reducing poverty in many developing countries. It is also the case that agricultural imports can complement local production and provide alternative sources of nutrition and dietary choices. And that exporting local produce can offer new markets and opportunities for employment and income. But all these have not been the case instead; trade liberalisation in agriculture has been detrimental to local production and consumption and decreased worker productivity. Many rural farmers have abandoned farming and moved to the cities because of low-income and their inability to compete with cheaper imports adding to the pressure on urban services.

Thus, in a subsistence economy there is no need to liberalise trade in agricultural produce because the local producer is subsistence. What they need is capacity to enhance and expand, be educated and introduced to modern practice rather than food importation. The subsistence farmer in Nigeria maybe hearing of government but they do not feel government. It is even more surprising that if an argument is made that subsistence farming is only a stage in growth and development of agriculture and that government is helping pull people out of subsistence, the argument is not convincing because subsistence farming has been on for half a century and since independence with no end in sight.

On the issue of poverty reduction in developing countries, the World Bank suggest that through progressive trade liberalisation, developing countries could increase their incomes by a cumulative $1.5 trillion between 2005 and 2015 (Kwanashi, 2007:26). Though we cannot attribute poverty growth over the years solely to trade liberalisation but the growth rate has been decreasing as weight average import tariffs decreased (Manson, 2003:3). Poverty levels rose from 42.2% in 1992 to 65.6% in

1996 to 70% in 2000 from 1980 to 1996, the growth rate of GDP has been lower than the average annual growth of the population thereby causing a fall in real per capital income coupled with the worsening income distribution, the situation have led to a rise in the poverty level and Nigeria has experienced high mortality rate, illiteracy, high debt burden, etc. In fact most of the macro – economic indicators were below expectations, market failures and high transaction cost. About 70% of Nigerians are currently living below poverty line.

## 4.6 CONSTRAINTS OF NIGERIA IN GLOBAL TRADE

There is an emerging issue of weather Nigeria can afford to meet the requirements of the global market especially in terms of complete liberalisation of the economy given the state of the economy and the structure of output. Overtime Nigeria has adopted various development strategies which have conditioned changes in the country. From the early 1960's to mid 1980's the import substitution industrialization strategy was implemented, this was designed to make the country inward looking. In this policy, there were considerable restrictions and regulations in the trade sector, import duties and tariffs were raised (as much as 70 percent in 1975) to discourage importation. There were quantitative restrictions on some food imports through import licensing (Adubi, 1999:105 ).It must be noted that the tariff policy measures were aimed at raising revenue for government to improve the balance of payment problems and protect domestic industries but this was not effective as it encouraged smuggling.

More so, the price and exchange control enforced in this strategy stifled non-oil exports, an area of particular interest for Nigeria. This drastically reduced the opportunity for Nigeria to participate in and benefit from foreign trade expansion. The failure of this economic strategy led to a reconsideration of its effectiveness as a

strategy to transform the economy and promote development. It was against this background that SAP was introduced in 1986.

The SAP strategy recognized openness as an effective growth strategy for Nigeria. The SAP policy package included abolition of import licensing system, reduction of import restriction, modification of advanced payment of import duties, overhauling of customs and excise duty schedules, establishment of a Tariff Review Board, allowance of domiciliary accounts operation, abolition of export prohibition dissolution of commodity boards and establishment of export development fund, export credit guarantee scheme and insurance scheme and export promotion zones (Adubi, 1999:107). Emphasis was on diversification of the productive and export base of the economy from oil to non-oil products. In this regard, incentives were put in place to encourage non-oil export production especially in the manufacturing sector. Various agencies were set up to promote export and attract investors. However, the objectives of SAP were not achieved because, economic diversification was not achieved and the structure of productive output remains the same with oil maintaining its dominant export position.

Nigeria's attempt to promote trade and development made her signatory and membership to various bilateral, regional and multilateral trade agreements like ECOWAS, ACP/EU, and WTO etc. The WTO which is the dominant trade structure in the international system requires major changes and restructuring in line with globalisation. This is the force behind reforms in Nigeria. The country has to restructure to be part of the growing global economy. With the ushering of the 1999 democratic dispensation, government became eager to show some dividends of

democracy by reformation which raises the problem of how to conceptualize Nigerian development strategies.

Under the Obasanjo administration from 1999, both internal and external pressures were on to reposition the economy to enable it achieve the basic aspirations of the people and that of the global system. Standard behavioural patterns and ideas as determined by the dominant forces, international organisation and the developed countries were expected from virtually all countries most especially from the dependent third world countries (Kwanashi, 2007:17). These dominant forces ensure that the less developed countries adopt policies that are in line with global agenda even when they are not equipped politically and economically enough to implement them.

Reformation has taken place in all sectors of the Nigerian economy. In an attempt to encourage resources inflow especially in the form of foreign direct investment (FDI) thus, the exchange control act was abrogated while the foreign investment promotion measures were put in place.

The WTO rules are aimed at reviewing all hindrances to free trade both in the form of trade and non-trade barriers and all price distortion measures. All these are expected to enhance global trade, improve output and the general living standard of the people. Although the relative disadvantaged position of the developing and the least developed countries are recognized and provided for in order to mitigate the negative impact of the WTO measures there is no doubt that overall they will suffer initial losses from the implementation of these rules (Ogunlana, 1998:17).

Most developing countries are ill prepared to cope with any negative outcome. Their weak domestic economic capacities have contributed to the reason why they cannot compete and benefit from global trade. Nigeria like other African countries is facing serious developmental challenges in the face of rapidly changing global economy. They have remained poor and lagged behind other regions in exploiting the benefits of the process. A number of factors account for this wide gap between the economic integration of these developing countries and the world market. We shall briefly consider some.

### 4.6.1 THE LACK OF APPROPRIATE INFRASTRUCTURAL AND INSTITUTIONAL SUPPORT

The growth benefits to trade reforms are likely to be limited in countries whose entrepreneurs are constrained by weaknesses in the institutional and market infrastructure for production and trade. This is so poor in the developing countries that it has become difficult and expensive to develop effective trade. Infrastructural inadequacies have been reflected in poor road networks, costly transports, rail net works, epileptic power supply, telecommunication, water supply, inadequate storage capacity etc.

Nigeria's infrastructure for instance, due to neglect and poor maintenance regime, was allowed to decay for so long (Kwanashie: 2007:23) the state of electricity supply for instance have undermined productive activities for years. Although the federal government has taken bold steps to address this problem in the area of electricity and power reform where huge sum of money was injected into the sector, most parts of Nigeria are yet to experience uninterrupted power supply. Industries and Small and Medium Enterprises (SME) need electricity to function effectively and make them competitive. Communication which is very essential for effective trade has not been far reaching. Although there are efforts in this direction, internet use and GSM Communication are still expensive when compared with those obtained in other more developed countries. The high cost of obtaining communication equipment and accessing the internet has negatively affected Nigeria and other less developed countries competitiveness in global trade.

### 4.6.2 STRUCTURE OF PRODUCTION AND EXPORT EARNINGS

Export diversification is very low in Africa. African countries remain principally primary commodity exporters and the dependence of African countries on a small number of export products has increased in the period following liberalisation (Nigeria Vision2020 Programme). The structure of output matters in the economic development of nations but with the present structure of output, can Nigeria and other less developed countries achieve economic growth in this era of globalization?. Many less developed countries are characterized by mono-cultural economies and dependence on primary commodities for the bulk of their exports receipts, and their markets are mainly with the industrialized countries and this has been a problem for their economic growth. This structure of export could be traced to the colonial era where they had related to the world market mainly as exporters of raw-materials and importing manufactures (North/ South Trade) which is very unhealthy. In this era of globalisation, any nation that aspire to develop through export trade must expand the manufacturing sector to enable its products compete in the international market. In Nigeria the Obasanjo regime's initiative on agriculture to promote non-oil export as a strategy towards changing the dependence on oil as a major source of income to improve the value of the naira, did not create much impact on the agriculture sector. Though all hope is not lost in her bid to achieve significant diversification of export as government has not relented its efforts in this regard.

In addition, the demand for the type of raw materials produced by the LDC's is not rising, which means that increased export can lead to falling prices instead of increased revenues. With the fall in commodity prices, many commodity dependent developing countries continue to experience deterioration in their terms of trade and reduction in export earnings. This negatively affects the opportunities of countries to generate resources for other investment projects and increase their level of

development. Reduction in export earnings in the agreement on agriculture calls for gradual reduction of support and protection within an agreed period of time. The implication of this is that by the time the support given to cash crop production is reduced, production cost and export prices are likely to increase with the attendant loss of competitiveness for such produce in the international market (Ogunlana, 1998:18).

Apart from being dependent on primary products, a mono-cultural economy like Nigeria represents an extreme case with its over dependence on one commodity – crude-oil for over 95% of export earnings and over 80% for domestic revenue (Obadan: 2003;18 ). With the present structure of output, can Nigeria achieve economic growth in this era of globalization? Nigeria's manufacturing sector is still inadequate and despite her huge earnings in petro- dollar it still faces problem of industrialization.

### 4.6.3 LOW LEVEL OF INDUSTRIALISATION AND MANUFACTURED EXPORT.

Africa currently accounts for less than three percent of the world trade in manufactures and slightly less in services (Obadan; 2003:18).This figure is very small when we consider the fact that manufactured exports have been the key to effective participation of the countries in East Asia where they have achieved spectacular growth rates and poverty reduction. African countries are yet to diversify to the use of modern technology to create high value added goods and services to be sold in the international market.

In Nigeria for instance, attempts at the diversification of the export base of the economy from oil to manufactured exports have not produced the desired results. The

industrial policy structure has not been favorable. High cost of industrial goods, notably raw material machineries, spare parts etc have been a hindrance. Industries cannot work full capacity; the absence of both domestic and foreign resources to attain full utilization that can generate greater output is inadequate. In addition production will continue to be uncompetitive by lack of value addition. Nigeria's manufacturing sector is still weak, despite her huge petrol- dollar; it still faces the problem of industrialization which is likely to undermine her from benefiting fully from global trade.

Table 4.3 Contribution of the Manufacturing Sector to GDP at 1984 Constant Factor Cost (%)

| Period/ year | Manufacturing |
|---|---|
| 1960 – 69 | 6.1 |
| 1970 – 74 | 2.5 |
| 1975 – 79 | 5.0 |
| 1980 – 84 | 9.08 |
| 1985 | 8.6 |
| 1986 | 8.0 |
| 1987 | 8.4 |
| 1988 | 8.7 |
| 1989 | 8.2 |
| 1990 | 8.2 |
| 1991 | 8.3 |
| 1992 | 7.9 |
| 1993 | 7.3 |
| 1994 | 7.2 |
| 1995 | 6.7 |
| 1996 | 6.5 |
| 1997 | 6.3 |
| 1998 | 5.9 |
| 1999 | 5.9 |
| 2000 | 6.0 |
| 2001 | 6.0 |
| 2002 | 6.1 |
| 2003 | 6.4 |
| 2004 | 3.7 |
| 2005 | 3.8 |
| 2006 | 3.9 |

**Source:** CBN Statistical Bulletin, Vol. 16, Dec. 2005 and CBN Annual Report and Statement of Account, 31st December, 2006.

The contribution of the manufacturing sector to GDP is low. From the above table the contributions was highest in 1984, at 9.08%, then hovered around 8% up 1999 after

which a steady decline set in. It dropped to 3.9 in 2006. From the table above however manufacturing export remains disappointing at 4.17%. In 2008 overall, export performance in African countries following trade liberalisation has been disappointing, African exports continued to grow at a lower rate in volume terms. Recent changes in the share of African exports going to North America, meanwhile, have been driven mainly by trends in oil exports, which are independent of the trade liberalisation process. (Vision2020:20) In the period 2000–2006, no African country featured among the world's 20 leading exporters of processed food, South Africa, the largest African exporter of these products, had a global market share of less than 1 per cent. Mauritius, the second-largest exporter of processed products in sub-Saharan Africa, came a distant 59th in the global rankings, with only 26.1 percent market

Table4.4 African countries' average manufacturing exports (GDP percentages)

| | **1980- 1989** | **1990 – 1999** | **2000 – 2006** |
|---|---|---|---|
| Benin | 0.5 | 1-5 | 1.3 |
| Botswana | - | - | 35.7 |
| Burkina Faso | 0.5 | - | 1.4 |
| Burundi | - | 0.2 | 0.4 |
| Cameroon | 1.3 | 1.5 | 0.9 |
| Cape Verde | - | 1.3 | 1.4 |
| Côte d'Ivoire | 3.4 | 6.3 | 7.8 |
| Egypt | 2.4 | 2.3 | 2.1 |
| Ethiopia | - | 0.4 | 0.8 |
| Gabon | 2.8 | 1.4 | 4.0 |
| Gambia | 0.4 | 1.6 | 0.6 |
| Ghana | 0.3 | 3.1 | 4.5 |
| Guinea | - | 4.5 | 6.3 |
| Kenya | 2.0 | 4.6 | 3.5 |
| Madagascar | 0.8 | 3.1 | 6.3 |
| Malawi | 1.6 | 2.5 | 2.6 |
| Mali | 0.1 | 1.4 | 8.8 |
| Mauritius | 25.2 | 28.5 | 26.1 |
| Morocco | 6.0 | 10.0 | 14.0 |
| Mozambique | - | 0.9 | 1.1 |
| Namibia | - | - | 17.2 |
| Niger | 0.4 | 3.5 | 1.8 |
| Nigeria | 0.0 | 0.6 | 0.7 |

| | | | |
|---|---|---|---|
| Rwanda | - | 0.2 | 0.2 |
| Senegal | 3.5 | 7.2 | 7.5 |
| Seychelles | 1.2 | 2.3 | 2.3 |
| Sierra Leone | 3.8 | - | 0.4 |
| South Africa | 4.4 | 9.1 | 13.2 |
| Sudan | 0.2 | 0.3 | 0.3 |
| Swaziland | - | - | 46.9 |
| Togo | 2.5 | 4.0 | 13.7 |
| Tunisia | 11.7 | 21.6 | 25.9 |
| Uganda | - | 0.7 | 1.0 |
| United Republic of Tanzania | - | 1.2 | 1.9 |
| Zambia | - | 4.4 | 4.4 |
| | | | |

**SOURCE: Nigeria Vision 20, 20; 20**

Among the African Countries from the above table, Nigeria's manufactured export share is low. It was 0.7 between 2000-2006 while that of South Africa was 13.2 percent within the same period. This suggests that the private sector is weak in terms of manufacturing activities and adds credence to the question- how technically equipped Nigerian firms are able to deal with global competition? Given a weak private sector, since globalisation is propelled by the actions of business enterprise. Although there have been government emphasis on the need for less reliance on oil export for export earning as stated in NEEDS and other Polices but not much has been achieved. The sector has fail to undergo the critical structural transformation necessary for it to play a leading role in economic growth and development The technological base for manufacturing is lacking, largely due to the near absence or

inadequacy of research and development efforts and light manufactures, which depend entirely on imports for machinery, equipment and spare parts.(Vision 20:20,20).

To further worsen the plight of these countries, there have been an oversupply and stagnating demand in commodities because many East-Asian Countries have ventured and have excelled in the production of raw-material which hitherto used to be the priority of SSA countries. For instance, Malaysia took palm seeds from Nigeria in 1974 from Akwa-Ibom State and Malaysia is today a major producer and exporter of palm-products. Coupled with this is the development of laboratory substitutes for natural commodities through the use of bio-technology which have worsened the prospects of commodities of less developed countries in the international market.

### 4.6.4 LOW LEVEL OF TECHNOLOGY

Technology is an essential aspect of global trade. Over the years there has been a tremendous use of information technology, Innovations in health, agriculture, engineering, biotechnology etc, in creating new opportunities in trade and other aspects of globalisation. These opportunities are fundamental and are rapidly changing how businesses, government, and organizations operate. But have the benefits of the technology revolution reached the poor especially those in developing countries? The transfer of technology encouraged by the new world order has had some constraint. Some scholars like Dyke (1999), khor (2003) and others have argued that, these innovations have further widened the gap between the 'haves' and 'haves not'

Some of the necessary technologies have been protected by registered trade mark and secrecy and the adaptability of some of them require high level expertise or capability. These high transaction cost would raise the cost of input which many of them cannot afford. The level of technology in Nigeria is low and this has constrained the manufacturing sector from meeting the global standards. More so the high cost of foreign technology cannot be sustained. Even the indigenous technologies identified have not been promoted and encouraged by Nigerians rather they shun local products in preference to imported ones.

### 4.6.5 **LOW LEVEL OF DOMESTIC INVESTMENT**

Financial problems in the LDC's are numerous. Both import and export financing are facing major problems, especially in those countries that are seriously in debt with poor credit rating. This low level of finance is linked to the low level of savings which limits access to capital. In addition the domestic financial sector is poorly developed and this forms a bottleneck for investment and access to working capital.

Though domestic investment is an important source of investment in Africa and other developing countries, foreign direct investment (FDI) is equally important because it contributes to fast track economic growth. But the economic and business environment in Africa especially Sub-Saharan-Africa (SSA) countries tend to be a barrier to capital flow. Investment ratio in Africa is very low; the region has little access to private capital flow compared to other regions. For instance between 1993 – 97 investment as a percentage of GDP averaged 19.5% in Africa compared to 32.6% in Asia and 23.5% in Europe (Obadan,2003:20).With this low growth rate, the impacts of integration in to the world economy would be slow and the incidence of poverty very high.

Nigeria needs to intensify efforts to attract both foreign and domestic investors into the export sector to enhance its international trade participation. But in Nigeria, the National Saving Rate (savings/GDP ratio) has been less than 15.0 percent since 1991 while domestic investment rate (investment/GDP ratio) has not reached 10.0 percent since 1990 (Adewuyi, 2003:419).The implication of this is that savings is low and cannot be transformed into investment, domestic capital has been difficult to source, lending rate have also increased, even the interest of saving have also declined thus discouraging saving.

This problem has been compounded by high rate of foreign exchange and policy inconsistencies. Macroeconomic policies are not attractive to both domestic and foreign investors and it has discouraged prospective investors especially foreign ones who could be tempted to move their investment to other countries. Considering the low level of foreign investors, public investors cannot sustain the economy.

### 4.6.6 LACK OF BARGAINING AND NEGOTIATING STRENGH

This is also a major hindrance of developing countries to global trade. Being, dependent on developed countries and international organisations for Aid, Donors and loans, the developing countries have been drained of their capacity to negotiate. The powers of the UN, in which the South is in a favorable position, have been diminished, as the mandate and power of the institutions under the control of the developed countries (IMF, World Bank and WTO) have been increased tremendously. The rapid spread of international capital has resulted in the gradual diminishing of national control of the local economy. The policies of countries have come under international organisations/ financial institutions, etc.

This action has led to the erosion of national sovereignty and narrowing the ability of government to make choices. Most of these policies may not be in the interest of the countries concerned but they have to comply since they are signatories with the agreement. For instance in the Trade Related Investment Measures, (TRIM), the least developed countries are very unfavourable. The agreement pressurizes the government of these countries to give up their power to improve conditions on the entry and operation of foreign capital and investment.

Foreign investors under the WTO agreement have extraordinary power to reject restriction based on national policies therefore rendering domestic business vulnerable to the onslaught of free trade (Gimba, 2000:18). With this agreement Multinational Corporations (MNC) have achieved so much international economic powers that in the event of the failure of states to survive the WTO conditionalties, they may be compelled to give up their capital rights and sovereign authorities to the monopolies of the MNCs The developing countries have not been able to organize themselves to coordinate on polices and negotiating positions in WTO and other international organisations. This has constituted a major hindrance to their participation in the international system.

### 4.6.7 **HUMAN CAPITAL**

Human capital is an important factor in economic development Many developed countries like Japan, Singapore, etc that have been successful in terms of development in recent decades have invested in education and health care rather than exploiting natural resources. Singapore for instance has no natural resources to speak of and a population of three million, today Singapore exports over six times as much as all

LDC's combined(Stefan 2006:72). Though there are many factors behind its success story but the most important seems to be the high level of education which informed its technological know-how and specialist skills which has become important for today's globalised world. Many developing countries in Africa are rich in natural resources but could not be called rich nations because they cannot meet the indicators for human development. In most of these counties they have low average life span, level of education, gender equality among others. The developing countries are yet to achieve high level of advancement in human capital.

### 4.6.8 **BRAIN DRAIN**

Coupled with the above is the issue of " brain drain" which the globalised world has encouraged. A lot of qualified and capable hands have migrated to the developed world in search of greener pastures, thus reducing the number of specialized hands in the developing countries. Nigeria, for some decades now has lost a lot of highly specialized and skilled men and women to brain drain. These people left the country in search of greener pastures, some because of political or economic reasons

### 4.6.9 **POLITICAL AND INSTITUTIONAL FACTORS**

In a globalised world, certain political pre-conditions must be fulfilled for a country to be an active trade partner. 'Good Governance' has gained increasing prominence in development. It embraces a wide range of aspects relating to how government exercises power at both central and local levels. These include:

- Sound macro-economic policies;
- A credible, predictable and honest legal framework
- A public sector that is reasonably efficient and uncorrupted
- Accountability; power holders are held accountable for their

exercise of power.

- A democratic society that enables a functional interplay between state market and civil society. (Stefan, 2002:71)

But most developing countries have not been able to meet up with the above aspects. Political instability and in some cases armed conflicts have been common place in these countries. Most of them do not have functioning democracies and have undergone dramatic political changes like coup d'état with changes in leadership especially in Africa.

Many African Countries have at various times experienced political instability as a result of civil strife, ethnic and religious conflicts, like in the case of Liberia, cote d'ivoir., sierra Leone, etc that leads to insecurity of lives and property. Political insecurity in these countries would discourage foreign investors and other opportunities that would benefit the country. In Nigeria, the Niger Delta question, and cases of religious and ethnic crises are instances that have disrupted foreign investment and flow of business in the country.

### 4.6.10 **CORRUPTION**

In most countries, corruption is rife and accountability feeble. Many of them have inefficient and bureaucratic procedures. Any country that is confronted with these numerous problems cannot immediately take advantage of opportunities provided by the global economic structure. Corruption is still pervasive in the country. Nigeria is still ranked among the most corrupt countries on earth by the Anti Corruption Watch dog Transparency International. The ICPC and EFCC helped in instilling fear in Nigerians but they have not been able to stop corruption. A lot of bribery is carried out for things to get done about 80 percent of Nigeria's oil and

natural gas revenues accrues to just one percent of the country's population. The other 99 per cent of the population receive the remaining 20 percent of the oil and gas revenues, leaving Nigeria with the second lowest per capita oil export earnings put at $212 (N28, 408) per person in 2004. ( Oloruntegbe 2009:4)

The oil boom is also largely responsible for the massive capital flight. According to (UNIDO 2004) it is estimated that by 1999, Nigeria had an estimated $107 billion of its private wealth held abroad. This represents about 70 percent of the total private wealth in Nigeria. Several years of economic mismanagement and corruption restricted economic growth, leaving Nigeria's GDP per capita under $300 and placing the nation amongst the 20 poorest nations in the World. Since corruption is considered a bane in the development of the agricultural sector and the economy in general, if it is not seriously tackled; it implies that the sector will continue to remain neglected and food importation and food insecurity will continue.

## 4.7 MEASURES REQUIRED IN MAXIMIZING THE GAIN OF GLOBAL TRADE.

It has been argued that liberalisation creates opportunities to accelerate economic growth of nations, but experiences have shown that this growth is unevenly spread. This idea could be attributed to the fact that countries are differently endowed and positioned and may not be able to take equal advantage of the global market (Asobie; 2001:25).Experiences have shown that the developed countries stand a better chance to benefit from the opportunities created by the global market than the developing countries. Africa must strive to be more competitive by addressing these challenges to properly integrate into the world economy, maximize the benefits of trade

liberalisation and in turn globalisation. Since Nigeria like other developing countries cannot opt out of the changes in the international system it needs to device options to enable her become more competitive to increase its chances of benefiting from the global economy. The following proposals are made to prepare it to face these challenges.

### 4.7.1 DIVERSIFICATION AND DEVELOPING MANUFACTURED EXPORT CAPABILITY.

There should be an increase in the competitiveness of non-oil exports by improving their qualities and reducing cost of production. Experiences have shown that export of products with no value added have been a major factor in the poverty of less developed countries. Export products diversification from dependent natural commodities to manufactures will promote economic growth in these countries. The root to additional value is for producers to take control of processing and marketing. In Nigeria there is a strong case by government for value addition in products to enable them meet international best practices but the success rate has been low. The government needs to do a lot in this area. It should borrow a leaf from the success story of Ghana which has increased the value of cocoa. The Ghana Cocoa Processing Company (CPC) has increased the value of raw cocoa beans by means of an expansion that has increased total output significantly and an increased marketing strategy, higher grades of the product are produced CPC exports 95% of its finished cocoa products (African Business August-September 2010:30). This improvement would earn Ghana more foreign exchange and better access into the global market.

Also non-oil export could be diversified into nontraditional markets. Nigeria should explore other countries where good market prospects exist like Japan, Asia and

Mexico instead of just relying on trade partners like E.U and American. Encourage more intra Regional/African trade. This views premised on the evidence that trade within regional groupings like ECOWAS, SADAC etc is increasingly becoming a vehicle for restructuring macro-economic and structural policies, promoting large scale investment and ensuring economic efficiency this form of trade is encouraged as a response to the force of globalisation.

### 4.7.2 **HUMAN DEVELOPMENT**

A globalised world brings increased mobility and the threat of brain drain. For some time now, the developing countries have had to contend with the challenges of keeping well trained professionals from moving to wealthier countries. Experiences from countries especially Japan has proved that human Capital Development is a central point of development and output growth. Nigeria needs to maintain and improve its capacity to retain skilled and knowledgeable individuals these people would serve as capable hands to study and absorb the new technology being transferred. More efforts need to be focused on education to make more Nigerians literate. To help in development and for government to have what to fall back to in a situation where the oil reserve depletes

### 4.7.3 THE NEED TO RAISE QUALITY STANDARD.

The need to ensure high standard for Nigerian products is important for global trade. Since, many Nigerian products are considered sub-standard; government should ensure that product standards are met. If possible higher standards be set for the product to enhance their competitiveness in the global market. Attempt should be made to remove all constraint to agricultural and other non oil sectors in order to boost output and export.

Efforts should also be made towards promoting the solid mineral sector to expand the country's mineral export and have more products competing in the global world. There should be more awareness by the Nigerian Export Promotion Council through seminars conference to better inform the general public on the required international standard and full information of WTO provisions to enable such operators to complain to the appropriate government organs when the product in the external market fail to meet standards.

### 4.7.4 PRIVATE, PUBLIC, PARTNERSHIP

The private sector has an important role in trade corroboration since they are more likely to be exposed to market opportunity. Globalisation encourages this sector because of the reduced emphasis on national governments on trade related issues. With PPP, investors will gain exposure to the sector and encourage greater participation of the private sector in delivering infrastructure, health care, education, roads transportation and so on which would promote trade and inter relationship among nations. For instance the Lekki-Epe Expressway in Lagos will facilitate the movement of goods and services across Lagos, especially for the proposed Lekki Free Trade Zone that will promote economic activities in the area.

Though the developing countries have made and are still making efforts to properly integrate themselves into global affairs and derive the benefit of trade liberalisation, a lot is still needed to enable them excel. Many of these countries are highly indebted; which has denied them effective participation, some cannot participate in global trade because their products lack value addition

# CHAPTER FIVE

# IMPACT OF TRADE LIBERALISATION ON FOOD SECURITY IN NIGERIA

## 5.1 DATA PRESENTATION AND ANALYSIS

This chapter covers data presentation and analysis. For easy comprehension and interpretation, tables would be used for data presentation. Data were gathered from respondents' answers to questionnaires. In the course of this research some interviews were conducted, all these were intended to guide the researcher to proffer meaningful solutions to whether the impacts of WTO's trade liberalisation on food security is positive or negative. The data collected is presented through tables that reveal at a glance, the level of respondent to the issues raised in the questionnaire. Two types of questionnaire were distributed to assess the objectives of this study that is farmers and household questionnaires. A total of 850 questionnaires were administered of which 711 were returned. From the questionnaires administered 268 out of 350 distributed from the household questionnaires were returned, while 443 were returned out of 500 farmers questionnaires. Data were analyzed in form of percentages and results were rounded up in the nearest whole number to simplify calculation.

**Table 5.1 General Survey on Farm Settlement**

| Peasant Farmers and locations | Number of Respondents | Response on government support to farmers. that is loans, fertilizer, etc | | Volume of agricultural produce with trade liberalisation | Response on the volume of export with trade liberalisation |
|---|---|---|---|---|---|
| | | **YES** | **NO** | | |
| Olokoro | 42 | 15 | 27 | insufficient | No export |
| Umudike | 43 | 17 | 26 | insufficient | No export |
| Umuahia | 45 | 23 | 29 | insufficient | No export |
| Hadejia | 35 | 10 | 24 | insufficient | No export |
| Brinin Kudu | 25 | 12 | 11 | insufficient | No export |
| Dutse | 23 | 15 | 13 | Insufficient | No export |
| Iri | 41 | 16 | 28 | insufficient | No export |
| Buruku | 45 | 24 | 17 | insufficient | No export |
| Kangimi | 46 | - | 46 | insufficient | No export |
| Aiyetoro | 25 | 12 | 36 | insufficient | No export |
| Aja | 10 | 5 | 15 | Insufficient | No export |
| Odeda | 50 | 23 | 27 | Insufficient | No export |
| Itoikin | 13 | 4 | 9 | Insufficient | |
| Total<br>Percentage | 443 | 176<br>40% | 267<br>60% | | |
| Commercial farmer | | | | | |
| ***Admiral Farms*** | N/A | Loan facility available | Inadequate | Insufficient | minimal export |
| ***Niyya Farms*** | N/A | Loan facility available | Inadequate | Insufficient | No export |
| ***Shonga Farms*** | N/A | Loan facility available | Inadequate | Insufficient | No export |

NOTE: N/A = Not applicable

***From the table above it showed that 60% of the peasant farmers do not get government support while the recipients are about 40%. This shows that a significant number of farmers in the country are not aware of government policies neither do they get adequate government financial and technical support. These peasant /subsistence farmers who constitute the majority in Nigeria are not aware***

***of the policy of trade liberalisation but they attest to the fact that the influx of food products into the local market has affected them negatively. Though some farmers especially in those areas where the Agricultural Development Project (ADP) is efficient or where farmers are members of farmer's cooperatives showed knowledge of agricultural policies and benefits from government sale of input at subsidized rate. Despite this support, these farmers still believe that government is not doing enough for them.***

***The commercial farmers*** recognize government policies ***and get good support*** which enable them work towards benefiting from the opportunities of trade liberalisation.
The management of Niyya Farm for instance got loan assistance from government (figure not disclosed) through Guarantee Trust Bank (GTB) and Union Bank to improve productivity in the farm. ***But two things are evident among the commercial farmers:***

- ***Their production cannot satisfy the teaming population***

  ***The commercial farmers sell to brokers and third party creating the double edge problem of food production, being unaffordable to the population and the possibility of export. A case in point is the Shonga White Farms,*** an agric-investment company ***in Ilorin which sells its proceeds only to contractors*** for supply to industries. Mr. Noibi, the executive director, of the farm 'explained that the farm has not explored up to 10% percent of its market potentials locally so the issue of export does not arise now as they need to saturate the local market first.'

***- Because most of the products are unprocessed it could become unattractive to advanced nations with the capability of processing and reselling to the consumers in the less developed countries such as Nigeria. Even where they have the capacity to export they have problems with product certification that would enhance the market access because they lack the details of the WTO agreement especially with regards to AoA. A case in point is the Admiral farms where they have to sell through the 'back door' (illegal) and one Mr. Bayo whose fishes were destroyed in Netherlands on his way to an exhibition in Boston in the united states because the water where his fishes were breed are not of international standard***

The impacts of trade liberalisation have not translated to any significant increase in agricultural output and export despite the existing opportunities. Since Nigeria rectified the agreement on trade liberalisation efforts have been made towards reaping its benefit only that it has not gotten to an appreciable level. The government has implemented certain projects and programmes to promote agriculture and export trade to help farmers move to the next level. Though there are small levels of progress only that it is not to any appreciable level but there is a lot of room for improvement.

The questionnaires for this research were administered in Jigawa State (Hadejia Brinin Kudu and Dutse), Abia State (Umuahia, Umudike and Olokoro), Ogun State (Ogun/Oshun River Basin and some surrounding villages), Lagos State (Itoikin, Ogun/ Oshun River Basin Annex) Abuja, Kaduna and Kwara State. In these areas, farmers and household questionnaires were administered. The two questionnaires will be analyzed separately beginning with the farmer's questionnaire. These states represent some of the areas with farm settlements and government organized River Basin Projects. They were also chosen to they reflect the multi ethnic composition of the county which may perhaps reflect the attitude of various ethnic groups to the practice, growth and development of agriculture. But in order to balance the data the researcher also went to areas that do not have government influence to see what they know about trade liberalisation and its attitude towards agriculture.

## 5.2 FARMERS QUESTIONNAIRE

### 5.2.1 Distribution of Respondents by Sex

| Serial | Sex | Respondent | Percentage |
|---|---|---|---|
| 1 | Male | 318 | 71.8% |
| 2 | Female | 125 | 28.2% |
| **Total** | | **443** | **100%** |

From the table above, 71.8 percent represents male respondents while 28.2% were female. This means that most of the respondents were male, particularly in Jigawa and some parts of Kaduna state. This could be cultural, because in typical Nigerian cultural setting women are not supposed to be heard or represent herself as head of household. But in other areas like Lagos and Abia states there were more female respondents and this is because the culture of purdah is not commonly practiced. Also, in the South East the men are not usually around, but look for their green pasture in the urban areas working as labourers, businessmen or civil servants. While the above data may give an impression of agriculture as being male dominated, the presence of women farmers should be taken into consideration. Women have, organized women farmers groups in for instance, Buruku, Kaduna state, where we have the Alheri, and Godiya women farmers groups among others. Apart from farming some of them have formed themselves into groups of processors for instance in Brinin Kudu Local Government in Jigawa State the researcher met with some group of women processors who are assisted by the Jigawa State Agriculture and Rural Development Authority (JARDA).

5.2.2 **Age of Respondents**

| Serial | Age | Frequency | Percentage |
|---|---|---|---|
| 1 | 20- 30 | 50 | 11.3% |
| 2 | 31- 40 | 132 | 29.8% |
| 3 | 41- 50 | 190 | 42.9% |
| 4 | 51- 60 | 42 | 9.5% |
| 5 | 60- above | 29 | 6.5% |
| **Total** | | **443** | **100%** |

From the table above, the mean age of respondent is 45 years. This indicates that Nigerian farmers are fairly old and that young farmers are few. Most of the farmers interacted with by the researcher in the states visited were between 40 – 50 years. Though there were some cases of young farmers especially in Jigawa State and Kaduna states respectively.

5.2.3 **The Size of Farmers Household**

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1 | 1 – 10 | 337 | 76% |
| 2 | 11 – 20 | 103 | 23% |
| 3 | 21 – 30 | 3 | 1% |
| 4 | 31 – above | - | - |
| **Total** | | **443** | **100%** |

The data on farmers household are classified on ranges of: 1-10,11-20, 21-30, 30 and above .The most frequently occurring classes are 1 – 10, 11- 20 there were a few cases of respondents with over 20 members. From the findings it is noted that

Nigerian farmers have relatively large size of household compared to developed economies, an indication that family labour is needed to increase productivity. Though this may not necessarily be the issue because many of the respondents complained of lack of helping hands, an indication that their children/ wards could be in school or not involved in farming. Also because for increased production, one needs to mechanize so the large number of household still marks inefficient farming.

There were a number of female headed households in Abia and Lagos (areas visited by the researcher) with family sizes of 1 – 5, 6 – 10, who ensure food availability for their households; these people are generally vulnerable to poverty. This condition also apply to some of the women interacted with in Jigawa State (Brinin Kudu Local Government) who claimed to have had between 7 – 14 children and have lost between 3 – 7 children. They experience a high rate of infant mortality and poverty, an indication of low profitability from farming among other reasons. It is necessary for government to always make adequate arrangement for agricultural inputs for them. A lot of the rural areas do not have health centers and a sick farmer would not be able to produce

### 5.2.4 **Respondents Educational Status**

| Serial | Educational Status | Frequency | Percentage |
|---|---|---|---|
| 1 | No formal education | 203 | 46% |
| 2 | Primary education | 126 | 28% |
| 3 | Secondary education | 78 | 18% |
| 4 | Tertiary education | 36 | 8% |
| **Total** | | **443** | **100%** |

Table 4 represents the data on respondents' educational status. The table shows that about 46% of the respondents had no formal education. This is followed by 28% with primary education and next by18% and 8% with secondary and tertiary education respectively. In Abia, Kaduna and Lagos State the respondents had large proportions of secondary leavers and some others with NCE and OND. There is high rate of illiteracy among the peasant farmers, many of them could neither read nor write. Education is very essential in determining peoples response to improved practices targeted at increased productivity, a farmer should be able to read labels on fertilizer and other inputs .He should at least have primary education, as this will improve sources of information to farmers. Illiteracy among farmers could also account for the lack of record keeping among the farmers which has made the evaluation of the impacts of government policies on farmers problematic. For instance some of the beneficiaries of the NPSF programme loans in Buruku Kaduna State that the researcher interacted with were not able to show evidence of success or failure of the programme, they did not keep records of what they bought and used on their farms. In the globalised world of today education is very important for any significant breakthrough in agricultural production.

5.2.5 **Size of Farm Holding**

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1 | >1 hectare | 78 | 17% |
| 2 | 1- 5 hectare | 327 | 74% |
| 3 | 6- 10 hectare | 32 | 7% |
| 4 | 11- 20 hectare | 6 | 2% |
| 5 | 21 and above | - | - |
| **Total** | | **443** | **100%** |

The distribution of respondents on their farm holding is presented in the table above. Majority of the farmers have between 1 – 5ha of farm land, 17% has less than 1 hectare, 7% 6 – 10ha, 11 – 20 hectares 2% . Nigerian farmers are largely small holders. It was noted that the tendency for large scale farming exist in the Northern part of the country because of the large expanse of land unlike in the Eastern part where land seem to be inadequate. Looking at the land area in Nigeria farming activities is far below the potential land area. This large expanse of land could be used for a meaningful agricultural transformation.

### 5.2.6 **Respondents Years of Farming Experience**

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1 | >5 | 35 | 7% |
| 2 | 5 – 10 | 60 | 14% |
| 3 | 16 – 20 | 80 | 18% |
| 4 | 21 - 30 | 246 | 56% |
| 5 | 30 and above | 22 | 5% |
| Total | | 443 | 100% |

The above data shows that majority of the farmers are not new in the profession because only about 7% had less than 5 years of farming experience. 5 – 10 years is about 14% 16 – 20 years is about 18%. While more than half of the respondents about 56% have had between 20 – 30 years of experience in farming. This is also a similar pattern among the women. A lot of women within this category were seen by the researcher in the areas visited.

### 5.2.7 **Application of in-organic Fertilizer**

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1 | Yes | 420 | 95% |
| 2 | No | 23 | 5% |
| Total | | 443 | 100% |

Inquiries on fertilizer application to respondents, showed that all respondents know fertilizer, a large portion of them have tried fertilizer application, about 95% while 5% do not use fertilizer, majority of who are from Abia State. The benefits derived from the use of fertilizer may not be appreciated by the respondents because of the

difficulties associated with its distribution and price which has made many farmers resort to organic manure for crop production. Some of the respondents interviewed claimed that with these problems, they have resorted to applying manure on the farms two months before planting, after which they apply fertilizer. Most of them use the NPK and Urea which they know the benefit.

It is noted from the research that women use less fertilizer than their male counter parts may be because of low purchasing power. Many farmers complained of their high cost and poor quality. Dr. Oyebanji the Chief Technical Adviser of NPASF complained of the poor quality of inputs as he explained that the fertilizers do not contain all the nutrients it is expected to contain and that there is a lot of adulteration in the quality of herbicides, that some of them when used on grasses do not show any effect. It was in this light that Sanusi Lamido the CBN Governor explained that the fertilizer supplied to farmers do not actually weigh up to 50kg and that half of such bags were filled with ordinary sand (Daily Trust, Tuesday October 25,2011:3)

5.2.8 **Respondents view on the Quantity of Inorganic fertilizer used in kg**

| Serial | Quantity | Frequency | Percentage |
|---|---|---|---|
| 1 | >100kg | 103 | 23% |
| 2 | 100 - 400kg | 190 | 43% |
| 3 | 401 - 800kg | 104 | 23% |
| 4 | 801 - above | 45 | 11% |
| Total | | 443 | 100% |

On the quantity of fertilizer in kg, respondents were classified into less than 100kg, 101 – , 401 – 800, 800 and above. From the above, most of the farmers are within the range of 100 – 400kg. On the average of the respondents apply between 150 – 250kg of fertilizer per hectare. There is generally low level of fertilizer usage because of its non-availability from government, even where available the supply is below requirement, it is a minus to the efforts towards boosting national agricultural production. As timely application of fertilizer gives optimum yield. The problem of availability and affordability have reduced productivity. The farmers manage the little fertilizer they can afford and supplement with organic fertilizer which they apply on their farms before the planting season. For some of them the quantity of fertilizer they use is inadequate compared to the size of their farms. In the areas where the intervention of Agricultural Development Projects (ADP) had been entrenched, farmers are more aware and use more fertilizer, for instance in Kaduna, Jigawa and Lagos where the researcher visited. In Jigawa state some women farmers interacted with lamented their handicap in input provision and called on government to provide them with inputs and equipment so that they can farm like men,

5.2.9 **Respondents Opinion on the use of Improved Seedling**

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1 | Yes | 367 | 83% |
| 2 | No | 76 | 17% |
| Total | | 443 | 100% |

Most of the respondents know about improved seedlings. A substantial number of them 83% use it but some others, about 17% use seeds which they have been recycling. The assessment indicates that maize; cassava and rice are more prevalent followed by others which they compliment. One tomatoes farmer in Ogun-Oshun area told the researcher that before each planting season he buys good variety of tomatoes, washes and dries them then use the seeds for planting. Many farmers complained of their high cost and poor quality. Even with the modified seedlings, it is not well modified for the Nigerian agricultural environment because according to Mr. Luqman Noibi, the Executive Director Shonga Farms, his organisation buy the seeds, reconstitute and do a lot of research to get the best result before application because of the poor quality of seeds .

5.2.10 **Respondents Opinion on the Quantity of Improved Seedlings Used.**

| Serial | Respondent | Improved seeds | Percentage |
|---|---|---|---|
| 1 | 202 | Maize | 46% |
| 2 | 39 | Rice | 9% |
| 3 | 167 | Cassava | 38% |
| 4 | 23 | Yam | 5% |
| 5 | 12 | Wheat | 2% |
| Total | 443 | | 100% |

A look at the table shows that maize, cassava, rice are more prevalent followed by others like yam, cocoyam, soybean, millet sorghum. Yam, cocoyam, cassava, maize, rice were mainly cultivated in the southern states while grain like maize wheat, millet, rice and sorghum were dominant in the Northern part. It was observed that farmers widely cultivate crops that respond to fertilizer. The famer's buy5kg of seedling at N500 per bag. A lot of them use between 5 and 60kg depending on their farm size.

5.2.11 **Respondents Opinion on the use of Organic Fertilizer**

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1 | Yes | 411 | 93% |
| 2 | No | 32 | 7% |
| | **Total** | **443** | **100%** |

The table above shows the number of respondents that apply organic fertilizer to their crops. It shows that 93% use organic fertilizer for the farms. While 7% do not. In the states visited by the researcher, it was discovered that the increased use of animal

waste and crop residue was prevalent and this was because of the unavailability and high cost of inorganic fertilizer. The availability of animal waste which they readily get from poultry and cattle ranch might also explain the extent of their use by farmers despite the use of inorganic fertilizer since some of them believe that it enriches the soil. Government Trade Liberalisation policy which appears Eurocentric, emphasize the use of inorganic fertilizer which in actual fact proper use of organic fertilizer will bring the same yield as inorganic fertilizer. Government may encourage agriculture by organizing the local procurement and distribution of organic fertilizer rather than encouraging corruption in the importation of inorganic fertilizer

5.2.12 **Respondents opinion on the quantity of organic fertilizer used**

| **Serial** | **Respondent** | **Frequency** | **Percentage** |
|---|---|---|---|
| 1 | 156 | 100 -300kg | 38% |
| 2 | 177 | 400kg - 8000kg | 43% |
| 3 | 78 | 900kg- above | 19% |
| Total | 411 | | 100% |

The above tables represent the quantity in kg of organic fertilizer applied to crops 38% applied between 100kg – 300kg this is followed by 43% that applied between 400 – 800kg, some other 19% applied about 900kg. These respondents use organic fertilizer to nourish the soil. The high cost of inorganic fertilizer may compel farmers to continue the increased use of organic fertilizer. The heavy use of organic fertilizer by farmers could be adduced to the large size of farm cultivated since they cannot afford the quantity of organic fertilizer that would be adequate and to enrich the low fertility of the soil. In Jigawa State, Brinin Kudu and Dutse, to be precise, organic

fertilizer is measured in oxcart, one oxcart (Omolanke) is equivalent to 100kg some others measure the organic fertilizer in 50kg bags.

Significant proportion of respondents explained that the price of organic manure varies from free of charge to N100 naira per 50kg. This could be more during planting season. The intense use of animal droppings stresses the importance of livestock integration in agricultural production

5.2.13 **Respondents opinion on how much they buy a bag of inorganic fertilizer**

| **Serial** | **Respondent** | **Price** | **Percentage** |
|---|---|---|---|
| 1 | 62 | N1500-N2500 | 14% |
| 2 | 225 | N4500-N6500 | 58% |
| 3 | 126 | N6500-above | 28% |
| Total | 443 | | 100% |

The data shows that respondents buy the fertilizer at varied prices the price varied between N1, 500 to N2, 500 from government subsidized prices, which is about 14% while 58% buy it between N4, 500 to N6, 000 in the open market.

On the average the respondents buy fertilizer between N2, 500 to N4, 500. Though, some of them complained of inadequacy, and not having it in good time. Some others explained they buy from the open market to complement government provisions. Fertilizer prices vary between states even within states depending on the size of market and its location. They tend to be more expensive in the villages. Subsistence farming is less expensive in the cities than in the villages because by the time the

fertilizer gets to the subsistence farmer in the village, it would have gone through exorbitant price hikes as a result of corruption and profiteering

Affordability is a major constraint in the use of fertilizer in Nigeria. The farmers who are the beneficiaries are not financially buoyant enough to buy it, being small scaled with little income, buying at the market rate will be near impossible because a bag of fertilizer is sold between N4000 and N6500 Government fertilizer allocation process has become politically driven rather than market driven; politicians and highly placed people buy the commodity at subsidized prices and resell to farmers at exorbitant rates. Even when the fertilizers are distributed as promised by government, it does not get to most of the farmers because of the persistent diversion, there has been allegation that tonnes of fertilizer procured for sale is given out as gift to important personalities or end up in the hands of politicians who are not farmers.

Virtually all of the fertilizer used in Nigeria is imported, unfortunately through ineffective procurement system. About 70% of fertilizers that come into the country is subsidized and 30% from commercial channels. Unfortunately the 70% from subsidized channel are recycled back into the commercial channel, so the farmer never really benefit from this subsidy of fertilizer supply (Sanusi, NTA, Tuesday Live, July, 2011).

Fertilizer importation is food subsidy and it is inefficiently done, most of the money expended in importing fertilizer could be used in sourcing local organic fertilizer. Available data show that government expended about N2,908,000,000.00 foreign exchange on fertilizer procurement in 2000 this figure increased to N 33,886,500,000.00 in 20007 with a 25% subsidy of N727,000,000.00 and N8,810,490,000.00 respectively( Nigerian Agriculture Digest 2010:11). This is essentially money that is lost in agriculture because subsidy has not translated into food security or increased food production.

### 5.2.14 **Respondents Opinion on the use of Agro-chemicals**

| **Serial** | **Respondent** | **Frequency** | **Percentage** |
|---|---|---|---|
| 1 | Yes | 275 | 62% |
| 2 | No | 168 | 38% |
| **Total** | | **443** | **100%** |

The table represents the use of agro-chemical by respondents. A large portion of farmers know agro chemicals, but only 62% of them use it, while the remaining 38% does not. A lot of farmers have not embraced the use of agro chemicals because they do not know the benefits, some of them believe it has some health risk. A lot of the

non users were found in Abia and Lagos state. A wide range of agro-chemicals common among them is apron plus, atrazine and herbicide are used by farmers. A lot of them do not know the name of the products they used. They just describe the container and colour, some others showed the researcher the empty container in their possession. It should be noted that the advantages of fertilizer application cannot be maximized when farmers are not aware of the complimentary agro chemicals like herbicides and crop protection products. It was noted that there is a lot of adulteration in the quality of herbicides, according to Dr. Oyebanji the Chief Technical Adviser of NPASF some of them when used on grasses does not show any effect.

5.2.15 **Respondents opinion on the Source of Inorganic Fertilizer**

| **Serial** | **Source** | **Respondent** | **Percentage** |
|---|---|---|---|
| 1 | Farmers Association | 75 | 17% |
| 2 | Open Market | 285 | 64% |
| 3 | Government Distribution | 83 | 19% |
| Total | | 443 | 100% |

The data show that majority of the respondents source their fertilizer from the open market about 64%. Farmer's association account for about 17%. The involvement of cooperatives/farmers association and private agro-dealers as sources of inorganic fertilizers applied by respondent were not very significant. In the states the researcher visited it was observed that farmers rely more on open market than government distribution. This is in line with the Central Bank Governor statement that farmers get only about 11% of subsidized fertilizer while the remaining 89% are diverted fraudulently. (Daily Trust, Tuesday October 25, 2011:3). The research showed that majority of the respondent prefer to purchase from their chosen sources because of

timely supply, subsidies price or because it is the only available source. Some of the respondent explained that if the inputs were available, they would go and source for the money.

5.2.16 **Respondents Opinion on whether Government Policy of trade liberalisation on agriculture has made the supply of inputs more available and affordable**.

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1 | Yes | 93 | 20% |
| 2 | No | 350 | 80% |
| Total | | 443 | 100% |

Eighty (80%) of farmers claimed that government policies have not made inputs available and affordable, while 20% were in the affirmative. Many farmers claim not to have benefited from government policies. They explained that government has done nothing in providing inputs at subsidized rates, those that responded Yes were the ones that bought at subsidized rate while those that buy at more expensive rates especially from the open market responded No. Most of the farmers are not aware of government policy of trade liberalisation. In spite of the policy, only areas were the ADP is fully involved and makes adequate and timely provisions for them to get the inputs that make adequate utilization of it. It is becoming more difficult for many farmers to get input, and more expensive unlike some years back.

5.2.17 **How do you source money to buy fertilizer and other inputs that will help in food production?**

| Serial | Respondent | Frequ | Percent |
|---|---|---|---|

| | | **ency** | **age** |
|---|---|---|---|
| 1 | Loans from bank | 3 | 1% |
| 2 | Loans from cooperative | 91 | 21% |
| 3 | Money from relatives/clan meeting | 58 | 13% |
| 4 | Profit after harvest | 186 | 42% |
| 5 | Personal savings | 16 | 4% |
| 6 | Sale of domestic animals | 37 | 8% |
| 7 | Loan from thrift | 48 | 11% |
| Total | | 443 | 100% |

From the data above about 42% of the respondents plough back their profits into the business some even sell their domestic animals like goats, chicken to generate money to buy inputs. While 13% said they borrow from relatives and clan meeting. Some even said that they do some labourer job to source money for farmer. In Ogun/Oshun, a farmer told the researcher that he borrows from thrift where some interest is paid. For instance, for a loan of N20, 000, N2, 500 is paid as interest. Some generate money from a combination of two or three options. All these indicate that the peasant farmer lack adequate funding.

This is in line with the assertion of the Central Bank Governor, that Banks extend only 1% of banking sectors total credit to agriculture (Daily Trust Thursday August 2, 2010:56) this support is so meager for a sector that employs about 70% of the populace. This cannot guarantee food security and it has espoused the correlation between the poor performance of agriculture and rise in povert

One of the farmers interviewed, Dr Osakwe of Osakwe Farms Nigeria Limited, said that since inception government has not shown any interest in supporting independent farmers. He explained that government could assist by providing machines to plough the land and giving high yield seeds rather than looking for documents and collaterals for loans. In a country where 70% of the citizens live below $1 per day (Daily Trust, Friday march 16, 2012). With this high rate of poverty and malnutrition, how can they meet up with the needed collateral and be able to pay back the loan. Indeed direct intervention is the only way government can boost agriculture in the country.

The research also identified that the linkage between research institutions and the farmers is very weak. It is at this juncture that Mr. Shedrac Madlion of the Admiral Environmental Care explained that the linkage between farmers and government

5.2.18 **Respondents Opinion on whether they farm all year round**

| Serial | Respondent | Price | Percentage |
|---|---|---|---|
| 1 | Yes | 156 | 35% |
| 2 | No | 290 | 65% |
| Total | | | |

From the table about 35% of the respondents do seasonal farming while 65 % farm all year round. This category of farmers possess farms along the river basin authority or near flowing rivers, the River Basins afford farmers opportunity to farm all year round where most of them plant maize , water melon vegetables etc.

However this advantage of all year round farming is being hampered for instance in Hadejia/Azare River Basin Authority in Jigawa State where it was identified that along the river basin quella birds and grasshoppers destroy crops during planting and fruiting in the areas around Hadejia, Birniwa, Kirikasamma, Auyo and Guri. These birds come in large numbers and eat up the planted seeds hole by, thus reducing output and loss of interest in farming. Despite government efforts in the form of Ariel spraying, seed dressing chemicals and teaching farmers how to protect their crops by using nets and in some places using mocks to scare the pests away the destruction still persist.

Still in this area the growth of Tipa grass known as *Kachalla*. A perennial weed which grows along the river basin has negatively affected benefits from the basin by reducing the amount of water flow to some parts of the basin. This problem has reduced the number of hectares planted by farmers along the basin and in turn food production.

5.2.19 **Respondents Source of Water for farming**

| Serial | Sources of Water | Respondent | Percentage |
|---|---|---|---|
| 1 | N/A | 276 | 62% |
| 2 | Irrigation by the river side | 167 | 38% |
| Total | | 443 | 100% |

The 167 respondents that farm all year round, about 38% of the respondents source water through irrigation by the river side.The management of the two river basins (Ogun/Oshun and Hadejia) River Basin Authority explain that they lease out land to farmers to farm long the basins. The RBDAs lease out land to farmers at subsidized rates. For instance the Ogun/Oshun River Basin Authority lease out land to farmers at N1, 000 per hectare per annum, Hadejia the farmers are to pay N1000 per hectare but they pay nothing (Ringim, 2011) The management of Hadejia River Basin explained that about 13,500 people are benefiting from the basin where they grow a variety of products ranging from rice, wheat, maize, water melon, vegetables among others

5.2.20 **Respondents Response on the type of crop planted**

| Serial | Type of crops | Frequency | Percentage |
|---|---|---|---|
| 1 | Cash Crops | - | - |
| 2 | Food Crops | - | - |
| 3 | Both | 443 | 100% |
| Total | | 443 | 100% |

All the respondents are into mixed crops farming only that the type of crops planted by farmers varies by season. During the wet season they plant most crops ranging from cassava, maize, wheat, yam, cocoyam etc while in the dry season they plant mostly vegetables, okro and tomatoes water melon etc they also explained that they use more fertilizer during the dry season.

5.2.21 **Respondents Opinion on how they store surpluses**

| Serial | Storage | Frequency | Percentage |
|---|---|---|---|
| 1 | Silos | - | - |
| 2 | Local Storage | 287 | 65% |
| 3 | No storage available | 156 | 35% |
| **Total** | | **443** | **100%** |

From the above table 65% of respondents have local storage where they store their surpluses, while 35% keep it somewhere within the house. Many of them explained that they use preservatives to preserve grains like beans. Some of the fish farmers the researcher met the Lagos said they dry their fish to preserve them.

5.2.22 **Respondents Opinion on the major problems in crop production**

| Serial | Problem | Frequency | Percentage |
|---|---|---|---|
| 1 | Finance | - | - |
| 2 | Lack of inputs | - | - |
| 3 | Storage facilities | - | - |
| 4 | All of the above | 443 | 100% |
| Total | | 443 | 100% |

All the respondents explained, that the above problems itemized from 1-4 on the serial column are the ones they face in food production. They emphasized that finance is the most pressing amongst all because with finance they can afford to buy inputs, hire labourers, tractors and so on. Also on the issue of surpluses during season, some respondents called on government to buy their surpluses. This brings this issue of marketing board. Some of the old farmers that know about the boards explained how farmer sold their products without much stress and collected their money in bulk. This they said was more preferable to fluctuating market prices which they sometimes sell without profit.

5.2.23 **Respondents Opinion on What Government should do for the country to be self sufficient**

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1 | Finance | 203 | 40% |
| 2 | Input and farming implement | 93 | 20% |
| 3 | To provide the above mentioned on no 22 | 96 | 22% |
| 4 | Provision of infrastructure | 79 | 18% |
| **Total** | | **443** | **100%** |

From the table above 40% of the respondents believe that more money should be made available to farmers. They are of the opinion that finance is the most pressing problem because with it their needs would be made available, they could buy inputs, hire labourers, and even increase their farm. Next to this, 22% of respondent explained that finance, Inputs, storage and provision of infrastructure would go a long way to ameliorate the problems of farmer's. About 20% believe that the provision of inputs and farming implements like tractors would enhance output, while 18% wants government to improve infrastructure especially roads to enable them disburse farm produce from the rural to the urban areas.

5.2.25 Respondents **Opinion on how many months they have adequate food to feed their family**

| Serial | Period | Respondent | Percentage |
|---|---|---|---|
| 1 | 1 – 6 | 65 | 15% |
| 2 | 7 -12 | 223 | 50% |
| 3 | All year round | 160 | 35% |
| **Total** | | **443** | **100%** |

From the table 35% could afford adequate food provision all year round 50% could afford feeding between7 to 12 months while 15 percent could feed for one to six months. Meaning that most of the respondents feed on their produce and when it is exhausted they look for other means of survival as subsistence farmers they have low purchasing power which is a limitation to them.

5.2.26 **Respondents assessments of impact of government policy of trade liberalisation on food security**

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1 | Positive | 36 | 8% |
| 2 | Negative | 407 | 92% |
| **Total** | | **443** | **100%** |

A large percent of famers about 92% believe government has done nothing for farmers, they have no trust in government. 8% believe that there have been some positive impacts. It is only in the areas where the ADP and other agricultural agencies are involved that farmers attest to positive government impacts. In Buruku and Iri in

Kaduna State for instance where food security programmes was launched in the state, some of the farmers claimed to have benefited from the food security programme.

The beneficiaries said they have extension workers and technicians coming to educate them on modern farming techniques. They attest to the fact that they can afford to pay their children school and take care of some basic needs .One Mr. Amos a beneficiary of the explained, ' farming has enabled me train four of my children in higher institution despite my retirement'.

**Respondents profile on the Household Questionnaire**

**Table 5.2.26: Distribution of Respondents by sex**

| Serial | Sex | Respondent | Percentage |
|---|---|---|---|
| 1 | Male | 186 | 69% |
| 2 | Female | 82 | 31% |
| Total | | 268 | 100% |

From the table above, 186 were male, which is about 69% while 82 female constitute about 31% which means that most of the respondents were male. An indication that most households are headed by men.

**5.2.27 Age of Respondents**

| Serial | Age | Respondent | Percentage |
|---|---|---|---|
| 1 | 20 – 30 | 33 | 12% |
| 2 | 31 – 40 | 100 | 37% |
| 3 | 41 – 50 | 98 | 37% |

| | | | |
|---|---|---|---|
| 4 | 51 – 60 | 25 | 9% |
| 5<br>Total | 60 and above | 12 | 5% |

From the table above, most of the respondents fall between 31 – 40 years followed by 41 – 50 years and the least fall between 51 – 60 and 60 years and above.

**Table 5.2.28 Size of Household**

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1. | 1 – 10 | 252 | 94% |
| 2. | 11 – 20 | 12 | 5% |
| 3. | 21 – 30 | 4 | 1% |
| 4. | 31 – above | - | - |
| | Total | 268 | 100% |

The most frequently occurring numbers are the 1 – 10 size; followed by the 10 – 20 while that of 21 – 30 is 4 which is about 1%. The moderate family size is an indication that people are conscious of their family needs like quality education, health, feeding etc thus limiting their families to those they can cater for. It is in Jigawa and Kaduna States, among the states visited by the researcher that the respondents had between 11 – 20 household members and 21 – 30 members. However, this could be explained by the socio-cultural and religious affiliations of the area.

### 5.2.29 **Educational background of respondents**

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1. | No formal education | 38 | 15% |
| 2. | Primary education | 47 | 17% |
| 3. | Secondary education | 79 | 29% |
| 4. | Tertiary education | 104 | 39% |
| | **Total** | **268** | **100%** |

From the above 39% of the respondents have tertiary education, 29% secondary education, 17% with primary education and 15% without formal education.

5.2.30 **Distribution of Respondents according to their organisation**

| Serial | Organization | Respondent | Percentage |
|---|---|---|---|
| 1 | Federal Government Ministry parastatal | 96 | 36% |
| 2. | State Government Ministries | 63 | 24% |
| 3. | Local Government | 25 | 9% |
| 4. | Private Organization | 34 | 13% |
| 5. | Self Employed Business or Personal Comp. | 50 | 18% |
| | **Total** | **268** | **100%** |

From the table above, 36% of respondents were from the Federal government ministry/ parastatal while 24% were from state government ministries, 9% from local government, while the private organization and self-employed respondents were 13% and 18% respectively.

5.2.31 **Opinion of Respondents on whether Government Policies on Food Production has been far reaching enough to have impacts on the farmers?**

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1. | Yes | 64 | 23% |
| 2. | No | 204 | 77% |
| | **Total** | **268** | **100%** |

23% of the respondents believe government policies on food production have been beneficial to farmers while 77% do not agree that government has done much to improve food production.

5.2.32 **Respondents opinion on whether food importation is a better alternative in tackling food insufficiency in Nigeria.**

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1. | Yes | 24 | 9% |
| 2. | No | 244 | 91% |
| | **Total** | **268** | **100%** |

9% of respondents that are on the affirmative hinge their argument on food inadequacy in the country. They explained that the local farmers cannot provide all the food needs of the people in the short run, emphasizing that importation seems to supplement the food inadequacies and contain smuggling and that importation makes food cheaper, more available and encourages competition and choice.

While 91% of the respondents that answered No based their reasons on several arguments. Firstly, that food importation increases the rate of unemployment because it does not encourage the growth of local industrial innovations and advancement since it encourages dumping and inflation which are not good for our local industrial development. . Most of the imported food do not have proper food safety certification and are over processed with lots of preservatives which destroy vital nutrients in the food and cause diseases.

Secondly they explained that Nigeria has all the human and material resources that could help increase food production, so why the country imports food. Food dependence has put the Nigerian economy in perpetual economic bondage and reliance on other countries for survival, this they argued is a security risk for Nigeria.

It should be noted here that sometimes importation is not an indication of food shortage but an issue of preference. For instance, local rice is stony and not properly processed which has reduced its preference. Thus the government has to improve the quality of our local products to attract buyers.

5.2.33 **Opinion of Respondents on what the Government should do to increase food production**

| Serial | Respondents | Frequency | Percentage |
|---|---|---|---|
| 1. | Acquisition and distribution of farm input and implement to farmers | 102 | 38% |
| 2. | Empower Nigerians on the impact of agriculture | 21 | 8% |
| 3. | Adequate funding of agriculture | 75 | 28% |
| 4. | Provision of infrastructure | 32 | 12% |
| 5. | Continuity in agricultural policies | 23 | 8% |
| 6 | Eliminate corruption | 15 | 6% |
| | **Total** | **268** | **100%** |

From the table above a high percentage of the respondent about 38% explained that the provision of farm inputs and implement at affordable prices would boost agricultural production and this would help eliminate/reduce food importation. This is followed by 26% who believe that low interest loans and adequate funding of agriculture will increase food output, they explained that the funds should be adequate to enable some farmers going into large scale farming.

This is followed by 12% that hinge the problems of agriculture, on the provision of infrastructure especially in the rural areas to enable farmers move their produce to market for disbursement at low rate compared to what they are experiencing. 8% of

respondents explained that policy inconsistence in the agricultural sector has hindered agricultural production, these respondents proposed that there should be continuity and effective monitoring of agricultural policies at the level of implementation and that Nigerians should be sensitized, empowered and encouraged to go into farming and the need to increase agricultural output. They also emphasized the need for government to review the land use decreed to make land more available for farming, 6% percentage believe that corruption should be eliminated especially at the level of implementation

5.2.34 **Respondents opinion on whether government policies have made jobs available.**

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1. | No | 215 | 80% |
| 2. | Yes | 53 | 20% |
| | **Total** | **268** | **100%** |

From the table above, 80% answered no, meaning that government policies towards job creation have not been far reaching enough while 20% in the affirmative. Though government recently approved N50 billion for job provision

Certain explanatory models were presented for these answers. The respondents that answered No based their answers on the fact that many Nigerian youths and graduates are roaming the streets for jobs. That the policy cannot cater for the increasing army of jobs seekers and that some people that were opportune to benefit from the policies have not been provided with the necessary logistics to start off on their own as a result of poor implementation thereby increasing crime rate.

They further explained that politics and favoritism is the order of the day in the implementation of these policies and this insincerity of purpose has enforced the diversion of support from qualified benefactors to the relatives of scheme operators. One of the respondents from Abia State stated that the policies have not been effective in the Eastern parts of the country and that government should scrap them and build industries.

One the other hand those that answered yes explained that available statistics have shown that the policies have made jobs available to youths, that a lot of people have

received training in skill acquisition which has made them self employed and reduced dependence on white collar jobs. They also mentioned that these programmes provided funds which they were able to undertake small scaled business activities. Despite this, a large percentage of respondents in this category expressed the need for government to put more effort in this regard.

### 5.2.35 Respondents Opinion on whether they prefer imported or locally made goods

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1. | Imported goods | 52 | 19% |
| 2. | Locally made goods | 216 | 81% |
| | **Total** | **268** | **100%** |

From the above table, 81% of respondent preferred locally made products while 19% preferred the imported ones. The respondents that answered in the affirmative are of the opinion that locally produced goods are natural, nutritious, without preservatives or health risk and are more dependable. Some of the respondents argued that imported rice is not as nutritious as our local ofada, Gwari, Abakaliki rice even the imported chicken or turkey are not tasty and have a lot of health risk because of the preservatives and shipment. These respondents posits that our indigenous products should be patronized as this will conserve foreign exchange and promote the growth of local industries create jobs and in turn economic development. By patronizing local produce, they explained it will encourage producer to increase efforts towards food security which will reduce overdependence on foreign goods. Those respondents that preferred imported goods claimed the goods are more qualitative, good packaging and have met international health and safety standards.

### 5.2.36 Respondents opinion on whether imported goods have destroyed domestic market.

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1. | Yes | 232 | 87% |
| 2. | No | 22 | 8% |
| 3. | Depends on scale of preference | 14 | 5% |
| | **Total** | **268** | **100%** |

From the table above 87% of respondents agreed that imported goods have destroyed domestic market, while 8% believed it has not destroyed domestic market 5% said it depends on scale of preference. The respondents that answered yes explained that preferences for imported goods have relegated our domestic goods and market to a low ebb and that because of the advanced technology and low cost of production of these foreign products have become relatively cheaper and durable thereby discouraging indigenous production.

Also the over dependence on imported food has made domestic market to be less competitive a condition that is exacerbated by poor infrastructure such as power supply and thereby pushing the domestic industries out of production and increasing unemployment.

Some others argued that food importation is depleting our foreign reserve and has made our economy to be dependent on the developed world which they said has put our economy at risk. More so the lack of patriotism and nationalism has put our consumption pattern at risk because Nigerians have developed interest in imported food. The respondents that answered no were of the opinion that it depends on scale of preference, since choice and taste differ so people and should be free to chose based on their preference. These categories of respondents are of the opinion that locally produced goods are substandard, inadequate and that importation has made more goods available to compliment food inadequacies.

5.2.37 **Respondents opinion on whether there has been increase in food prices from 1999 to date**

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1. | Yes | 268 | 100% |
| 2. | No | - | - |
| | **Total** | **268** | **100%** |

From the table above, 100% of the respondent agreed that there have been increase in prices for their required needs, some of them especially those with large families lamented the high prices of food, transportation and kerosene. Some others, especially government workers have private businesses which they do to augment their income

because the salary alone cannot sustain them. They argued that there have been regular price increases and that the prices of staples like rice, maize, garri have skyrocketed.

### 5.2.38 Respondents opinion on whether they can afford the food requirement of their families

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1 | Yes | 156 | 58% |
| 2 | No | 112 | 42% |
| Total | | 368 | 100% |

From the table above, 58% of respondent can afford the food requirement of their families while 42% cannot do that for the whole year. Though some of them indicated that they were able to do it by God providence. While those that cannot afford the food requirement of their families explained that with assistance they can cater for their children and other family needs. Majority of them claim they solicit the assistance of friends and relatives to be able to meet up. From the analysis it is observed that 42% of the respondents that cannot cater for the needs of their family for a whole year are low income earners they called for increased income so that they can improve the welfare of their families.

### 5.2.39 Respondents opinion on whether Trade Liberalisation has encouraged agricultural export in Nigeria

| Serial | Respondent | Frequency | Percentage |
|---|---|---|---|
| 1. | Yes | 48 | 17.9% |

| | | | |
|---|---|---|---|
| 2. | No | 220- | 82.1% |
| | **Total** | **268** | **100%** |

Forty eight respondents( 48) or 17% respondent were in the affirmative that there has been some impacts though minimal ,while 220 or 82% argued that the trade liberalisation has not encouraged agricultural export rather it has encouraged more imports into the country thus hampering the sector and in turn food security. In the course of the research, some farms were visited to confirm their export potential.

In Admiral Environment Care, Shedrac Madlion explained that the Admiral farms with 156 people in its employment, exports mangos, dried fish, kuli kuli, palm-oil and sweet potatoes and that they buy from other farmers to compliment theirs which they export to other west African Countries on a programme called 'farm to table'. Mr. Madlion explained that mangoes are waxed, crated and labeled in Nigeria before being exported to Europe precisely Germany, Switzerland and Portugal. kulikuli is exported to Ethiopia, as a coffee drinking country, they love the delicacy because of the yaji (spicy pepper) contained in it. Mr. Madlion explained that the companies mostly sell through the 'back door' (illegally) because they do not have the entire requirement to get through the 'front door' of certification.

In Niyya Farm, A lot of expansion work is in progress in the farm especially the juice processing plant where major re-branding and re-structuring are in place with modern machines to meet international standards. After the installation of the new machines (which the researcher met them doing) the juices would carry label content with both English and French since the company has the intention of exporting them to other West African Countries.

Though there are small levels of progress only that it is not to any appreciable level but there is a lot of room for improvement Mr. Noibi explained that the farm has not explored up to 10% percent of its market potentials locally so the issue of export does not arise now as they need to saturate the local market first.

## 5.3. ANALYSIS OF FINDINGS

At this juncture data collected were analysed against secondary sources to reach the following findings

**(i)**

Trade Liberalisation diminished the importance and role of local agro based industries. Confirming the assumption that the foreign prescribed trade liberalisation challenged the domestic agriculture industrial base and that this challenge had negative repercussions on employment food and national security. Some local industries have folded up in the face of high cost of production and stiff competition from imported products. For instance, tomatoes a product that is in demand across market at all season is not preserved nor processed. Most home grown industries that can process tomatoes have folded up in the face of stiff competition from imported tomato paste. In the past, Dadin Kowa Company, the makers of tomapep used to sponsor farmers to produce and at the end of the harvest they buy the produce from them, has closed down. Local famers and marketers are facing major challenges and tomato farmers interviewed in the course of the research explained that they now slice and dry tomatoes to preserve them without any processing thus reducing the market value.

Ironically Nigeria is the highest importer of tomato paste in the world. It imports tomato paste to the tune of 65,809 tons valued at N 11.7billion ($77.167million) annually (Daily Trust, Friday April 22, 2011) and it is opening its boarders to import more to frustrate farmers and destroy local market.

This de-industrialisation is also evident in rice processing. In the Hadejia Valley, Irrigation Project where about 100 % of wet season farming is rice, there is no rice processing mill in the whole of Hadejia (Umar Ringim, Project Manager, Hadejia valley irrigation project).Meanwhile government is opening its boarders to import more to frustrate farmers and destroy local market. Openness has not taken the country anywhere; rather it has placed the economy in a vulnerable position which is to its disadvantage in global trade. Thus liberalisation for Nigeria means de-industrialisation and high cost of food production with all its attendant ills.

**(ii)**

Secondly, trade liberalisation did not empower nor enhance farmers and agricultural production in Nigeria, principally because the Nigerian agricultural sector remains 80% peasant dominated and predominantly subsistence. With trade liberalisation, critical support systems for poor farmers were eliminated and they were then asked to compete with the agricultural systems of the developed world where the farmers receive crop support and subsidies of various types. The reduced/ removal of subsidies has caused the price of farm inputs to skyrocket, resulting in increased cost of production, decreased income, which has led to poor feeding poverty and frustration for farming families. They cannot afford the basic requirement for their families; unemployment has been heightened as many farmers have abandoned the sector for more lucrative jobs in the cities.

Though the current emphasis on private sector activities as the strategy for achieving agricultural development is in line with the world-wide approach, it poses some problems for Nigeria's poverty- stricken small-scale farmers who appear to have more difficulty now in securing production assistance. (Okolo, 2004:19) A lot of the farmers interacted with in the course of this research, attested to the fact that their livelihood is threatened.

**(iii)**

Government effort is not far reaching to affect the food security of the citizens and production. Secondly the Obasanjo administration through the Presidential initiatives on research and technology aimed to develop improved varieties of crops like cassava, maize, rice, etc. and attain self sufficiency in production, processing and export, with a target of 6 billion metric tons of milled rice per annum by 2005 and produce surpluses for export by 2007. Nigeria as can be seen from the data on production quantity of primary crops in released by the World Bank in 2012 (see next page) has made some progress between 1999-2007 on food production for millet, sorghum, maize, cassava, yam, groundnut, rice among others. This progress was aimed at national self sufficiency.

**Table 5.3.1 Production Quantities of Primary Crops in Nigeria.**

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|---|---|---|---|---|---|---|---|---|
| Cassava Tuber | 29924080 | 29634100 | 27703930 | 28804280 | 30392730 | 33393000 | 35841700 | 38049000 | 39133830 |
| Cocoyam | 1689770 | 1616900 | 1700130 | 1801330 | 1908440 | 2407000 | 2031000 | 2220000 | 2818190 |
| Cotton | 490460 | 394160 | 389080 | 354020 | 225860 | 536000 | 377000 | 516000 | 645965 |
| Yam Tuber | 23746350 | 25684840 | 24654740 | 28378150 | 23411690 | 26631000 | 32353000 | 28297000 | 26751380 |
| Groundnut (Unshelled) | 2488144 | 2401142 | 2244502 | 2505650 | 2474354 | 3300000 | 3410700 | 3062000 | 2849970 |
| Cowpea | 1891034 | 1522233 | 1581904 | 1454391 | 1452356 | 4328000 | 4729000 | 3771300 | 1928770 |
| Maize | 5578170 | 6066450 | 4719370 | 5561360 | 5657090 | 9401000 | 7473000 | 7028000 | 5808670 |
| Sorghum | 5796790 | 5548030 | 4963480 | 4651850 | 5082660 | 9993000 | 6582000 | 6478000 | 5439120 |
| Millet | 4965370 | 4378260 | 4158860 | 3797280 | 4195320 | 6963000 | 5778900 | 5941000 | 4392888 |
| Rice Paddy | 2974210 | 3343761 | 3159652 | 2879530 | 2737612 | 3714000 | 2766000 | 3334000 | 3569255 |
| Melon (Unshelled) | 248740 | 282630 | 231910 | 279500 | 331240 | 479000 | 443000 | 372000 | 365500 |
| Wheat | 34419 | 41190 | 40944 | 41506 | 45722 | 44310 | 52850 | 50500 | 30535 |
| Sweet Potato | 1163289 | 1116989 | 1078666 | 1107542 | 1154187 | 1247875 | 1452706 | 1513590 | 1715201 |
| Irish Potato | 466371 | 492203 | 556343 | 587117 | 665220 | 699820 | 1044960 | 1142280 | 1105159 |
| Soya Beans | 313160 | 347696 | 329729 | 335323 | 340824 | 403430 | 496410 | 484050 | 436700 |
| Bambara Nut | 128270 | 159620 | 166373 | 175560 | 164011 | 168780 | 157720 | 162140 | 155870 |
| Beni Seed | 91630 | 90823 | 92676 | 89287 | 91235 | 91010 | 100100 | 105010 | 92170 |
| Onion | 436274 | 593008 | 617178 | 632741 | 658657 | 1147090 | 1182520 | 1175020 | 1238220 |
| Tomatoes | 1078784 | 1260794 | 1251003 | 1284062 | 1324427 | 1805085 | 2042861 | 2079008 | 1701400 |
| Pepper (Fresh) | 812503 | 864773 | 861622 | 901053 | 945782 | 1009945 | 1406204 | 1430050 | 1310197 |
| Sugar cane | 4140050 | 4618858 | 4913938 | 5046431 | 5131960 | 5283910 | 5228822 | 5257700 | 5331150 |
| Ginger | 196280 | 196200 | 200280 | 221240 | 221534 | 245610 | 249788 | 272109 | 261040 |
| Egg plant | 430365 | 455700 | 430512 | 468539 | 492035 | 509180 | 519080 | 546270 | 462810 |
| Garlic | 79090 | 79709 | 80145 | 79929 | 80180 | 79430 | 89250 | 89460 | 91207 |

World Bank 2012

SOURCE: World Bank, 2012

** Provisional World Bank

From table 5.4.1 it can be seen that between1999 and 2007, all staple food recorded increased output over levels in the preceding years. For instance, major agricultural staples like rice, maize, and cassava showed increases in output from 29,742.10, 55,781.70, 299,240.80 tonnes respectively to 35,692.55, 58,086.70, 391,338.30 tonnes respectively. Rice production even increased from 2737612 in 2003 to 3714000 and 3569255 tonnes in 2004 and 2007 respectively. This was as a result of the implementation of various agricultural initiatives under the National Programme for food security.

However, an analysis of primary and secondary data showed that Government effort is not far reaching to affect the food security of the citizens and production.

Government did not succeed in boosting food production to the level of self sufficiency in the period under review, let alone export. The only relative success was in cassava production, though it did not generate meaningful revenue because of the world economic meltdown and the low level of technology. This corroborates

Atser's (2006) assertion that 50 percent of Nigeria's agricultural produce is lost to poor processing. Also, livestock production remains inadequate and cannot guarantee nutritional needs of the people. Cattle poultry and fisheries fall short of demand (see table below)

**Table 5.3.2 Estimated Population of Domestic Livestock in Nigeria, 2001 – 2003, 2006 – 2007**

Number

| LIVESTOCK | 2001 | 2002 | 2003 | 2006 | 2007 |
|---|---|---|---|---|---|
| CHICKEN | 124,618,191 | 131,125,008 | 137,681,258 | 230,292,147 | 245,564,058 |
| CATTLE | 15,133,422 | 15,148,555 | 15,163,704 | 16,013,382 | 16,173,516 |
| GOAT | 8 1,317,259 | 83,350,190 | 85,433,945 | 51,208,022 | 56,328,824 |
| SHEEP | 42,892,182 | 43,964,487 | 45,063,599 | 32,305,032 | 35,535,535 |
| PIG | 5,874,829 | 6,111,824 | 6,356,297 | 6,386,868 | 7,983,585 |

Source: Federal Livestock Department

Note: * =Values are expressed in Estimates

The table above shows increasing trends in livestock production but a closer look reveals that the growth is not significant enough to guarantee adequate nutrition. It also shows that chicken is the fastest growing and this could be attributed to the increasing number of fast food restaurants that need it for their business. Shortfalls point to the fact that much success has not been attained in this direction. The yearly practice of importing livestock may make the products available but not necessarily accessible to everyone especially the vulnerable group due to high level of poverty. Fish (though not on the data) has an annual production of about 700,000 metric tonnes, which fall short of the demand of 2.66 million tonnes (Vision 20, 2020). Despite the increasing commercial and subsistence scale of fish production, Nigeria is yet to meet the dietary demand of fish.

The state of food security in the country raises a lot of issues on the ability of commitments of the country to the agricultural sector. For instance, on the issue of loans, it was observed that loans to small scale farmers through cooperative societies, from the Bank of Agriculture is pegged at N250, 000 and this depends on 10% of savings, in

addition to this is a certificate of occupancy covering a property among others .The macro loans is in two categories and is fromN250,000 to as much as 30,000,000, and with certain collateral,(see appendix2). In reality the Nigerian small scale farmers constitute 80% of farmers while the commercial farmers make up 20%(Okolo2004,:34) It is in this light that Dr Ibrahim Waziri a farmer in Bauchi State explains that 'most of the so called large scale farmers, who have access to large loans are not actually using the loans for farming activities; they divert the money to other areas' (Daily Trust, Monday, April13,2009).This confirm that government is responsible as well as the WTO for not enhancing agriculture and cancelling short fall in food production in Nigeria.

**Assumption Four:**

Food security is essential for future economic development of Nigeria. The achieved growth in local food production between 1999 and 2007 is below national sectoral target of 8.0% (Annual Performance of the Nigerian Economy, 2008) .Nigeria's domestic food production has lagged behind national food demand.

**TABLE 5.3 .4**

**Actual figure on Food Production, and Demand with Shortfalls Million (Mt)**

| Description | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|---|---|---|---|---|---|---|---|
| Production | 86.70 | 89.25 | 93.35 | 95.64 | 98.74 | 100.41 | 102.12 | 103.86 |
| Food demand | 87.23 | 89.55 | 96.26 | 99.03 | 101.87 | 104.63 | 107.46 | 110.37 |
| Shortfall surplus | ( 0.53) | (0.30) | (2.91) | (3.43) | (3.13) | (4.22) | (5.34) | (6.51) |

Source: FOS, Review of the Nigeria Economy, Various Issues

**TABLE 5.3.5**

**Projected Figure on Food Production, Demand and Shortfall between 1999-2007 Million (Mt)**

| YEAR | FOOD DEMAND | PRODUCTION | SHORT FALL |
|---|---|---|---|
| 2002 | 113.87 | 98.61 | 15.26 |
| 2003 | 117.48 | 99.13 | 18.35 |
| 2004 | 121.20 | 99.65 | 21.55 |
| 2005 | 125.05 | 100.17 | 24.88 |
| 2006 | 129.01 | 100.68 | 28.33 |
| 2007 | 133.10 | 101.20 | 31.90 |

Estimates of food demand and production from previous years data between 1994 to 2001 to derive projected figure between 2002 to 2007.Using regressive analysis it was estimated that the production of food will increase every year by 0.518 and also the demand for food will increase by 0.773mt yearly based on the regression trend of food demand over the years

SOURCE: National Bureau of Statistic, Abuja 2012.

From the table above, food production and food demand data of 1999, show a statistics of 104. 63 million mt and 100.41 million mt respectively for domestic food production and food demand. This gives a food deficit of 4.22 million mt for 1999. For 2007, statistics of food

production and demand was 101.20 and 133.10 respectively while the food deficit was 31.90. Million mt. Though some growth was noticed in production but the rates of growth are still not enough to completely clear the national food deficit. The increasing pattern of the annual shortfalls is a dangerous pointer to the fact that the nation is on the threshold of food insecurity.

For some time now the population has been growing faster than food production, increasingly rising at 3.2% annually (Economic Outlook Report 2008), which demands an increased growth in food. Population growth has a direct relationship with the amount of food produced, government has not been able to factor the amount of food produced with population growth. The gap in deficit supply is filled with commercial food import. Form table 5.3.5 below food import rose from 103,489.8m in 1999 to 351,507.68 in 2007 the upward trend in food import bill is an indication that Nigeria's food import has been on the increase, meaning that the country has not attained self-sufficiency in food production. A colossal amount is still spent on food. Yearly, government import staples like rice wheat, maize, sugar among others. Nigeria is the largest importer of rice from Thailand, despite having all the ecological conditions to meet the rice needs of the country. Rice import rose from 5,000mt in 1999 to 2,455,441.75mt in 2007, (National Bureau of Statistics Abuja).

**Table 5.4.5 Food Imports**

| Year | Food import (N' Million) | Total import (N' Million) | Percentage of total import |
|---|---|---|---|
| 1999 | 103,489.8 | 862,515.7 | 12.00 |
| 2000 | 113,630.5 | 985,022.4 | 11.54 |
| 2001 | 160,209.1 | 1,358,180.3 | 11.80 |
| 2002 | 144,297.6 | 1,512,695.3 | 9.54 |
| 2003 | 201,648.3 | 2,080,235.3 | 9.70 |
| 2004 | 178,747.4 | 1,987,045.3 | 9.00 |
| 2005 | 193,259.1 | 2,800,856.3 | 6.90 |
| 2006 | 217603.02 | 3,153,669.2 | 6.90 |
| 2007 | 247,063.08 | 3,984,888.4 | 6.2 |
| 2008 | 314,907.32 | 5,248,455.3 | 6.0 |

SOURCE: Central Bank of Nigeria, Statistical Bulletin, December 2009 and National Bureau of Statistics, 2009

All in all, for the period under study, it was observed that there was more food import than export. In the face of increased food import, the reduction in percentage of food import between 1999 and 2007 from 12% to 6.2 % in table5.4.5, needs a critical look .The table contains a lot of data, from 2003-2006, food import is on the decrease. This change could be attributed to local production, because of the world economic meltdown and the resultant cassava fiasco. People consumed the excess cassava and other staples like yam, cassava, maize etc, which lessened the burden on food imports.

For the period under study, it was observed that there was more food import than export and government statistics are not bone out with the continued importation and consumption of agricultural product. However when analysed against demand it shows that government was not getting revenue accruable to it from food importation, what government gives out is not what comes in as import . A lot of unrecorded trade is carried out through Nigeria's porous borders making it possible for large quantities of food to be brought in through unofficial trade (smuggling) to augment some of our food requirement. This assertion is strengthened by a World Bank Report quoted by Fortune News (May, 201) that about ₦750 billion worth of assorted goods is smuggled into the country through Republic of Benin alone every year. And a reasonable percentage of the illegal imports consist mostly of food items ranging from rice, wheat, maize, canned food among others. The report also claims that 25% of total annual revenue collected by Custom Service is lost through nefarious smuggling across sub regional boarders.

Furthermore, it was observed that in assessing trade liberalisation and food security in Nigeria, it would be difficult to get accurate data on food imports because of the enormity of informal trade.

Also when we compare levels of increase in output and that of import, it shows that food import exceed domestic output , so Nigeria is food insecure. With food insufficiency and dependence on foreigners for food, Nigeria becomes vulnerable to external threat. Since the ratification of the trade agreement by Nigeria, there has been increasing imports instead of exports. This is not healthy for economic growth and development of the country. It is evident from the above that liberalisation

encourages more imports and since food security is a weapon of national security, with food insufficiency Nigeria becomes vulnerable to external threat.

The study has shown that the practice and implementation of agricultural policies are peculiar to each country, which goes to show that what WTO prescribes has its variables.

# CHAPTER SIX

# SUMMARY, CONCLUSION AND RECOMMENDATIONS

## 6.1 Summary

The spread of liberalisation has brought a lot of changes in the international system. Trade liberation with antecedents from the 1750 with the physiocrates and the classical school has become one of the most contentious issues in international system. The Uruguay Round of Multilateral trade brought agriculture into global trade negotiations and ever since agriculture has become an international issue especially with the increasing level of hunger, poverty and its resultant negative effects on national security. Food security remains a formidable global problem, with developing regions of the world enduring most of the burden. In Nigeria, food security issues and government efforts in this regard cannot be overestimated but these efforts fell short of ensuring food security.

The literature review of the research work was divided into three themes relevant to the study. Literatures on trade liberalisation, the concept of globalisation, impact of trade liberalisation on food security in Nigeria. Also in the section is the theoretical frame work where the dependency theory was used to show the dependent position of the developing countries on the developed world.

The importance of the agricultural sector is well documented, the sector used to be the bed rock of the Nigerian economy providing foreign exchange for the economic development of the nation, provision of jobs and food for the teeming population. The discovery of crude oil in commercial quantity set in the 'Dutch disease' which led to the neglect of the sector. Other problems include the dearth of agricultural research and extension services, poor credit facilities, inadequate input and soil fertility, poor

infrastructural development, resource management, corruption, international economic policies among others, have become challenges for the sector.

As a core feature of globalisation, trade liberalisation ensures the greater opening of national and international economies to increased flow of trade. The function of trade liberalisation rests on the powers of WTO, a multilateral trade institution of 157 signatories. WTO agreement included important areas like agriculture, trade in services, trade related investment measures among others. The agreements on agriculture (AOA) where Africa and other developing countries are mostly concerned with have not been mutually beneficial. When the cost and benefit of AOA within the context of trade liberalisation is analyzed, the study finds out that the developing countries are at the losing end because of the dependent nature of their economies which has been difficult for them to take advantage of the opportunities provided in trade liberalisation. Also the lack of domestic infrastructure and institutional structures have exacerbated these challenges.

Food insecurity has been an endemic problem in Nigeria. Despite several programmes and projects such as OFN, Green Revolution among others, implemented by government in conjunction with foreign partners and developmental institutions and organisations, the problem of food security still remain paramount. As a result the government resorted to food importation to augment local food production. This is a huge drain on the national economic resources and revenue as government spends so much money on importation, even on what could be produced in Nigeria.

Food insecurity is not peculiar to Nigeria, but a general problem in Africa and other developing countries. The Obasanjo administration had agriculture and food security

as its cardinal objectives. However, after his regime and the subsequent ones, food security problem persists and the countries still import food to feed its teeming population. This situation has persisted because of insufficient agricultural production, lack of adequate purchasing power, population growth, civil conflict and war, economic policies, natural causes among others. These food shortages and the dependence on foreign countries for food is a threat to our national security.

Data for this work was gathered from research conducted in six Nigerian States. Two types of structured questionnaires were distributed for farmers and household to assess the objectives of this study. A total of 850 questionnaires were administered out of which 758 were returned. The questionnaires for farmers investigated the level of input application, constraints to agricultural production, benefit from government policies and programmes and how these affected output and in turn food security.

The household questionnaire dwell on the socio-economic impact of government policies on respondents, emphasis were on food importation, government efforts towards food self-sufficiency, investigation on whether government policies towards job creation has made jobs available to improve the purchasing power of Nigerians especially in terms of food. Some corporate farms were visited to investigate produce output and check evidence of export. It was found out that domestic production is inadequate, not enough for local consumption. So export is discovered to be very minimal.

## 6.2 CONCLUSION

The challenges confronting agriculture in terms of food production and benefits available for export opportunities provided by Trade liberalisation cannot be over

emphasized. However, government's efforts aimed at food security and boosting export, have retrogressive effects on the sector as enough priority is not given to the agricultural sector. Though government has given a lot of optimism to farmers and investors on its seriousness to revitalize the sector and make it a priority of the administration through various programmes and projects in the sector, but these promises have not been backed with action. This means that in the light of past efforts, not much has been achieved as food importation persists. Trade liberation has not been beneficial to developing economies; it has not increased local production and export. The domestic market is saturated by dumping of cheap imported food thus, threatening local farmers. The markets of the developed economy are not opened for the goods from developing countries thus making the ideals of globalisation lopsided against less developed economies.

More so, Nigeria should correct internal distortions and create conducive environment for market oriented policies to take root, without which they are most likely to suffer the negative effects of trade. Inadequate domestic infrastructure and institutional structures have hindered Nigeria's effective participation in global trade. The issues of electricity, transportation, value addition, among others remain challenges WTO should ensure that the trade liberalisation policies as it affects developing countries should be taken into consideration, since it is an important variable for the developing countries cannot continue to be poor and dependent on the developed countries, they should be able to compete within the system. The developing countries should be involved in the planning and decisions making that affect them, as it would afford them the opportunity to change their condition for the better.

The possibility of making Nigeria self-sufficient is in the hands of its citizens. A large number of Nigerian communities are agrarian and can produce enough food for this country.

Nigeria needs to do more in this sector, and all hope is not lost considering governments' efforts in meeting the Millennium Development Goals (MDGs) towards ensuring food security. More so, the study of food security should not be a universal phenomenon but peculiar to each country. In Nigeria, the issue of food security is ongoing but the government as well as the WTO are equally responsible for the lack luster growth.

## 6.3 RECOMMENDATIONS

Based on the problems identified in this study and the need to contain the raging global food crisis, ensure capacity enhancement that will enable the achievement of food security in Nigeria, the research makes the following recommendations.

- In as much as Nigeria is a signatory to the WTO agreement it should try as much as possible to ensure that it does not only produce to meet foreign market need but increase the prospects of food security.

- The federal government should domesticate the concept of trade liberalisation to incorporate current modes of production and marketing to encourage local production and export. The system operated in India, China and other Asian continues where they ensure that the interest of their country is taking into consideration in any dealings with the developed world should also be adopted by the Nigerian government.

- The government needs to improve operations and production practices more especially, engaging in value chain from production, storage, processing, marketing etc which are major challenges of the sector. At the same time, the contributions of small farm holders to food security should not be overlooked. This is because they produce over 70% of domestic food consumption. Government should continue to support them, give more agricultural loans at cheaper interest, network with the farmers to enable them sell what they have produced and repay loans collected.

- The seemingly over dependence on food imports should be discouraged through food import rationing to encourage domestic farmers. Government and other stakeholders should partner and make the necessary investment and cash injection into the sector thereby taking advantage of the opportunities the market can offer.

- The policy of subsidizing inputs such as fertilizer, agricultural equipments and machinery should be redressed and low interest loan and other form of incentives to the local fertilizer manufacturing companies be encouraged.

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**INTERVIEWS**

Samuel Musa, Farm Manager, Niyya Farm Thursday, July 21, 2011. 2pm

Lukman Noibi, Executive Director Shonga White Farmers. Monday,20 July,2011. 1am.

Dr Oyesola , Oyebanji, the Chief Technical Adviser to National Programme for Agriculture and Food Security Thursday, August 18, 2011.2pm

Engineer Umar Mohammed Ringim, Project Manager, Hadejia/Azare, Valley Irrigation Project. Thursday, July 29, 2011.11pm

Mrs. Rose Kanu, Principal Technical Officer Michael Opara University of Agriculture Umudike Extension Center. Monday, August 3, 2011.4pm

Otunba Sheson, Chief Agricultural Officer Ogun/Oshun River Basin Development Authority.
Wednesday, August 4, 2011. 3pm

Mr. Madlion Shedrac, Admiral Environmental Care Kaduna. Wednesday, July 20, 2011. 3.30pm

Mrs. Omobolanle Olufunwa. Head Corporative and Rural Development, Bank of Agriculture. Head office Kaduna October Wednesday, July 27, 2011.4pm

Mr. Tunde Are Manager, Ogun/Oshun Irrigation Project Annex Itoikin Lagos State.245pm

**FARMERS QUESTIONNAIRE**.

This instrument is designed to generate and collect data for a doctoral research dissertation on Trade Liberalisation and Food Security: An Assessment of the Impact of WTO on Agricultural Production in Nigeria, from 1999 – 2007

All information given remains confidential.

Geo Political zone ---------- State--------LGA---------Village-------Date--------

1 Sex (a) Male (b) Female

2 Age ( )

3 What is the size of your house hold? ( )

4 What is your level of education?

(a) No formal education (b) Primary education (c) Secondary school (d) Tertiary education

5 What is the size of your farm holding (in hectares?)

6 How long have you been farming? ( )

7 Do you use inorganic fertilizer?

(a) Yes ( ) (b) No ( )

8 What quantity?

9 Do you use improved seedlings?

(a) Yes ( ) ( b) No ( )

10 What quantity?

11 Do you use Organic Manure?

(a) Yes ( ) ( b) No ( )

12 what quantity?

13 How much do you buy a bag of fertilizer? ( )

14 Do you use agro Agro-chemicals ( )

15 How do you get them?

16 Have government policy of trade liberalisation on agriculture made the supply of inputs like fertilizer etc more available and affordable.

(a) Yes (b) No

17 How do you source money to buy fertilizer and other inputs that will help in food production

18 Do you farm all year round?

(a) Yes (b) No

19 If yes what is your source of water?

(a)Dam (b) Flowing Rivers (c) Bore hole (d) Irrigation

20 W hat type of crops do you plant?

(a) Cash crops (b) Food crops

(a) Yes (b) No

21 How do you store your surpluses?

(a) Silos (b) Local storage (c) No storage available.

22 What are your major problems in crop production?

(a) Finance (b) Lack of inputs (c) Storage facility (d) Technology

(e) All of the above.

23 What do you think government should do for the country to be self sufficient in food production?

24 How many months in a year do you have adequate food to feed your family?

25 How would you assess the impacts of government policy of trade liberalisation on food security?

## HOUSEHOLD QUESTIONNAIRE

This instrument is designed to generate and collect data for a doctoral research dissertation Trade Liberalisation and Food Security: an Assessment of the Impact of WTO on Agricultural Production in Nigeria from 1999 – 2007

All information given remains confidential.

Geo-Political zone -------State--------LGA---------Village----------Date--------.

1 Sex (a) Male ( ) (b) Female ( )

2 Age ( )

3 What is the size of your house hold?

4 What is your level of education?

(a)No formal education ( ) (b) Primary education ( ) (c) Secondary school ( ) (d) Tertiary education ( )

5 In what type of organisation do you work?

(a) Federal government Ministry/ Parastatal( )
(b) State Government Ministry ( )
(c)Local Government ( )
(d) Private Government ( )
(e) Self Employed Business or Personal Company( )
(f) Others, Specify( )

6 Have government policies on food production been far reaching enough to improve food inadequacies
(a) Yes ( ) (b) No ( )

7 Is food importation a better alternative in tackling food insufficiency in Nigeria?

(a) Yes( ) (b) No ( )

8 What do you think government should do to increase food production?

9 Have government policies towards job creation like NAPEP, NDE etc made job available for Nigerians.

(a) Yes ( ) No ( )

10 Do you prefer, imported or locally made goods and why

(a) Imported ( ) (b) locally made ( ) (c) Others specify ( )

18 Do you agree that the preference for imported goods and the relative Cheapness has destroyed domestic production?

(a) Yes ( ) (No) ( )

12 Has there been significant increases in food prices from 1999 to date?

(a) Yes ( ) (b) No ( )

13 Can you afford the food requirement of your family all year round?

(a) Yes ( ) (b) No ( )

14 Has trade liberalisation encouraged agricultural export in Nigeria?

**Appendix II**

## NIGERIAN AGRICULTURAL COOPERATIVE AND RURAL DEVELOPMENT BANK (NACRDB) LIMITED

## CHECK LIST OF REQUIREMENTS FOR MACRO LOAN APPLICANTIONS FOR INDIVIDUALS

1. 1Completed Loan Application Form.

2. 2 copies of the Feasibility Study/Business Plan for the Proposed project acceptable to NACRDB Ltd.

3. 3 Photocopies of Certificate of Occupancy of property proposed as security.

4. An approved building plan of property proposed as security (where applicable).

5. 3 Copies of coloured photographs of 3 sides (front, side and rear) of property proposed as security.

6. 2 Photocopies of current Tax Clearance Certificate of applicant for the past three (3) years.

7. Copies of title documents evidencing title to any other form of security proposed for the loan.

8. 2 Photocopies of current Tax Clearance Certificate of guarantor for the past three (3) years (where applicable).

9. 3 Photocopies of a registered Deeds Assignment or Conveyance of security proposed (where applicable).

10. Valuation report of the property to be used as collateral prepared by the Bank's appointed Estate Valuers.

# NIGERIAN AGRICULTURAL COOPERATIVE AND RURAL DEVELOPMENT BANK (NACRDB) LIMITED

## CHECK LIST OF REQUIREMENTS FOR MACRO LOAN APPLICATIONS (CORPORATE BODIES)

1. Two copies of Certificate of Occupancy of property proposed as security.

2. Two copies of current Valuation Report of the property proposed as security.

3. An approved building plan of the security proposed

4. Three copies of coloured photograph of 3 sides (front, side and rear) of the property proposed as security.

5. Two photocopies of current Tax Clearance Certificate of the Chief Promoter for the past three years to be updated to 2006

6. Two photocopies of current Tax Clearance of the Company for the past three (3) years.

7. Two (2) recent passport sizes photographs of each of the Company, the Chairman and the Managing Director.

8. 2 photocopies of current Tax Clearance Certificate of Guarantor (s) for the past three years (where applicable).

9. 3 photocopies of a registered Deed of assignment or conveyance of relevant property.

10. Completion and submission of intent to guarantee forms by the Chairman and Directors of the Company (where applicable).

11. Two copies of site plan of project land (where applicable).

12. Two copies of feasibility study for the proposed project report acceptable to NACRDB Ltd.

13. Two photocopies of Certificate of Incorporation/Registration.

**NIGERIAN AGRICULTURAL COOPERATIVE AND RURAL DEVELOPMENT BANK (NACRDB) LIMITED**

**CHECK LIST OF REQUIREMENTS FOR COOPERATIVE SOCIETIES (New Account)**

1. Certificate of Registration.
2. Bye-Laws of the Society (Bund copy).
   i. The bye-laws must permit the society to engage in the activities for which a loan is sought.
   ii. The bye-laws must include powers to borrow.

3. Certificate of Occupancy covering the property, which is to be used as security together with a Valuation Report produced by any of the Bank's Estate Officers and an approved building plan.

4. Documents relating to any other security acceptable to the bank.

5. Names and addresses of the society's principal officials (President, Secretary and Treasurer).

6. A letter of introduction from the State Apex Cooperative Organization or Department of Co-operatives, State Ministry of Agriculture.

7. Three (3) years audited Statement of Account or audited Statement of Affairs for newly registered societies.

8. List of current members of the society.

9. Four (4) recent, clear, full face, colour passport-size photographs of Chairman, Secretary 'and Treasurer (They must all be present to open an account).

10. Curriculum Vitaes of the Chairman, Secretary and Treasurer.

11. A valid resolution of the society to open an account.

12. A list of names of persons authorized by the society to deal with NACRDB Ltd in respect of the loan applied for.

13. Minutes of last three (3) meetings.

14. Two copies of the company's forms C02 and C07 form the Corporate Affairs Commission.

15. Two copies of Memorandum and Articles of Association which should include:
    - ❖ Agriculture as one of its object clause
    - ❖ Powers to borrow
    - ❖ Authorized share capital of at least 50% of the amount of the loan applied for.

16. Two copies of three years audited statement of accounts or statement of affairs for newly Incorporated Registered companies. The paid up share capital should be at least 50% of the authorized share capital. Evidence of any increase is paid up or authorized share capital must be submitted.

17. One copy of the resolution of the Board of Directors authorizing the company to borrow from NACRDB Ltd.

18. Names: and signatures of person authorized by the company to deal with NACRDB in respect of the loan requested.

19 Name, Addresses and occupations of the Directors.

20. Names of shareholders and their share holdings.

21. International passport numbers of the Chairman and Directors.

22. Driving license numbers of the Chairman and Directors (where 22 is not available).

23. National Identity Card number.

24. Details of the foreign technical partners for the project and the partnership agreements (where applicable).

25. Evidence of filing of Annual Returns.