Diversification of the Nigerian Economy: Creating a Partnership between Town and Gown

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Abstract
Diversification of the Nigerian economy is non-negotiable, and partnership among stakeholders is necessary. However, there appears to be a disconnect between the academic institutions and the society they serve, one of the symptoms being the high youth unemployment in the country. This study examined how creating a partnership between town and gown can aid the diversification drive of the Nigerian economy. A qualitative research method was adopted; the paper therefore relied on existing literature to draw its conclusions. The study revealed that improving the educational and research institutions will bring about improvement in the outcome of the diversification drive by the government; and that an improved relationship between ‘town’ and ‘gown’ and the creation of effective educational policies will enhance the acceptability and the relevance of outputs from the educational system by the productive sectors of the economy. The study recommended that: educational policies should promote entrepreneurial skills transfer to strengthen the partnership between town and gown; actions should be taken to transform the educational system to be able to develop knowledge-based products and services for export and local consumption. The paper concluded that until there is an appropriate partnership between educational and research institutions and the society, the diversification of the economy may be an unreachable dream.

Keywords: Diversification, Economy, Education, Entrepreneurial Skills, Policy

Introduction
Prior to the discovery of oil in Nigeria, the country’s economy was predominantly agrarian. Effoduh (n.d) attested to cultivation, inspection and research activities into crops like oil palm, cocoa, cotton, rice, wheat and groundnut in the period between 1939 and 1945, which coincided with the Second World War. The discovery and production of crude oil transformed Nigeria to a mono-product economy. However, for a country to achieve any reasonable and sustainable level of growth and development, there is the need for the diversification of its economy such that there will be productive activities in other sectors. In this regard, products and services based on academic research from the gown may
contribute immensely to increasing productive activities in the town in other sectors apart from oil.

That is, the symbiotic relationship between town and gown relates to the release of research outputs from the gown side, impacting the social and economic lives of the society by enhancing shared services such as power, communication services, transportation and infrastructure (Robert-Okah & Nyenwe, 2013). Therefore, diversification of the Nigerian economy is non-negotiable, and a positive relationship between town and gown is necessary for national development.

The concept of ‘town and gown’ originated from the university towns of medieval times, and the relationship at the time was adversarial (Baker-Minkel, Moody & Kieser, 2004; University of Cambridge, 2016). The ‘town’ in this context refers to the host communities of universities while the ‘gown’ refers to the universities. The adversarial relationship was borne out of among other things, the autonomous and independent nature of the universities to demand favourable conditions from host community Administrators or move to another community (University of Cambridge, 2016).

However, in periods of social crisis, when outputs from universities have been useful, relations between town and gown have been less than adversarial (O’Mara, 2012). Nevertheless, an economy cannot afford anything less than symbiotic relations between town and gown for sustainable development (Kayode, Yusoff & Veloo, 2015; Oladele, 2013).

Multiple studies have established the need and urgency for the Nigerian economy to be diversified (Anyaehie & Arjie, 2015; Eko, Utting & Onun, 2013; Esu, & Udonwa, 2015; Suberu, Ajala, Akande & Olure-Bank, 2015; Uzonwanne, 2015). These authors have recommended the diversification of some important macro-economic variables such as agriculture, human resources management, exploitation of abundant solid minerals, expansion of manufacturing and service industries. For instance, training of students who would be engaged in these sectors is a major link between town and gown. However, the relevance of the education and skills that these students bring to these sectors will determine the capacity of the sectors to move Nigeria to a multiproduct economy. Nevertheless, operating a mono-economy is no longer a viable option for Nigeria.
The non-diversified state of the Nigerian economy has been attributed to challenges due to pursuance of individual interest leading to mismanagement of revenue accruing from oil through corrupt practices; and poor socio-economic orientations manifesting in befuddled economic programmes (Anyaehie & Areji, 2015). In the views of Anyaehie & Arjie (2015), government policies on diversification have not been effective because of a number of challenges such as: macro-economic orientation, poor infrastructure, weak economic institutions, poor corporate governance, poor educational orientations, endemic corruption and insecurity.

Despite the attempts at diversification of the economy by successive governments, it has been difficult for Nigeria to achieve significant milestone in this direction. Also, in spite of the large number of studies in the area of diversification of the Nigerian economy, there is dearth of literature on how the relationship between town and gown could affect or improve the diversification drive in Nigeria. This study therefore, aims at bridging the gap in literature by examining the role of partnership between town and gown in enhancing the diversification of the Nigerian economy. The study also demonstrates the relevance of educational policies in creating a nexus between town and gown.

**The Nigerian Economy and Diversification**

The Nigerian economy is in recession as confirmed by Nigerian Bureau of Statistics 2016 second quarter report. The economy has been largely dependent on crude oil and gas, which not only accounts for 80 percent of government’s annual revenue and foreign exchange earnings but also contributes about 50 percent of Nigeria’s annual gross domestic product (Ngwube & Ogbuagu, 2014). The heavy reliance on a single commodity leaves the country vulnerable to fluctuations in the demand, supply and pricing of such commodity. To avoid this challenge, mono-economy has to give way to the productive development of various sectors of the economy.

Anyaehie & Areji (2015) state that economic diversification is a process of broadening the range of economic activities both in the production and distribution of goods and services. They further argue that diversification does not necessarily entail increase in output but helps to widen the economy to create opportunities for diverse economic activities. The issue of economic diversification in this study is viewed from the perspective of sustainable development as it helps to create employment for wide spectrum of the army of unemployed in the society and stabilises the economy against fluctuations of the
prices and demands of commodities, thereby improving the growth and development of the nation’s economy (Anyaehe & Areji, 2015).

Hare (2008) orates that diversification forms part of the policy advice given to low and middle-income countries seeking to improve their economic conditions or strengthen their economies. It means that a country should not only produce but also export a wider range of products than in the initial position. Hare (2008) claims that natural resource production or export benefit from relatively little innovation and productivity gain, so that an economy specialising heavily in such sectors would typically experience only very slow productivity improvements. Diversification is therefore necessary for an oil-rich country like Nigeria in order to avoid the effect of Dutch-disease syndrome. The effect of Dutch disease syndrome in an oil dependent/exporting country like Nigeria according to Ideh and Olusanya (2016) reflects the increase in national income from oil sector while production and growth of non-oil sector of the economy decreases with resultant increases in unemployment.

With adequate diversification, an economy is less vulnerable to risk of demand and price fluctuation of the main resource, as there are other sectors such economy can rely upon for sustenance. However, Hare (2008), cautions that diversification should be pursued if only it will result in production of new goods and services that are of internationally acceptable quality and standard. Among the challenges faced by the Nigerian economy is the quest for diversification, which will improve poor economic and social infrastructure. Anyaehie and Areji (2015) opine that bad road network, deficient electricity supply, lack of investible funds, poor and unstable educational system, poor health facilities among others are the factors that hinder economic diversification in Nigeria. Therefore, any country desirous of improved economic development and diversification should see reliable infrastructure as a necessity.

It is the view of Uzonwane (2015) that, economic diversification which demands active participation in wide range of sectors, and firmly integrated into different regions, are better able to generate robust growth, have great potential to increase Africa’s resilience and contribute to achieving and sustaining long economic growth and development on the continent. Uzonwane (2015) opines that the Nigerian economy was classified as healthy and vibrant when there was proper management of human resources, coupled with huge investment and concentration on agriculture and therefore concludes that there is a positive
significant relationship between economic growth and diversification of other sectors of the Nigerian economy.

According to Callen, Cherif, Hasanov, Hegazy, & Khandelwal, Callen (2014), there are countries that have been able to diversify their economy away from oil and other minerals. Such countries as Malaysia, Indonesia, and Mexico are among the countries that offer the best examples of countries that have been able to diversify away from oil, while Chile has had some success in diversification away from copper. Callen et al. (2014) further state that in addition to creating a favourable economic and business environment, these countries focused on export diversification and quality upgrading by encouraging firms to develop export markets and by supporting workers in acquiring the relevant skills and education to boost productivity. As such, it is in the acquisition of relevant skills and education that growth can become a formidable force in the diversification drive.

The strategy for economic diversification and sustainable growth in Botswana for example, contains specific policies and support measures that is required to create an overall enabling framework for diversification and growth. Such strategy includes the creation of specific, appropriate structures, and mechanisms to support process using existing institutions (Botswana, 2008). Cambodia in their quest for diversification had a clear view of demand and supply of professionals in various disciplines. This level of cooperation will assist educational institutions in focusing on producing graduates in needed disciplines, while the research centres will be able to come up with research products that will aid government’s diversification programme.

It is the position of Nair, Veeresh & Eagar (2011) that to encourage innovation in any country, government should establish vision, identify sectors that should be developed, prepare both short-term and long-term strategies and set appropriate targets and expectations. Private sector organisations should be encouraged to play active role in supplementing the innovation effort of government by creating linkages with educational institutions and other research centres. The established linkages will create the opportunity for the private sector to commercialise the research outputs that will bring about industrialisation.

**Methodology**
The research methodology adopted for this study is the qualitative research method. This method is used to seek and understand meanings, describe and understand experience, ideas, beliefs, and values (Keshinro, 2014). This paper
relied on secondary sources of data to examine how creating a partnership between town and gown can aid the diversification drive of the Nigerian economy. Secondary data affords the researchers access to existing research reports, which shows the state knowledge in the area of study (Ember & Levinson, 1991; Gravetter & Forzano, 2009). It has been argued that the use of secondary data is becoming very popular in business researches, market survey, facts- findings, model building, and among social scientists generally; particularly as a result of its advantages, such as time and cost savings, as well as easy accessibility (Ghauri & Gronhaug, 2010; George, Owoyemi & Onokala, 2012). However, to mitigate major drawbacks of use of secondary data source, which are bias, lack of control over data quality and challenges of appropriateness of the data; the researchers were careful to be objective in drawing inferences from the data (Denscombe, 2010; Saunders, Thornhill & Lewis, 2009).

Improving Town and Gown Relationship for Diversification
It is the view of this study that strengthening the relationship between educational institutions and the society is needed for diversification. In this regard, the educational system needs to be restructured in line with societal needs to aid improvement of the economy. To achieve this, the private sector should be involved in the design of the educational policies in the areas of curricula design, setting standards, accreditation of educational and research institutions. This involvement will equally lead to the private sector participation in the establishment of sector specific research centres. Some of the strategies that can be adopted on how the relationship between ‘Town’ and ‘Gown’ could be improved for diversification of the economy are discussed under the following sub-headings: promotion of inclusive educational policies; curriculum designs; promotion and transfer of entrepreneurial skills, among others.

Education Policies in Nigeria
The promotion of all-inclusive educational policies would improve the partnership between town and gown. The all-inclusive education is particularly about targeting the excluded and providing education that promotes Nigerian value added in the process of industrialisation. Educational policies and services should necessarily feed this drive to promote diversification of the economy. Policies on education have been a priority for government in Nigeria since the Colonial days as can be observed from various policies milestones in Nigeria (Fafunwa, 2004; Taiwo, 1980; and Fabunmi, 2005). Table 1 shows that some of these policies/milestones between 1882 and 1957 were designed in line with an imperfect governance arrangement. Educational policies in Nigeria from 1944 to
1960 such as 1955 education law and 1959 Ashby Commission focused on meeting the manpower needs of the Civil Service (Ananaba, 1969). The implication of this was that individuals who acquired British education did not really fit into the vast rural setup of the time.

Fafunwa (2004) argued that inadequate planning, physical infrastructure and teachers limited the Universal Free Primary Education Programme of 1976. For instance, these inadequacies manifested in under estimation of expected children who would enrol in the programme. Furthermore, the involvement of government in the educational system has featured mismatch with local realities over the years and this may account for the less than perfect relations between town and gown as experienced in some measure.

To achieve success in diversification of the economy, there should be a restructure of the present education policies such that the educational institutions should be able to produce graduates with relevant skills needed both in the local industries and the international communities. Part of what should be done is that curricula design should be in such a way that the structure of the courses that students offer should be reworked constantly to meet global needs.

**Table 1: Selected milestones of education policies in Nigeria**

<table>
<thead>
<tr>
<th>Year</th>
<th>Policy and Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1882</td>
<td>Education Ordinance: First formal colonial document on education control designed for the colonies of Lagos and Accra</td>
</tr>
<tr>
<td>1887</td>
<td>Education Ordinance: Designed for the colony of Lagos</td>
</tr>
<tr>
<td>1903</td>
<td>Education Code and Department: Southern Protectorate</td>
</tr>
<tr>
<td>1908</td>
<td>Education Code: For Amalgamated Protectorate of Lagos and Southern Nigeria</td>
</tr>
<tr>
<td>1911</td>
<td>Phelps-Stokes Commission: Conducted an enquiry into education in Africa</td>
</tr>
<tr>
<td>1916</td>
<td>Education Ordinance: Applied to the Southern and Northern Protectorates</td>
</tr>
<tr>
<td>1925</td>
<td>Memorandum on Education</td>
</tr>
<tr>
<td>1944</td>
<td>The Education of Act: Decentralisation of educational administration</td>
</tr>
<tr>
<td>1948</td>
<td>Education ordinance: Covered the whole country</td>
</tr>
<tr>
<td>1952</td>
<td>Education ordinance: Empowered the East, West and North to have educational policies and systems. The Colonial Board was abolished</td>
</tr>
<tr>
<td>1955</td>
<td>Education Law: For the west: Universal Basic Education</td>
</tr>
<tr>
<td>1956</td>
<td>Education Laws: For the East and North</td>
</tr>
<tr>
<td>1957</td>
<td>Education Laws: For the East: Universal Basic Education</td>
</tr>
<tr>
<td>1957</td>
<td>Lagos Education Ordinance</td>
</tr>
<tr>
<td>1959</td>
<td>The Ashby Commission: Structure of Higher Education</td>
</tr>
<tr>
<td>1969</td>
<td>National Curriculum Conference: Adaptation of colonial education system to Nigerian realities</td>
</tr>
</tbody>
</table>
Fostering Diversification through Curriculum Design

The diversification of the economy calls for a critical mass of entrepreneurs in various sectors of the economy. Diversification is necessary to avoid the vulnerabilities associated with a mono-product economy (Riti, Gubak & Madina, 2016). Curriculum design in the universities should promote creativity to contribute significantly to the diversification of the economy. This is because research results have a direct link with entrepreneurship, which is the engine for economic diversification. Anao (2002) and Schumpeter (1934) have corroborated this position.

The introduction of General Study Courses to university curricula in the 1960s serves as a framework for the promotion of technical education, which if further expanded should boost diversification of the Nigerian economy involving different areas of its national life. Also, the internship programmes existing is certain programmes must be closely monitored so that students truly acquire industry experience, which may encourage entrepreneurial behaviour. In addition, central to curriculum design is the training of university teachers. It is important that university teachers acquire the necessary skills, through practical experience to provide relevant industry-skill to students. This may require capital investment in teacher training programmes.

Improving Town and Gown Relationship through Promotion and Transfer of Entrepreneurial Skills

Improving the relationship between educational institutions and the society is needed for diversification. One of the ways through which the ‘gown’ can be relevant to the ‘town’ is through the promotion of entrepreneurial skills. This is because entrepreneurship is the engine for growth. Amuseghan and Tayo-Olajubutu (2009) argued that certificate frenzy is responsible for disconnect between town and gown to the detriment of entrepreneurial spirit. This is evident in the discrimination between products of the technical colleges and universities.
In this connection, Anyaehie and Areji (2015) identify lack of emphasis on productivity, poor economic and social infrastructure, poor corporate governance and institutions, endemic corruption and mismanagement of resources, and poor and unstable educational system as challenges of diversification in Nigeria. They further argue that the educational system promotes certificate acquisition above productivity and skills acquisition.

Jega (2012) recommends that entrepreneurial education which promotes creativity, independence and social consciousness in students with focus on skill specific education should be encouraged. The latest move by the Ministry of Education to make technical education attractive by removing the stigma attached to it by affiliating some technical schools to universities or upgrading them to universities should be helpful in promoting the acquisition of entrepreneurial skills.

Diversification through Promotion of Entrepreneurship in Complementary Industries

Diversification drive that rests on promoting entrepreneurship in complementary industries, particularly those previously neglected would lead to sustainable growth. Esu and Udonwa (2015) found that the neglected sectors have the potential to contribute 40 percent to Nigeria’s trade bundle. For instance, the share of agriculture as a percentage of Nigeria’s GDP in 2010 was 40.84 percent (Suberu et al., 2015). One of the ways to sustain the Nigerian economy is to promote diversification through innovation, particularly in the agricultural, educational tourism and ecotourism sectors (Eko et al., 2013; Suberu et al., 2015; Uzonwanne, 2015). Educational tourism is especially important given its potential for cross-pollination of ideas between Nigerian students and visiting foreign students as well as Nigerian faculty and visiting foreign faculty.

Nigeria has about 70 million hectares of farmland and 34 mineral resources, including gold, iron ore, coal and limestone (Neszmélyi, 2014). However, Neszmélyi (2014) notes that, only 50 percent of available farmland is cultivated and that harnessing the gains of agricultural production in Nigeria has been limited due to small and scattered agricultural holding as well as the use of simple tools and techniques. Therefore, town and gown relations can be enhanced through the commercialisation of research output that will help improve the tools and techniques needed in extractions and processing of both mineral and agricultural products.
Complementary industries are areas where effective town and gown relations can promote diversification. For instance, in the Agriculture sector, complementary industries would include: Cultivating/rearing, harvesting, handling, processing, storage and distribution. Other sectors and complementary industries are presented in Onwualu, (2012) and Riti et al., (2016). It is suggested that students should be encouraged to utilise education received to function in every aspect of the value chain in the complementary industries without discrimination or fear of stigmatisation.

Table 2 shows an extract from the National Bureau of Statistics Employment Generation Survey of July 2010. The data indicates that the highest employer sectors were agriculture, forestry and fishing (31 percent); wholesale and retail trade; repair of motor vehicles and motorcycles (25 percent) and manufacturing (11 percent). These are areas where the gown can provide valuable information and skills that will facilitate expansion. Whereas, over 5 percent but less than 10 percent employment is generated by sectors such as accommodation and food service activities (6 percent); as well as other service activities, including activities of membership organisations and repair of computers and personal and household goods (7 percent).

Furthermore, electricity, gas steam and air conditioning supply; water supply, sewage, waste management and remediation; construction; information and communication; financial and insurance activities; real estate activities; professional, scientific and technical activities; administrative and support service activities; public administration and defence; compulsory social security; human, health and social work activities; arts, entertainment and recreation; activities of households as employers, undifferentiated goods and services producing; and activities of extraterritorial organizations and bodies all generated less than or equal to 2 percent of the total employment generated in Nigeria as at July 2010. It is significant to note that although Nigeria’s main export product is crude oil the number of employed persons in the sector is not as large as one would have expected (less than 10 percent).

These data indicate that the expansion of employment opportunities in all sectors should be the focus of diversification effort and the ability of the gown to meet this need is at the center of the process. The range of activities in the different sectors provide insight as to the skill that the gown must provide for the town to fuel the diversification drive of the government of Nigeria. If the gown
concentrates on providing relevant skills for all the sectors, this would create and help to sustain a symbiotic relationship between town and gown.

### Table 2: Employment Generation by Sector in Nigeria

<table>
<thead>
<tr>
<th>S/N</th>
<th>SECTOR</th>
<th>Employment Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agriculture, forestry and fishing</td>
<td>14,837,693</td>
</tr>
<tr>
<td>2.</td>
<td>Mining and Quarrying (Including Extraction of crude petroleum and natural gas)</td>
<td>146,488</td>
</tr>
<tr>
<td>3.</td>
<td>Manufacturing</td>
<td>5,337,000</td>
</tr>
<tr>
<td>4.</td>
<td>Electricity, Gas Steam and Air Conditioning Supply</td>
<td>152,610</td>
</tr>
<tr>
<td>5.</td>
<td>Water Supply, Sewage, Waste Management and Remediation</td>
<td>86,778</td>
</tr>
<tr>
<td>6.</td>
<td>Construction</td>
<td>1,142,569</td>
</tr>
<tr>
<td>7.</td>
<td>Wholesale and Retail Trade; repair of Motor vehicles and Motor cycles</td>
<td>12,097,189</td>
</tr>
<tr>
<td>8.</td>
<td>Transportation and Storage</td>
<td>2,009,183</td>
</tr>
<tr>
<td>9.</td>
<td>Accommodation and Food Service Activities</td>
<td>2,730,308</td>
</tr>
<tr>
<td>10.</td>
<td>Information and Communication</td>
<td>469,513</td>
</tr>
<tr>
<td>11.</td>
<td>Financial and Insurance Activities</td>
<td>171,403</td>
</tr>
<tr>
<td>12.</td>
<td>Real Estate Activities</td>
<td>68,697</td>
</tr>
<tr>
<td>13.</td>
<td>Professional, Scientific and Technical Activities</td>
<td>710,511</td>
</tr>
<tr>
<td>14.</td>
<td>Administrative and Support Service Activities</td>
<td>986,480</td>
</tr>
<tr>
<td>15.</td>
<td>Public Administration and Defence; Compulsory Social Security</td>
<td>800,333</td>
</tr>
<tr>
<td>16.</td>
<td>Education</td>
<td>1,557,665</td>
</tr>
<tr>
<td>17.</td>
<td>Human, Health and Social Work Activities</td>
<td>739,936</td>
</tr>
<tr>
<td>18.</td>
<td>Arts, Entertainment and Recreation</td>
<td>390,275</td>
</tr>
<tr>
<td>19.</td>
<td>Other Service Activities (Including Activities of membership Organisations and Repair of computers and personal and household goods)</td>
<td>3,471,702</td>
</tr>
<tr>
<td>20.</td>
<td>Activities of households as employers, undifferentiated goods and Services producing</td>
<td>551,353</td>
</tr>
<tr>
<td>21.</td>
<td>Activities of extraterritorial organizations and bodies</td>
<td>75,633</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>48,533,319</strong></td>
</tr>
</tbody>
</table>


### Conclusion and Recommendations

This paper has examined enhancing the partnership between town and gown as a major factor in the drive for diversification of the Nigerian economy. The paper established that there is a compelling need to create policies that will bridge the gap between town and gown for Nigeria to achieve its desire for economic diversification; the nation should take actions to transform the educational system to be able to develop knowledge-based products and services for export and local...
consumption; there is the need for educational and research institutions in Nigeria to collaborate with industry in the areas of curricula design, setting of academic and research standards, and accreditation of educational and research institutions; and that town and gown relations can be enhanced through the commercialisation of research outputs.

The study concludes that that until there is an appropriate partnership between educational and research institutions and the society, the diversification of the Nigerian economy may be an unreachable dream. Based on the findings of this study, the following are recommended:
1. The government and the relevant stakeholders should work toward creating policies that will bridge the gap between town and gown.
2. That action should be taken to transform the educational system to be able to develop knowledge-based products and services for export and local consumption.
3. Educational and research institutions in Nigeria should collaborate with industry in the areas of curricula design, setting academic and research standards, and accreditation of educational and research institutions.
4. Educational policies should provide socially relevant information and entrepreneurial skills to students to strengthen the partnership between town and gown so as to meet the diversification drive of the government.

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