

The Impact of Non-Oil Revenue on Economic Growth in Nigeria

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Abstract

The study examined the impact of non-oil revenue on economic growth for the period of 1981 – 2016. The main objective of this study was to determine the relationship between non-oil revenue and the economic growth in Nigeria. Regression model was used to determine the relationship between economic growth and the non-oil revenue. The findings revealed that a long run relationship exist between the variables (ARC, MRC, SMRC, SRC, CIT, CED) and economic growth in Nigeria. Among the variables, ARC, MRC, SRC and CIT were found to have contributed substantially to the growth of Nigerian economy within the period under study. On the other hand, SMRC and CIT were found to have negative relationship with GDP. Again, SMRC and CED were statistically insignificant. The result of the Error Correction Model was correctly signed showing that the system returns to equilibrium at the speed of about 80% if the system is exposed to external shock in the long-run. Therefore, government should make efforts in diversifying the economy away from oil in order to encourage the generation of revenue by the non-oil sectors. Once more, government should be consistent with policies that will bring about sustainable growth of the non-oil revenue as it will bring about growth of the economy in general.

Keywords: *Non-Oil revenue, Economic growth, Relationship*

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Background to the Study

All economies of the world are differently endowed with human and natural resources. Some are endowed with land, forest, water bodies, climate, oil, solid minerals etc. Nigeria as a country has been blessed with various resources such as oil, solid mineral, forest resources and sea resources which are important for the growth of the Nigerian nation. Exploitation, development and exportation of these resources create an avenue for foreign capital inflows for the growth of the economy. According to Adenugba, and Dipo (2013), show that exportation helps to attain favourable Balance of Trade (BOT) leading to a favourable Balance of Payment (BOP) position. This explains why the inflow of foreign capital increases the chances for employment vis-a-vis economic growth of nation.

The speed of growth of any economy depends largely on resource mobilization. Such growth however, is propelled by the amount of revenue generated by the various sectors of the economy to meet its stated objectives. For every economic entity Nigeria inclusive, revenue generation amongst other things is directed towards meeting the basic social and infrastructural needs of its citizenry and to maintain a sustained economic growth. Prior to the 1970's, revenue generation in Nigeria largely depended on non-oil sector such as agriculture and mineral resources. Foreign exchange was therefore, earned from the sales of different cash crops such as cocoa, rubber, coffee, cotton, palm produce, groundnut, etc. Agriculture was thus, the leading sector in exports revenue generation of the country. Hence, Bature (2012:90) stated that:

Agriculture was a booming sector in the early sixties. Groundnut, cotton, cocoa, palm-kernel coupled with other mining activities (tin and columbite) were the major sources-of the booming tradable goods before the advent of oil that maintained ascendancy in the Nigerian economy.

Non-oil export accounted for over 74% of total revenue earned by the country while oil revenue accounted for the balance of 26%. However, with the discovery of crude oil especially the oil boom era of 1970s, fundamental changes were experienced in the structure of the Nigerian economy. Consequently, the non-oil sector began to experience difficulties by 1985 due to the growth of contribution from oil revenue to total revenue earned by the country which was put at 73%. While the contribution of non-oil revenue to total revenue dropped to 23%. By the year 2000, oil and gas export accounted for more than 98% of export and 83% of Federal government revenue (Odularu, 2008). Prior to the first oil price shock of 1974, oil has annually produced over 90% of Nigeria's export incomes from 1970 to 1999. Oil generated almost \$231 billion in rents for the Nigeria economy and these rents have contributed between 21% and 48% of Gross Domestic Product, but these rents have failed to raise Nigeria's per capital income and done little to reduced poverty. No doubt that oil revenue has contributed substantially to revenue generation and growth of Nigeria's economy. However, Nigeria's over dependence on crude oil revenue has affected the economy negatively, thereby, reducing the productivity in the economy.

Going by the above analysis, the development of oil sector has led to the under-developed state of other sectors of the economy. The downward spiral of sound governance has made

the societies of resource rich nations suffer a weak infrastructural investment in productive industries and public goods. There is need for diversification of the Nigerian economy. Some blueprints were introduced in order to diversify the economy including Structural Adjustment Programme (SAP), Indigenization policy, National Economic Empowerment and Development Strategy (NEEDS), the 7 Point Agenda popularly called. Ajakaiye, (1997:16), maintained that:

The Nigerian authorities adopted the orthodox Structural Adjustment Programme (SAP) in September 1986 whose primary objective remains; to alter the structure of production so as to diversify the economic base and reduce dependence on imports and on oil.

Despite the efforts made for diversification, the growth of the Nigerian non-oil revenue is seen to have declined over the years. Aiyedun, (2007) captured this argument that “In 1960, agriculture contributed 65% of the Gross Domestic Product (GDP) of Nigeria”. By 1970, however, this had declined to 52.3% and further to 23.4 % in 1975.” This shows the decline in non-oil revenue. Nigerians are still wallowing in poverty due to the declines in the growth rate of non-oil sectors. This shows that oil has taken Nigeria backward and thereby, it becomes a curse rather than a blessing as expected. It has become expedient that Nigeria looks inwards into its non-oil productive and economic sector for sustainable revenue sources that can help transform her economy to meet the needs of its citizenry. Even though the drop in oil prices was a serious challenge, it was also an opportunity for the country to refocus efforts towards the non-oil sectors in preparation for a future with less oil revenue. This underscores the need for increased domestic revenue mobilization from the non-oil sector. The growth rate of the non-oil sector has remained generally disappointing. Therefore, there's a need for a research in order to address this problem. The main aim of the study is to critically analyze the effects or impact of non-oil revenue on economic growth in Nigeria from 1981 to 2016. This would help to better understand and appreciate how non-oil revenue affects economic growth in Nigeria. At the individual level, this would enable people to understand and appreciate the relevance of non-oil revenue in the bid to achieve economic growth. For the government, it would provide a framework for policy formulation and implementation.

Literature Review

Conceptual Review

Concept of Non-Oil Revenue and Economic Growth

Non-oil revenue is the income or proceeds generated from the commodities that are sold in the international market excluding crude oil (petroleum product). Non-oil exports on the other hand are those commodities (excluding crude oil) that are sold abroad in order to generate revenue. These non-oil exports include agricultural products or crops, manufactured goods, tourist services/receipts, solid minerals, telecommunication services and other exports. Non-oil export can also be seen as a sector. Kromtit and Gukat (2016:133) stated that:

The non-oil sector comprises of those groups of activities which are outside the petroleum and gas industry or those not directly linked to them. It

consists of sectors such as manufacturing, agriculture, telecommunication service, finance, tourism, real estate, construction and health sectors.

Also, Elechi, Kasie and Chijindu (2016:4) were of the opinion that:

Non-oil exports are products which are produced within the country in the agricultural, mining, quarrying and industrial sector that are sent outside the country to generate revenue for the growth of the economy, excluding oil products like coal, cotton, timber, groundnut, cocoa, beans, palm kernel, palm oil, hides, skin, cattle, etc.

Therefore, non-oil sector comprises of all sectors of the Nigerian economy with the exemption of oil and gas sub-sector. All the proceeds generated from these non-oil sectors constitute the non-oil revenue. The definition of non-oil revenue by Kromtit and Gukat (2016) is applicable to this study.

Concept of Economic Growth

The concept of economic growth has to do with the increase in the output level of an economy which can also mean an increase in income level. Economic growth of a country can be determined in the productivity level, volume of trade, investment in both human and physical capital. Ochejele, (2007) defines economic growth as “the quantitative and sustained increase in the country's per capita output or income accompanied by expansion in labour force, consumption, capital and volume of trade”. Accordingly, Anyanwu and Oaikhenan (1995) simply defined economic growth as the increase overtime of a country's or an economic capacity to produce those goods and services needed to improve the well-being of the citizens in increasing numbers and diversity. It is conventionally measured as the percentage rate of increase on Real Gross Domestic Product (RGDP). Growth is usually calculated in real terms, that is, inflation- adjusted terms, in order to net out the effect of inflation on the price of goods and services produced. The growth of Real Gross Domestic Product (RGDP) between 2004 and 2008 was driven mainly by the non-oil sectors as reflected in the non-oil GDP and that the industrial output however fell by 2.2 percent due to poor performance of the oil sector CBN (2008).

Theoretical Framework

Resource Endowment Theory of Growth

The major advocate of this theory was Adam Smith (1776). “Absolute cost advantage”, David Ricardo (1817) “Comparative cost advantage” among others, they argue that countries should specialize to produce and export according to their comparative advantage. The theory of comparative advantage suggests a country gains the greatest economic benefit relative to other countries by producing at lower overall cost, commodities which a country has in abundance or can be easily produced. This was their reasoning behind why some countries produce agricultural and mineral commodities while others produce industrial goods (O'Toole, 2007; Igbeasere, 2013).

The doctrine of comparative advantage according to the Heckscher- Ohlin (HO) theory states that countries produce and export the commodities which require the use of its abundant productive factors intensely (Feenstra, 2004). This model is based on the assumption of two countries, two goods and two factors and assumes that both countries have identical technologies, identical tastes, free trade in goods and different factor endowments (Feenstra, 2004). This theory was based on the proposition that countries (developed nations: Japan, Germany, United Kingdom, etc

Classical Theory of Economic Growth

The traditional classical and neoclassical growth models developed by Solow (1956) and Mincer (1958) in the late 1950's, showed that the output of an economy grows in response to larger inputs of capital and labour (all physical inputs). Non-economic variables such as human capital or human health variables have no function in these models.

Empirical Framework

Awe and Ajayi (2009) provided empirical evidence of the contribution of the non- oil sector in the diversification of the Nigerian revenue base. Evaluating the impact of the revenue from the agricultural sector, solid mineral sector and the Manufactures on the Gross Domestic Product (GDP) was the main crux of the study with the aim of determining the effect of the non-oil revenue on economic development through the use of co-integration analytical test. The study revealed that dynamic relationship exists between the revenue from the non-oil sector and economic development. The major sub-sectors of the non-oil sectors, agriculture, Manufactures and solid minerals were tested individually on the total revenue and all have significant results except Manufactures.

Ude and Agodi (2013) employed the co-integration methodology alongside error correction mechanism to investigate the impact of non-oil revenue on economic growth in Nigeria. They employed annual observations from 1980 to 2013. The non-oil revenue variables analyzed were agricultural revenue and manufacturing revenue. The results show that agricultural revenue, manufacturing revenue and interest rate have significant impact on economic growth in Nigeria. They concluded that non-oil revenue has the potential to unlock the economy of Nigeria.

Akwe (2014) studied the impact of non-oil tax revenue on economic growth in Nigeria from 1993-2012. He found that there exist a positive impact of non-oil tax revenue and economic growth. Since non-oil tax revenue is one of the major base through which non-oil revenue accrues, he recommended that efforts should be intensified by the government at all levels in ensuring that non-oil taxes collections are increased since it has the capacity to enhance growth. He further recommended that government should strengthen its administrative machinery with a view eliminating weaknesses and internal control lapses in the assessment and collection of Non-oil Taxes in Nigeria.

In the study by Olurankinse and Fatukasi (2012) seeking to establish the Impact of Non-oil sector on economic growth found out that non-oil revenue had a positive impact on the growth of the Nigerian economy for the period they reviewed. They however decry the low

performances in terms of output level and revenue generation which was below expectation. The ordinary least square (OLS) statistical tool was used to analyse the data. They recommended an increase in the productive sector of the economy to ensure product availability for local and export purposes. It is clear from the various works reviewed that the various findings point to the need for Nigeria as a state to shift from the primitive reliance on oil revenue to a more expanded and sustainable non-oil revenue base.

Methodology

The study employs annual time series data spanning the period of 1981 to 2016. Multiple regression method was employed for the study. The dependent variable economic growth (which is proxied by real GDP); while the independent variable is non-oil revenue (proxied by revenues from agriculture, manufacturing, solid minerals, services, company income tax and custom and excise duties). The data were obtained from Central Bank of Nigeria (CBN) library, World Bank Report on Nigeria and National Bureau of Statistics (NBS).

Model Specification

Awe and Ajayi (2009), models GDP as a function of Agriculture, Manufacturing and Solid minerals variables - ARC, MRC and SMRC. The additional variables in this work are Services, Company Income Tax, and Custom and Excise Duties Tax – SRC, CIT and CED. The model is expressed as:

$$GDP=f(ARC, MRC, SMRC, SRC, CIT, CED) \text{-----} 1$$

Thus, linearizing equation (1), we obtain:

$$GDP = \beta_0 + \beta_1 ARC + \beta_2 MRC + \beta_3 SMRC + \beta_4 SRC + \beta_5 CIT + \beta_6 CED + \mu \text{-----} 2$$

Where;

β_0 = The intercept or autonomous parameter estimate; $\beta_1 - \beta_6$ are the slope of the coefficients of the independent variables to be determined

ARC = Agricultural Revenue Contribution

MRC = Manufacturing Revenue Contribution

SMRC = Solid Mineral Revenue Contribution

SRC = Services Revenue Contribution

CIT = Company Income Tax

CED = Custom and Excise Duties Tax

GDP = Gross Domestic Product; μ = Error term (or stochastic term).

Apriori Expectation

This refers to the supposed relationship between and or among the dependent or independent variables of the model as determined by the postulations of economic theory. We then differentiate partially with respect to each variable to obtain *apriori* sign expectation of equation (2);

$$\frac{\partial GDP}{\partial ARC} = \beta_3 > 0 \text{-----} 3$$

$$\frac{\partial GDP}{\partial MRC} = \beta_3 > 0 \text{-----} 4$$

$$\frac{\partial GDP}{\partial SMRC} = \beta_5 > 0 \text{-----} 5$$

$$\frac{\partial GDP}{\partial SRC} = \beta_5 > 0 \text{-----} 6$$

$$\frac{\partial GDP}{\partial CIT} = \beta_5 > 0 \text{-----} 7$$

$$\frac{\partial GDP}{\partial CED} = \beta_6 > 0 \text{-----} 8$$

On the *apriori* expectations, positive $\beta_0, \beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ and β_6 depicts a direct relationship between GDP and ARC, MRC, SMRC, SRC, CIT and CED. It shows that on *apriori* basis, the GDP increases due to an increase in ARC, MRC, SMRC, SRC, CIT and CED.

The Analysis and Findings

The economic impact of non-oil revenue on the economic growth of Nigeria is the main focus of this paper. In this section, the paper presents and interprets the regression results obtained from the estimation process. The results and interpretation of results are presented as follows

Unit Root Test

A test of stationary or nonstationarity in time series data that has become widely popular over the past several years is the unit root test. This is to find out if the relationship between economic variables is spurious. This paper used the Augmented Dickey-Fuller (ADF) Techniques to test and verify the unit root property of the series and stationarity of the model, seeing that it is very crucial to have a stationary time series.

Table 1: Summary of unit root test

Variables	Order of Integration	ADF Tests Statistics	Critical ADF Test Statistics	Remark
GDP	I(2)	-5.095347	-2.954021	Stationary
ARC	I(1)	-4.604422	-2.951125	Stationary
MRC	I(1)	-3.013906	-2.951125	Stationary
SMRC	I(1)	-3.289828	-2.951125	Stationary
SRC	I(2)	-5.898623	-2.954021	Stationary
CIT	I(1)	-6.176991	-2.981038	Stationary
CED	I(2)	-3.993916	-2.971853	Stationary

Note: * significant at 5%; MacKinnon critical.

Source: Author computation E-views 9.0

From table 1 above, GDP, SRC and CED are stationary at second difference that is; I(2) while ARC, MRC, SMRC and CIT are stationary at first difference; I(1). Also, the probabilities were found to be significant since they are less than 0.05.

Johansen Cointegration Test

Having ascertain the unit roots properties of the series and given that the variables were stationary at first and second difference, it is therefore appropriate to use co-integration analysis to estimate the relationship between the variables, provided that the variables. The Johansen unrestricted between the dependent variable (GDP) and its regressor (ARC, MRC, SMRC, SRC, CIT and CED).

Table 2: Unrestricted Cointegration Trace Test

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.973567	256.8797	125.6154	0.0000
At most 1 *	0.818905	133.3527	95.75366	0.0000
At most 2 *	0.613246	75.25572	69.81889	0.0172
At most 3	0.423782	42.95684	47.85613	0.1336
At most 4	0.394554	24.21368	29.79707	0.1916
At most 5	0.188886	7.152837	15.49471	0.5600
At most 6	0.001030	0.035035	3.841466	0.8515

Trace test indicates 3 cointegrating eqn(s) at the 0.05 level

* denotes rejection of the hypothesis at the 0.05 level

**MacKinnon-Haug-Michelis (1999) p-values

Table 3: Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

Hypothesized No. of CE(s)	Eigenvalue	Max-Eigen Statistic	0.05 Critical Value	Prob.**
None *	0.973567	123.5270	46.23142	0.0000
At most 1 *	0.818905	58.09702	40.07757	0.0002
At most 2	0.613246	32.29888	33.87687	0.0762
At most 3	0.423782	18.74316	27.58434	0.4346
At most 4	0.394554	17.06084	21.13162	0.1691
At most 5	0.188886	7.117802	14.26460	0.4753
At most 6	0.001030	0.035035	3.841466	0.8515

Max-eigenvalue test indicates 2 cointegrating eqn(s) at the 0.05 level

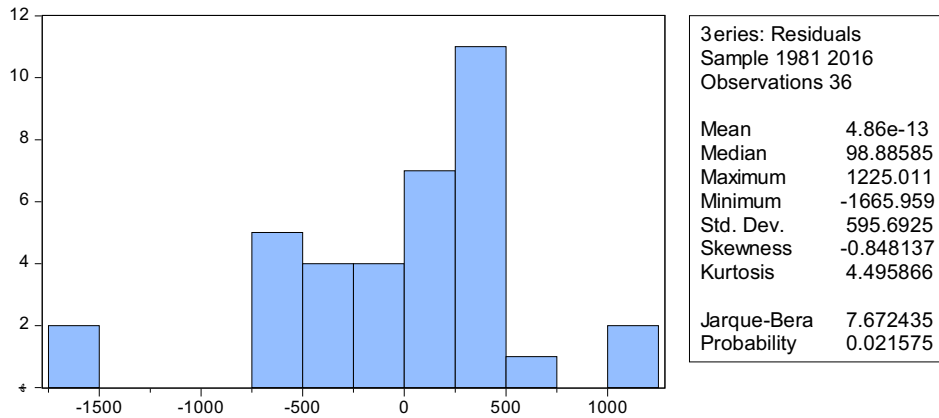
* denotes rejection of the hypothesis at the 0.05 level

**MacKinnon-Haug-Michelis (1999) p-values

The Max-Eigen value test in showed two co-integration equations at the 0.05 level. This confirms the existence of a stable long-run relationship among GDP the dependent variable and ARC, MRC, SMRC, SRC CIT and CED the independent variables.

Normality Test

Figure 1: Testing the Normality Assumption



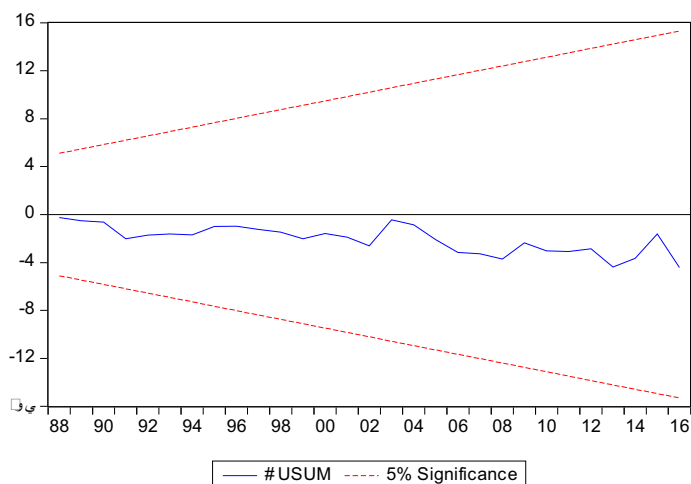
Source: Author computation E-views 9 Output, 2018

As shown in figure 1, the hypothesis of non-normality is accepted since the p-value of the Jarque-Berra statistics is greater than 0.05 at 5% level of significance. Therefore, the residuals are normally distributed.

Parameter Stability Test- CUSUM test

CUSUM test does not require specifying a particular date and it plots the cumulative sum of the recursive residuals together with the 5% critical lines. The CUSUM test indicates parameter instability if the cumulative sum goes outside the area between the two critical line.

Figure 2: Testing the Parameter stability



Source: Author computation E-views 9 Output, 2018

As observed from figure 2 above, the CUSUM test result indicates parameter stability as the cumulative sum is in the area between the two critical lines. This implied that the parameters are stable and thus, OLS is applicable.

Table 4: Estimated Regression Model

Dependent Variable: GDP
Method: Least Squares
Sample: 1981 2016
Included observations: 36

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3124.283	1076.816	2.901407	0.0070
ARC	1.191322	0.205211	5.805361	0.0000
MRC	1.358923	0.466521	2.912890	0.0068
SMRC	-9.944384	12.01486	-0.827674	0.4146
SRC	1.948938	0.242115	8.049649	0.0000
CIT	-9.170360	3.042427	-3.014159	0.0053
CED	2.200251	3.525810	0.624041	0.5375
R-squared	0.998923	Mean dependent var	31757.13	
Adjusted R-squared	0.998700	S.D. dependent var	18151.69	
S.E. of regression	654.4209	Akaike info criterion	15.97804	
Sum squared resid	12419734	Schwarz criterion	16.28595	
Log likelihood	-280.6048	Hannan-Quinn criter.	16.08551	
F-statistic	4482.997	Durbin-Watson stat	1.767765	
Prob(F-statistic)	0.000000			

Source: Author's computation using E-views 9

In the analysis conducted, it was observed that the coefficient of ARC (1.1913) was positive and it conformed to the apriori expectation and statistical significant (p-value 0.0000). It shows clearly that agricultural revenue has improved productivity, living standard of people in the country through its revenue gained from food production, animal farming and incentives to farmers. The function thus shows that a 1% change in ARC on the average had increased the growth in Nigeria's GDP by 1.19 % between 1981 and 2016. The coefficient of MRC (1.3589) was positive, conformed to the apriori expectation and statistical significant (p-value 0.0068). The function thus shows that a 1% change in MRC on the average had increased the growth in Nigeria's GDP by 1.35% between 1981 and 2016. ARC and MRC are in line with the work of Ude and Agodi (2013) which showed that agricultural revenue and manufacturing revenue have significant impact on economic growth in Nigeria. They concluded that non-oil revenue has the potential to unlock the economy of Nigeria. The coefficient of solid-minerals revenue contribution (SMRC) coefficient (-9.9443) was negative and conform to apriori expectation and statistically insignificant (p-value 0.4146) on the economic growth in Nigeria. This implied that a 9.94 unit decrease in SMRC causes a unit increase in GDP within the period of the study. The insignificance came from inadequate government investments on Solid-Minerals over the years due to the higher

concentration on other economic variables. The coefficient of SRC (1.9489) conformed to the apriori expectation and statistically significant (p-value 0.0000), that a 1.94 unit increase in SRC results to a unit increase in GDP. The parameter of CIT (-9.1703) it was negatively signed conformed to the apriori expectation and statistically significant (p-value 0.0053). The result showed the inverse relationship between GDP and company income tax. Therefore, this is correctly signed as some companies tend to evade taxes. The coefficient of CED (2.2002) is positive as against the apriori expectation and statistically insignificant (p-value 0.5375). Akwe (2014) He found that there exist a positive impact of non-oil tax revenue and economic growth. Since non-oil tax revenue is one of the major base through which non-oil revenue accrues, he recommended that efforts should be intensified by the government at all levels in ensuring that non-oil taxes collections are increased since it has the capacity to enhance growth.

Error Correction Mechanism (ECM)

Table 5: ECM Results

Dependent Variable: D(GDP)
 Method: Least Squares
 Sample (adjusted): 1982 2016
 Included observations: 35 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	163.6634	123.0513	1.330042	0.1946
D(ARC)	0.680013	0.180335	3.770837	0.0008
D(MRC)	0.614919	0.380954	1.614157	0.1181
D(SMRC)	29.97513	18.30636	1.637416	0.1131
D(SRC)	1.839217	0.223733	8.220595	0.0000
D(CIT)	-4.792002	1.972776	-2.429065	0.0221
D(CED)	2.821077	2.306070	1.223327	0.2318
ECM(-1)	-0.808426	0.161851	-4.994886	0.0000
R-squared	0.932279	Mean dependent var	1504.950	
Adjusted R-squared	0.914722	S.D. dependent var	1541.303	
S.E. of regression	450.0986	Akaike info criterion	15.25444	
Sum squared resid	5469896.	Schwarz criterion	15.60995	
Log likelihood	-258.9527	Hannan-Quinn criter.	15.37716	
F-statistic	53.09914	Durbin-Watson stat	1.614199	
Prob(F-statistic)	0.000000			

Source: Authors Computation from E-view 9

The ECT (-0.80) in the table 9 is correctly signed and showed that the system returns to equilibrium at the speed of about 80% if the system is exposed to external shock in the long-run. The Akaike Information Criterion (AIC), Schwarz Bayesian Criterion (SBC), Hannan-Quinn Criterion (HQC) and S. E. of Regression (SER) which are 15.25444, 15.60995, 15.37716 and 450.0986 respectively, showed that the model are is adequately specified. From the

estimate, $R^2 = 0.9322$, F-statistic = 53.0991, Prob. (F-statistic) = 0.1428 the $d^* = 1.61$, this mean that $0 < d^* < 2$ therefore reject H_0 and conclude that there is positive autocorrelation.

Conclusion

Despite different policies that have been put in place by different regimes to boost the non-oil revenues, the performance of the Nigerian non-oil revenue remains appalling due to some challenges like lack of diversification away from oil, lack of incentives to farmers, poor infrastructure, outdated technology, evasion of taxes, poor investment climate characterized by insecurity challenges such as kidnapping, terrorism, clashes between farmers and herdsmen. Even though some results from our analysis particularly from the various variables responded positively to the appropriate expectation, there is still need for strong attention for the exploitation and development of the non-oil sector, in order to realize an economy that can be regarded as the advanced nations of the world, which is the desire of every developing country.

This study which evaluated the impact of non-oil revenue on economic growth in Nigeria for the period 1981 to 2016 concluded that Nigeria effort should be made to ensure that lending interest rate to the real sector of the economy is kept at affordable level that would encourage investment.

- i. Government should make efforts of diversifying the economy away from oil in order to encourage the generation of revenue by non-oil sectors.
- ii. Government should be consistent with policies that will bring about sustainable growth in non-oil revenue.
- iii. Nigeria government should provide the necessary infrastructural facilities especially electricity supply for manufacturer, incentives and grants to agricultural farmers' as it will boost its economic growth.
- iv. Finally, government should reexamine its non-oil revenue by way of increasing tax base and introducing new taxes in such a way that it does not distort the working of the economy but to increase the economic growth.

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Appendix

Table 1: Agricultural Revenue Contribution, Manufacturing Revenue Contribution, Solid-Mineral Revenue Contribution, Services Revenue Contribution and GDP in Nigeria, 1981-2016

YEAR	GDP (N'Billion)	ARC (N'Billion)	MRC (N'Billion)	SMRC (N'Billion)	SRC (N'Billion)	CIT (N'Billion)	CED (N'Billion)
1981	15,258.00	2,364.37	1,558.70	67.14	3,668.44	0.40	2.33
1982	14,985.08	2,425.96	1,764.89	54.84	3,760.13	0.60	2.34
1983	13,849.73	2,409.08	1,167.89	44.01	3,775.20	0.60	1.98
1984	13,779.26	2,303.51	1,018.91	43.08	3,704.12	0.80	1.62
1985	14,953.91	2,731.06	1,416.79	44.54	3,779.00	1.00	2.20
1986	15,237.99	2,986.84	1,373.66	35.25	3,892.22	1.10	1.73
1987	15,263.93	2,891.67	1,398.10	32.81	3,968.98	1.10	3.54
1988	16,215.37	3,174.57	1,618.25	28.05	4,087.63	1.60	5.67
1989	17,294.68	3,325.95	1,665.09	28.66	4,290.01	1.90	5.82
1990	19,305.63	3,464.72	1,670.73	29.09	4,645.60	3.00	8.64
1991	19,199.06	3,590.84	1,829.34	40.84	4,761.09	3.80	11.50
1992	19,620.19	3,674.79	1,758.61	30.6	4,933.42	5.40	16.06
1993	19,927.99	3,743.67	1,706.70	20.78	5,125.93	9.60	15.49
1994	19,979.12	3,839.68	1,670.72	17.21	5,270.21	12.30	18.30
1995	20,353.20	3,977.38	1,592.49	17.08	5,422.77	21.90	37.36
1996	21,177.92	4,133.55	1,599.94	17.54	5,599.48	23.10	55.00
1997	21,789.10	4,305.68	1,609.83	18.5	5,855.68	27.80	63.00
1998	22,332.87	4,475.24	1,412.44	19.4	6,166.85	33.30	57.70
1999	22,449.41	4,703.64	1,459.02	20.21	6,451.66	46.20	87.90
2000	23,688.28	4,840.97	1,505.66	21.04	6,709.18	53.30	101.50
2001	25,267.54	5,024.54	1,666.49	23.39	7,416.29	69.40	170.60
2002	28,957.71	7,817.08	1,813.81	22.18	8,394.52	89.10	181.41
2003	31,709.45	8,364.83	1,918.09	23.2	8,531.20	114.80	195.50
2004	35,020.55	8,888.57	2,143.45	27.09	9,718.30	130.80	217.20
2005	37,474.95	9,516.99	2,350.99	29.7	10,624.12	170.20	232.80
2006	39,995.50	10,222.47	2,574.29	32.77	11,788.35	246.70	177.70
2007	42,922.41	10,958.47	2,823.53	36.87	13,161.46	332.40	241.40
2008	46,012.52	11,645.37	3,079.04	41.47	14,792.02	420.60	281.30
2009	49,856.10	12,330.33	3,323.41	46.38	16,682.41	600.60	297.50
2010	54,612.26	13,048.89	3,578.64	51.88	18,966.55	666.10	309.20
2011	57,511.04	13,429.38	4,216.19	59.42	19,748.89	715.40	438.30
2012	59,929.89	14,329.71	4,783.66	71.13	20,729.00	846.60	474.90
2013	63,218.72	14,750.52	5,826.36	82.87	22,673.41	998.40	433.00
2014	67,152.29	15,380.39	6,684.22	95.21	24,286.89	1,204.80	566.00
2015	69,023.93	15,952.22	6,586.62	102.54	25,374.78	1,408.43	546.00
2016	67,931.24	16,607.34	6,302.23	87.61	25,071.94	1203.877	515.00

Sources: CBN, Statistical Bulletin (2016)