Nigeria's Development Reversal:

Halting Descent into Industrial Backwardness

Professor Banji Oyelaran-Oyeyinka

Senior Special Adviser to the President on Industrialization,
African Development Bank

Professorial Fellow, United Nations University

Fellow, Nigerian Academy of Engineers

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Introduction

Dear Colleagues,

I wish to thank you immensely for giving me the opportunity to join and share this important Day with you. This is a befuddling time for our country and for Africa. What we choose to make of the challenges and as well, opportunities presented, will be critical for the development of our dear country.

Forty years ago, Nigeria's income per capita was six times that of China. In 2019, Chinese income became almost 3.5 times that of Nigeria. The widening disparities are truly shocking to say the least. Around 60% of youth are unemployed; social and physical infrastructures are dysfunctional; and the country is in the throes of an unprecedented increase in crimes, insecurity and conflicts.

In a 16-year period between 1980 and 1996, Nigeria's poverty level rose from 28 to 66 percent. By 2020, this increased to **83 million Nigerians** living in poverty while the projected poverty profile is estimated to increase to 90 million, or 45% of the population, in 2022. Nigeria has clearly experienced a development reversal and largely slipped further into underdevelopment. Stagnation in income means that poverty and inequality worsened over time. Nigeria daily sinks deeper into the mire of penury from pillage of its common property. The population of poor people in Nigeria exceeds the combined population of South Africa, Namibia, Botswana, Lesotho, Mauritius and Eswatini. Nigeria has entered a development Reversal.

This speech focuses on Nigeria's downward industrial regress; and how it underwent an incomprehensible reversal over the last fifty years.

Nigeria's reversal of fortune manifests in several dimensions, namely: economic, social, technological and industrial conditions. Consider the wide disparities in development metrics particularly the levels and rates of growth of national incomes and Human Development Index (HDI); the differences are stark between Nigeria and Asian comparators like Korea. The Republic of Korea (ROK) had a high GDP/Capita in 2019 ($ 28,605.73), almost double that of 2000 (15,414.29), two decades earlier. The figure increased 7-fold in 40 years from 1980 ($3679.11). On the contrary, the GDP/Capita for Nigeria $845 in 1980, declined to $290 twenty years later and then rose to $2097 in 2020. On UN's Human Development Index, which measures Quality of life, in 2019, it ranked 161st out of 180 on the human development index.

Nigeria regressed because of its Industrial reversal, this is evident in the indicators

Nigeria has suffered massive reversal in industrial capacity: the ability to produce process and add value compared to its comparators. Nigeria ranks 99th on UNIDO's **Competitive Industrial**

Performance (CIP) index while South Africa, ranked 52nd in 2020. The CIP Index measures industrial capacity on three metrics namely: i) the capacity to produce and export manufactured goods, ii) technological deepening and upgrading, and iii) world impact. On average, industry in Africa generates merely $700 of GDP per capita, less than a third of Latin America's output ($2,500) and barely a fifth of East Asia's $3,400. Nigeria's industry contribution to GDP is $650, while manufacturing contribution is a mere 14.1%, $326.

Not surprisingly, Nigeria ranks equally low on the Global Innovation Index at 118th with South Africa ranking the highest on the continent but only 58th worldwide. **The country' lack of industrial manufacturing dynamism is reflected in** UNCTAD's 2021 production capacity index (PCI); Nigeria ranked 184th worldwide[1]; comparatively, Mauritius (46th) and South Africa (74th) top in the continent. The countries that left Nigeria behind are manufacturing exporters while our main export products are crude petroleum oils and natural gas.

The progress of countries in structural transformation is revealed in the way they transit from agrarian to industrial economies. The agriculture share in GDP for the comparator countries (China, Indonesia, South Korea and Vietnam) fell in values over the years from 1985 to 2020. Vietnam for example, **moved from 40% agriculture share in GDP in 1985 to 15% in 2020.** On the other hand, the agriculture share in GDP for Nigeria has consistently been at the same level: 20% to 25% in 1985 to 2020. This implies that Nigeria remains a stagnating Agrarian Country while its ability for value addition is constrained.

For industrial share in GDP, East Asia including China and Indonesia show higher shares over the years. The industrial share in GDP for South Korea has been approximately at the same high level over the years. There is a close connection of wealth and industrial progress.

And underdevelopment shows up Social Inequality: Health Indicators

Poor and deteriorating health indicators characterize underdevelopment. Consider for example the Global Hunger Index (GHI), health expenditure and the percentage of people undernourished to assess our current conditions. Nigeria's hunger index scores ranging from **28 to 32.5**; this implies that the hunger level in Nigeria **is ranked serious**. Furthermore, Nigeria is number 103 among countries **under hunger indicating serious hunger**. On the other hand, Vietnam recorded the highest decline in hunger index with percentage change of -48.3% between 2000 and 2020. Nigeria also shows a reduction in Global Hunger Index with percentage change of -28.4% between 2000 and 2020. However, despite the decline, the country is still experiencing serious hunger. Nigeria also shows increase in the percentage of the population undernourished from **8.8 percent in 2013-2015 to 14.6 percent in 2018 – 2020**.

[1] https://unctad.org/system/files/official-document/aldc2020d2_en.pdf, page 17.

2. What caused Nigeria's Economic Reversal?

Nigeria is poor because the country has experienced not only weak industrial growth, but also de-industrialization. Nigeria's descent into the ranks of poor nations resulted from the nexus of technological backwardness and resource-dependence. In other words, the central reason behind the wide and terrifyingly widening wealth gap between developed and developing countries **is the gap in knowledge, especially scientific and technological knowledge.** If natural resources alone were the basis of wealth, the Democratic Republic of Congo, Angola, and Nigeria among others will not be too far down the prosperity ladder yet they are among the poorest on earth[2]. Rich nations have a long history of *Learning* and acquisition of knowledge. They use this knowledge to master nature and to transform natural resources to high value goods.

Poor nations like Nigeria on the other hand, possess enormous natural resources, but lag far behind in the technological knowledge necessary to transform their natural endowment to high value goods. Those countries, blessed with oil and minerals, are unable to add value to these precious gifts of nature not only for lack the technological capabilities, but the allure of short-term revenue derivation has also locked these countries into the phenomenon of "resource curse". To be clear, the possession of natural resource is not the problem. The institutions and policies that arise around resource-abundance shape the trajectory of a country's development in the ways.

Nigeria has practically destroyed all the institutions necessary for this nation to acquire scientific and technological knowledge over the last 50 to 60 years: primary, secondary schools, universities, Research and Development institutes (RDIs), all in decay. It is exacting a high price now, over this generation. It is bound to exact extremely high price over in coming generations. Let me illustrate. In the 1970s, India initiated the critical steps that led to a Green Revolution and one that has made it a pharmaceutical powerhouse today.

Two key historical events, in India's agricultural and pharmaceutical sectors, altered the country's trajectory. In 1963, following a famine, India imported 250 tons of high-yielding Mexican dwarf wheat seed varieties to test on farms on a wide scale. Positive results led to the importation of a further 18,000 tons through the following year, which transformed wheat production in the South Asian country. Three harvests later, the sector had added $1.4 billion to the nation's GDP and there was a subsequent rise in production of rice and other key commodities as well. Ultimately, this Green Revolution had a transformative impact on India's economic prospects.

Then in 1972, the Indian government passed the Product Patents Act, which transformed the country's pharmaceutical sector by enabling domestic firms to replicate drugs that had been

[2] The top countries in 2022 with the highest GDP are United States: $20.89 trillion, China: $14.72 trillion, Japan: $5.06 trillion, Germany: $3.85 trillion, United Kingdom: $2.67 trillion, India: $2.66 trillion, France: $2.63 trillion, Italy: $1.89 trillion.

patented by multinational corporations. Indian pharmaceutical companies went on to dominate the global business for reverse-engineered generic medicines that sold far more cheaply than their patented counterparts did. India's domestic pharmaceutical market was **$42 billion** in 2021 and likely to reach $65 billion by 2024 and further expand to reach ~$120-130 billion by 2030. For the period 2021-22, export of drugs and pharma products stood at **$24.6 billion. Without functioning laboratories and R&D capabilities, these could not have happened.**

History matters and progress is path-dependent.

The cost of overcoming the knowledge gap built up over centuries is huge. The squandering of our riches and lost time will be difficult to recover. Consider the Nigerian oil and gas sector as an example of a colossal opportunity lost. The extant weak technological base is exerting incalculable damage. Nigeria has the second largest oil reserves in Africa, and yet is a net importer of Liquefied Petroleum Gas (LPG) and myriad petroleum products. It has the 9th largest natural gas reserves and yet barely has enough gas to generate 5 MW of electricity. **According to OPEC, the country exported $27.73bn worth of petroleum products in 2020, while the value of the country's petroleum imports in 2020 was $71.285bn.** The country has an installed refining capacity of 445,000 barrels per day from four (4) refineries. Yet, these four refineries refined *zero* barrels of oil in 2020 given that they are broken down and are inoperable. In a country with the necessary metallic and chemical sector capabilities to produce, maintain and innovate, this situation will be unthinkable.

Again, while the country has massive gas reserves, Nigeria's citizens have no access to electricity. Nigeria is among the top counties in the world with the highest number of portable generators. Dependence on imported fuel has put serious pressure on Nigeria's foreign exchange at the expense of other productive sectors of the economy. In the face of the Ukraine-Russia war, with oil price soaring to 100$/barrel, Nigeria cannot meet its OPEC quotas due to unprecedented crude oil theft and divestment from the upstream oil sector. The country has proven gas reserves that can potentially provide a Gross Value Added (GVA) of $18.3 billion annually and 6.5 million full-time jobs to the domestic economy (PwC). Flared gas alone can power 5.3 GW of power through Modular IPPs and decentralized grids. None is happening.

Due to a weak industrial base, Nigeria's oil and gas make only small contribution to GDP, despite generating the bulk of export earnings, as it is a highly technology and capital intensive industry that employs few people. We do not produce the materials and equipment used in the exploration and production domestically. There is minimal domestic manufacturing input in the oil sector, especially in the oil product refining. The local content makes up about 5% in goods and services. **This is because we lost the chance to develop the metallic and chemical manufacturing bases.**

In sum, Nigeria's oil discovery, just like DRC's enormous mineral deposits and the dependence on these resources exerted a strong exclusionary effect on industrialization. It did so by displacing

the tradeable sectors especially industrial manufacturing with the resultant outcome of arresting structural transformation of the economy over time. Secondly, dependence on crude oil led to the collapse of the agriculture sector, which successive governments have tried to restore. Nigeria in the **1950/60s produced over 40% of global oil palm; in 2022, it produces 2% while Malaysia and Indonesia between them command over 80%.** Again, over the last sixty years, Nigeria lost massive opportunities to transform its agricultural sector, as did comparator countries in Asia such as India, Malaysia, Indonesia and Vietnam. By so doing, we lost time required for the long learning dynamics that is required for mastering technologies. We have fallen far behind in competitiveness in key sectors in which we were global players in the 1950s/1960s.

We are therefore paying a huge price for 60 years of lost opportunities to industrialize

The cost of a weak industrial base manifested during the Covid-19 pandemic. In the face of acute shortages of vaccines, African countries looked on helplessly while individuals in the Western nations received multiple booster vaccine shots. It was not about money. Nobody cared if you die or live as a poor African. When these African nations had money to buy vaccines, they were pushed to the back of thequeue in the global supply chain. Vaccine nationalism ensured that as at July 2022, only 16% Africans on average were vaccinated. While much of the developing world begged and complained about lack of global collaboration, a half dozen Western pharmaceutical companies dug into their arsenal of scientific and technological banks and came up with the mRNA vaccines.

One of them is Pfizer. Pfizer reported a 92% operational growth in revenue to $81.3 billion for the full year 2021, compared with $41.7bn for the full year 2020 mainly from Comirnaty which is a Covid-19 vaccine jointly developed by Pfizer and BioNTech.[3] While the crisis ravaged the world, one company with technological dominance in its sector reported a revenue almost three times the revenue from crude petroleum of Africa's largest exporter, Nigeria.

The history of the company's agile response to the pandemic runs far deeper and goes farther back in history, 174 years ago. It was the development of deep-tank fermentation by Pfizer, which enabled the mass production of penicillin for use in World War II. It laid the basis for much of what the company is today: a pharmaceutical juggernaut[4]. This story applies to all technologies from textiles, iron and steel, synthetic rubber to agriculture. The acquisition of knowledge, formation of skills, and the evolution of large organization from aircrafts to shipbuilding is a marathon race, not a sprint. Successive forms build upon previous forms. As Isaac Newton, the famous English scientist, once said, "**If I have seen further, it is by standing on the shoulders of giants."** Of course, Newton was not literally standing on the shoulders of giants. Newton was

[3] https://www.pharmaceutical-technology.com/news/pfizer-full-year-2021-revenues/, accessed, July 3, 2022

[4] It was designated a National Historic Chemical Landmark by the American Chemical Society (ACS) in a special ceremony in Brooklyn, N.Y., on June 12, 2008. Source:

explaining that his ideas did not come from him alone. Earlier works underpinned Newton's success in the discovery of the universe more than others did, and discoveries made by fellow scientists, either in his own time or earlier. Knowledge growth is cumulative; it has been growing exponentially over centuries. A country that refuses to invest in knowledge building, in education of its citizens, in scientific and technological assets will descend into underdevelopment.

Nigeria is backward because it did not achieve Economic Diversification

Vietnam exported an estimated **$348 billion** worth of goods in 2020, a ten-fold increase when compared with Nigeria's exports in the same year. In macroeconomic terms, Vietnam's total **exported goods represent 30.3% of its overall Gross Domestic Product** for 2020 ($1.148 trillion valued in Purchasing Power Parity (PPP). Given Vietnam's population of 97.4 million people, its 2020 exports translates to roughly **$3,600** for every resident of Vietnam.

In contrast, Nigeria's total exports of around $34 billion represents less than 8% of its GDP of $432.3 billion. The country's revenue basket remains constrained due to its export revenue concentration (dependence on oil and few primary commodities); trade concentration (dependence on a few trading partners – China and Europe); high food imports (with most processed foods coming from outside the continent) necessitating the need and urgency for both economic and trade diversification as well as food self-sufficiency.

Contrasting the two, what is important is that although **Vietnam's export revenue came largely from non-oil products such as phones, electronics goods. It also remains a major exporter of agribusiness**. Vietnam exported agribusiness products such as footwear and textiles totaling over $30 billion. **This not only equals Nigeria's total annual oil revenue, but also far exceeds the less than $3 billion revenue that Nigeria received from shipping out raw leather, cocoa powder, sesame, cashew and mainly raw agricultural commodities**, which would be converted into finished products and re-exported to Nigeria[5].

Indonesia and Malaysia dominate global oil palm. The two countries drew from the same gene plasm; Nigeria relied on wild groves, Malaysia developed a strategic industrial masterplan in 1956. The sector in Malaysia enjoyed systematic investment including R&D spending, aggressive breeding and tissue culture developments[6] investment in science and technology. **Currently Malaysia has six million hectares of plantation while Nigeria has 10% of that at 600,000 hectares**. It is a contrasting story of industrial transformation for them and stagnation and bad governance for Nigeria.

[5] Nigeria drags as Vietnam lifts 45m citizens out of poverty - International Centre for Investigative Reporting (icirnigeria.org)

[6] https://www.researchgate.net/publication/342245806_OIL_PALM_ECONOMIC_PERFORMANCE_IN_MALAYSIA_AND_RD_PROGRESS_IN_2019 accessed May 1, 2021.

In 1990, Malaysia's export was 32.8 billion. **Nigeria is at where Malaysia export capability was 30 years ago**. **We are like 50 years behind South Korea**. That country with a population of 33 million people, exported goods worth $234 billion in 2020, which translates to roughly $7,100 for every resident. In other words, Malaysia progressed; it did so through a strong *Vertical Diversification* from its modest agricultural base (rubber and oil palm) by investing explicitly in high tech sectors capabilities, especially electronics. It did not neglect its agriculture but rather through *horizontal diversification*, industrialized its agricultural sector. Malaysia's biggest export products by value in 2020 were electronic integrated circuits, refined petroleum oils, palm oil, vulcanized rubber clothing or accessories, and solar power diodes or semi-conductors. Petroleum oil contribution to Malaysia's export declined over time. Malaysia earned RMB 67 billion (US$ 16 billion) from oil palm in 2018.

Indonesia is currently the largest producer of palm oil in the world; it supplies half of global demand. The country's oil palm plantations that have expanded over the years leveraged substantial economic growth and created notable downstream industries. **At the beginning of the 21st century, the total area planted by palm oil was only four million hectares, but it expanded to more than 14 million hectares by 2020.** The total planted area has grown more than 300% in the last 10 years. Along with the oil palm plantation expansion, crude palm oil (CPO), cooking oil, and biofuel industries have continued to grow and are targeted not only at meeting the domestic market but at also fulfilling export needs.

Due to horizontal diversification and value addition, Indonesia is now the 26th largest exporting country; as at 2015 total export volume stood at $161 billion while import at $139 billion, this meant $21.7 billion of positive trade balance.

Factors explaining Divergence with Nigeria

From a major exporter, Nigeria has become the largest importer of Malaysia palm oil in the Sub-Saharan Africa region with 287,000 metric tons. *Rather than deploy its relatively good research results from R&D systems, its production systems have relied on outputs from wild groves, which in Nigeria accounts for over 90 percent of total production. This source has continued to decline due to aging trees and increasing difficulties in finding the necessary labor to ensure maximum exploitation of the groves.* This is how it was for decades. *Nothing seems to have changed even now in 2022.* Nigeria's lazy approach of relying on age-old traditional methods rather than adopting an industrial agriculture pathway has cost the country dearly: regrettable lost opportunities.

How to Halt the slide into industrial backwardness

Good Governance and Institutions

In 1965, the **World Bank[7] invested** around $2 billion into over 45 projects in Southeast Asia, Africa, and parts of Latin America to support the growth of the palm oil industry. Indonesia received $618.8 million, the highest; Nigeria received $451.5 million, while Malaysia got $383.5 million. Nigeria remained the second-largest recipient of funding from the World Bank for palm oil investments with six projects. Sadly, only one project succeeded while the rest went bankrupt. A more efficient governance, competence and financial management of the industry could have created a different outcome. Opportunity loss at critical historical junctures pushed the country down the ladder behind comparator countries.

Development requires Elite Agreement to work for the welfare of their people

Nigeria has experienced unusual spate of violent conflicts and terrorism. Befuddling is the reality of a country that brought peace to Liberia and Sierra Leone but is unable, for the most part, to provide basic security to its citizens. Natural resource wealth has elicited violence driven by group interest and competing interests. In conflict-rife environments, three main factors put the environment in an unstable situation. First, the lack of trust between elites and the mistrust of the state by citizens, due to ethnicity and disillusionment, that attends widespread poverty and inequality in poor countries. Second, the difficulty of respecting contracts and agreements. This is due to political backlash from groups that lose power, those who feel cheated or denied economic benefits. Third, **institutional transformation is being derailed from external security threats (read Boko Haram and the rest) and economic shocks (read Russia-Ukraine war) that slow progress.** In short, fractionalization, conflict, both violent and non-violent, include corruption lead to over-dissipation of resource rents.

Public Finance Mismanagement

Poor management of public finance is evident in Nigeria's **Revenue to GDP ratio.** The ability of a government to collect tax – to fund public goods and services in developing countries-is a measure of governance capacity. Taxation provides the largest share of government revenues in almost all countries and is relatively predictable and sustainable, in contrast with non-tax revenue sources such as official development assistance and royalties. In most European countries, it is between 30-50 percent. In 2019, the Asia-Pacific (24) average tax-to-GDP ratio was **21.0 percent**, below the OECD and LAC averages, (33.8% and 22.9%, respectively) and higher than the Africa (30) average (16.6%, 2018 figure).

[7] World Bank, oil palm, Indonesia, Nigeria, support, 1965 - Search (bing.com), accessed, June 27, 2022

"…..Nigeria, unfortunately, has the distinction of having about the lowest revenue-to-GDP ratio in the world," the standard rule of thumb is that for the government to provide the basic services and law and order, it needs between 15 to 20 percent of GDP as being revenue, and this will be both at the federal and state levels combined. In Nigeria, it was eight percent in 2019. In 2020, in the middle of the Covid-19 crisis and with the fall in oil prices, that went down to about between five and six percent"[8].

Bad Leadership ruined Industrial Progress

According to a report from the Abandoned Projects Audit Commission that President Goodluck Jonathan set up in 2011, it stated that 11,886 federal government projects were abandoned in the past 40 years that is from 1971 to 2011, in Nigeria.[i] According to one commentator, "Nigeria has become the world's junk –yard of abandoned and failed projects worth billions of naira"[ii] In stressing the economic implication of project abandonment to the society and the nation, the committee cited the case of the Ajaokuta Steel Complex. This project commenced in 1979 with an estimated project cost of $650 million but remains uncompleted after spending over $5 billion.[iii] During this period, the country spent about ₦2.1 trillion, an equivalent of $10.5billion in importing steel into the country[iv].

Contrast the Nigerian story with South Korea, which began building a steel industry at about the same time as Nigeria. That country's steel sector became a major steel exporter creating about 65, 000 jobs in the industry and now makes an estimated **60 billion dollars per annum in revenue**[v], and with this, reaping forward and backward linkages effect to the entire economy, hence, quickening its status as a major industrial power. The POSCO story is a sharp contrast to the Ajaokuta tragedy, unlike the monumental failure that it turned out to be, POSCO brings to life one of the world's great industrial success stories. While the industrial ascent of this project exemplifies the meteoric rise of South Korea's Pohang Iron and Steel Company and the incredible impact, it has had on this once small agrarian country, the Nigerian iron and steel story illustrates how to turn a blessing to a curse. In just about twenty-five years, POSCO became the largest steel company in the world and by its success transformed South Korea into the industrial age. The location of the Nigerian project became a sad and depressing site of a White Elephant.

How Transformational Leadership fostered Industrial Progress

In explaining South Korea's macroeconomic takeoff, Park Chung Hee's leadership was one of many factors[vi]. The development of POSCO, his leadership was the *pivotal variable*, dwarfing all other factors, in determining the scale and speed of the effort. The history of POSCO is synonymous with the leadership of Park, both as the soldier and the builder of modern Korea. While the people looked for a way of escape from the hunger they endured during the lean months of spring, Park envisioned the building of an industrialized nation. At the heart of this new industrial country was the steel industry as the engine of economic growth. Steel provided inputs

[8] https://www.thecable.ng/nigerias-revenue-to-gdp-ratio-lowest-in-the-world-says-world-bank

for the rest of the heavy and chemical industries, from machinery, automobiles, shipbuilding to the defense industries. “Steel is national power,” said Park at the celebration of POSCO’s tenth anniversary. Park put the steel industry at the top of his list of strategic industries as early as 1961, when he promulgated the first of his Five-Year Economic Development Plans (FYEDPs). Steel was a measure of military might and industrial progress.

China's industrial revolution started in 1978 under the leadership of Deng Xiaoping. He advocated a very humble, gradualist, experimental approach with its economic reforms. Central to Deng’s reform was the creation of China’s Special Economic Zones (SEZ). Created after Deng Xiaoping’s economic reforms, the Special Economic Zones are areas where market-driven capitalist policies are implemented to attract foreign businesses to China. The first 4 Special Economic Zones (SEZ) were established in 1979. Shenzhen became the model for China’s Special Economic Zones when it was transformed from 126-square-miles of villages known for sales of knockoffs to a bustling business metropolis.

Dr. Akinwumi Adesina had a vision of Nigeria’s own green revolution including of national wheat sufficiency. He started this program in Nigeria and as usual in Nigeria; politicians promptly stopped it once he left his position as Minister of Agriculture. When he became the President of the AfDB this vision was implemented in Sudan and Ethiopia. The Technology for African Agricultural Transformation (TAAT) has led to significant achievements in production area expansion, farm productivity and production, providing employment opportunities, and improving farmer incomes and quality of life. The improvements were possible with strong leadership commitment and support from the Government of Sudan who established the Supreme Committee for Wheat Self-sufficiency to oversee this national agenda.

In 2014/15, the wheat production area in Sudan was 224,700 ha and at a productivity level of 2.1 tons ha^{-1} producing 472,000 tons, a self-sufficiency ratio of 28%. By 2018/19, wheat was cultivated on a total area of 294,000 ha and at an average productivity level of 3.1 tonnes ha^{-1} producing about 900,000 tons of grain, a self-sufficiency of 45%. A bumper harvest and record production was achieved in the 2019/20 crop season and an area of 315,500 ha was harvested with a total wheat production of 1.15 million tonnes. This was **the highest production level ever in the history of wheat production in Sudan**, with a self-sufficiency ratio of almost 50%. Ethiopia has achieved the same feat through TAAT. In the last planting season, Ethiopia cultivated 650,000 hectares and imported zero tonnes this year. Next year that country will export a minimum of 1.5 MT of wheat to Kenya and Djibouti. Vision and leadership.

Political Leadership and Transformational Leadership determine the progress of nations

In closing

Clearly, at this historical juncture, when Nigeria faces monumental challenges of governance and development, the country requires the kinds of leaders who are not only committed to ensuring high performing public sector institutions and organizations but those who seek to transform

society through both vision and action. A transformational leader puts forward core values that is practiced both in private and in public; he/she celebrates the diversity of the nation, and effectively communicates his ideals. He/she thinks in strategic terms and demands commitment to excellence and innovation, sensitivity to ethical and cultural values of the society irrespective of an inevitable globalizing world in which nations must compete for investment and resources. This leader initiates and promote commitment to these strong values through design of reward schemes and monitoring and accountability mechanisms that reduce the opportunities and incentives for rent-seeking.

A transformational leader uplifts the followers through inspiration and passion. The followers draw on the energy of the leader and works for the team to succeed. Transformational Leadership is characterized by a compelling vision, a strong accent on a changed future by which the followers are guided in their actions and conduct; such leadership style excites and convert potential followers.

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vi From the book The Park Chung Hee Era, Sang-young Rhyu and Seok-jin Lew

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