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National economic policy and corporate sector development

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**TITLE: NATIONAL ECONOMIC POLICY AND CORPORATE SECTOR
DEVELOPMENT: A STUDY OF SOUTH-WESTERN NIGERIAN
AGRICULTURAL COMPANIES DEVELOPMENT.**

KEY WORD: *Economic policy, Agricultural companies, South-Western Nigeria*

INTRODUCTION

Economic policy is an important tool for business development, it supports the management of the corporate entity in a nation to control, plan and make effective, efficient and appropriate decisions. According to Afolabi (2015) national economic policy is a guide in establishing a company's goals and objectives that are not in conflict with the country's economic agenda or developmental plan. Therefore, effective and efficient national economic policy will promote better business ethics and healthy competition among companies operating in various sector of a national economy and this will in turn aid business development across the country.

The aim of this study is to determine the impact of national economic policies on agricultural company development in South-Western Nigeria. This research was orchestrated by a lack of development in the agricultural sector in Nigeria despite the enactment of various agricultural policies by the Nigerian government in an attempt to aid the development of the agricultural sector. The study will also develop a model on how national economic policies can be used to influence the development of agricultural companies in South-Western Nigeria and by extension the other regions in the country.

The research questions:

The study will answer the following research questions:

- i. How has national economic policy been used to **aid the development** of agricultural companies in South-Western Nigeria?
- ii. Are there **models** on how agricultural policies can be used to influence the development of agricultural companies in South-Western Nigeria?
- iii. What are the impacts of the **regulatory framework** on agricultural policy implementation in Nigeria?
- iv. Has **policy transmission mechanisms** been used to influence agricultural policy implementation in South-Western Nigeria.
- v. What are the **barriers** faced by South-Western Nigeria in the development of agricultural companies?

The research objectives

To achieve the aim of this study the following objectives shall be evaluated through the empirical study.

- i. To determine how economic policy can be used to influence agricultural company development.
- ii. To develop a model on how agricultural policies can be used to influence the development of agricultural companies in South-Western Nigeria.
- iii. To evaluate the impact of the regulatory framework on agricultural policy in Nigeria
- iv. To determine how transmission mechanisms can be used to influence agricultural companies' development in South-Western Nigeria.
- v. To examine the various barriers faced by South-Western Nigeria in the development of agricultural companies.

Literature review

Economic development requires advancement in provision of primary healthcare, access to education and affordable living standard for the citizen of the country on a sustainable basis. Some of these basic amenities are either lacking or not adequate in developing nations, including Nigeria, which is "regarded as the giant of Africa" (Bray, 2018). Most developing countries find it difficult to implement sustainable economic programmes and policy due to lack of appropriate regulatory framework (Hazell et al., 2010) which should have served as a guide for both policy-makers and beneficiaries of the policy.

A sustainable economic system requires a regulatory framework for the supervision and coordination of the commercial activities of a country (Afolabi, 2015). For sustainable economic development, the government may initiate a regulatory framework for the control of financial services, climatic change, insurance practice and for agricultural development, just as the United Kingdom developed national planning policy framework, for sustainable development in economic, social and environmental issues. The review of the regulatory framework for sustainable development carried out by Luken (2006) on 18 developing nations, through data collected from their national

reports/surveys, shows that the legal, economic and institutional framework for effective corporate management only exist as a document in the form of company laws, sectoral guidelines and policy documents in most developing nations. The availability of SEC rule, code of corporate governance, Companies and Allied Matter Act (CAMA 2004) and Nigerian Stock Exchange guidelines which are not complied with, by the operators in the Nigerian economic sectors, further confirmed the findings of Luken (2006). The examples of non-compliance in Nigeria is the case of public listed companies, failure to holding an annual general meeting and file an annual return as required by CAMA and SEC rules. This was contrary to the view of (Cervantes-Godoy and Dewbre, 2010), which state that developing countries through their system of governance and economic management were able to reduce poverty substantially.

The case of Malaysia whose economy has been growing at an annual rate of 6% over 30 years and was able to reduce poverty from 52.4% to 3.8% over the period (Zin, 2014) further confirm the view of Cervantes-Godoy and Dewbre (2010). Luken (2006) however, identifies the problems of sustainable development in developing nations, as lack of coordination and coherence among policies and programmes, lack of adequate data or database, lack of punitive measures against defaulters, lack of application of modern technologies in sectoral development, absence of involvement of all stakeholders in policy formulation and abuse of policies by institution and government agencies.

The study, however, concluded that there is the need for effective partnership between the public and corporate sector for the development of appropriate policies, improved control mechanism and technological progress, which will create a positive impact on business and economic development. This was corroborated by a paper produced by Ibietan (2011) which state that, the causes of Nigerian government policy reversals and failure in the agricultural policy-making process from 1960 to 2011 was as a result of non-conformity with the theoretical framework of the policy-model adopted.

The case of Green Revolution (GR) programme initiated in 1980, was an evidence of non-conformity with the conceptual framework, in which the Asian countries were able to increase agricultural output through smallholders-based GR, while the African countries such as Nigeria could not make significant progress with the programme (Birner and Resnick, 2010) due to lack of proper monitoring, evaluation and accountability of the considerable fund invested on the GR project (Iwuchukwu and Igbokwe, 2012). This programme was later jettisoned in 1986 without any meaningful achievement. Ibietan (2011) review, of various literature on the policy-making process, also shows that inconsistency and lack of collaboration among the policy stakeholders had been the principal barrier of developmental programmes in Nigeria. He, therefore, concluded that model which aid continuity of policy implementation is appropriate for the Nigerian government as policy inconsistency and failure, which is the bane of agricultural policy in Nigeria would be prevented.

However, the study failed to point out the particular causes of failure of the national policy in Nigeria, which may be as a result of corruption, fraud, financial irregularities and poor implementation of the plans.

Summary of initial findings from the literature reviewed.

AUTHOR/YEARS	METHODOLOGY	FINDINGS	CONCLUSION
Hazell et al., (2010)	Review of literature on the role of agriculture.	Lack of appropriate regulatory framework in developing nations.	Development of policy package by policy-makers.
Afolabi (2015)	Narrative-Textual-Case study (NTCS) and interview.	Lack of regulatory framework for sustainable economic development.	Adoption of Schumpeter ideology of introduction of a new method.
Luken (2006)	Review of national report and use of the survey.	The economic framework exists but not functional.	Need for effective partnership between government and corporate sector.
Cervantes Godoy and Dewbre (2010)	Review of literature.	Reduction of poverty through effective governance by developing nations.	Data from most developing are not reliable.

Ibietan (2011)	Review of literature on policy establishment and implementation.	Non-conformity with the theoretical framework of the policy-model adopted.	Adoption of a model that aid continuity of policy implementation by the Nigerian government
Micah and Ruth (2014)	Questionnaires	Persistence high level of corruption, fraud and white-collar crime in Nigeria.	Weaknesses in the regulatory framework and judicial system is a major barrier in fights against corruption
Bergh (2000)	Review of policy documents	Restriction of the framework to area of economic distortion e.g negative externalities.	Use of step-by-step approach in the development of the regulatory framework.
Iwuchukwu and Igbokwe (2012)	Time series approach	Nigeria needs the political will of leaders to overcome the challenges of a weak regulatory framework	Adoption of external policies developed by international agencies can help to minimise the risk associated with a weak regulatory framework

Further development

Through the empirical study, the paper will further be used to determine the impact of national economic policies on agricultural company development in South-Western Nigeria. This will be achieved through the use of the mixed method which comprises both quantitative and qualitative methods as indicated in the table below. Questionnaire shall be administered to staff and management of the` Agricultural companies (in each of the six states) in the region and few members of management of the selected companies shall be interviewed. Secondary data from government and international agencies will also be used to support the primary data collected from the agricultural companies. Metrics will further be used to analyse and interpret the primary data gathered through the interviews and questionnaires.

Ontologies	Internal realism
Epistemology methodology	Critical Realism
Aims	Discovery
Starting points	Questions
Designs	Surveys, interview and cases
Data types	Numbers and facts
Analysis/interpretation	Correlation, regression, etc.
Outcomes	Theory testing and generation

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