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EFFECTS OF INSTITUTIONAL DEFICIENCIES ON DIVERSIFICATION OF NIGERIAN ECONOMY UNDER THE BUHARI ADMINISTRATION (2015-2023)

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Abstract
The paper delves into the economic policies implemented by the Buhari administration amidst the prevailing institutional deficiencies in Nigeria. Focusing on initiatives like the border closure policy and various government programs such as the Export Expansion Facility Programme, MSMEs Survival Fund, and National Poverty Reduction and Growth Strategy (NPRGS), the study evaluates their efficacy in addressing institutional shortcomings in the country. Analysis of available data underscores the pervasive nature of institutional deficiencies in Nigeria, including corruption, ethnic nationalism, informal trade activities, elite rivalry, and import dependency. The research aims to identify the primary causes of these deficiencies and assess their impact on economic diversification efforts under the Buhari administration. Employing both quantitative and qualitative methodologies, the study utilizes elite and institutional theories to explore the correlation between institutional weaknesses and economic diversification. Descriptive and statistical analyses are employed to test the null-hypotheses (H_0) *and interpret the findings The study reveals that institutional deficiencies significantly impede economic diversification in Nigeria. It recommends the implementation of robust political institutions and economic reforms to facilitate the diversification of the Nigerian economy and mitigate the effects of institutional deficiencies.*

Keywords: Institutional deficiencies, Economic diversification, Buhari administration, Nigeria, Policy reforms

Introduction
The diversification of the Nigerian economy has been hindered by institutional deficiencies, with factors such as corruption, ethnocentric nationalism, informal trade activities, and elite rivalry among the primary causes. These deficiencies intertwine with Nigeria's political landscape, often clouded by ethno-religious biases and patron-client patterns orchestrated by the ruling elite. Such politicization of public policies exacerbates political instability and economic crises, as noted by scholars like Ake (1995) attributing these issues to colonial legacies and the adverse effects of globalization, particularly in perpetuating inequality and distributional injustice.

This paper seeks to assess the root causes of institutional deficiencies and their impact on hindering the diversification of the Nigerian economy. Specifically, it examines the extent to which Buhari's diversification initiatives address these institutional shortcomings. Through the administration of questionnaires and interviews with key stakeholders, the study aims to

provide insights into these issues. Utilizing both primary and secondary sources, including consultations with entities like the Nigerian Export Promotion Council (NEPC), the States Committee on Export Promotion (SCEP), and the Organized Private Sector (OPS), such as the Manufacturers Association of Nigeria (MAN), the research adopts elite and institutional theories to investigate the underlying causes of institutional deficiencies and their effects on economic diversification.

With a total population size of 61,623,436 in the study areas, a sample size of 400 was determined using Taro Yamane's (1976) formula, yielding 301 retrieved responses. Employing quantitative and qualitative methods, including correlation coefficients for statistical analysis, the study examines the relationship between Buhari's diversification efforts and institutional deficiencies. The findings from SPSS output and opinion descriptions drawn from the analysis lead to conclusions and recommendations aimed at addressing these challenges.

Statement of Problem

Institutional deficiencies become one of the postcolonial domicile problems that impede Nigerian economic diversification. One of the impacts of institutional deficiencies on the diversification of the economy is debt burden with entrapment of poverty. The constraint of the productive sector since the sojourn of oil dominating economy escalates the proportions of debt burden (Nnamani, 2003 p.22). A typical example is the outsourcing of resources from Africa especially the raw materials for finishing goods. This brings about poverty and inequality which can result in political instability. It is the political economic factors that evaluate the nature of any leadership with characteristics of policies politicization. The existent dimensions of public policies in Nigeria depict hardly any coloration of institutional deficiencies some of which impede the diversification of the Nigerian economy. There are several instances to acknowledge that proximity with institutional deficiencies is the reason there are perennial issues with the policies of diversification in Nigeria. Hardly any successive government in Nigeria without an economic policy that has to do with diversification of the economy but is perverse either in the process or at implementation (Adewale & Khalid, 2016, pp.4-5).

The Buhari administration ascended the government with his tripod (economic prosperity, security of lives and properties, and anti-corruption) agenda to ameliorate the political and economic problems in Nigeria. The administration was predetermined to solve the economic downturn affecting Nigeria as it had infused many strategies and initiatives into the economic policies. Buhari administration is believed to have risen above the board with these impactful strategies such as the National Economic Sustainable Plan (NESP) which gave birth to several others in the quest for diversification of the Nigerian economy. It is exemplified in the administration’s border closure policy and its several programmes such as the Export Expansion Facility Programme, MSMEs Survival Fund, and National Poverty Reduction and Growth Strategy (NPRGS). Despite these programmes hinge on diversification of the Nigerian economy, debt burden, poverty, and informal trade activities, among others persist. Imagine Nigeria which is richly endowed with human and material resources is currently constricted with bilateral debt that stood at N87.38 trillion (US$113.42 billion) by the second quarter of 2023, from US$1.39 billion in June 2015 (Izuaka, M., 2023).

This remains a significant obstacle to economic growth and diversification efforts. The question arises: To what extent have these diversification programs addressed the institutional deficiencies that have long plagued the country's economy?
This study aims to explore three key research questions:

1. What are the primary causes of institutional deficiencies in Nigeria, and to what extent do they hinder economic diversification?

2. How has the Buhari administration's diversification agenda been impacted by these institutional deficiencies?

3. To what extent can diversification of the Nigerian economy alleviate institutional deficiencies?

By addressing these questions, this study seeks to not only uncover the root causes and impacts of institutional deficiencies on economic diversification but also to propose pathways for overcoming these challenges. Ultimately, the findings of this research aim to provide valuable insights for policymakers and stakeholders in devising effective strategies to enhance economic diversification and mitigate institutional deficiencies in Nigeria.

Contextualizing the Concepts of the Study

The study delves into four operational keywords essential for understanding the dynamics of institutional deficiencies and their impact on Nigerian economic diversification under the Buhari administration. These concepts—Institution, Diversification, Policies, and Elite—are pivotal in dissecting the complexities of institutional deficiencies and their repercussions on economic diversification efforts.

Institutional Deficiencies: Institutions are established with rules and regulations to serve specific purposes within society. The term institution is an establishment set up with rules and regulations aimed at certain purposes in any society. Institution is defined as a large important organization that has a particular purpose, a custom or system that has existed for a long time among a particular group of people or the act of starting or introducing something such as a system or a law (Hornby, 2015, p.815). This underscores the crucial role of government institutions in national development, influenced by factors like corruption, ethnic nationalism, and clientelist politics. These challenges hinder effective policy implementation, perpetuating institutional deficiencies. Institutions become antithetical to the reality of political economy due to several factors like structural challenges and other deficiencies. The platform with which it proliferates includes a corrupt environment, prevailing ethnic nationalism, clientelist politics, and others that characterized primordial public (Onuha 2014, p.324).

Public Policies: Public policy is central to institutions as Wayne Parsons (1996) cited in Olaniyi (2013) defines it as "…what counts as public goods or services, who provides? Who pays? Who [do] they pay?" Public policy determines the allocation of public goods or services, addressing societal problems through decision-making processes. Public policy encompasses the mechanisms through which governments address societal issues, allocate resources, and determine the provision of public goods and services. However, in Nigeria, public policies often encounter institutional challenges, leading to ineffective implementation and exacerbating existing deficiencies in governance. The complexities of Nigeria's policy landscape are reminiscent of Chinua Achebe's portrayal of the country's troubles in "The Trouble with Nigeria." In every area, there is a problem, and there is also policy jurisdiction aimed at surmounting the obstacles inherent. The reason Nigeria is still longing to overcome the obstacles which necessitates suitable policies with institutional adherence (Ambali, 2020).

Political Elite: The political elite comprises the ruling class responsible for formulating, implementing, and evaluating public policies, and in most cases, to the benefit of the governing elites. They wield economic power and authority over key institutions, often to their own benefit. In Nigeria, political elites prioritize political power as a means to influence

the economy, leading to intra-elite conflicts and institutional deficiencies. In Nigeria, political elites wield authority over key institutions and resources, perpetuating power imbalances and contributing to institutional deficiencies. Their influence shapes policy outcomes and determines the trajectory of economic diversification efforts. The political elite is the rule of the organized minority who possess economic power to maintain a sit-tight-syndrome and hold on to political Institutions visible to the policies system and the feature of power exclusion. The political elite lies in a position of authority in key economic and political institutions with personal resources, intelligence, and skills, which set elites apart from other classes in society. Governing political elites grab power because authoritative allocation of value while counter-elites oppose the arrangement and claim to be counter-productive.

Economic Diversification: Economic diversification is a fundamental strategy aimed at reducing reliance on a single revenue source by developing a wide range of products, industries, and export markets. The term refers to developing a wide range of products, interests, skills, etc., and being "more successful or reducing risk" (Hornby, 2015, p. 447). In Nigeria, economic diversification is crucial for overcoming the challenges of a monolithic economy, including security issues, corruption, and economic failure. Economic diversification is paramount for addressing imbalances in trade, promoting sustainable development, and mitigating economic vulnerabilities. In the situation of the Nigerian economy, economic diversification policy has been focused upon for positive impact on a monolithic economy whose effects alienate the security challenges, corruption, economic failure, and inappropriate policies among others. The reason it exacerbates expansion of exports to new products or new markets (extension margin), as well as having a balanced mix of existing products (intensive margin) (Duhu 2022, p.19).

Theoretical Framework: *Elite and Institutional Theories*

The elite and institutional theories of politics are foundational perspectives in political science, examining power dynamics and decision-making in societies. These theories profoundly influence our understanding of power distribution and maintenance, whether through elite concentration or institutional influence. They remain pivotal in contemporary political discourse and analysis. According to Pareto (1935), political power consolidates among a small elite who perpetuate control through institutional mechanisms, a concept echoed by Mosca (1939) and Michels (1962). In Nigeria, these theories elucidate power struggles driven by elite sentiments, resulting in exclusion and internal conflicts, thereby perpetuating institutional weaknesses that hinder progress. The institutional theory reveals how leadership approaches under the Buhari administration impact economic diversification efforts. Integrating both elite and institutional theories, this study aims to comprehensively analyze governance dynamics and economic diversification factors in Nigeria.

It underscores the roles of political elites and institutional frameworks in fostering or impeding national development, exposing entrenched ideologies prioritizing personal gain over collective progress. This approach contributes to scholarly discourse and informs policymaking for inclusive growth. Key proponents of elite theory include Vilfredo Pareto, Gaetano Mosca, and Robert Michels, renowned for their insights into elite dynamics and oligarchic tendencies. Institutional theory is shaped by Max Weber's foundational work on bureaucracy and rational-legal authority, Thorstein Veblen's exploration of institutional roles in economic behavior, and John W. Meyer's studies on institutional impact on social and political outcomes. This synthesis of elite and institutional theories offers a nuanced perspective on governance challenges and economic strategies in Nigeria, aiming to foster sustainable development and equitable progress.

Methodology and Administration of Instruments

This study focuses on two key variables: institutional deficiencies and the diversification of the Nigerian economy under the Buhari administration. Data for this research were gathered from both primary and secondary sources, utilizing in-depth interviews (IDIs) and a closed structured questionnaire. Primary data collection involved conducting in-depth interviews and administering structured questionnaires to the 400-target population among who were Organized Private Sector, MSMEs, Exporters, MDAs, and other relevant stakeholders across the selected study areas. The secondary sources utilized included relevant books, articles, reports, journals, newspapers, internet sources, and dissertations/unpublished works, as well as publications from relevant government agencies. Sampling methods were employed to select participants from the population, with purposive or judgmental sampling utilized due to constraints such as time and resources. Questionnaires were administered across selected states based on the representative population percentage of the study areas, ensuring a diverse and comprehensive sample.

Table 1: Study Areas and Sample Size

S/N	*Study Area*	*Population (million)*	*Sample Size*	*Percentage*
1	Lagos State	16, 536,000	107	26.8
2	Kano State	16, 253,549	105	26.4
3	Anambra State	7,299,910	48	11.8
4	Rivers State	7,234,973	47	11.7
5	Adamawa State	5,236,948	34	8.5
6	FCT	4,802,443	31	7.8
7	Kwara State	4,259,613	28	6.9
Total	**Population**	**61,623,436**	**400**	**99.9**

Source: Author's Computation from Nigeria population 2024.

The study areas include Lagos with 107 samples, Kano with 105, Anambra with 48, Rivers with 47, Adamawa with 34, Kwara with 28, and the FCT with 31. The allocated sample size is based on the percentage sample of the study areas in each state, representing the sample of each geopolitical zone - Lagos (South West); Kano (North West); Anambra (South East); Rivers (South-South); Adamawa (North East); Kwara (North Central); and FCT as the federal capital. This method is chosen based on strategic locations, facilities, or relevant populations for the study. The questionnaire comprises two sections, with section 'A' collecting demographic information about the respondents, while section 'B' is designed to elicit data on a Likert scale ranging from Strongly Disagree (SD) to Strongly Agree (SA). It includes 15 total opinion descriptions for responses to each statement used to test the three Null hypotheses about the study.

Out of 400 questionnaires distributed across seven study areas, 301 were retrieved, yielding a retrieval rate of 75.3%. Descriptive statistical/mathematical analysis, including correlation coefficients, was conducted using SPSS. The results addressed three null hypotheses (H_0) aligned with research questions and objectives. SPSS output included correlation coefficients and percentages from opinion descriptions, analyzed alongside respondents' opinions. A correlation coefficient (r) between 0.70 and 1.00 indicates a very strong association between

variables. Values closer to 1 suggest a stronger relationship, with a perfect positive correlation indicated when r = +1. Positive correlations were observed between variables related to institutional deficiencies' causes, indicating a significant relationship at the 0.05 and 0.01 levels (2-tailed). Taro Yamane (1973) applied to arrive at 400 questionnaires administered in a multilayer method to represent the sample size of the **61,623,436** population of the sample size in the study areas. **Taro Yamane's (1973)** formula below is adopted as a finite population sample thus:

$$\boldsymbol{n} = \frac{\boldsymbol{N}}{(\boldsymbol{k}+\boldsymbol{N})(\boldsymbol{e})^{\boldsymbol{2}}}$$

Where;
n= the sample size
N= the population size
k= 1
e= the acceptable simple error
For this study, a 95% confidence interval was utilized with an acceptable margin of error of 0.05, representing a 5% tolerance level. By substituting these values into the formula, a sample size representative of the population was determined. By employing a multilayer method, 400 questionnaires were administered, reflecting the sample size derived from the total population of the study areas, which amounted to 61,623,436. This approach ensured a robust and representative sample for the study. Find the stratum allocation and analysis of the study areas as in the state population multiplied by 100 and divided by the total population with Taro Yamane's (1973) formula:

$$\boldsymbol{n} = \frac{61{,}623{,}436}{1+61{,}623{,}436\ (\boldsymbol{0.05})^{\boldsymbol{2}}}$$

$$\boldsymbol{n} = \frac{61{,}623{,}436}{1+61{,}623{,}437\ (\boldsymbol{0.0025})}$$

$$\boldsymbol{n} = \frac{61{,}623{,}436}{154{,}058} = 400\ \textit{Sample Size}$$

Data Presentation and Analysis

The analysis of the study is informed of qualitative and quantitative approaches, including thematic analysis and descriptive statistics. The demographic information table detailed respondent distribution across questionnaire categories, enhancing understanding of the study population. Demographic information presented reflects a diverse and inclusive sample, contributing to the robustness of the study's findings. The broad representation across different demographic categories ensures a comprehensive exploration of perspectives and experiences relevant to the research topic. The demographic information provided offers valuable insights into the characteristics of the study population as exemplified in the table below:

Table 2: Demographic Information

Sex	***Frequency***	***Percentage***
Male	187	62.1
Female	114	37.9
Total	**301**	**100**

Marital Status	***Frequency***	***Percentage***
Single	82	27.2
Married	179	59.5
Divorced	36	12
Others	4	1.3
Total	**301**	**100**
Age	***Frequency***	***Percentage***
18-30	66	21.9
31-40	104	34.6
41-50	72	23.9
51-60 and above	59	19.6
Total	**301**	**100**
Education	***Frequency***	***Percentage***
SSCE/GCE	41	13.6
NCE/OND	64	21.3
HND/BSc	101	33.6
Postgraduate	71	23.6
Others	24	7.9
Total	**301**	**100**
Religion	***Frequency***	***Percentage***
Islam	141	46.8
Christianity	107	35.5
Traditional	31	10.3
Others	22	7.4
Total	**301**	**100**
Ethnic Background	***Frequency***	***Percentage***
Yoruba	79	26.2
Hausa/Fulani	92	30.6
Igbo	58	19.3
Others	72	23.9

Total	**301**	**100**
Occupation	***Frequency***	***Percentage***
Civil Servant	99	32.9
Private/Business Owner	87	28.9
Trader	47	15.6
Politician	30	10
Unemployed	38	12.6
Total	**301**	**100**

Source: Author's Field Survey, 2024.

In the category of ***Sex Distribution,*** male respondents form the majority (62.1%), indicating their higher involvement in decision-making processes related to the political economy, aligning with societal norms. ***Marital Status*** include married (59.5%), followed by single individuals (27.2%), providing a broad perspective on the subject matter. While ***Age Distribution*** across age groups is relatively balanced, with a significant proportion aged 31-40 (34.6%), reflecting diverse life stages and experiences. The Respondents have diverse ***Educational Backgrounds,*** with a notable proportion holding HND/BSc (33.6%) and postgraduate degrees (23.6%), enriching the study with varied perspectives. In the ***Religion*** distribution, Islam (46.8%) dominates, followed by Christianity (35.5%), showcasing religious diversity that may influence perceptions on governance issues. Respondents represent various ***Ethnic Groups,*** with Yoruba, Hausa/Fulani, and Igbo being prominent. This diversity enriches the study's findings with perspectives from different cultural backgrounds. The Participants come from diverse ***Occupational Backgrounds,*** with civil servants (32.9%) and private/business owners (28.9%) being prevalent. This inclusion enhances insights into societal roles and experiences.

Deficiencies in the Diversification of Nigerian Economy

Weak institutions are the root cause of political failures, leading to endemic corruption and its consequences. Olowookere (2014) highlights how weak political institutions contribute to corruption, reflecting the attitude of public officials towards governance. Ekeh's (1975) concept of 'amoral civic public realm' versus 'moral primordial public realm' elucidates this dynamic. Corruption undermines government programs, perpetuating a cycle of moral ambiguity. Singer (2009) notes that clientelist countries often have weak regulatory structures, enabling rent extraction by politicians. In Nigeria, weak political institutions fuel corruption, ethnocentric tendencies, and elite rivalries, sustaining informal trade activities and reliance on oil. Strengthening institutions is crucial to addressing these challenges and fostering sustainable development.

Table 3: Pearson Correlation table

Correlations

		Institutional_Deficiencies	Impact_of_Institutional_Deficiencies	Buhari_Economic_Diversification	Pathway_for_Economic_Diversification
Institutional_Deficiencies	Pearson Correlation	1	1.000**	.879*	.997**
	Sig. (2-tailed)		.000	.050	.000
	N	5	5	5	5

Impact_of_Institutional_Deficiencies	Pearson Correlation	1.000**	1	.884*	.996**
	Sig. (2-tailed)	.000		.047	.000
	N	5	5	5	5
Buhari_Economic_Diversification	Pearson Correlation	.879*	.884*	1	.884*
	Sig. (2-tailed)	.050	.047		.047
	N	5	5	5	5
Pathway_for_Economic_Diversification	Pearson Correlation	.997**	.996**	.884*	1
	Sig. (2-tailed)	.000	.000	.047	
	N	5	5	5	5

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

The Pearson correlation table above showing the correlations between different variables related to institutional deficiencies and economic diversification in Nigeria. Each cell in the table represents the correlation coefficient between two variables, along with the significance level of the correlation. The table shows there is a strong positive correlation between Institutional Deficiencies and Impact of Institutional Deficiencies (r = 1.000**, significant at the 0.01 level). Of all the variables, the output on the impact of the institutional deficiencies is r = +1 (r = 1.000**), has a very strong association with 2-tailed, and has a perfect relationship with the independent variable (IV) (institutional deficiencies). Because the interpretation affirms that the correlation is significant at the 0.01 level (2-tailed). This implies that the causes of the institutional deficiencies which is the independent variable (IV) hurts its effects on economic diversification which is the dependent variable (DV) in Nigeria.

The outcome rejects H_{01} (Null-hypothesis 1) because the statement explicit ***there is no significant relationship between institutional deficiencies and their impacts on the diversification of the Nigerian economy***. However, it is pertinent to note that the output is complemented by the opinion description which rated the variables (indicators) with a simple percentage under which the research question (RQ) 1 of the study is answered, as in the opinion description ***table 4*** below. Analyses from the opinion description Table 4 based on the deficiencies in the diversification of the Nigerian economy follow the highest number and percentage of the rating opinion from the questionnaire.

Table 4: Opinion Description- Institutional Deficiencies

S/N	*Items*	*SD*	*D*	*N*	*A*	*SA*	*Total*
1.	***Corruption and Rent-Seeking*** become the greatest of the institutional deficiencies in the diversification of the Nigerian economy.	67 *(22.3%)*	53 *(17.6%)*	10 *(3.3%)*	77 *(25.6%)*	94 *(31.2%)*	301 *(100%)*
2.	The ***Clientelist Politics*** is the bane of institutional deficiencies that inhibit the diversification of the Nigerian economy.	49 *(16.3%)*	52 *(17.3%)*	21 *(6.9%)*	87 *(28.9%)*	92 *(30.6%)*	301 *(100%)*
3.	***Ethnic Nationalism*** has been the basis of the institutional deficiencies associated with the process of economic diversification in Nigeria.	41 *(13.6%)*	61 *(20.3%)*	35 *(11.6%)*	73 *(24.3%)*	91 *(30.2%)*	301 *(100%)*
4.	***Poverty and Inequality*** an integrated factors that have influenced the institutional deficiencies in the diversification of the Nigerian economy.	40 *(13.3%)*	29 *(9.6%)*	15 *(5.0%)*	96 *(31.9%)*	121 *(40.2%)*	301 *(100%)*
5.	***Inter/Intra-Elite Rivalry*** is a major cause of the institutional deficiencies in the efforts of	33	27	22	101	118	301

	diversification of the Nigerian economy.	*(11.0%)*	*(8.9%)*	*(7.3%)*	*(33.6%)*	*(39.2%)*	*(100%)*

Source: Author's Field Survey Computation, 2024

The analysis is conducted based on the aggregation of opinions, categorized into Strongly Agreed (SA) and Agreed (A) versus Strongly Disagreed (SD) and Disagreed, with Neutral opinions factored in. For each statement, the sum of SA and A percentages is compared to SD and D percentages. The data reveals that for each statement, the sum of SA and A consistently exceeds SD and D, supporting the validity of the statements. Subtracting the Neutral percentage from the combined SA and A, and SD and D percentages yields adjusted percentages, indicating strong support for each statement. Regarding Neutral opinions, ethnic nationalism has the highest percentage at 11.6%, followed by elite rivalry at 7.3%. The lowest is corruption and rent-seeking at 3.3%. This suggests respondents were more aware of corruption and poverty's negative impacts than other variables. Notably, 72.8% of respondents identified elite rivalry as the primary cause of institutional deficiencies, followed closely by poverty and inequality at 72.1%. This underscores the significance of these factors in Nigeria's institutional challenges.

Impact of Institutional Deficiencies on Economic Diversification

The research highlights key impediments to the success of government programs in Nigeria, including poverty, inequality, elite rivalry, and corruption. Despite the government's focus on poverty reduction, the effectiveness of these programs remains questionable. Issues such as political patronage, corruption, and unrealistic policy goals often hinder progress. Additionally, international political economy influences Nigeria's developmental agenda, with global institutions like the IMF and World Bank shaping policies. The interconnectedness of nation-states underscores the importance of considering sociopolitical and economic realities in policy formulation. Addressing these challenges requires a nuanced understanding of both domestic and global dynamics to ensure sustainable development.

Table 5: Opinion Description- Impact of Institutional Deficiencies

S/N	***Items***	***SD***	***D***	***N***	***A***	***SA***	***Total***
1.	***Informal Trade Activities*** escalate deficiencies in the diversification of the Nigerian economy.	42 *(14.0%)*	*29 (9.6%)*	*21 (6.9%)*	*89 (29.6%)*	*120 (39.9%)*	301 *(100%)*
2.	There is the implication of a ***Monolithic Economy*** for economic diversification within the institutional deficiencies in Nigeria.	*63 (20.9%)*	42 *(14.0%)*	*22 (7.3%)*	81 *(26.9%)*	93 *(30.9%)*	301 *(100%)*
3.	Institutional deficiencies influence the rampant ***Security Challenges*** in the efforts of economic diversification in Nigeria.	37 *(12.3%)*	55 *(18.3%)*	25 *(8.3%)*	83 *(27.6%)*	101 *(33.5%)*	301 *(100%)*
4.	There is an inverse parallel between the Institutional Deficiencies and ***Deficit Balance of Trades/Payment*** in Nigeria.	71 *(23.6%)*	49 *(16.3%)*	31 *(10.3%)*	69 *(22.9%)*	81 *(26.9%)*	301 *(100%)*
5.	***Inappropriate Policies*** heighten the problem of institutional deficiencies in the process of diversifying the Nigerian economy.	*30 (10.0%)*	49 *(16.3%)*	19 *(6.3%)*	99 *(32.9%)*	104 *(34.5%)*	301 *(100%)*

Source: Author's Field Survey Computation, 2024

The analysis in Table 5 reveals the impact of institutional deficiencies on economic diversification. Opinion 1 garners the highest support at 69.4%, followed by Opinions 2, 3,

and 5, ranging from 57.8% to 67.4%. Subtracting Neutral percentages from the combined SA and A, and SD and D percentages yields adjusted percentages, indicating strong support for each statement. Opinion 5, inappropriate policies, receives the highest rating at 87.3%, while the lowest, deficit balance of payment, stands at 79.4%.

These findings underscore the interconnectedness of variables under both causes and effects of institutional deficiencies. Informal trade activities persist despite stakeholders' efforts to curb them, leading to significant economic losses. The oil-dominated economy exacerbates pervasive poverty and corruption, amplifying security challenges. Inequality, ethnic chauvinism, and unsuitable government policies exacerbate socio-economic imbalances, perpetuating deficits in the balance of payments. Dumping of goods and inappropriate public policies further compound these challenges, necessitating comprehensive macroeconomic strategies. In conclusion, addressing institutional deficiencies is imperative for Nigeria's economic diversification. Policymakers must confront corruption, poverty, and inequality while implementing effective governance structures to foster sustainable development.

Buhari's Diversification of the Nigerian Economy

Buhari's administration embarked on a tripod agenda, with economic prosperity central to poverty reduction efforts. Despite successive administrations' attempts at development policies, Buhari's administration stood out with various poverty reduction programs aimed at economic diversification. For instance, it allocated N400 billion for poverty reduction schemes, including the N75 billion COVID-19 relief fund from the Nigeria Economic Sustainability Plan (NESP). The Export Expansion Facility Programme (EEFP) injected N50 billion into non-oil exports, benefiting over 900,000 companies (ExportNigeria 2021, P.29). Testimonies from beneficiaries attest to the administration's poverty reduction efforts exemplified that, programmes like the Government Enterprise and Empowerment Programme (GEEP) provide funding for startups and SMEs, facilitated by the Bank of Industry (***Interviewee 1***). While listing the Buhari's achievement, the former Minister of Information, Alhaji Lai Mohammed also stated that "over 500,000 youths from the Graduate internship scheme which provides short-term employment." Despite these efforts, institutional deficiencies persist. The study found a strong positive correlation (r = .879*) between Institutional Deficiencies and Buhari Economic Diversification, indicating a significant association.

This challenges the hypothesis that Buhari's economic diversification has no impact on institutional deficiencies. Opinion ratings in Table 6 further support this correlation, emphasizing the need to address institutional shortcomings for effective economic diversification under Buhari's administration. Buhari's administration's ambition set out with a tripod agenda, security of lives and properties; economic prosperity; and the fight against Corruption, as a springboard towards development in Nigeria. Of the tripod agenda, economic prosperity is central to this study's premises on the poverty reduction programmes of the administration. Poverty is a serious issue and is endemic to African development in which Nigeria is one of the largest players. The problem needs the outright attention of all the stakeholders in the society, especially the policy Actors whose responsibilities involve economic policies. It is well understood that every successive administration in Nigeria embarks on developmental policies but, more often than not, fails in the process or at implementation. However, Buhari's administration is believed to have been above the board due to its several poverty reduction programmes most of which were predetermined for economic diversification. For example, N75bn scheme is being funded by the Buhari administration from the 2.3 trillion Nigeria Economic Sustainability Plan (NESP), as stated

by former Minister of State for Industry, Trade and Investment, Amb. Mariam Yalwaji Katagum (ExportNigeria, 2021, p.20).

However, with the efforts of Buhari's administration towards diversification of the Nigerian economy, the institutional deficiencies are still visible. The study investigated this with a correlation coefficient while the independent variable (IV) is institutional deficiencies, Buhari's economic diversification is the dependent variable (DV). There is a strong positive correlation between Institutional Deficiencies and Buhari Economic Diversification (r = .879*, significant at the 0.05 level). The two variables have a strong association and the correlation is significant at the r = 0.879*, 2-tailed and testing the H_{02} (Hypothesis 2) statement that ***Buhari's economic diversification has no significant impact on institutional deficiencies in Nigeria.*** The output further justifies opinion rating as explicit in the Likert scale Table 6 based on variables that characterized economic diversification under Buhari's administration described in ***Table 6 below:***

Table 6: Opinion Description- Buhari's Diversification of Economy

S/N	*Items*	*SD*	*D*	*N*	*A*	*SA*	*Total*
1.	There is no implication of ***Corruption and Rent-Seeking*** for Buhari's diversification of the Nigerian economy.	75 *(24.9%)*	55 *(18.3%)*	11 *(3.7%)*	69 *(22.9%)*	91 *(30.2%)*	301 *(100%)*
2.	The issue of ***insecurity*** did not inhibit Buhari's border closure policy towards the diversification of the Nigerian economy.	48 *(15.9%)*	51 *(16.9%)*	34 *(11.3%)*	75 *(24.9%)*	93 *(30.9%)*	301 *(100%)*
3.	***Ethnic Nationalism*** has no negative tendency in Buhari's diversification of the Nigerian economy.	39 *(13%)*	44 *(14.6%)*	27 *(9.0%)*	84 *(27.9%)*	107 (*35.5%)*	301 *(100%)*
4.	There is no impact of Buhari's ***Poverty Reduction Programmes*** on the diversification of the Nigerian economy.	75 *(24.9%)*	71 *(23.6%)*	13 *(4.3%)*	67 *(22.3%)*	75 *(24.9%)*	301 *(100%)*
5.	***Inter/Intra-Elite Rivalry*** was not part of the deficiencies in Buhari's diversification of the Nigerian economy.	84 *(27.9%)*	81 *(26.9%)*	10 *(3.3%)*	55 *(18.3%)*	71 *(23.6%)*	301 *(100%)*

Source: Author's Field Survey Computation, 2024

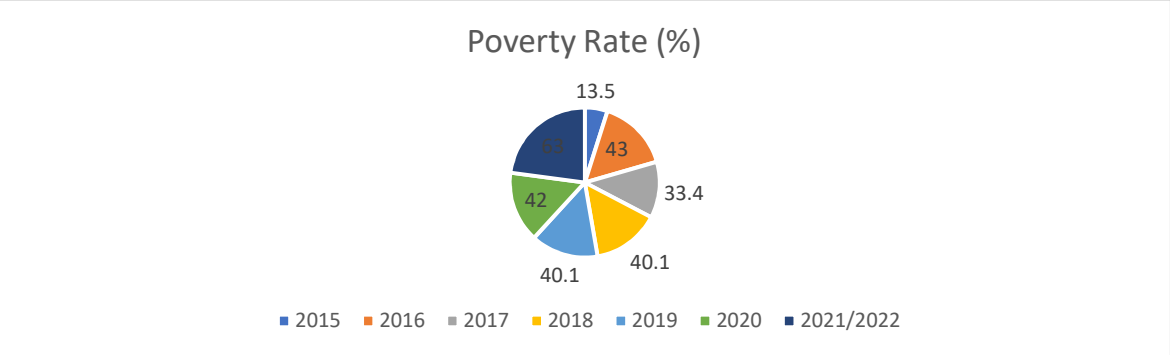
Opinion 1, with 53.1% Strongly Agree (SA) and Agree (A) responses compared to 43.1% Strongly Disagree (SD) and Disagree (D), validates the first statement. Opinion 2, with 55.8% SA+A and 32.9% SD+D, supports the second statement. Opinion 3, with 63.4% SA+A and 27.6% SD+D, strongly supports the third statement. Opinion 4, with 47.2% SA+A and 48.5% SD+D, is also supported, while opinion 5, with 41.9% SA+A and 54.8% SD+D, supports the fifth statement. The highest opinion, at 93.4%, is on the fifth statement, while the lowest, at 77.4%, is on the second statement. Regarding Neutral percentages, Opinion 1 has 92.5%, Opinion 2 has 77.4%, Opinion 3 has 82%, Opinion 4 has 91.4%, and Opinion 5 has 93.4%. The highest-rated statement is inter/intra-elite rivalry, while the lowest is security challenges.

Impediments to Buhari's Diversification Programmes

The Buhari administration faced numerous challenges, including the COVID-19 pandemic, rising inflation, ongoing insurgencies, and the impact of the Ukrainian war on Nigeria's post-pandemic economy. According to the National Bureau of Statistics (NBS), 133 million

Nigerians are living in poverty, representing 62.9% of the population, as depicted in the bar chart below, comparing the poverty rates of 2022 to those of 2015.

Fig 1: Poverty Rate & Corresponding Year



Source: ***Author's Computation, 2024.***

Studying the yearly figures, 2015's lowest poverty rate occurred midway through the year due to a transition in administration. In 2016, a spike coincided with a petroleum price hike. As the population grew, so did access to development funds. The opposition criticizes the APC-led government, citing instances of corruption, as seen in Senator Ayo Akinyelure Patrick's allegations regarding the NG CARE program. The 2022 National Bureau of Statistics report highlights a 370% rise in the budget deficit. Economist Professor Akpan Ekpo notes the trend of expenditure exceeding revenue, contravening the Fiscal Responsibility Act. Nigeria's Eurobond loan repayment is expected until 2038, according to the Minister of Finance and National Planning. The National Poverty Reduction and Growth Strategy, spearheaded by Vice President Yemi Osinbajo, includes initiatives like MSMEs Survival Fund and TraderMoni, aiming to reduce poverty. Alhaji Lai Mohammed lauds the administration's efforts, citing the National Youth Investment Fund and MSMEs Survival Fund. The MSMEs Survival Fund supports various sectors and provides one-time payments to self-employed individuals. Other initiatives include N-Power, N-Tech, and youth entrepreneurship programs. Despite these efforts, various factors hinder poverty reduction programs.

Pathway to Diversification of the Nigerian Economy

Successive Nigerian governments have struggled with mismanagement of resources, leading to misplaced policy priorities and institutional challenges hindering economic reforms. Elite rivalry, poverty, inequality, and corruption are major factors contributing to institutional deficiencies, negatively impacting economic diversification efforts. Despite the Buhari administration's focus on economic diversification, challenges like elite rivalry and corruption persist, hindering progress. Addressing these issues is crucial for Nigeria's economic diversification. Analyzing the correlation of some variables meant for economic diversification as the dependent variable (DV) with the institutional deficiencies (IV), the two are strong. It has a correlation that is significant at the $r = 0.997^{**}$ with 2-tailed. The implication is that the output rejects H_{03} (Null-Hypothesis 3) a statement that ***there is no extent of diversification of the Nigerian economy to mitigate the effects of institutional deficiencies in Nigeria.***

Table 7: Opinion Description- Economic Diversification

S/N	*Items*	*SD*	*D*	*N*	*A*	*SA*	*Total*
1.	The efforts for ***Non-Oil Export Development*** can reduce the threats of institutional deficiencies.	65 *(21.6%)*	45 *(14.90%)*	11 *(3.7%)*	89 *(29.6%)*	91 *(30.2%)*	301 *(100%)*

2.	***Infrastructural Development*** would alienate institutional deficiencies in the diversification of the Nigerian economy.	39 *(13.0%)*	42 *(14.0%)*	17 *(5.6%)*	91 *(30.2%)*	112 *(37.2%)*	301 *(100%)*
3.	Export-led industrialization would certainly get rid of Institutional deficiencies in Nigeria.	49 *(16.3%)*	44 *(14.6%)*	22 *(7.3%)*	85 *(28.2%)*	101 *(33.6%)*	301 *(100%)*
4.	***Export Incentives*** can aid the diversification of the Nigerian economy which can halt the institutional deficiencies in Nigeria.	29 *(9.6%)*	47 *(15.6%)*	25 *(8.3%)*	90 *(30.0%)*	110 *(36.5%)*	301 *(100%)*
5.	The ***Poverty Reduction Programmes*** can mitigate the influence of institutional deficiencies in Nigerians.	51 *(16.9%)*	47 *(15.6%)*	15 *(5.0%)*	99 *(32.9%)*	89 *(29.6%)*	301 *(100%)*

Source: Author's Field Survey Computation, 2024

The analysis in Table 5 confirms the study's hypotheses, with each opinion strongly supporting the corresponding statement. The highest-rated variables are non-oil export development, poverty reduction programs, and infrastructural development, while export incentives received the lowest rating. Addressing institutional deficiencies in Nigeria requires robust political institutions and effective policy implementation to promote economic diversification.

Non-Oil Export Development: This should be embarked upon in the value chain to reduce the export of the primary or raw commodities but the added-valued export in Nigeria. It would enable the Government to generate employment and identify key industries with comparative advantages and high potential for export penetration with inclusive trade practices. With this, Nigeria would turn into a competitive location for investment, with a focus on attracting investors (domestic and foreign) with export potential to establish businesses and reduce the tension of crises that emanate from idleness and structural vulnerability.

Infrastructural Development: The government and other concerned stakeholders should provide the economic infrastructure which is investment-related infrastructures such as good road network, portable water, power supply, airport, railway, etc. Infrastructural shortages are hampering the economic viability of meeting international standards in a competitive world that requires competency and standardization.

Provision of Export Incentives: Finances play key roles in the business development and thrilling expansion of business for export. Financial access inspires, encourages, and supports small and medium-sized businesses to take export exploration in new markets. The government should set mechanisms through which export sectoral focus; intensity on the Export Development Fund (EDF); and review of the Export Expansion Grant (EEG) to meet up with the export challenges.

Export-Led Industrialization: The government should formulate and implement appropriate policies that will aid value-added exports in Nigeria. In as much as the exports target international markets, quality standardization of made-in-Nigeria products as well as focus on value addition should be of paramount importance. Suitable policies are essential in this regard and Nigeria should understudy the strategies adopted to countervail the aggressive extra-territorial economic domination of the industrialized West and to create new initiatives for domestic growth.

Poverty Reduction Programmes: Enabling environment for entrepreneurial development of the businesses to thrive without the distress of poverty and the like. The government should

legislate on diversification which boosts the Small and Medium Enterprises (SMEs). The government should re-invent poverty reduction programmes which are in tandem with the entrepreneurial development of Nigeria. Governments should collaborate to diversify the Nigerian economy via ease of doing business to lose the shackles of the structural entrapment confronting most of the non-industrialized countries.

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