PUBLIC FINANCIAL ADMINISTRATION AND RESOURCE ALLOCATION IN NIGERIA- CHALLENGES AND PROSPECTS

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Abstract
Nigeria public financial administration has witnessed tremendous challenges essentially because it has generated accumulated deficits from 2004 to 2017; linking the country's inability to fund its developmental priorities following a decline in the sales of a single resources commodity accounting and providing major funding for the national budget. The study adopted constructivist and capability theories to argue for a model of sustainable transition from a single stream of revenue to a three sector economic model that is diversify, broader, comprehensive and inclusive in dealing with the current developmental crisis. The study among others, recommended that 70% of resource activities should be focused on the service sector while narrowing the swelling of the extractive/agricultural sector to at least 5% to enable capacity building of the country's human resources to transform the revenue profile to wipe out the perennial culture of deficit financing.
Keywords: Democratic deficit, Development crisis, Mode of production, Public Financial Administration, Rentier State.

1. INTRODUCTION

Essentially, government provides public goods for its citizens since the private sector or individuals lack the incentives to do so. It, therefore, requires that such provisions must be funded to actualize government intensions.The mechanism to plan for and finance government policies is what is referred to as public finance.

Bhatia (2002) sees public finance as the range of activities covering the subject matter of the way public treasury operates and the repercussions of alternative policies open to deal with the question of policies choice and their operations. Likewise, Musgrave and Musgrave (1989) and Bhatia (2002) viewed public finance as enquiry into the aspect of economic policies that has to do with the operation of public budget, and categorizing same to include allocation of resources, adjustment in the distribution of income and wealth, and stabilization of price and employment.

Bhatia (2002) and Sharma, Sadana and Kaur (2013) admitted that financial administration is an aspect of public finance that deals with the whole range of activities that goes into the public budget as a means of financing government operations with the intent to utilize resource allocation, distribution and stabilization to avert market failure in the economy of a state.

Public financial administration and resource allocation is a concerted effort that systematically investigate and analyze how resources can be effectively mobilize from diverse sources in an efficient manner to bring about inclusive development. This however means that how a state mobilizes and allocates its resources, have consequences for its development.

2. Statement of the Problem:

Nigeria has all the potentials and opportunities to develop, it has diverse minerals, human, cultures, fertile land, marine resources and relatively huge market for its produces. It significantly qualifies as a global hub of multilayer opportunities for development; but paradoxically its potential has not translated to concrete development.

With Nigeria's huge diverse potentials from which it can draw up resources to fund its budget (without borrowing), oil and gas accounts for 80% of government revenue, 95% of export receipts and 90% of foreign exchange earnings (Ikelegbe 2016), its extractive sector is capital intensive and utilizes foreign technology and expertise for extraction, affected by international price volatility and declining extraction of oil quantity (caused by internal conflict in the Niger Delta region over resource control or governance) in the face of increasing demand for democratic dividends will naturally produce a rentier state in crisis of development.

Udoma (2016) lamented that the tragedy of the Nigerian economy is in the crisis of declining price of oil from $114 per barrel in June 2014 to about $38 per barrel by December 2015 on average production of 2.23mbpd and currently below $50 per bear with 1.2mbpd. Upward demands by competing groups for their share of public revenue (essentially from a new administration that promises change), tends to increase government budget amidst declining revenue, creating fiscal deficits, with the shock of high misery index (a combination of unemployment, inflation and poverty).

Oil production is capital intensive, highly automated, requiring expertise skills, technology (that is foreign and alien -to developing- country of extraction) and minimal human participation to produce. Oil rent is produce independent of social production and therefore alienate participation and essentially its distribution (Alao 2007).

A single resource funded budget experiencing declining capacity with increasing demand to meet the development priorities only leaves Nigeria with two major outcomes. The first and easiest way out is to borrow to fund the budget. The consequence is that if borrowing is habitual and perennial, its hurting overtime to the economy since debt serving will further reduce the capacity of the state to fund development priorities. Our recent history of accumulated debt of $28billion inherited by the Obasanjo administration was partly forgiven. Okonjo-Iweala, Soludo and Muhtar (2003). The second option is to explore more avenues internally through which local resources can be effectively utilized for optimal productivity that can fund the budget without recourse to borrowing.

Nigeria current economic model (over-centralized rentier monoculture) is obsolete and there is urgent need to construct a sustainable transition model to deal with the overdependence on oil rent and the perennial budget deficits with uncontrolled shocks from external sources that exposes Nigeria to high misery index and crisis of development.

The mode of production (how a society organizes its production) determines the nature and pattern of distribution and consumption. How does a rentier state produce, distribute and consume oil wealth? How does a rentier state sustain itself when faced with accumulated deficits? How does a rentier state navigate through the regime of fiscal deficits and development crisis to construct inclusive growth and participatory development?

The focus of this paper is to look at Nigeria's public financial administration and construct a model of transition from a traditional single rentier resource dominated economy to a modern three sector economy that is broader, complementary, participatory and sustainable. With the capacity to retool our budgetary system to deal with the development challenges.

2. Conceptual clarification:

Development crisis: A development crisis arises as a situation in a state when it is submerged inperennial fiscal deficit challenges and is unable to generate income or revenue to fund its developmental priorities. A development crisis is characterized as a condition of relative scarcity of resources to fund development priorities of a state.

Fiscal deficit: A situation in which a public budget's total expenditure surpassesthe revenue or earnings of a state with the exclusion of money borrowed. Accumulated yearly deficits is what becomes debt.

Mode of production: Mode of production is referred to as the strategy deployed by a state to rationally organize its production in relation to sectorial engagement and capability of its human resources. The mode of production is moderated and affected by the age or periodization of globalization or civilization.
Public Financial Administration: is concern with the policy direction of how a country's derives public revenues, distribute resources and manage public assets in an efficient manner that allows government to have sufficient provisions to funds its budgeted activities, programs and projects.
Rentier State: A rentier state is a state that essentially derives all or considerable portion of its income or revenue to fund its national budget from the mineral or natural resources found in its domain but is exploited by external technology and client.
Transition: Transition refers to the exiting of a pattern of production and consumption with preference to sectorial organization and contribution that a state adopts to deal with its development challenges, essentially when it is required to deal with its dependent and fiscal deficit problems and make readjustment for development that is sustainable**.**

3. **Theoretical discourse:**

Nigeria is faced (as evidence below have indicated) with fiscal deficit regime from 2004 to 2017 and the buck of funding for the budget were derived from the sales earned from crude oil. Since funding needed for development have intensified in the 4th republic and recourse to borrowing to fund the budget over the years (not minding the consequences of debt serving as challenge for development), there is the need for a (re)construction of economic financial structural transition model from a single resource rentier economy that is consumptive to a three sector economy with a robust production capacity framework that is comprehensive and complementary.
Constructivism is a social theory that refers to the dynamic relationship between **structure** (concentrated/centralized or diffused/segmented organization/state that inflate/deflate how power and resources are deployed and utilized) and **agents** (state and non-state actors) with conflicting interests, and their **capabilities** to reinforce the logic of consequences (cost and benefit) and appropriateness (compliance or legitimacy) to construct, transform or reproduce reality. Barnett (2008)

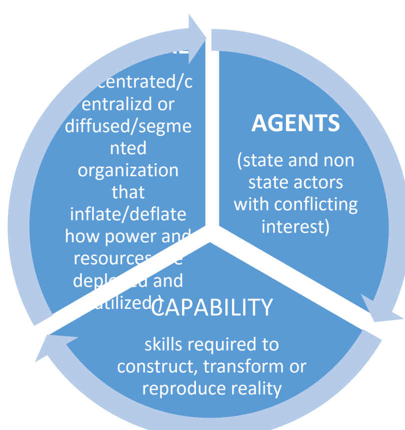

Fig.1. Elements of the constructivism theory.

The three elements in this theory are structure, agents and capability; Structure and agents (both) creates or reinforces the other to cause or reverse the existing condition by adapting the capability of the structure and agents to transit and transform or avert and impair development in a state. Thus the constructivism theory is a mobility theory that tend to explain the fluid nature of structure to create agents which react to the structure and inversely, agents can create structure in

line with their capabilities and interests assuming that these consequences are known and that such actions are legitimate.
The utility of the theory is that it (1) describes the rationale nature and holistic framework that exposes the workings of a dynamic system which focus on the construction or transformation of a structure to meet intending agents' goals by leaving open available options. (2.) Explains reality by defining agents' roles with conflicting interests to respond or adjust to minimize cost and maximize benefits. (3.) It is predictive of conflicting agents' capabilities to construct, produce or transform a structure to utilize power and resources for its interest and justify same to be legitimate. Internalizing the constructivism theory to the Nigerian experience, the elements of the theory is operationalized.

Structure, agents and capability: The Nigerian State with an over-centralized federation captures how the structure inflate its power to concentrate and appropriate oil rents (resources) to fund national budget through allocation and redistribution to agents (state and non-state actors with conflicting ethno-religious elites as representatives of various groups). Under a democratic state with over-centralized structure, decision makers allocate and distribution resources beyond the state resource capability to produce deficit budgets cumulatively.

4. **Data Presentation and Analysis**
Tables (I and II) identifies Nigeria's major earnings to be principally from oil (as such income is generated from rent of natural resources that is extracted by external corporations) and the proceeds are deployed mainly to the consumption of external commodities.

Table 1.Oil Contribution to National budget 1958 to 1999.

FEDERAL GOVERNMENT REVENUE			
YEAR	**TOTAL FEDERAL REVENUE (N000)**	**REVENUE FROM OIL**	**OIL SHARE OF TOTAL REVENUE**
1958-9	154,632	122	0.08
1959-60	177,648	1,776	1.00
1960-1	223, 700	2, 452	1.10
1961-2	228,962	17,070	7.46
1962-3	231,638	16,938	7.31
1963-4	249,152	10,060	4.04
1964-5	249,152	16,084	5.38
1965-6	321,870	29,175	9.06
1966-7	339,196	44,976	18.26
1967-8	300,176	41,884	13.95
1968-9	299,986	29,582	13.95
1969-70	435,908	75,444	17.31
1970-1	755,605	196,390	25.99
1971-2	1,410,811	740,185	*52.46
1972-3	1,389,911	576,151	41.45
1973-4	2,171,370	1,549,383	71.36
1974-5	5,117,370	4,183,816	80.81
1975-6	5,861,600	4,611,700	78.70

1976-7	7,070,400	5,965,500	77.20
1977-8	8,358,900	5,965,500	71.36
1978-9	7,252,400	4,809,200	66.30
1979-80	12,273,400	10,100,400	82.30
1980-1	15,813,100	14,936,900	81.20
1981-2	10,143,900	8,847,800	67.50
1982-3	10,811,400	7,253,000	67.00
1983-4	11,738,500	8,209,700	69.93
1984-5	15,041,800	10,915,100	72.65
1985-6	12,302,200	8,107,300	65.90
1986-7	25,099,800	19,027,000	75.80
1987-8	27,310,800	20,310,800	76.65
1988-9	50,272,100	41,334,400	82.22
1989-90	47,657,000	46,244,000	*97.24
*1990-1998	Nil	Nil	Nil

Source: Osaghae, E.E(1998). Cripple giant, Nigeria since independence, London, C. Hurst and Co. (Publishers) Ltd, cited NNPC bulletin 1994

Table 2 Nigeria's FISCAL POLICY regime 1999-2017

YEAR	TOTAL FEDERAL REVENUE (N000)	REVENUE FROM OIL	REVENUE FROM NON OIL	OIL SHARE OF TOTAL REVENUE %	Overall Surplus(+)/Deficit(-)
1999	949.19	724.42	224.77	76.31	6.09
2000	1,906.16	1,591.68	314.48	83.50	1.55
2001	2,231.60	1,707.56	903.46	76.51	3.21
2002	1,731.84	1,230.85	500.99	71.071	3.8 7
2003	2,575.10	2,074.28	500.82	80.55	2.04
2004	3,920.50	3,354.80	565.70	85.57	**-1.51**
2005	5,547.50	4,762.40	785.10	85.84	**-1.10**
2006	5,965.10	5,287.57	677.54	88.64	**-0.55**
2007	5,727.50	4,462.91	1,264.60	77.92	**-0.57**
2008	7,866.59	6,530.60	1,336.00	83.01	**-0.20**
2009	4,844.59	3,191.94	1,652.65	65.88	**-3.27**

2010	7,303.67	5,396.09	1,907.58	73.88	**-2.04**
2011	11,116.85	8,878.97	2,237.88	79.86	**-1.83**
2012	10,654.75	8,025.97	2,628.78	75.32	**-1.37**
2013	9,759.79	6,809.23	2,950.56	69.76	**-1.4**
2014	10,068.85	6,793.72	3,275.12	67.47	**0.20**
2015	6,912.5	3,830.1	3,082.4	55.40	**-1.6**
2016	3,855.7	717.5	1,454.7	*18.60	**-2.14** ***(-2,204.9)**
2017	4,940.0	1,985.0	1,373.0	*40.18	**-2.18** *(-2,360.0) *NGN2.36 trillion budget deficit *32.34% of total budget *N2.24tn for capital expenditure 30.69% budget

CBN 2014 Statistical bulletin B Final, CBN 2005 Annual Report, 2016 Appropriation Act and 2017 proposed budget**.**

Table 1 showed that from 1971, oil predominated the Nigerian economy by accounting for 52.46% of total revenue and by 1989-90, it has crescendo to a towering height of 97.24% of total revenue for the Nigerian state. The implication is that a decline in oil earning for Nigeria would signify a crisis situation like recession where budget revenue estimation was significantly unrealized.
With increasing rent from oil production, a petrodollar and rentier state was constructed with the capability to create unproductive bureaucracies and rentier class that allocate positions and social benefits without economic transactions to competing groups. The rentier state is an allocative state, it distributes monthly allocations to 36 states and 774 local governments including their unproductive bureaucracies and rentier class. This model of budget financing of national budget majorly from a single commodity is unsustainable. Okonjo-Iweala (2012)
With a rentier state having limited capacity for production and earning from this process, public expenditures necessarily cumulate into a functioning economy that buys citizens loyalty through various distributive welfare programmes. Oil rent is not only centralized and monopolized but social relations of distributions are basically attached to patrimony and prebendal cleavages.

As table 2 indicated, Nigeria's first five years into her fourth republic produced surplus budgets with state resources able to fund the recurrent and capital expenditures of 1999 to 2003. The consolidation of democracy, soon remit more burden to the Nigerian rentier state as recurrent side of the budgets continue to expand from 2004 to 2017, reversing democratic dividends to fiscal deficits for the periods. Recurrent expenditure grew faster than the total revenue profile of the state necessitating regular capital project financing on deficits through borrowing. The burden of the deficit funding of the budget climaxed in 2016 when oil price declined and Nigeria failure to provide alternative sources of funding amidst increasing budget expansion with massive consumption pattern threw Nigeria into economic recession.

The capability of oil rent to fund the Nigerian budget of 2016 became traumatic as the major earning sector ran into crisis of double jeopardy, consisting of external and internal (local) constraints at the same time. Externally, there were decline in demand for oil at the international market as many suppliers saturated the oil market with oversupply, including Nigeria's biggest buyer (America-becoming a seller of the same product). China growth decline affected its purchasing power to demand more of the products. As global growth rescinded, most countries' adopted innovative solutions that requires alternative energy sources away from oil and consequently de-globalization and re-localization policies were adopted by buyers as oil price dropped by almost 60% between June 2014 and June 2016 (Kale 2017)

On the internal angle, the unfinished business of state construction hampered the Nigerian state capability to produce its projected volume of 2.23mpbd, following the resurgence of the Niger-Delta crisis leading to destruction of oil installations and disruption of oil productions. A huge slice of the country's earning was lost to both external and internal factors as oil only accounted for 18.60% for the year 2016. With this challenge, the economy experienced shock treatment as it ran into recession with a deficit of 2.14% to GDP amounting to funding gap of N2,204.9trillion. With increasing (proposed) budget size of N7.298tn for 2017, the scale of the deficit seems expanding as the recurrent side of the budget is still significantly huge; a deficit of 2.18% of GDP amount to a funding gap of N2.36tn (32.34% of the budget) which is bigger than the whole of the capital project size of N2.24tn and 30.69% of the budget. A deliberate attempt to break away from oil dependence to fund the national budget is projected to the tune of 40.18%. The rationale for the increase budget size is connected with the Keynesian doctrine of spending huge to expand the economy in size, scale and intensity to combat the contractions in the economy.

The Nigerian economy is built on massive consumption pattern riding on the back of the extractive sector (sometimes included in the industrial sector as in the case with Nigeria). Extractive sector economy (or mineral resources) is basically rentier and produces poor countries since there is no value addition process and inclusiveness. The pattern of redistribution, historically generate into crisis (Alao 2007). If we do not like our condition, we must make transition to well-placed sector that can accommodate inclusiveness and generate abundance. To do this, we must understand the nature and composition of Nigeria society in making this transition in relation to global revolutionary sectorial trend.

Nigeria is currently 198 million people (NPC 2018), for it to develop, it must connect people to the sector that can address their problems and adequately take advantage of the opportunities that comes with the huge population.

There are three basic sectors in contemporary economy, The **primary sector**/-agriculture, mining and forestry; **secondary** sector/processing, manufacturing and construction; **tertiary sector**/retail, entertainment, financial organization, education, health, intellectual properties, science and technology, tourism, consultancy, warehousing and fashion, etc (http://www.investopedia.com/terms/s/service-sector.asp#ixzz4fpNyEktT)

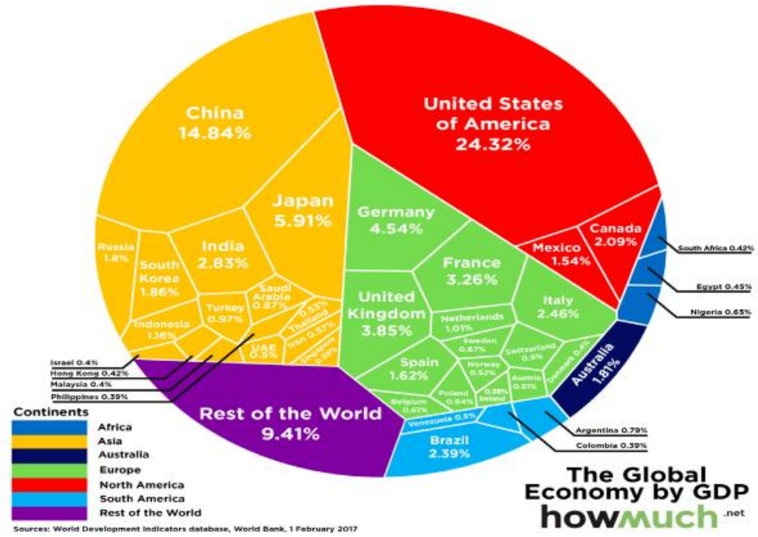

Fig.2. Global Market Share (Size of Economy)

Table 3. Field listing: GDP - composition by sector of origin

S/No.	Country	Agriculture %	Industry %	Service %	Global Mar Share %
1.	United State of Americ	1.1	19.4	79.5	24.32
2.	*China	8.6	40.7	50.7%	14.84
3.	Japan	1.2	27.7	71.1	5.91
4.	Germany	0.6	30.3	69.1	4.54
5.	United Kingdom	0.6	19.2	80.2	3.85
6.	France	1.7	19.4	78.8	3.26
7	*India	16.5	29.8	45.4	2.83
8.	Italy	2.2	23.9	73.8	2.46
9.	Brazil	6.3	21.8	72	2.39
9.	Canada	1.6	27.7	70.7	2.09
10.	South Korea	2.3	37.6	60.2	1.86
22.	Nigeria	21.1	19.4	59.5	0.65

Source 1: Central Intelligence Agency (US)- The World Fact Book (Sector composition 2016)
Source 2: World Development Indicators database, World Bank. (Global Market Share)

Nations' global market share is a function of sectorial allocation composition of economic activities (of country) in relation to a given revolutionary age. It defines the sectorial composition of a country's production capability as a function of the size of the economy on a global scale.

Every revolutionary age produces a new sectorial dominant pattern. As Marx refer to it as every age has it mode of production (Ake 1981, Amin 1976). The Agriculture revolution timeline is problematic because of its transitional phases for different societies (Arab agriculture revolution 700, India, Britain 1700, 1900 birth of industrial agriculture, Mexico green revolution 1944; England 1540-1850) produced agricultural sector as the dominant sector in the economy (Overton 1989, Chauhan 2012). The agriculture economy is predominantly consumption based economy, but within that sector, diversification can occur.

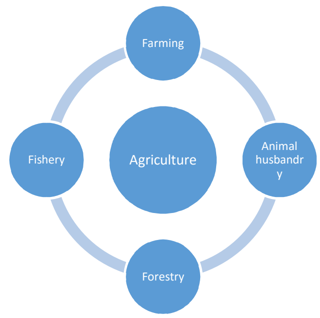

Fig.3. Model of production in the agrarian revolution and a one sector economy.

At the turn of 1760 up to 1820, the industrial revolution emerged and displaced the agricultural sector as the dominant sector of economy. As Lewis (1954) noted, there appeared a two sector economy in which the industrial sector (secondary) dominated the economy of advance countries. To develop a two sector economy, which were identified as agriculture/extractive and the industrial (secondary) sector; here the agriculture sector performed two major roles- consumption and raw materials (input) for industry. The industrial sector is a production based economy. Nations that advanced under the industrial revolution period relocated majority of their manpower capability to expand the base of their industrial sector while narrowing the agricultural sector.

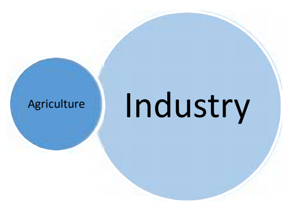

Fig.4. Model of Industrial revolution and a two sector economy.

The industrial revolution gave way to digital revolution from 2000 upward. The digital revolution is knowledge base economy and is dominated by the service sector. The emergence of digital revolution necessarily created a three sector economy. From 2000 to date, the service sector is the dominant sector of advance nations. The activities of the digital revolution is located in the service sector. The expansion of service sector therefore means the depopulation of mostly the agriculture sector and marginally the industrial sector. This is not to mean that the expansion of the service sector will reduce the production capability of the other sectors but is logically made to enhance the development of capability for other sectors. Fisher (1939)

The service sector is a knowledge based sector with intervening and facilitating capability for other sectors. It is the engine of growth in contemporary economies, having the share of an average of two-third of advance economies. The knowledge from the service sector is applied to both agriculture and industries using science, technology and improved business/managerial capability to enhance production in both sectors to drive inclusive growth. The sector is the major employer of labour with capacity to enlarge participation and cause inclusive growth, accelerate development, reduce inequality and poverty. The service sector is expansive and with no limit, it is in most cases digital and deploy robotics and computer simulation to perform unimaginable feat in agriculture, industrial production and distribution of goods and services.

The service sector is characterized as creative capitalism driven with rapid innovation taking advantage of the global economy and population. Apart from China and India with massive population of over one billion, the ten largest economies share of agriculture to GDP is less than 2.5%. America with the largest economy having a market share of 24.32% (almost 1/4 of the global economy) have a 1.1% of agriculture as GDP composition. Japan (1.2), Germany (0.6) and United Kingdom (0.6) of agriculture sectorial composition produced 5.91%, 4.54% and 3.85% respective as global market share. Consequently, Nigeria agricultural contribution of 21.1% turning out 0.65% of global market share is a perfect description of whatBukhari (1929) described in his theory of organized mismanagement as deliberate misallocation of resources. It expresses policy failure to capture contemporary trend in where resources and energy are needed for investment. The range of sectorial contribution of the advanced economies is between 70% and 80% (excluding china and India); with 59.5% in service sector, Nigeria is still lagging behind the threshold of the bench mark of 70%.

The capability factor as the explanatory variable for the advanced economies:

Lewis (1954) did not account for how the surplus labour from agriculture will fit into the industrial sector without the inherent capability to function there. The mere expansion of the service sector does not account for the whole success story of the advance economies; the explanatory variable is the capability inherent in the service sector to construct an economy into a more diverse and transforming agent of participation and massive inclusiveness. It is a natural order as there are hundreds of thousands of skills in the service sector.

The digital revolution has intensified the depth of inclusion for participation of diverse sets of skills revolving across subsectors in the service sector. It is only countries with diversified developed capabilities aided by continuous innovations that can fit into the new digital age. It is a knowledge economy that requires massive investment of human capital in diverse sphere to creating unlimited opportunities. Robeyns (2003) citing Sen argued in this line of thought that capability to function is development. The development of the human capability is the instrument to drive the service sector which is broader and absorbing than the agriculture and industrial sector put together.

Model of Stainable transition

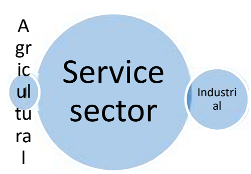

Fig.5. Model of digital revolution/knowledge based economy (3 sector economy)

The model of sustainable transition captures the logic inherently expressed in mode of production of the digital revolution and the knowledge base economy as the dominant sector to drive inclusive growth and visible development. It expresses the logic of development through participatory engagement in the economy. It is a sector that transform talents into skills necessary for a functioning economy and a prerequisite for transition; Education (training and development) is required to expand the human capability to enhance state opportunities to deal with the challenge of poverty, unemployment and inequality as a strategy applicable in the digital age. Considering Nigeria's developmental crisis and capability gap to function properly, a 50-billion-naira allocation to education in the 2017 budget is a massive joke towards increasing the nation's capability in the face of the tragedy of resource endowment. It just about 4% of the total budget size and a significant shortfall of UNESCO recommended 26%.

Nigeria's current misery index is high (a combination of unemployment, interest rate inhibiting investment to reduce poverty and inequality) and a deliberate attempt must be organize to holistically deal with it.

5. Conclusion.

Having exhaustively capture the consequence of rentier economy and the destructive capacity inherent in it to overtime as with the law of diminishing returns declining into fiscal deficits and a challenge of developmental crisis since it is unable to fund national budget without borrowing to fund capital expenditure; a constructivist reorganization of state capability to focus on inclusive mode of production to transit the economy in a functioning three sector economy dominated by the service sector is needed urgently.

A capability approach to sectorial composition and policy orientation is required to guide leadership in promoting a model of transition that is inclusive and participatory and prevent Nigeria from decaying into a fallow state.

6. Recommendations.

The following recommendations will help Nigeria to deal with the challenges of efficient sectoral allocation of resources as it relates to public financial administration.

1. Nigeria must organically develop a realistic mode of production to increase capability to expand inclusive and participatory production with potential to increase employment opportunities, reduce poverty and inequality. It can do this through creating a deliberate policy framework to mark the desirable share of sectorial contribution by reducing agricultural sector's contribution to at least 5% share and expand the service sector share to 75%.

2. Diversifying the economy from commodity export to service sector's expansion programme with capability to initiate and facilitate capability in output on agriculture and industrial sectors. Once the service sector capability is expanded, its ability to function with optimum efficiency and effectiveness will drive the Nigerian economy. Nigeria has advantages to jumpstart this process, since it has diverse large population and an internal market to accommodate its initial outputs. The cost of feedback will be less since adjustment can be almost auto-centric.

3. A significant contribution to the rising deficit is that there is bad governance and weak institutional capacity to block corruption which serve as increasing the expenditure of government and raising debt profile of the state. There is the need to strengthen financial institutions capacity to track and block leakages and reduce the burden of corruption of the rising profile of the budget expenditure leading to budget deficits.

3. Nigeria’s untapped resource endowment readily makes it a fallow state that is hinging toward extinction and may account for a country that is unable to develop if prevailing circumstances are not reversed through purposeful and committed leadership, good governance and strong enduring institutional framework that is pragmatic towards the global mode of production in the digital economy. A constructivist assessment of the state's structure (including its structure must be organized towards decentralization of functions and autonomy- state and local government for resource governance, diversification of economy on product/sectorial bases and devolution of power and decision making), agents and capability must be organized with an existentialist purpose.

4. Strategic successive planning with operationalize framework for sustainability is desirable. The population explosion of Nigeria's youth unemployment is essentially a burden with dependency outlook; it is therefore inevitable for Nigeria to fashion its pathway to development by channeling untapped human resources into productive enterprise. It is only service sector that possesses the absorptive capacity to admit such entrance in a stagnated economy.

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