NON-TRADITIONAL EXPORTS AND ECONOMIC GROWTH: A CRITICAL LOOK AT KWARA STATE, NIGERIA

IBRAHIM BAMIDELE HAMZAT; & RAHMAN O. MUSTAPHA

Department of Business and Entrepreneurship, Faculty of Humanities, Management and Social Science, Kwara State University, Malete P.M.B 1530, Ilorin

Abstract

*I*n order to stabilize foreign earnings, boost income growths and upgrade value added, developing countries had to increase the varieties of export basket diversifying exports remain the major concern for policy makers in many countries. There have been calls therefore on all developing economy of the world to improve Export for favourable economic growth and development (W.T.O. 1997).As a result therefore, this study examines the impact of Nontraditional exports on government earnings (A Case Study of Kwara State).This research is explanatory in nature with adoption of case study and archival as a strategy with the distributions of questionnaire for collection of primary data and uses of secondary data State to compliment data gathered. The quantitative method with Karl Pearson product moment correlation co-efficient as tool for data analysis and

Top- commodity Index and Lorenz Curve to determine the level of concentration and

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diversification of export product of Kwara State. The research however, reveals that Improvement of Gross Domestic Product of Nigeria is positively influenced by disaggregated Agricultural items. The researcher thereby concludes that, more efforts should be intensified to improve Nontraditional export area so as to protect economy from collapsing and enhance economic growth of Nigeria and Kwara State in Particular.

INTRODUCTION

Over the years, export diversification has been pursued as an economic growth strategy of many developing countries. Where both Traditional and Non-traditional export activities were mixed together to ensure significant contribution of these sectors to developmental policy. Export therefore is perceived as motivating factor for economic growth of the developing countries. Despite these facts, most developing countries of the world concentrated on primary export items without significant efforts on other sectors. In the 1960s, Nigeria's export trade was largely dominated by non-oil products such as groundnut, palm kernel, palm oil, Cocoa, rubber, cotton, coffee. While in 2015, crude oil contributed N1,611.5billion or 69.1% to the value of domestic export in 2015. And vegetable products contribute N9.3billion or 0.4% of the total export, (National Bureau of Statistics, 2015)

The proportion of Agricultural processed items on export of Nigeria is not encouraging, simply because of the fact that, the influence of government policies to promote disaggregated agricultural items have not been felt in the economy of this country despite the numerous potential and the demanding for processed agricultural items in the international markets. It is against this backdrop the researcher aimed at examining the impact of Non-Traditional export on government Earnings with particular focus on Kwara State.

Research Hypothesis

Ho_1– There is no relationship between Non-Traditional exports and economic growth

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Literature Review

Conceptual Review: this contained the reviewed of the relevant concepts related to the topic under review: export, export diversification among others.

Export

The concept export has been defined by many scholars. It means moving goods and services to other country of the world. The concept is unanimously defined by Walsh (1981), Duku (1986), Obiora (2007), Jani and Rather (2007) and Otokiti (2012) as an act of moving and marketing goods beyond national boundary. In the opinion of Duku, (1986), he posits that export marketing is like domestic marketing, it is the process of providing the right product, in a right place at the right time at the right price.

It processes embraces all the business activities require to get the product from the factory to the final consumer in the foreign market. Otokiti (2012) maintained that, export is the marketing and direct sale of domestically produced goods in another country and that it is traditional and well-established method of reaching foreign market.

Types of Export:

There is no contradiction as regards type of export among the Scholars Duku,(1986), Obiora (2007) and Otokiti,(2012) they basically agreed on types of exporting to be: (a)indirect and (b) direct exporting.

Export Diversification

Export diversification is variously defined as the change in the composition of a country's existing export product mix or export destination (Ali, Alwang & Siegel, 1991). Or as the spread of production over many sectors (Berthelemy & Chauvin, 2000). Export diversification is conceived as the progression from traditional to non-traditional exports. By providing a broader base of export, diversification can lower instability in export earnings, expand export revenues, upgrade value-added, and enhance growth through many channels. These include: improved technological

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capacities via broad scientific and technical training as well as learning by doing, facilitation of forward and backward linkages within output of some activities which then become input of some other activities: increased sophistication of markets, scale economies and externalities, and substitution of commodities with positive price trends for those with declining price trends.

Agricultural Processed Items

There are different opinions from which scholars reacted to the concept of agricultural processes items. This has resulted to different definitions among scholars as evident in Davis and Goldberg (1957), Otokiti 2011 and Ghosh, Bhandari, and Sharmu (2013).For instance: In the classic concept Davis and Godberg (1937), the agribusiness is the defined as the sum total of all operation involved in the processing and distribution of products, produced on a farm, i.e production operation on a farm, storage, processing, transport and sale of agricultural community, are item made from them. Also, Otokiti, (2011), agriculture refers to the act of raising life from the soil. It is not merely tilling of land, but implies a creation and determined effort on the part of them to utilize the human effort area as conducive to the quick and better growth of vegetation and animal product for the benefit of men.

Factors Affecting Agriculture Activities

According to Otokiti,(2011) the factors affecting agriculture may be group under three broad heading(i) Natural/Physical (ii) Economic (iii) Other factors

Natural/Physical: The natural factor affecting agricultural are climate, soil and topography.

Climate: Temperature and precipitation are the chief elements which are fundamental to the growth of plant. Plants require sufficient heat for their growth and thus places having a maximum temperature of less than 10°_{c} are generally unsuited for the growth of plants.

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Soil: A rich fertile soil is another important requirement for successful cultivation of land soil, serve two purpose, they support the plant and act as the main medium where water and all plants foods, except carbon dioxide are brought to the roots of the plants where they are absorbed.

Topography: The nature of topography determines the extent of soil erosion, method of cultivation of transport facilities in both mountainous and plain, agricultural activities differs as it gives result in one area than one.

Economic Factors: These include factors use (a) Market (b) Transport Facilities (c) Labour (d) Capital and (e) Government policy

Market: The distance from the market determines the cost of transportation and hence, the competitive power of the agricultural produce, places away from the market, therefore, grow such products as can withstand a high cost of transportation. A cheap or perishable product like vegetable is grown near the centres.

Labour: Labour supply determines the type and character of agriculture intensive cultivation requires large supply of labour while, in area of sparse population, extensive cultivation is practiced

Government Policy: This influences the agricultural trends and patterns. The government may impose restrictions on agriculture in the form of a ceiling on landholding. Government may also encourage the farmers to grow particular types of crops by giving tax relief or subsidies.

Other factors: The other factors that affect agriculture are the level of scientific and technology development, system of land tenure and system of land Utilization.

Scientific and technological development: in a country has a significant influence on agriculture. Primitive people will cultivate land get a very poor yield as they are unaware of the improved methods of cultivation: they use old implements poor seeds and as ignorant about the application of scientific method.

Non-Traditional Agricultural Export Produce

Agriculture refers to the art of raising life from the soil. It is not merely tilling of land,but implies a conscious and determined effort on the part of man to

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utilize the human efforts area as conducive to the quick and better growth of vegetation and animal products for the benefit of man. Agriculture provides foods crops like rice and wheat, industrial raw material: cotton, sugar cane, rubber and many other products like dairy products, fruits and vegetable, (Khauna, 1979).

The variables of interest are: cashew nut, Ground nut, Shea nut, Kenaf and palm oil. These items are in the Natural and unprocessed state in the major state of Nigeria, particularly, North-Central and South-west. The export of these products is measured in unit known as tonnes (FAOSTAT). They have been chosen because they constitute the items that 03 of Harmonized Standard (Hs): Aminal and Vegatable fats and Oil and other which has 0.0% flat on the total export of the country till date.(National Bureau of Statisitcs, 2015). The findings revealed that the proportion of Agriculture (coffee, tobacco, and Unmanufactured tea) export stood at 0.9 % while, the agricultural export items (wheat, palm oil, refined sugar) stood at 9.20% (Countrystat 2015).Others are Charcoal, cassava, weaving materials among others.

Agro-Processing Industry

The concept of Agro-processing industry has been variously defined by many scholars and institutions alike as firm responsible for the transformations of primary produce into semi or finished products, (Food and Agricultural organization, 1997 & Ghosh, Bhandari and Sharmu 2013). Food Agricultural Organization (1997), "Agro-processing industry is a subject of manufacturing those processed raw materials & intermediate product derived from the agriculture sector.

Challenges Facing the Agro-Processing Industry

There are different challenges facing Agro-processing industry in different countries of the world. However, the information available in the Central Bank Bulletin shows that, the challenges facing the Agro-Processing Industry are majorly divided into: Marketing concentrating and ii. Small and Medium enterprises.

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a. Marketing Concentrating. The market concentration ratio for the agro-processing industry indicates that it is highly concept related in division: Cocoa bean, Coffee (C.B.N Bulleting, 2015). Though larger enterprise in the agro-processing industry contributed a significant share of income employment. Therefore, SMES have greater potential of generating jobs in the agro-processing industry.

b. Small & medium Enterprises. Through few of the challenges facing the SMES are unique for each division. It can be asserted that lack of access to financial, inadequate skills & in accessible government support are the firmest challenges facing most SMES across the divisions.

   Since the potential for generating more employment is higher for SMEs, a policy intervention to alleviate some of these challenges is critical to realize their full potential & lessen the market concentration. In the same vain, the following way are step being taking to deal with challenge of agro-processing:

   i. Agro-processing strategy has been approved to support SMEs.

   ii. Next steps are: a. To establish buy-in and agreement with major public sector stakeholder. b. To work with provinces on provincial implantation plans. c. To develop a monitoring and evaluation framework jointly with province. d. To provide regular & update information and research regarding the industry.

Foreign Exchange

This concept is agreed to be the price value at which one country's currency acquired another country's currency (Awodun, 2000, Oloyede 2001, Jhingan 2003, and Campbell 2010). Meanwhile, Awodun, (2000) sees it as the rate at which a country's domestic currency is exchange for a foreign or another country's currency. Also, Oloyede (2002), it is the price of one currency in terms of another which is an important decision-making variable in every

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nation, thus: making it a crucial issue for any country desirous of economic growth.

Meanwhile Jhingan (2003), sees it as rate at which a currency purchase another. It is reflection of the strength of a currency when measured against another country's currency. In contraction to that Campell (2010), posits that exchange rate implies the price of one currency in terms of another; in the Nigeria context, it is the units of Naira needed to purchase one unit of another country's currency e.g. US dollar. It could also mean the value that particular countries' currency exchange for other.

Theories Underpinned

This section provides a survey of a few theories on economic growth, export, and the relevant conclusions on theoretical approaches by scholars.

Traditional Theory

The idea that exports stimulate the economy has been around for a very long time. The key question here is how traditional trade theories explain export diversification and growth. Overall, the earlier trade interventionists' theories, the mercantilists, strongly argued for the need to expand and promote exports, induce trade surpluses by minimizing imports as a way to accumulate bullions wealth, and national mercantile power. Beginning with classical trade theories pioneered by A. Smith (1776) and D. Ricardo (1817), it is widely held that each country has a " comparative advantage" in producing something, in exporting certain products, and that traditional comparative advantage theory(absolute or relative) overall posits that what essentially counts is how good a country is at producing one good compared with another good.

It is now generally held that comparative advantage is natural and fairly static for most industrial, technological, and services sector. it is also generally admitted that countries' patterns of specialization vary considerably. Because comparative advantage changes over time, the gains from trade in mainstream trade literature are maximized when: (i) a coutry specializes in products for which it has a comparative advantage rather than

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trying to produce everything, and then(ii) export the surplus of its specialization in exchange of imports, with greater efficiency of resource use. It is also understood that when a country specializes to seek "gains from trade', it must restructure and adjusts its economy, and this restructuring can entail short term financial, personal and social cost.

Portfolio Theory:

The concept of diversification gained imperative with the modern theory of portfolio management developed b Nobel prize winner, Professor Harry Markwitz. Based on the common adage that "Don't put all your eggs in same basket" and inspired by modern portfolio selection theory, diversification has come to be regarded as a means of reducing a country's dependence on a particular product or a very restricted range of primary product generally exported before processing. Many developing countries with low economic growth and relying heavily on a handful of commodities for trade, income and employment would benefit from diversification benefit for a country (Love, J. 1979). Based on the portfolio theory approach, Eric Strobi (2002) find considerable welfare gains from moving towards a more 'optimal' export structure on the mean-variance efficient frontier.

Export- led Growth

This model posted that, other things equal, an increase of export will trigger an increase of income. The increase in income gives rise to six main phenomena. I). An increase of employment, since more productions require more labours. ii). An increase of consumption since household are richer, consumption growth, in turn, implies a further increase of income. iii). The growing incomes helps the households by increase their saving. iv). The growing income helps the state, by widening the tax base thus the tax revenue at normal levels of public expenditure, this means a reduced deficit or even a surplus for the state budget. v). It increases import. vi). It increases produces an increase of the interest rate, given a fixed deal money supply, which in turn depends on a deliberate choice of the central

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bank to increase the nominal money supply. Meanwhile from the above stated theories, this research work will be underpinned by Export- led theory and Portfolio theory.

Empirical Analysis

There are many reasons as evident in various works of previous researchers which related to the Non-traditional export, government earnings and economic growth. For instance, Khanna,(1979) probably the first Scholar to write on Nontraditional Export, posits that Export of Non Traditional Items constituted about 44.95% of the total Export of India in the penultimate 55 year plan. In light of this, marketing of nontraditional items acquire a special significance and becomes fundamentally different from marketing of traditional items. Also, the work of (Abogan O.P[1], Akinola E. B[2,] and Baruwa O.I [3](2014) revealed that a lot of menaces had contributed to non- Performance of the Non- Oil sectors in Nigeria. Based on their study, it is expected that non-oil exports should boost gross domestic growth through foreign exchange earnings. The industrial, Agricultural and manufacturing sector therefore, have been identified as necessary engines that would stimulate growth in non-oil production for export in Nigeria.

The export-led growth hypothesis generally reflects the relationship between export and economic growth. In addition, some studies demonstrate that there exist a bi-directional relationship between these variables such that export causes economic growth and economic growth causes export (Dutt & Ghosh, 1994: Thoratou, 1997; Shan & Sun, 1998a:Shan & Sun, 1998b: Khalefalla & webb, 2001).The proponents of such hypothesis argue that export promotion through policies such as export subsidies or exchange rate depreciation will increase economic growth. On the contrary, the argument that economic growth promotes export growth stands advantages in certain sectors that lead naturally to export growth.

In the work of Easterly, (2007) he posits that exports implies access to the global market and permit increased production while encourages efficient allocation of resources and trade contributions to economic growth by

21

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Prof. Ravinder Rena [South Africa]

generating long-run gain. Thus, India can be an interesting case study of the export and economic growth relationship.

In addition, Subasat, (2002), investigated empirically the relationship between export and economic growth. He suggested that the more export-oriented countries like Middle-income countries grow faster than the relatively less export –oriented countries. The study further showed that export promotion does not have any significant impact on economic growth for low and high income countries. Tang (2006), Stated that there is no long-run relationship among exports, real Gross Domestic Product. This study further shows no short and long-run causality between export expansion and economic growth.

In another contribution, Ogunkola, Bankole and Adewumi, (2008), observed that in the 1960s Nigeria's export trade was largely dominated by non-oil product such as: groundnut, palm oil, palm kernel, cocoa, rubber, cotton, coffee, and others. Other Non-oil exports of significant value then were tin ore, columbites, hides, skin and cattle. Over 66% of total exports on the average were accounted for by these commodities.

Also, Ajakaiye and Fakiyesi (2009), earning from Non-oil export, such as finished leather product, cocoa and its products sesame seeds and manufactured product like cosmetics and toiletries, rose to about $1.38bn in 2007. By the end of 2008, this value rose to $ 1.8bn, the highest in the country history.

Furthermore, Muhammad and Atte (2006), are of the Opinion that the Nigeria's rich human and Material resources endowments give it the potential to become Africans' largest economy and a major player in the global economy. Compared with other African and Asian countries, economic development in Nigeria has been disappointing, with GDP of about 45 billion, 32.953 billion and 55.5 billion dollar in 2001, 2002 and 2003 respectively and per capital income of about $300 a year, Nigeria has become of the poorest countries in the world.

In Addition, Jorge (2008), examine the impact of Non-traditional export on Income. He submitted that by affecting wages and cash agricultural income, trade opportunities are likely to have large impacts on household resource

22

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Prof. Ravinder Rena [South Africa]

and on poverty. He reports the average income shares for different sources of income.

More so, Paulo (2000), who look at the role of coffee in social and development of America, points out the evidence that during the second half of the nineteenth century up to the world economic crisis of the 1930s, the Coffee sector played an important role in many countries such as: Brazil, Colombia, Costa Rica and a bit later and lesser degree in other countries in south and central America.

And, FAO (2001) provided evidence according to which banana exports play a small but growing role in Ghana's export trade. It contributes about 13 per cent of horticultural exports but only about half of one per cent of the total exports by value. Also it has been difficult to empirically isolate the effects of trade liberalization on economic growth, the prevailing view in the effects of trade liberalization on economic growth; the prevailing view in the literature is that, there is a positive and strong relationship between trade openness and growth (Dollar 1992, Sachs-Warner 1995, Edwards 1996).In sum, a cursory analysis of data where Gross Domestic Product and exports grew simultaneously towards manufacturing products.

History of Kwara State and Her Plants

Kwara State is one of 36 states of Nigeria with its capital at Ilorin. The primary ethnic groups in Kwara State are Yoruba, Nupe, Bariba and Fulani. The state was created on 27 may, 1967, by the federal Military Government of Genaral Yakubu Gowon who broke the then four regions of Nigeria into 12 states. At its creation, the state was made up of the former Ilorin and Kabba provinces of the old Northern Region with its first name as the West Central State but this was later changed to " Kwara", a local name for the River Niger. With a landmass of 35,705 squre kilometres or 3.57 million hectares (about 4 per cent of Nigeria's landmass) over 70 % which is arable. Agriculture is the main source of the economy and the principal cash crops of the state are; cotton, cocoa, coffee, kolanut, tobacco and palm produce. Mineral resources in the state are limestone, marble, feldspat, clay, kaolin, quartz and granite rock.

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The population of Kwara state is about 2.3 million, National Population Commission figure (2006). Kwara State has, since 1976 when it assumed the name it presently bear, reduced considerably in size as a result of further state creation exercises in Nigeria. For instance on 13 February 1976, the Idah/Dekina part of the state was carved out and merged with a part of the then Benue/Plateau State to form a new Beneu State. Also on 27 August 1991, Five local Government arrears, namely: Oyi, Yagba, Okene, Okehi were also excised to form part of the new Kogi State, while a sixth, Borgu Local government Area of Old Kwara State was merged with Niger State. Today, there are only sixteen (16) Local Government Areas in the Present Kwara State, namely, Asa, Baruten, Edu, Ekiti, Ifelodun, Ilorin East, Ilorin South, Ilorin West, Irepodun, Isin, Kaiama, Moro, Offa, Oke Ero, Oyun, and pategi. Industries in the state include Kwara Breweries, Ijagbo Global Soap and Detergent Industry, United Match company, Tate and Lyle Company, Resinoplast Plastic industry, phamatech Nigeria Limited, Kwara Textile and Kwara Furniture Company, LUBCON Oil Limited, TUYIL pharmaceutical Limited, Dangote Flour Plc, KAM Industries Limited, Chellarams Limited, BULLETIN construction Limited, SOJECT construction Company Limited, CHARVET Construction Company Limited, all in Ilorin. Others are Paper Manufacturing Industry, Jabba(Moro LGA), Okin Foam and Biscuits, Offa, Kay Plastic, Ganmo and Kwara Paper Converters Limited, Erin-Ile. Others are sugar Producing Company, Bacita(Edu LGA)Kwara Animal feed Mall, Ilorin and the Agricultural Products Company, Bacita(Edu LGA). Also, the major Commercial Company in Kwara Palm Mall, Awodun (2012).

Contribution of Non-Traditional Export to Nigeria Foreign Earning

S/N	ITEMS	₦2013	₦2014	₦2015
1	Animal & vegetable fats &oil & other cleavage product.	4,368.6 (0.6)	1.271.2 (0.1)	3,479.5 (0.2)
2	Wood & article of wood, wood charcoal & article.	394,214.1 (2.8)	176,875.4 (1.0)	78,379.6 (1.4)

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Prof. Ravinder Rena [South Africa]

3	Papar making materials paper & paperboard, article.	31,036.1 (0.2)	3,240.3 (0.0)	595.3 (0.0)
4	Pearls, precious & semi-precious stone, precious metal	59.7 (0.0)	116.2 (0.0)	3.9 (0.0)
5		520.4 (0.0)	1,562.1 (0.0)	716.0 (0.0)
6	Optical photographic cinematographic, measing appliance	182.00 (0.0)	00 (0.0)	00 (0.0)
7	Arms & ammunition.	00 (0.1)	56.8 (0.0)	2.0 (0.1)
8	Miscellaneous manufactured article	50.9 (0.0)	00 (0.0)	00 (0.0)
9	Work of art, collectors pieces & antique	(0.0)	(0.0)	(0.0)
	Other special items not classified according to kind			
	Total	**14.245.271.6** **3.5%**	**17.203.878.5** **1.1%**	**5.544.256.8** **1.7%**

Source: National Bureau of statistic, 2015

The Non-traditional exports of Nigeria has helping in diversifying the export commodities of Nigeria. It has contributed 14,245,271.60 in 2013, 17,203,878.50 in 2014 and 5,544,256.8 in 2015 with figure of 3.5% 1.1% and 1.7% respectively to the total value of export.

EDITOR-IN-CHIEF

Prof. Ravinder Rena [South Africa]

On the other hand, it shows that traditional export commodities constituted higher volume of export commodities in Nigeria with about 96.5 %, 98.9% and 98.3% respectively. This shows the possible danger in the economy if government refuses to diversify the attention to Non-oil export. This is in consonance with the study of Abong et.al.(2014) who posit imminent collapse of Nigeria Non-oil sector.

Non-traditional Export of Kwara State (Tons)

S/N	Items	Year 2011	Year 2012	Year 2013	Year 2014	Year 2015	Total
1	Cassava Chips (Tons)	-	40	60	60	120	**280**
2	Charcoal (Tons)	5200	3400	5200	5200	3400	**22400**
3	Aso-Oke (weaving) (Tons)	4.5	5.1	6	5.5	6	**27.1**

Source: field survey May 2016

The table 4.5.7 above, depicts the Non-traditional export of Kwara State. Cassava chips exportation commenced in 2012 in the State. Between 2012 and 2014, 160 metric tons of Cassava chip has been exported to Asian Countries particularly India and Israel. The 120 tons for 2015 was extrapolated to show the possibility of value that must have been exported in the state.

METHODOLOGY

The deductive approach was deployed, as it is concerned with testing and confirming of hypotheses (Trochim, 2006). The case study and archival method were adopted with quantitative approach and cross-sectional design in order to obtain the relevant information. The retrospective data is adopted by looking at the past situation as related to the topic in question. The population size is 55 which was considered for the whole

26

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Prof. Ravinder Rena [South Africa]

study. The purposive sampling technique was adopted to cover the respondents. Data were collected primarily with the uses of questionnaire. Also, the segmented part of Nigeria export items within a specified time, due to availability of data needed and the standard international trade classification taking into consideration Harmonized data system of international business this provides various means of classification for international trade. The Instrument for data analysis is correlation analysis for the primary data collected and the top commodities index and Lorenz curve for the secondary data gathered to show the level of concentration and diversification of the exported produces

Data Analysis
Hypothesis Testing
In order to provide answer to the research question and hypothesis earlier stated. Correlation analysis was used to measure the impact of the independent variable to the dependent variable of hypothesis stated while, proper interpretation and analysis techniques was used to explain the hypothesis testing.

Hypothesis 1
H_0: There is no relationship between disaggregated agricultural items and Gross Domestic Products
Correlations

		Disaggregated agric. items	Gross Domestic Product
Disaggregated agric. Items	Pearson Correlation	1	.440**
	Sig. (2-tailed)		.002
	N	48	48
Gross Domestic Product	Pearson Correlation	.440**	1
	Sig. (2-tailed)	.002	

EDITOR-IN-CHIEF
Prof. Ravinder Rena [South Africa]

N	48	48

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

Interpretation of result

The study measured the significant relationship between disaggregated agricultural items and gross domestic products. The Pearson product moment correlation coefficient r gave a significance or p-value of 0.002, which is less than alpha 0.01 as shown in the table above.

Decision

This study reveals that there is correlation between disaggregated agricultural items and gross domestic products. Hence, the decision would be to reject the null hypothesis (H_o) and concluded that disaggregated agricultural items have impact on gross domestic products

Quantitative Analysis for Secondary Data

In order to describe with the descriptive analysis and data available Top-Commodity and Lorenz curve to determine the concentration and diversification of Non-traditional export products. Since, the Crude-oil remains the major export commodity in Nigeria.

Share of top commodities of Non-traditional export of Nigeria 2013-2015 ("₦ million)

Year	Value of top single commodity	Value of top two commodity	Value of top five commodity	Total value
2013	394,214.1 (32.2)	398,582.7 (32.6)	430,258.6 (35.2)	1,223,055.4 (100)
2014	176,875.4 (32.9)	178,146.6 (33.1)	183,065.2 (34)	538,087.2 (100)
2015	78,379.6	81,859.1	83,174.2	243,412.9

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Prof. Ravinder Rena [South Africa]

(32.2)	(33.6)	(34.2)	(100)

Source: field survey May 2016

VALUE OF TOP SINGELE NON-TRADITIONAL EXPORT COMMODITY

It is an established fact that petroleum products dominated export of Nigeria trade. Based on the above fact, the value of top commodity is calculated on Non-traditional export items. So that the layer of oil sector is isolate so as to see the real effect of non-traditional export of on the foreign earnings of the Nigeria economy.

From the table, the value of the top single commodity of Nigeria between 2013-2015 was between 32.2 and 32.9 in 2014. This indicates the fact that single commodity constituted about ($^1/_3$) of Non-traditional export item of the country.

VALUE OF TWO TOP NON-TRADITIONAL EXPORT COMMODITY

Here the percentages value of the top two non-traditional export commodities was calculated for the same year [2013-2015]. The motive is to determine the changes & trend in commodity concentration/diversification as value of two top commodities is added together.

In the top two Non-traditional commodities, the table above shows the same trend similar to top-commendation with a slight difference in percentage of value contributed. The two tops non-traditional commodities are wood & charcoal and paper making materials & paper board. These commodities represent a large sum in their respective year.

Table 4.5.8 CALCULATION FOR DRAWING LORENZ CURVE OF NON-TRADITIONAL EXPORT OF KWARA STATE

Year	A	Cum number	Cumulative %	B	Cum. Numbe	Cumulative %	C	Cu.. Number	Cumulative %
2011	-	-	0	5,200	5,200	23.2	4.5	4.5	16.6
2012	40	40	14.0	3.400	8600	38.4	5.1	9.6	35.4
2013	60	100	35.7	5.200	13.800	61.6	6	15.6	57.6
2014	60	160	57.1	5,200	19,000	84.8	5.5	21.1	77.9
2015	120	280	100	3,400	22,400	100	6	27.1	100

Source: Calculated by Researcher, 2016

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Interpretation of result

The study measured the significant relationship between disaggregated agricultural items and gross domestic products. The Pearson product moment correlation coefficient r gave a significance or p-value of 0.002, which is less than alpha 0.01 as shown in the table above.

Decision

This study reveals that there is correlation between disaggregated agricultural items and gross domestic products. Hence, the decision would be to reject the null hypothesis (H_o) and concluded that disaggregated agricultural items have impact on gross domestic products

Lorenz Curve
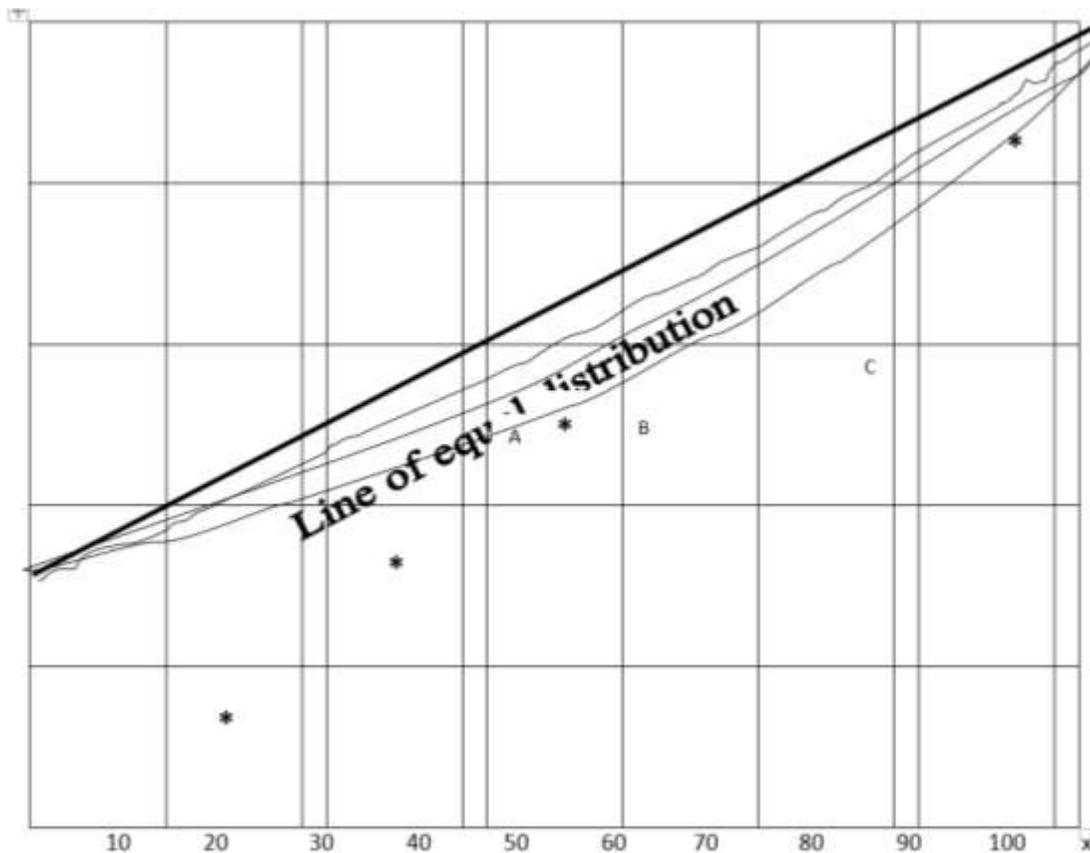
There are three items involved in the calculation which was represented with alphabet A, B and C. The Curve C is farthest from the diagonal line, it

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shows inequality and concentration followed by curve B. Therefore, Curve A which represents Cassava chips is more diversified than its B and C counterpart.

Discussion of Findings, Conclusion and Recommendation

Findings

It has been observed that the Growth of Every economy depends on so many factors which an increase in one or more of these factors enhance economic growth. Meanwhile, the finding from this study reveals that Disaggregated Agricultural items have impact on gross domestic products and at the same time, its contribution to foreign earnings is insignificant. Also, from data available it has contributed 14,245,271.6 in 2013. The value was 17,203,878.5 in 2014 and 5,544,256.8 in 2015. This simply because the country is heavily dependent of the Traditional items. In the same vein, Non-traditional export of disaggregated agricultural item in kwara state has boosted the level of economic growth of the state and enhancing the standard of living of people. It also found that:

1. There is relationship between disaggregated agricultural items and gross domestic products.
2. There is high concentration on the export of Non-traditional item, cassava chip in Kwara state is heavily dependent on my Kwara State despite the numerous agricultural products that can be exported and boost the revenue basis of the State.
3. Nigeria is so much depended heavily on charcoal and article of wood which constituted about $^{1/3}$ of its total export for 2012, 2013, 2014 and 2015 penultimately.
4. The proportion to which disaggregated agricultural item contributed to foreign earnings is insignificant due to the fact that crude-oil remains the major sources of foreign earnings in the country with about 86% of the total export.

Conclusion

This Paper has investigated the Impact of Non-traditional export on economic growth of Nigeria. This research work revealed that the proportion of exportation of Non-traditional export on the total export is

EDITOR-IN-CHIEF
Prof. Ravinder Rena [South Africa]

not statics due to volume of Crude-oil being export over the year. Be it as it were, it is expected that Non-traditional export should boost gross domestic product and increase value of foreign earnings of Nigeria.

The Agricultural, Manufacturing, Service as well as Private individual are expected to facilitate the growth of Non-traditional export in Nigeria. Based on projected performance of Non-traditional export, government is expected to enact law and make Policies to boost productivity and enhancing enabling environment for survival of export of Non-traditional export.

Recommendations

Having studied the impact of Non-traditional export on economic growth of Nigeria, the researcher therefore recommend that Kwara Stata government should in order to boost the Gross Domestic Product and Improve the level of revenue for the country embark on the under listed recommendations:

1. Nigeria as whole should diversify to area of its Non-traditional commodities to other items to ensure multiple products are available in the international market for favourable balance of payment and improve foreign earnings for the country.
2. Government should make decisive policies in encouraging domestic firms in participating in the export activities through the provision of enabling environment for the survival of the ailing industries in the country so as to increase revenue for country.
3. The high number of unemployed people should be provided with avenue to assess available opportunities in the international labour market through the uses of international labour policies that is favourable to the Nigerian in order to reduce the high rate of unemployment in the country.

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