# Rethinking Afriruralization for Fiscal policy of Economic Sustainability of Nigeria: Interrogating François Perroux's growth poles theory.

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#### Abstract

Migration today occurs because of urbanisation and industrialization at varied degrees in every country for a better life. This paper thus focuses on the process of implementing fiscal policy of economic ruralisation development through the pragmatism of glocal contents for an economic sustainability. Thus, using the concept of Glocalization or Glocalization (a portmanteau of globalization and localism) in the simultaneous universalizing and particularizing Afriruralization tendencies in contemporary social, political, and economic systems. The question how Afriruralization can influence its realisation in countries like Nigeria require urgent interrogation. In interrogating François Perroux's growth poles theory, this work presents arguments in support of the proposition that Afriruralization is an inevitable component the development process, through diversification which necessarily could result in propitious stimulus. This wave of analysis could bring about what we termed glocal afriruralization theory. With value-laden policies, this process can occur at a socially acceptable level. However, given the distortion of opportunities in favour of cities in most developing countries, Nigeria not excluded, the costs of livelihood associated with urbanisation often offset the benefits, leading

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disproportionate ruralisation. To this end, glocal Afriruralization theory which is back to base-ruralisation is the option for reinventive, creative and resourceful diversification development culture needed for growth.

Introduction

Friedrich A. Hayek is well intentioned in his work, *The Road to Selfdom* when he said: "To build a better world, we must have the courage to make a new start. We must clear away the obstacles with which human folly has recently encumbered our path and release the creative energy of individuals. We must create conditions favourable to progress rather than 'planning progress'" (62).

He further stressed the need for a new order saying:

It is not those who cry for more 'planning' who show the necessary courage, nor those who preach a 'New Order', which is no more than a continuation of the tendencies of the past 40 years, and who can think of nothing better than to imitate Hitler. It is, indeed, those who cry loudest for a planned economy who are most completely under the sway of the ideas which have created this war and most of the evils from which we suffer (62).

Thus, for him, "the guiding principle in any attempt to create a world of freemen must be this: a policy of freedom for the individual is the only truly progressive policy" (62). The problem of rural-urban migration and sustainability primarily has existed for a long time in both the first, second, and third worlds. As our main interest suggest, we feel the strings of the essentiality of solving the problem in the process of ruralisation and sustainability of the Nigerian project in the 21st century. The highest common factor for ruralisation and sustainability lies in the resource capacity of a glocalized society. The human assets most a time neglected are generally considered the pilot of economic value of sustainability in any developing country. Simply put, in the modern and glocalized world of the 21st century, the means to step up to a sustainable development is the kind of investment put into the quality and quantity of its human capital. Nigeria's present incapacity for modern development is founded therefore on her failure to invest and develop her human resources, often referred to as human capital (Anya, 2010). They have been underdeveloped over time and can be seen as retrogressing in the custom of a given environment. Even though every environment is usually filled with material goods, the value of these material goods for the most part depends on human involvement and perceptions. Hence the usage of the term glocalization. 'Glocalisation' means "the creation of products or services intended for the global market but customized to suit the local cultures." (http://www.wordspy.com/words/).

Roland Robertson (1995) quoting *The Oxford Dictionary of New Words* (1991) succinctly opined that 'the term glocal and the processing noun 'glocalization' are formed by telescoping global and local to make a blend' (134). Stating further, the Dictionary holds that ideas has been 'modelled on Japanese *dochakuka* meaning -living one's own land. The general issue is that it has its origin in Japan in the 1980s which has a well strongly cultivated spatio-cultural significance of Japan itself and where the general issue of the relationship between the particular and the universal has historically received almost obsessive attention (Miyoshi and Harootunian, 1989). Thus, making it one of the main marketing buzzwords of the beginning of

the nineties (134). As Tomlinson (1991) has argued, 'local cultures' are, in Sartre's phrase, condemned to freedom. To this end, Habermas aptly says that "freedom is manifested particularly in terms of the social construction of identity-and-tradition, by the appropriation of cultural traditions" (22).

Recent research has shown that rural development has been appreciated as "the product of those human activities that use the resources of rural territories to increase welfare" and economic values of the nation (Errington, 2003); it is the driving force for advancing diversification and modernism of the rural areas. It sets up a working process of ruralisation in bid to turn around depopulation processes, stimulate employment and equality of opportunities, respond to growing requests for better quality of life, in areas of health, safety, personal development, and leisure. Todaro (1980) asserted that investment in human capital can improve its quality, and thereby have the same or even a more powerful effect on production of goods and services.

This is a theoretical and policy-oriented paper in nature. It begins by analysing the growth pole theory as developed by French regional economist, Francois Perroux, in 1955. His phenomenon of economic development and with the process of structural change has become a model for analysing the fiscal policy of Afriruralization and sustainability of Nigeria. The paper questions the systemic neglect of ruralisation in developing countries over time for urban globalization and while a rapid but excessive economic sustainability of developed nations have led to the migration and immigration threat in many developing countries. Exceptionally, we highlight the causes and consequences of migration to developed nations, and the relationship it has with urbanization and economic growth. One of the integral parts of the development process that is very important is the ruralisation of human capital development. Until its causes and consequences are understood, effective policies to foster the economic growth of ruralisation would seem difficult to develop.

Subsequently, we reinstate the causes of migration and immigration to developed nations as presently displayed. This paper thus discusses the issues faced in rural areas, and the factors encouraging people to leave these areas to find new opportunities in the more developed nations. The push and the pull factors were analysed. The problem of poverty and lack of opportunities in rural areas are also presented and identified as push factors, while urban job opportunities are the pull factor. There are issues surrounding developed urbanized nations bias and this is the case of Nigeria with emphasis placed on government policies, which contribute to the imbalances in opportunities available in rural developing nations and urbanized developed nations. When government policies are not grounded especially in the developing countries, the benefits and costs of urbanization leads only to urban economic growth and economies of scale, but because of a divergence of social costs and private costs, excess urbanization arises which on the long run leads to inefficiency and un-sustainability.

To have a Sustainable Afrirural development generally, government policies should bear in mind fiscal policies that recognize the product of those human activities that use the resources of rural territories to increase their human capacities and welfare. By way of ruralisation, development could be considered sustainable if and only if it meets the needs of the present generation without compromising the ability of future generations to meet theirs. The Fiscal policy of Afrirural development is the solution needed for encouraging diversification and innovation in rural developing nations. It reverses depopulation processes, stimulate employment and equality of opportunities, respond to growing requests for better quality, health, safety, personal development, and leisure, and finally improve the quality of life of Nigerian populations.

Transparency International opined that a sustainable rural development could be achieved through different means or tools, e.g. providing local populations with vocational and technical training even for students in their curriculum and improving access to information, resources, and innovative technologies. Afriruralization development actions mostly aim at a return to

farm, field, forest & streams with no more dependence on off-shore farms social and economic development, encompassing tourism, manufacturing and information and communications technologies (ICT). Afriruralization development concerns several sectors, such as tourism, agriculture, forestry and energy. This is why it is important to recognize the multifunctional dimensions of agriculture, forestry and tourism, which are generally the key economic sectors associated with the African sub-Sahara regions. (Integrated assessment of Europe's mountain areas, EEA report, 2010)

Sustainable Afriruralization development is also based on the involvement of different levels of government and various local stakeholders, and on the promotion of the sustainable use of local assets and resources as essential for supporting competitiveness. Recourse to investment rather than to subsidies also appears to be one of the key features of sustainable rural development.

Our attempt in interrogating François Perroux's growth poles theory, gives in to elucidating how modern practice of economic growth departed from the legislative resources of equilibrium growth only to a one-sided economy to a multi-dimensional economy Afriruralized. Just like François Perroux's arguments, we wish to adopt some of Schumpeter's theories of the role of innovations and large-scale firms. For Schumpeter,

development occurs because of discontinuous spurts in a dynamic world. The cause of discontinuous spurts is the innovative entrepreneur whose activities take place in large- scale firms. These firms are able to dominate their environment in the sense of exercising reversible and partially reversible influences on other economic units by reason of their dimension and negotiating strength, and by the nature of their operations (19).

#### What is Afriruralization?

In conceptualizing afriruralization certain semantics needs to be put into actions. The prefix afri on If, as have been argued, "rural is not synonymous with agriculture and is not synonymous with economic stagnation" what does it mean to ruralised? Rural areas are relevant in many ways for Nigerian and African society. Afriruralization is the new development approach understood as the hypothesis that radically benchmark improvements in the socio-economic wellbeing of how disadvantaged undeveloped areas can best be brought about by reorganising resources of the territory itself to attract local content investors. As an idea, Afriruralization is an ingenious enunciation of a thinkable front of ruralisation in Africa. It is a discourse to discouraged migration to urban areas. This invariably is meant to ultimately change the practice of urbanisation in Nigeria (Africa).

The rural has, if not a fashionable place, then certainly a concessive correlation of spacing, grit, and conventionality. We do perceive the rural not as fortuitous as have been seen but as an anodyne place of creative, inventive with resourceful diversification. In part, this is what connects the rural to the politics of new policy in its broadest sense, in which we come to find our resources as dynamic, innovative in prioritizing resource efficiency whereby "reducing greenhouse gas and ammonia emissions from agriculture" and "fostering carbon conservation and sequestration in agriculture and forestry". This is made possible through the recognition of a part of ourselves in the diverse others that make up the ecosystema. It accommodates all eco life within the agricultural territory. Then, one is ilk to hold that the basic supply of varied food and raw materials for diverse creative, inventive and resources that meets consumers demand today comes from the rural settlement. Thus, Afriruralization ideology becomes the gateway to *Glocalization*. Glocalization is the development and extraction of local contents by which

the economy of the rural environment is made global and internalizes as the ideological framework for indigenous industrialization.

According to Mihr (2022), in his work *Glocal governance* holds that there should be an implicit "interlinkage between global, national and local formal and informal actors that aim to find common ground, take decisions, implement and enforce them". And it is this pragmatic and fiscal policy that would lead the undeveloped resources to resourceful assets for rural wealth development.

Roudometof (July, 2016) in his article, "Glocalization: A Critical Introduction" explains the import of the term as applied to a general usage that influences cultures and society. Thus, he opines

Elements unique to glocalization under this umbrella include the idea that diversity is the essence of social life, that not all differences are erased, history and culture operate autonomously to offer a sense of uniqueness to the experiences of groups (whether cultures, societies or nations), glocalization removes the fear that globalization resembles a tidal wave erasing all differences, and that glocalization does not promise a world free from conflict but offers a more historically grounded and pragmatic worldview (393-394).

The following words of the executive summary made by the National planning and Budget that, "Nigeria has the potential to become a major player in the global economy by virtue of its human and natural resource endowments. However, this potential has remained relatively untapped over the years" (Federal Republic of Nigeria, 10), becomes crystal clear about the disposition made by the government of the day to be battle-ready in terms of unexpected decline in the oil sector.

A people hold onto certain memories of their recent past and showcase of their cultural heritage because the rural life exists. As it stands today, it hopes to offer leisure, amenities and different lifestyles to urban people while holding to the future, of the promise of an environmentally friendly and more sustainable modern way of living and working. The functions of rural areas have been increasing in recent decades. Maintaining and developing the viability and diversity of rural Nigeria is a vital task not just for the farmers and the rural population but also for society as a whole. To accomplish such a task is a major challenge. It requires a substantial change in the present rural policy vision thus the need for the *growth poles theory* of Perroux if it has relevance to modern Nigeria's afriruralization scheme.

# François Perroux's growth poles theory for Afrirural Fiscal Policy

The phenomenon of economic development and with the process of structural change has no doubt become a concept of *poles de croissance*. To understand Perroux's theory, we are required to have grasped the Schumpeterian theory of development and theory of inter-industry linkages and industrial interdependence. What then is Schumpeter's theory of development and inter-industrial linkages and industrial interdependence? Perroux's argument explains the synthetic procedure of economic growth when he said, "it is a blunt and indisputable fact that growth is not uniform in different places but growth has different degrees of intensity in different point, or poles, and then it spreads via channels and its final result for the state economy is different in different regions" (Vystoupil, 2003). According to Perroux, "growth does not appear everywhere and all at once, it appears in points or development poles, with variable intensities, it spreads along diverse channels and with varying terminal effects to the whole of the economy". It is related to Perroux's idea of an economic space as a field of forces consisting of centres, "from which centrifugal forces emanate and to which centripetal forces are attracted. Each centres, being a centre of attraction and repulsion, has its proper field which

is set in the field of other centres". From the following, Perroux was able to lay the key and the most important theoretical foundation of the whole concept of growth poles theory.

Fiscal policy of a government's budget is one of the clearest indicators of the extent to which it respects the principle of limited government. By delineating priorities and allocating resources, a budget signals clearly the areas in which government will intervene in economic activity and the extent of that intervention revolutionalize the rural environment.

# The Quest for Afriruralisation and the Growth Pole Theory for Nigeria's 21st Century

In stressing the quest towards African development, Adamu (2017) argued strongly that "there can be no economic development in African countries until there emerge modernizers, powerful enough to sweep aside existing patronage structures, patrimonialism, petty tribalism and other cobwebs from the past that hinder creativity and wealth creation" (3). There is a widespread perception that "Rural is not synonymous with agriculture and is not synonymous with economic stagnation" (OECD, 4) but within Nigeria's context, it is a truism that "rural is synonymous with agriculture and economic stagnation". Hence, the urgency of ruralisation employing the growth pole theory as applicable to our situation. In the 2018 Index, overdependence on exports of agricultural and mineral commodities that contribute little or nothing to sustain, increases in productivity and job creation, combined with sluggish progress toward economic diversification, has resulted in a deeply ingrained pattern of suboptimal growth that has caused the region to fall steadily behind the rest of the world.

The characteristic of modern Nigeria is premised on the abundance of human resource unharnessed to her advantages. The investment in human resources approach underpins the new rural challenge that requires both government and firms' competitiveness as they shift away from a focus on subsidies on economic budgeting disguised for urbanisation.

The Nigeria's 21<sup>st</sup> century needs policy that are not ethnically and tribally politicized that regenerates a systemic and radically oriented growth pole theory which would drift from the year in year out trying to grow the economy at 4 percent when serious nations expands theirs from 5-11 percent. It goes to show that on the average of 8.0 percent of the youth/young people are glooming unemployed and so, can't make up for the lost ground. Regrettably, the Sub-Sahara Africa region did not just face underdevelopment, but has continued display of its underperformance due to repeated failures to politically implement policy changes to improve afriruralization of various businesses and investment climate and to strengthen the rule of law.

Sequel to the Agenda 2000, the CAP has been distinguished in two pillars: the first pillar includes market and price interventions and direct payments to support the agricultural sector, whereas the second pillar relates to the rural development programme (RDP) aiming to strengthen the EU's agri-food and forestry sectors, environmental sustainability, and the wellbeing of rural areas in general (European Commission, 2020).

### Reinventing the implications of Fiscal policies of afriruralization and Sustainability

Many African economies are now more resilient and better able to cope with difficult external conditions. However, the end of the commodity price super cycle has reduced primary export earnings in many countries, undermining planned investments. British Behuria (2019) work *African development and the marginalisation of domestic capitalists* captures in the ESID Working Paper No. 115 states succinctly that:

The revival of industrial policy discussions has operated in parallel to reports of increasing domestic wealth accumulation across the African continent. Regional and continent-wide industrialisation has begun to be rhetorically linked to discussions of regional common markets and through the African Continental Free Trade Area. Yet, there is barely any mention of integrating African capital into the African industrial policy agenda. Where such discussions have appeared, they have emerged through the 'Africapitalism' narrative, which ignores the role of the state and politics in supporting and sustaining domestic business groups (2).

Alternatively, the re-formulation of industrial policy on the continent behoves greatly on foreign investors loans to finance industrialization resulting to unwarranted Memorandum of Understanding (MoUs) in part principally the relocation of Chinese industry to various parts of the continent for example in Nigeria.

In the 2018 Index, "the scores for the 47 countries in the region that were graded generally fall into the lower categories of economic freedom" (Index, 2018). The Fiscal policies of ruralisation and sustainability has enumerated should be able to have the following implications:

- fostering knowledge transfer and innovation in agriculture, forestry and rural areas;
- ii enhancing the viability and competitiveness of all types of agriculture, and promoting innovative farm technologies and sustainable forest management;
- iii promoting food chain organisation, animal welfare and risk management in agriculture;
- iv restoring, preserving and enhancing ecosystems related to agriculture and forestry;
- v promoting resource efficiency and supporting the shift toward a low-carbon and climate-resilient economy in the agriculture, food and forestry sectors;
- vi promoting social inclusion, poverty reduction and economic development in rural areas.

A glance at the 2022 Overall index of economic freedom has ten components grouped into four broad categories following the immediate past government of President Muhammed Buhari and now the reign of President Bola Ahmed Tinubu: "Rule of Law; Limited Government; Regulatory Efficiency and Open Markets. The overall economic freedom is scored on a scale of 0 to 100, where 100 represents the maximum freedom". The scale shows that Nigeria has 54% and placed in 124th position out of 175<sup>th</sup> according to global economy index (https://www.theglobaleconomy.com/Nigeria/economic\_freedom/).

#### **Evaluative Conclusion**

Successively, we have been able to reinstate that to achieve the agenda of Afriruralization for Fiscal policy of Economic Sustainability of Nigeria, its causes on migration and immigration towards developed nations as shown presently could be curbed understanding François Perroux's growth poles theory. This paper thus having discussed the issues faced in rural areas, and the factors encouraging people to leave these areas to find new opportunities in more developed nations. The push and the pull factors were analysed. The problem of poverty and lack of opportunities in rural areas are also presented and identified as push factors, while urban job opportunities is the pull factor. There are issues surrounding developed urbanized nations bias and this is the case of Nigeria with emphasis placed on government policies, which

contributes to the imbalances in opportunities available in rural developing nations and urbanized developed nations. When government policies are not grounded especially in the developing countries, the benefits and costs of urbanization leads only to urban economic growth and economies of scale, but because of a divergence of social costs and private costs, excess urbanization arises which on the long run leads to inefficiency and un-sustainability.

To have a Sustainable Afrirural development generally, government policies should bear in mind fiscal policies that recognize the product of those human activities that use the resources of rural territories to increase their human capacities and welfare. By way of ruralisation, development could be considered sustainable if and only if it meets the needs of the present generation without compromising the ability of future generations to meet theirs. The Fiscal policy of Afrirural development is the solution needed for encouraging diversification and innovation in rural developing nations. It reverses depopulation processes, stimulate employment and equality of opportunities, respond to growing requests for better quality, health, safety, personal development, and leisure, and finally improve the quality of life of Nigerian populations.

Taking into consideration the current economic climate, this paper recommends the glocal afriruralization theory that in order to curtail rural-urban migration, government should promote rural investment and economic activity, it is incumbent upon the establishment to reconsider, review, and revise existing investment policies, notably the Indigenization and Economic Empowerment Policy of the nation with special reference to ruralisation. After such a study and adjustment, the aforementioned policy framework will undoubtedly encourage investors' confidence. The political aim must also be clear in order to attract investors and progress infrastructure development. Local government entities, in particular, rural regional councils, should provide incentives to both investors and the local populace in order to support and boost rural development. Local communities should also take the initiative to promote economic development within their spheres of influence by putting forth concerted efforts to solicit funding from their government agencies for the start-up of businesses that would act as a catalyst and incentive for outside investors to invest in those communities. The said policy framework will certainly inspire investor confidence after such a review and change. In order to attract investors and advance infrastructure development, political intent must also be apparent. In order to encourage and boost rural development, local authorities, particularly Rural Regional Councils, should offer incentives to both investors and local populations. Local communities should also take the initiative to encourage economic development within their spheres of influence by making concerted efforts to engage their local authorities for seed funding to launch businesses that would serve as a catalyst and an incentive for outside investors to invest in those communities. Additionally, ongoing political engagements should move out of capital cities and be re-established in their various localities, making the interaction between local governments and city ministries a common occurrence and an ongoing process to help revitalize local economies and infrastructural development. When adopting significant policy stances that have an impact on these institutions, the government should consult with local communities and authorities. Therefore, it is imperative that the authorities stop politicizing public institutions. As an illustration, the privatization of the Central Mechanical Equipment Department (CMED), whose duty it is to create road infrastructure, would have gone a long way in luring investors and providing an effective road network. Due to the CMED's privatization, services are now expensive and out of the financial grasp of local governments, resulting in crumbling and unreliable road infrastructure. and faulty transportation infrastructure. If the road network is this poor, investors will surely lose interest in the area. Local communities need good road networks to transport agricultural products. Corruption and corrupt practices need to be monitored and combated so that citizens can benefit

from the revenues derived from the exploitation and expropriation of domestic natural resources. Finally, and perhaps most importantly, active public participation in policy formulation and implementation is essential to strengthening public confidence as a resource-rich nation.

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