



BAYERO UNIVERSITY, KANO

**SUSTAINABLE TRANSFORMATION
OF PUBLIC AND CORPORATE
MANAGEMENT IN DIGITAL AGE:
PERSPECTIVES, CHALLENGES & PROSPECTS**

BOOK OF PROCEEDINGS

**3rd International Conference,
Faculty of Management Sciences,
Bayero University, Kano-Nigeria**

10TH - 12TH JANUARY, 2023

VOLUME 2

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ISBN:978-978-8203-68-1

e-ISBN:978-978-8203-91-9

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10th – 12th January, 2023

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Published by:
Faculty of Management Sciences,
Bayero University, Kano,
P.M.B. 3011 BUK,
Kano, Nigeria.
icdc.fms@buk.edu.ng

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ISBN:978-978-8203-68-1

e-ISBN: 978-978-8203-91-9

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Acknowledgements

The success of the 3rd International Conference on the theme *Sustainable Transformation of Public & Corporate Management in the Digital Age: Perspectives, Challenges & Prospects*, held from 10th to 12th January, 2023 at Bayero University, Kano, Nigeria was attributed to Allahs's immensed blessings in all ramifications. The remarkable support and encouragement received from financial institutions, public sector organizations, professional bodies, academic institutions, organized private sector, practitioners and individuals have helped in no small measure to the unprecedented success recorded at the Conference. It is in view of this therefore, that it is expedient that such support be duly acknowledged and appreciated by the Faculty.

First and foremost, the Faculty remains deeply grateful to the Vice Chancellor, Bayero University, Kano, Professor Sagir Adamu Abbas, *FMAN*, for his immense support towards the successful organization and conduct of the Conference. We would also like to acknowledge the immense support received from the Management, staff and students of the Faculty, Dangote Business School (DBS), Centre for Dryland Agriculture, Deans, Directors, Heads of Department and Unit of the University, alumni, colleagues and associates. We greatly cherished the uncommon enthusiasm, commitment, determination and selfless sacrifices they all made towards the success of the Conference.

The Faculty also likes to place on record its deep sense of gratitude and appreciations to the Management of Bayero University (BUK), the Federal Inland Revenue Service (FIRS), the Nigeria Deposit Insurance Corporation (NDIC), the Nigerian Communications Commission (NCC), the Association of National Accountants of Nigeria (ANAN), Jaiz Bank Plc, and Dala Foods Nigeria Limited for their invaluable support towards the successful organization and conduct of the Conference.

We are also deeply grateful to the Chairman of the opening ceremony of the Conference, Arc. Yusuf Zubair Kazaure, Chairman, Nigerian Communications Satellite Limited (NIGCOMSAT). We also highly appreciate the Lead Paper Presenter, Professor Omar Hassan Kasule (the Secretary General, International Institute for Islamic Thought (IIIT), United States of America), and the Keynote Speaker, Amb. Shuaibu Adamu Ahmed (Wazirin Ningi), FCA, FCCA, (Executive Secretary/CEO, Financial Reporting Council (FRC) of Nigeria). We also wish to acknowledge the presence and active participation of the Guest of Honour, Prof. Muhammed Bello Abubakar (MD/CEO Galaxy Backbone Ltd.), ably represented by Dr. Nasir Shinkafi (Chief, Information Security and Business Continuity Officer, Galaxy Backbone Ltd.).

Finally, we wish to acknowledge the unparalleled commitment of the members of the Conference Organizing Committee, Chairmen, Lead Discussants and Rapporteurs of paper sessions, colleagues from various units of the University, registration team, paper presenters, other conference participants, members of the press, support staff and students from the various units of the University, staff of the Faculty, students, and all those who have, in one way or the other, contributed to the successful organization and conduct of the Conference.

TABLE OF CONTENTS

Acknowledgements	iii
Table of Contents.....	iv
Welcome Address by the Dean, FMS, Prof. Kabir Tahir Hamid.....	x
Openings Remarks by the VC, BUK, Prof. Sagir Adamu Abbas, FMAN.....	xii
Remarks by the Chairman of the Opening Ceremony Arc. Yusuf Zubair Kazaure (Chairman NIGCOMSAT Ltd).....	xiv
Keynote Address by Amb. Shuaibu Adamu Ahmed (Wazirin Ningi), FCA, FCCA, (Executive Secretary/CEO FRC of Nigeria).....	xvii
Goodwill Massage by Muhammad Bello Abubakar, MD/CEO Galaxy Backbone Ltd.....	xxii
Lead Paper, by Prof. Omar Hassan Kasule, Executive Secretary, IIIT, USA.....	xxiv
Conference Communique.....	xxvii

SECTION 1: ROLE OF FINANCE & BANKING IN SUSTAINABLE TRANSFORMATION IN THE DIGITAL AGE

Islamic Banking and Sustainable Development: Empirical Evidence from Nigeria Binta Tijjani Jibri, Kabir Tahir Hamid, Aliyu Dahiru Muhammad & Warshu Tijjani Rabi	1
Mitigating the Challenges of Conventional and Islamic Sources of Financing Agriculture in Kaduna State, Nigeria: A Measured Approach Mohammed Shamsidin Ango Abdullahi & Yogesh Kumar Gupta	17
Role of Financial Technology in Promoting Financial Inclusion of Nigeria Aisha Ahmad Ishaq	30
Cryptocurrency Trade and Exchange Transactions: Prospects, Challenges and Implications for Emerging Economies Ali Nuhu Abubakar, Sharafuddeen Ibrahim Abubakar, Huzaifa Ibrahim & Ibrahim Shehu	37
Impact of Financial Crimes on Financial Inclusion: The Role of Institutional Quality Influence Muhammad Sani Gawuna, Kabiru Umar & Mohammed Aminu Bello	47
Effect of Dividend Policy on Market Price of Shares: A Post Global Financial Crises Review Nurudeen Oyairekhua Aileobini, Bala Ado K/Mata & Muhammad Yadudu	56
A Systematic Literature Review on the Capital Structure of Islamic Banks Using the Prisma Framework Sulaiman Musa, Abubakar Ibrahim Ayuba & Nura Idris	66

Impact of Information Technology Investment and Digitalization on Profitability and Non-interest Income in Nigerian Banking Sector Mohammed Aminu Bello	82
Financial Constraint and Performance of Non-financial Firms in Nigeria Muhammed Alhaji Abubakar, Nurnaddia Binti Nordin & Nurhaiza Binti Nordin	93
Nexus between Internet Banking and Customer Retention in Selected Deposit Money Banks Usman Inuwa, Francis Chukwuemeka Isuh & Adejoh Matthew Inalegwu	103
Interest Rates Policy and Investment Behaviour in Nigeria: A Dummy Variable Regression Approach Mathias A. Chuba & Suleiman Yakubu	118
Public Reaction to Redesigning and Redistribution of Nigerian Currency by the Central Bank of Nigeria: Implications for National Security Aminu Zubairu Surajo, Farouk Mohammed, Abdulkadir Shitu Umar & Abubakar Aliyu Datti	129
SECTION 2: THE ROLE OF PUBLIC ADMINISTRATION IN SUSTAINABLE TRANSFORMATION IN THE DIGITAL AGE	
Self-Efficacy on Entrepreneurial Intention among University Graduates in Kwara State Aliyu, Mustapha Olanrewaju	139
Psychological Contract Breach, Organizational Justice and Job Performance of Academic Staff in Nigerian Universities: A Proposed Framework Usman Abbo	152
Effect of Recruitment Process on Teachers Performance in Kano State Umar Abdulkadir Umar	167
ICT and Effective Human Resource Management Practice: A Study of Bayero University Kano Adamu Garba & Abubakar Tabiu	177
Capacity Building and Local Government Service Delivery in Nigeria Maxwell Akonjom Anyang & Adam Muhammed Kirfi	186
Local Government Administration, Democracy and Development in Nigeria's Federal System Abdullahi Yahuza Zainawa	198
Public Sector Reform in Nigeria: The Imperatives of E-Governance Najibullahi Abdallah Nuhu & Mubarak Sulaiman Jamiu	208

Assessment of Community Power Structure on Decision Making in Likoro Community, Kudan Local Government Area of Kaduna State Kasimu Musa Abdullahi & Ajayi Olajide	218
Pay Determination and Arbitrary Pay Disparity in Nigerian Public Sector: A Study of Selected Sectors Bilkisu Ibrahim Suleiman	231
Public Sector Leadership in the Digital Age: Issues, Challenges and Prospects Abubakar Tabiu	240
E-Governance and Administrative Fraud in Nigeria Public Service Muhamud Abdallah & Ubong Okokon Bassey	248
Local Government and Challenges Impeding Effective Primary Healthcare Services Delivery in Zamfara State, Nigeria Latifah Musa Pedro	258
Assessing the Infrastructure Delivery in Internally Displaced Person’s Camp in Abuja and Borno State Anulika Gloria Njoku & Musa Mohammed	268
Chairman-Locals Administration: The Magic Bullet to the Imbroglia on Local Government Autonomy in Nigeria Abdulsalam Hassan Bello	279
Impact of Intergovernmental Fiscal Relations on Local Government Service Delivery in Nigeria Umar Abdulkadir Umar & Lurwanu Usman	285
State Joint Local Government Account and the Financial Autonomy of Local Government in Nigeria: A Thematic Review Aisha Balarabe	295
Community Participation in Constituency Projects: Mainstreaming Gender Equality and Social Inclusion (GESI) in Kano State Hafsat Yahaya Yakasai	302
Assessment of E-Governance Implementation on Service Delivery in Nasarawa State University, Keffi (2017-2021) Abdullahi Mohammed, Ahmed A. Audi, Isah Ibrahim Salisu & Zubairu Mustapha	312
Bureaucracy and Moral Values in Nigeria Public Service: The Search of Effective Service Delivery Abubakar Salihu	324

Human Resource Management as a Panacea for Effective Development of Public Institutions in Nigeria Abubakar Salihu & Aliyu Ishaq Abdullahi.....	338
 SECTION 3: SUSTAINABLE DIGITAL TRANSFORMATION FOR SOCIO-ECONOMIC DEVELOPMENT	
Impact of Stock Market Developments on Economic Growth in Nigeria (1985Q ₁ – 2019Q ₄) Ali Salisu & Tijjani Mamman.....	350
Social Media and Anti-Social Behaviour among Youths in Nigerian Universities Umar Uthman Mohammed & Zubairu Tijjani Babura.....	364
Link between Small and Medium Scale Enterprises and Poverty Reduction in Nigeria: Case Study of Gombe Metropolis, Gombe State Muazu Yakubu, Umar Ahmed Arabi & Mohammed Sani Hassan.....	376
Implementing an Industrial Waste Management Initiative Based on Circular Economy in Nigeria: A Conceptual Approach Aishatu Adamu Zubair & Abdurashed. A. Aminullah.....	387
Domestic Economic Crisis and Banking Sector Non-Performing Loans in Period of Economic Recession in Nigeria Mohammed Aminu Bello, Kabiru Umar & Muhammad Sani Gawuna.....	396
Impact of Land Border Closure Policy on the Economy of Border Towns in Nigeria: A Study of Jibiya and Maigatari Towns 2019-2023 Riyauddeen Zubairu Maitama & Rabi Adam Muhammad.....	405
Analysis of the Challenges of Electricity Generation and Transmission in Nigeria: The Way Forward Abubakar Tafida Jibril & Shehu Salisu Jafaru.....	416
Effect of Entrepreneurship Development on Employment Generation in Kano State (A Study of Kano Technology Incubation Center) Aminu Abubakar, Muhammad Abubakar, Sa'idu Adamu & Hamza Abdullahi.....	426
Analysis of Long-Run Impact of Non-Oil Tax Revenue on Economic Growth in Nigeria Ali Nuhu Abubakar, Hussaini Umar K/Kuka & Auwalu Sani Ibrahim.....	450
Space and Population, Determinants of Economic Growth and Globalization Ponjul B. Gonji.....	464
Survey of the Impact of Social Investment Programs toward Beneficiaries' Economic Empowerment and Entrepreneurship Development in Nigeria Yakubu Abdullahi Yarima, Aishatu Ibrahim Gamawa & Auwalu Ladan.....	472

Effects of Rural Roads on Access to Socio-Economic Services and Opportunities in Kaduna State - Nigeria Abduallahi Sani, Adejo Odoh, Muhammad Kabir Isa & Umar Ibrahim.....	482
Assessing the Challenges of Funding and Implementation of Education Policy in Nigeria Abdullahi Sani, Mohammed Sule Haruna & Jamilu Ali Musa.....	493
Accelerating Women Economic Empowerment through Social Enterprises in Northwestern Nigeria: A Social Innovation Approach Shukurat M. Bello Ph.D & Aisha Aminu Ph.D.....	505
Innovative Skills: Plausible Antidote for Finding Job Opportunities among Nigerian Graduates Obi Jude Chibuzor & Joel Tisan Mallam.....	513
Demand – Supply Gap Analysis of Housing Delivery in Abuja, Federal Capital Territory Michael N. Eneje & Ikechukwu A. Diugwu.....	522
Effect of Critical Success Factors (CSF) on the Performance of Indigenous Construction Firms in Nigeria Sikirat Oyiza Audu & Ikechukwu A. Diugwu.....	529
Export of Information and Communication Technology (ICT) Services as Panacea to Trade Balance Sustainability in Nigeria: A trend analysis Muhammad Ibrahim Abdullahi & Muhammad Abdulaziz Muhammad.....	538
Examining the Relationship between Human Capital Development and Poverty Reduction in Nigeria Ugochukwu D. Abasilim & Adeline C. Onyekwuo-Oparah.....	547
The Role of Youth Empowerment in Poverty Alleviation in Kano State (A Case Study of Sani Abacha Youth Center, Kano) Aminu Abubakar, Muhammad Abubakar, Adamu Naniya, Tanko Isah Abdullahi, Abdulkadir Aminu Ahmed, Sa'idu Adamu, Salamatu Gambo Ibrahim & Sa'ida Usm Sally.....	556
Economic Growth, Information Communication and Taxes Nexus in Nigeria Samaila Adamu & Muhammad Salisu Usman.....	570
Demonetization Policy Implementation in Nigeria: Prospects and Challenges Mohammed Musa Bayero, Ibrahim Abubakar Abubakar, Jandiya John & Umar Bello.....	582
Health Care Service Delivery for Rural Areas in the Digital Era: Challenges and Prospects Justina Sam-Okere & Miriam Sam-Okere.....	592

Effect of Financial Capacity on the implementation of PHC Programmes in Katsina State Shehu Sani, Shamsuddeen Yahaya, Bello Yusuf & Mujahid Aliyu.....	601
Impact of Government Intervention Loans on Agricultural Practices and Crop Yield in Niger State Nigeria Francis Ikechukwu Ezeokoye & Ikechukwu A. Diugwu.....	620
Tax Revenue Administration and Economic Growth in Nigeria Adebayo Gbenga Ayodele, Binta Abubakar Nuhu & Hassanat Salawu Salihu.....	633
Hybrid Multi-Step Smote-ENN Algorithm for Enhanced Breast Cancer Machine Learning Classification Abdullahi Muhammad, Solomon Adelowo Adepoju, Sulaimon A. Bashir & Opeyemi Aderiike Abisoye.....	648
Ethno-Religious Narratives and Development Traps in Nigeria: A Narrative Matrix Analysis Usman Abbo.....	657

Welcome Address by the Dean Faculty of Management Sciences

Prof. Kabir Tahir Hamid

Protocol

All praise be to Allah, the Most Beneficent, the Most Merciful, Who Has made this Conference not only a reality, but a remarkable success.

It is my honour and pleasure to warmly welcome you all to this 3rd International Conference & Doctoral Colloquium, organized by our Faculty with the theme *Sustainable Transformation of Public & Corporate Management in the Digital Age: Perspectives, Challenges & Prospects*. I am delighted, on behalf of the entire staff and students of the Faculty, to welcome you all to Bayero University, Kano.

I am pleased to welcome the Chairman of today's opening ceremony, *Arc. Yusuf Zubair Kazaure*, Chairman, Nigerian Communications Satellite Limited (NIGCOMSAT) and our Lead Paper Presenter, *Professor Omar Hassan Kasule* (the Secretary General, International Institute for Islamic Thought (IIIT), United States of America). I am also pleased to welcome our Keynote Speaker, *Mr. Bello Hassan*, MD/CE Nigeria Deposit Insurance Corporation (ably represented by *Mr. Mustapha M. Ibrahim*, Executive Director Operations), *Engr. Mansur Ahmed* (Group Executive Director, Strategy & Government Relations, Dangote Group) and *Amb. Shuaibu Adamu Ahmed*, Wazirin Ningi (Executive Secretary/CEO, Financial Reporting Council (FRC) of Nigeria). Equally deserving a special welcome is our Guest of Honour, *Prof. Muhammed Bello Abubakar* (MD/CEO Galaxy Backbone Ltd.), ably represented by *Dr. Nasir Shinkafi* (Chief, Information Security and Business Continuity Officer, Galaxy Backbone Ltd.).

This Conference brings together academics and practitioners in the field of Management Sciences, Digital Technology and beyond, to strategically address issues pertaining to transformation of Public and Corporate Management in the digital age and to chart a course on how to use emerging perspectives and paradigms to improve performance, efficiency, effectiveness, organizational sustainability and all-inclusive sustainable economic growth and development.

It is worthy to mention that the theme of this Conference has stirred high interest among both academics and practitioners, resulting in receive of about two hundred (200) papers for both technical sessions and Doctoral Colloquium. It is important to mention that the opening ceremony of the Conference would be followed by break-out parallel paper sessions. The physical sessions will be held here, at the Dangote Business School, while the virtual sessions are to be held at the Centre for Dryland Agriculture (a World Bank Centre of Excellence), here in the new campus. While, the Doctoral Colloquium already took place yesterday.

I would also like to place on record our deep sense of gratitude and appreciations to the Management of Bayero University Kano (BUK), the Federal Inland Revenue Service (FIRS), Nigeria Deposit Insurance Corporation (NDIC), the Nigerian Communications Commission (NCC), the Association of National Accountants of Nigeria (ANAN), Jaiz Bank Plc, and Dala Foods Nigeria Limited for their invaluable support to the Conference.

Similarly, I would also like to acknowledge the immense support received from the Management, staff and students of the Faculty, the Conference Organizing Committee, the Dangote Business School (DBS), the Centre for Dryland Agriculture, other units of the University, alumni, colleagues and associates. We greatly cherished the uncommon enthusiasm, commitment, determination and selfless sacrifice they have made and were still making towards ensuring the success of the Conference.

I sincerely hope that we will have a very fruitful, remarkably successful and indelibly memorable Conference. I wish us all a peaceful and pleasant stay in the University, fruitful deliberations at the various sessions of the Conference and journey mercy back to our respective destinations at the end of the Conference.

Thank you and God bless us all.

Opening Remarks by the Vice Chancellor, Bayero University Kano

Prof. Sagir Adamu Abbas, FMAN

Protocol.

It gives me a great pleasure to warmly welcome you all to the University for the 3rd International Conference & Doctoral Colloquium Organized by the Faculty of Management Sciences, of this University. It is commendable that the Faculty has been able to sustain the bi-annual conference; and their doggedness to organize this 3rd Conference despite many issues arising from the long closure of public universities in Nigeria. It is indeed worthy to note that the theme of this Conference “*Sustainable Transformation of Public & Corporate Management in the Digital Age: Perspectives, Challenges & Prospects*” is apt and quite relevant to our present reality.

The present era of 4th Industrial Revolution brought about digital transformation through “digitalization” of processes, tasks and activities, leading to faster processing and enhancing easy access to data, allowing for greater analysis, faster information sharing and informed decisions. Digital transformation of public and corporate management is crucial in achieving sustainable development. Sustainable development is seen as a concept that requires meeting “the needs of the present generation without compromising the ability of future generations to meet their own needs”. It is concerned with maintaining a balance between environmental, social and economic considerations – the three pillars of sustainability.

Sequel to the above, sustainable development continued to assume increasing recognition across the globe among policy makers, researchers, development agencies and supra national organizations including the United Nations (UN) which came up with 17 Sustainable Development Goals (SDGs) to guide the pursuit of development in various aspects of life. This is in view of its enormous potentials for achieving sustainable economic development particularly in the areas of poverty reduction, employment generation, wealth creation, pollution control, mitigating climate change, enhancing performance and improving welfare and general standard of living.

Both public entities and corporate organizations need to integrate *sustainability* strategies across multiple dimensions of their *digital transformation* roadmaps. Thus, corporate executives across the globe are digitally transforming three key areas of their enterprises, namely customer experience, operational processes and business models. Similarly, combining innovative digital technologies with human understanding can enable public sector organizations to transform and streamline their services, driving better value from public funds and providing improved public services.

I am pleased to note that this Conference has generated remarkable interest and exceptionally high reception from both academics and practitioners not only from management sciences and digital technology, but from different walks of life. As a result of this, the Faculty has received close to two hundred (200) submissions for both technical paper sessions and Doctoral Colloquium from both within and outside the country.

Ladies and gentlemen, I am confident that with the quality of papers to be presented at the Conference, there would be value adding discussions which would result in new paradigms and perspectives for attaining sustainability in Nigeria. It is my sincere hope that all the participants will engage fully in the

discussions and generously share their wealth of experience and knowledge. It is also hoped that the participants will at the end of the Conference chart a new course for a sustainable digital transformation of public and corporate management in Nigeria for the attainment of sustainable economic growth and development in the country.

It is my honour and privilege to declare this 3rd International Conference and Doctoral Colloquium with the theme “*Sustainable Transformation of Public & Corporate Management in the Digital Age: Perspectives, Challenges & Prospects*” open.

I wish you a pleasant and peaceful stay in the University. As you enjoy your stay in the University, I am happy to inform you that Bayero University, Kano, was ranked the overall best University in Nigeria in terms of international outlook in 2023 by Times Higher Education UK. I hope you will feel free to move around the historic city of Kano. I wish you journey mercies back to your respective destinations at the end of the Conference.

Thank you.

Remarks of the Chairman of the Opening Ceremony

Arc. Yusuf Zubair Kazaure, FNIA, FCIPMN, FIMC
Chairman, NIGCOMSAT Ltd.

Protocol

It is a pleasure for me to be part of this International Conference. The theme of the Conference is pertinent to our current reality and will provide an avenue to discuss the pressing issues around business and governance in the age of rapid technological change we are currently in. The digital age has brought about significant changes in the way we live and work. From the proliferation of the internet and social media, to the development of new technologies such as artificial intelligence, Big Data, Industry 4.0 and the Internet of Things. The digital revolution has had a profound impact on every aspect of lives.

In the realm of public and corporate management, the digital age has brought both opportunities and challenges. On one hand, digital technologies have the potential to improve efficiency, reduce costs, and increase transparency in government and business. On the other hand, they also present a number of challenges, including the need to adapt to new technologies, the risk of cyber-attacks, and the potential for job displacement.

In this international conference, I expect that we will explore the perspectives, challenges and prospects for sustainable transformation of public and corporate management in the digital age. We will examine the ways in which digital technologies are being used to improve management practices, as well as the challenges that need to be overcome in order to fully realize their potential. In the interim, I will set the tone by providing my perspectives on some of the key issues.

Sustainable transformation of public and corporate management refers to the process of making changes to the way that public and corporate organizations are managed in a way that is environmentally and socially responsible, and that promotes long-term suitability. It involves a wide range of actions, such as implementing policies and practices that reduce the organization's environmental impact, improving transparency and accountability, and investing in suitable technologies and practices. It can also involve making changes to the way that organizations are structured and managed, in order to better align with suitable principles and goals. The goal of sustainable transformation is to ensure that public and corporate organizations are able to continue to operate in a way that meets the needs of current and future generations, by a variety of factors, including changes in market conditions, shifts in customer demand, advances in technology, and shifts in societal values and expectations.

There are many contemporary issues that businesses may face when transforming, including:

- **Digital Transformation:** With the increasing reliance on technology, businesses need to ensure that they are able to adapt and incorporate digital tools and processes into their operations.
- **Agile Methodology:** Many businesses are adopting agile methodologies in order to be more flexible and responsive to changing market conditions.
- **Sustainability:** As consumers become more aware of environmental and social issues, businesses are under pressure to implement sustainable practices.
- **Talent Management:** Attracting and retaining top talent is a key concern for businesses undergoing transformation, this especially pertinent with the rise of the population of millennials in the workforce.

- **Customer Experience:** In a highly competitive market, businesses need to focus on delivering a high-quality customer experience in order to differentiate themselves from their competitors.
- **Data Privacy and Security:** As businesses collect and process more data, they need to ensure that they are protecting the privacy and security of their customers.
- **Globalization:** Many business are operating on a global scale, which requires them to navigate cultural differences and adapt to different market conditions.

One key perspective on the suitable transformation of public and corporate management in the digital age is the potential for increased efficiency and cost savings. With the use of digital technologies, governments and businesses can streamline processes, automate tasks, and improve decision-making. This can lead to significant cost savings and increased productivity. However, the adoption of digital technologies also presents a number of challenges. One major challenge is the need for employees to adapt to new technologies and learn new skills. This can be particularly difficult for older workers or those with limited digital literacy. Additionally, there is the risk of cyber-attacks and the need to ensure the security of sensitive data.

Cyber threats and data breaches can have serious consequences for business, including financial losses, damage to reputation, and loss of customer trust. In today's digital age, it is essential for business to protect their data and systems from cyber-attacks. This includes implementing strong password, regularly updating software and security protocols, and educating employees about cyber security best practices.

Cyber security is becoming a top agenda item in the Boards of Companies. It is important for the board of directors to be involved in cyber security. The board is responsible for overseeing the overall direction and performance of the organization, and this includes ensuring that appropriate measures are in place to protect the company's assets and data. The board should be aware of the risks and vulnerabilities facing the organization, as well as the steps that are being taken to mitigate those risks. In addition, the boards should be involved in setting cyber security policies and procedures, and ensuring that these are being followed by all employees. It is also important for the board to be informed of any cyber security incidents or breaches, so that they can take appropriate action to address the issue and protect the company's interests.

Another key challenge in the sustainable transformation of public and corporate management in the digital age is the potential for job displacement. As more task become automated, there is a risk that some jobs may become obsolete. This raises important questions about the future of work and the need to ensure that all workers have the skills and training necessary to successes in the digital economy. The 'Japa' phenomenon business are facing in the country further compounds this issue. In addition, as I mentioned earlier, with millennial becoming a large proportion of the workforce, business have to transform to accommodate them.

Millennial, also known as Generation Y, are those born between the early 1980s and the mid-1990s. They are poised to become the largest generation in the workforce. Millennial have had a significant impact on the way work is conducted and the expectations that employees have on their jobs. Some of the key ways in which millennial have impacted the workforce include:

- **Technology Use:** Millennial grew up with technology and are comfortable using it in their work. They expect to have access to the latest tools and technologies and may be more likely to embrace new technologies than older generation.
- **Work-life Balance:** Millennial place a higher value on work-life balance than previous generations and many prioritize this over salary or other traditional measures of job satisfaction.
- **Diversity and Inclusion:** Millennials are more likely to value diversity and inclusion in the workplace and may push for policies and practices that promote these values.
- **Collaboration and teamwork:** Millennials tend to prefer collaboration and teamwork over more traditional hierarchical structures. This has led to the adoption of more flexible and agile work models in some organizations.
- **Entrepreneurship:** Many Millennials are drawn to entrepreneurship and are more likely to start their own businesses or work as freelancers or contractors.

Despite these challenges, there are also significant prospects for the sustainable transformation of public and corporate management in the digital age. With the right policies and strategies in place, digital technologies can be used to create a more transparent, accountable, and sustainable system of governance and business.

In conclusion, the digital age presents both opportunities and challenges for the sustainable transformation of public and corporate management. By addressing the challenges and fully realizing the potential of digital technologies, we can create a more efficient, cost-effective and sustainable system of governance and business.

Thank you.

Keynote Address

Amb. Shuaibu Adamu Ahmed (Wazirin Ningi), *FCA, FCCA*
Executive Secretary/CEO Financial Reporting Council (FRC) of Nigeria

Protocol

Opening Statement

It gives me a great pleasure to be invited to present this keynote address today at the International Conference & Doctoral Colloquium of the Faculty of Management Sciences, Bayero University, Kano. I am also delighted that the University has decided to beam its searchlight on the most topical issues in the world today – *Sustainability, Transformation and Digitalization*. I must therefore commend the Faculty for the choice of this year’s conference theme: *Sustainable Transformation of Public and Corporate Management in the Digital Age: Perspectives, Challenges and Prospects*.

Our work is really changing rapidly and the task of ensuring a sustainable economy the world over hinges on effective management of resources. The center of this change or transformation is Information and Communication Technology (ICT). Every aspect of the economy is now being driven by ICT. That “Digital” is now the focus of most countries cannot be overemphasized. To properly juxtapose some basic concepts in the theme of this conference for effective discussion, I have purposely identified: “Sustainable”, “Transformation”, “Digital Age” for close examination.

“**Sustainable**”, according to Oxford Dictionary means “able to be maintained at a certain rate or level” or “to be upheld or defended”. “**Transformation**” refers to “a marked change in form, nature, or appearance” or “a process by which one figure, expression, or function is converted into another one of similar value”. While “**Digital Age**”, according to Cambridge Dictionary, means “the present time, in which many things are done by computer and large amount of information are available, because of computer technology”. These basic definitions have brought out some fundamental issues for discussion.

Human Development

As a practitioner not academician, I hope to not bother you much with definitions and theories, but to make attempt in highlighting the various aspects this digital age has had impact, and challenges thereabout. This I believe will provide the background to further your discussions at this Conference and challenge your doctoral students to conduct more research on sustainability, economic transformation, digitalization and digital economy among others, and how they can collectively impact positively on our lives in Nigeria, in particular.

We live in a momentous time as this generation is witnessing the contemporary “march of civilization” in which society and its elements – peoples and institutions – and environment are undergoing inexorable transformation. History shows that the world glided from the Stone Age to the Industrial Age, taking millennium during which almost the entire humanity lived prosaic lives concerned with the satisfaction of basic necessities. However, today, we are watching the sophisticated world hurtling into the transformation or knowledge age riding a wildcat-ship that seems to have no captain.

Progress & Development

Let us take a moment to recall our history, the transformation from the 1st Industrial Revolution to the current 4th Industrial Revolution that we are witnessing today.

Industrial Revolution

Recall: Last Century ushered in tremendous global economic growth and development fuelled by the 3rd and 4th Industrial Revolutions:

- 1st Industrial Revolution – 1784 – Steam Engine, Mechanical Production Equipment;
- 2nd Industrial Revolution – 1870 – Division of Labor, Electric Power, Mass Production;
- 3rd Industrial Revolution – 1960s – Computers, Electronics, Internet, Automated Production;
- 4th Industrial Revolution – Recent – Artificial Intelligence, Cloud Computing, Big Data, Machine Learning, etc.

This 4th Industrial Revolution that we are witnessing today is about smart, connected machines and systems, gene sequencing, nano-technology, renewable energy and quantum computing. It is the fusion of these technologies and their interactions across the physical, digital and biological domains that make the 4th Industrial Revolution fundamentally different from the previous revolutions. The 4th Industrial Revolution is characterized by a much more ubiquitous and mobile internet, by smaller and more power sensors, Artificial Intelligence and Machine Learning.

The 4th Industrial Revolution Technologies include among others:

- Artificial Intelligence:** Computers that can think like humans. They can recognize complex patterns, process information, draw conclusions, and make recommendations. All focuses on 3 cognitive skills, namely learning processes, reasoning processes and self correction processes.
- Block-chain:** system of recording information in a way that makes it difficult or impossible to change, hack or cheat the system. A block-chain is essentially a digital ledger of transactions that is duplicated and distributed across the entire network of computer systems on the block-chain. Each block in the chain contains a number of participants, and every time a new transaction occurs on the block-chain, a record of that transaction is added to every participant's ledger. The decentralized database managed by multiple participants is known as Distributed Ledger Technology (DLT).
- Biotechnology:** Harnessing cellular and biomolecular processes to develop new technologies and products for a range of uses e.g. new energy sources, new pharmaceutical materials, and more efficient industrial manufacturing processes.
- Robotics:** The design, manufacture, and use of robots for personal and commercial use. They are used in fields as wide-ranging as manufacturing, health and safety, etc.
- Internet-of-Things:** Everyday items, from medical wearable that monitors user's physical conditions, to cars and tracking devices inserted into parcel's connected to the internet and identifiable by other devices. It has many industrial applications e.g. farmer's putting IoT sensors into fields to monitor soil attributes and inform decisions such as when to fertilize.
- 3D-Printing:** Allows manufacturing businesses to print their own parts, with less tooling, at a lower cost, and faster than via traditional processes. Plus designs can be customized to ensure a perfect fit.

The Digital Age is transforming the way we do things by:

- i. Empowering decisions that are not only faster, but more accurate, E.g. Google search predictions, e-mail spam filtering, Ali Baba Taobao, and Netflix's recommendation system etc;
- ii. Improving at an accelerating rate (in terms of cost and performance) and supporting rapidly increasing productivity. E.g. Uber's use of mobile and GPS, JIO's transition from oil to mobile; Instagram's use of personal cameras, and 3-D printing etc.;
- iii. Are coordinating transactions among users. This allows faster growth with less capital and fewer employees e.g. e-Mail, Baidu, and Bitcoin/blockchain etc.

Without doubt, the 4th Industrial Revolution Digital Age is transforming lives, societies and the global economy, and is changing the fundamental nature of work. These unprecedented transformations occasioned by these Digital Technologies have however come with tremendous pitfalls and shortcomings, which without doubt will affect sustainability, which raises concern for Sustainable Development. Sustainability questions in Nigeria, include poverty, insecurity, corruption and education, among others.

As I begin to end this Keynote Address, Mr. Chairman, let me pose these questions to participants here to further the discussions at this conference. How do we use the power of Digital technologies in a just way to improve, to better the lives of teeming Nigerians? How do we use Digital Technology to solve the pressing issues and challenges confronting Nigeria? Can we use or apply Digital technology to solve the new intractable **Insecurity** challenges that is gradually scuttling the freedom and liberty of Nigerians – Right to life; Right to free movement.

How do we use Digital Technology to tame **Corruption** in our country? Prosecution of corrupt offenders has literally failed. Can we use Digital technology to put Controls that would prevent fraud and corrupt practices from happening rather than waiting for until after the act? How do we bring **Basic Education** to the nearly 20 million Out-of-School Children in our country, majority of whom are in BUK's catchment area? How can we use Digital Technology to address the emerging problem of the hitherto unnoticed Climate Change (flooding, desertification) that is beginning to have a devastating effect on lives and livelihoods in our country?

All the 5 Challenges I posed above are differing evils; but they are all the common works of man. They reflect the imperfections of human justice, the inadequacy of human compassion, the defectiveness of our sensibility toward the sufferings of our fellows; they mark the limit of our ability to use knowledge for the well-being of our fellow human beings in this country. And this is the challenge I want to throw to you today as Academicians in this University and in this auditorium – to call upon your common qualities of conscience and indignation, a shared determination to wipe away the unnecessary sufferings of our fellow human beings in this country.

You must do this, not because it is economically advantageous, although it is; not because the laws of God command it, although they do; and not because people in other countries wish it so. We must do it for the single and fundamental reason that it is the right thing to do. And if you take up these challenges, it would be a world that you would be proud to have helped build.

Digital Technology in Financial Reporting & Application in the Public Sector

Mr. Chairman, I cannot end this keynote address without saying a few words on digitalization from the perspective of my core mandate – financial reporting and public sector which I believe have been greatly affected in this digital age by digital technology.

Accounting performs a critical function in any economy. The information it generates serves society to allowing for increases in the efficiency of resource allocation among competing interests. This function is performed in market-oriented economies, as well as in centrally planned economies. Accounting has played a significant role in the economic development of nations. The lack of well-developed accounting information will in most cases result in the misallocation and sub-optimization of available resources. The complexity of the economy may place greater or lower emphasis on different facets of accounting, but in no case is the need for information eliminated.

Therefore, one of the core qualitative characteristics of financial statements, timeliness, proves to be the foundation of digital economy. Information is relevant and much useful close to the time of the event and digital age brings such at a very good speed. Obviously, accounting information drawn up in compliance with the required standards which cover the entire economic fields and published timely can reach the entire world same day and therefore capable of driving the world economy.

The second aspect of the effect of the Digital Age on financial reporting is in relation to **Audit**. Those of us in the accounting profession will recall that in the recent past, audit used to take years with lots of documents to be verified and of course, many man hours involved resulting in delay in publishing financial statements. However, in this digital age, unbelievably, some entries with trillion-naira balance sheets are already publishing their year 2022 financial statements just second week after the end of the financial year. This is amazing transformation, which has not only been sustained, but in some cases been surpassed.

Forensic Audit too is also basically ICT driven. **Projections and Estimates** are also more accurately and efficiently done due to digital technology. **For Sustainability Reporting and Disclosure**, a year after the establishment of ISSB at COP 26, work is already at an advanced stage to establish a digital-ready global baseline for sustainability-related financial disclosures.

Digital Technology application has also gradually craved into Public Sector Management. In the Public Sector in Nigeria, the following after some of the Digital and e-Government Initiatives:-

- i. GIFMIS (Government Integrated Financial Management Information System) IT based system for budget management and accounting being adopted. It is meant to improve the public expenditure management process and enhance accountability and transparency across MDA's. It helps government to planned the use of its financial resources more effectively and efficiency.
- ii. IPPIS (Integrated Payroll & Personnel Information System): For payments of salaries and wages directly to Government employee's bank account with appropriate deductions and remittances of 3rd party payments, e.g. FIRS, BIRs, NHIS, PFAs, Union dues etc.
- iii. FIRS Taxpayer e-services: Taxpro-max; ETCC
- iv. CAC e-Portal

Conclusion

In concluding this keynote address, Mr. Chairman, I want to say that these are unprecedented times – there are perhaps no parallels in Nigeria’s history. What can Bayero University, Kano do as an Institution, to get us out of this fix? In reply, many amongst you could easily say that there are no immediate solutions in sight, and even if there, it would be a waste of time as the politicians in places of authority would be unwilling to implement. For me, this is a defeatist attitude that I do not agree with. Looking at past antecedents of this great university, unlike the old, long established universities which are set in their ways, Bayero University, Kano is flexible enough to find radically new ways to meet the challenges of our time.

The most pressing need is for inter-disciplinary research and teaching that specifically focuses on sustainable and just ways of living. Universities such as the Bayero University, Kano are unique. There are few institutions in this country that have such a huge range of expertise on the same campus. Universities, such as this great institution, are very special in having the potential (currently greatly under-utilized) to harness together expert managers across diverse fields to converse productively, put their brains together, and cooperate for the survival and common good of humanity. Make no mistake about it. Our hope as Nigerians is with you, to make or to mar. Mr. Dean and all the Participants in this conference, it’s up to you!!!

I wish you very fruitful and successful conference and doctoral colloquium. Thank you so much.

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Goodwill Message

Prof. Muhammad Bello Abubakar, MD/CEO Galaxy Backbone Limited

Protocol

2. Let me begin by congratulating the Leadership of the Faculty of Management Sciences and indeed the Management of Bayero University Kano, for hosting this 3rd International Conference and Doctoral Colloquium. There is no better time to deliberate on an important theme: **Sustainable Transformation of Public and Corporate Management in the Digital Age: Perspectives, Challenges and Prospects** than now.

3. Digital Age symbolises the 4th Industrial Revolution where Digital innovation strives by way of embracing state-of-the-art digital technology to solve business problems, improve business practices and deliver on customer expectation.

4. Today, Artificial Intelligence, Augmented & Virtual Reality, Block Chain, IoT, Big Data, Cloud, etc, are changing the way we work by creating a new modern workplace through scaling and speeding up human capabilities, substituting labour with machines, and enabling new ways to access and supply labour.

5. The modern workplace now features countless innovative products and systems, designed to boost efficiency, increase workplace, enhance productivity and cooperative collaboration, provide safety and security, improve cost management and increase communication.

6. However, owing to the proliferation of digital innovation, intensive societal and ethical debates are raised around business models based on data surveillance and negative externalization, data sovereignty and privacy intrusion, quality of work and jobs, and market dominance versus regulation.

7. For sustainability, 4 x Ps + 1 x T + 3 x Helix (People, Planet, Process, Profit and Technology) with the Triple Helix Collaboration Model (Academia, Industry and Government) are embraced.

8. Consequent upon this, the FGN, through the FMoCDE, under the leadership of Professor Isa Ali Ibrahim Pantami, has been championing flagship projects, developing regulations, skilling and up skilling Nigerians as part of effort towards enabling DX for inclusive growth. The goal is to reduce poverty and empower millions of Nigerians, enhance the way government delivers services to the citizens, guaranty efficiency and effectiveness in government operations, provide ease in supplying critical assistance to the general public, provide safety, privacy and protection of all Nigerians and makes access to good and decent physiological needs feasible. The 20.32% contribution of ICT sector to the GDP in Q3, 2022 is again unprecedented.

9. FGN leverages the 8 x Pillars of National Digital Economy Policy and Strategy (NDEPS) 2020-2030 to achieve this feat:

- i. Developmental Regulation – Start-up Act 2022, NDPR 2019, etc.
- ii. Digital Literacy and Skills – Over 5m Nigerians will benefit from Digital Literacy training by Tech Giants (Microsoft, Couseira, CISCO, etc).

- iii. Solid Infrastructure – Datacentre, Fibre Infrastructure 60,000km, 4G sites 37,000, Broadband coverage 78%, 5G rollout from 3 MNOs.
- iv. Service Infrastructure – Digital Platforms (Cloud services).
- v. Digital Services Development and Promotion – Fintech Proliferation.
- vi. Soft Infrastructure – Awareness Creation on Data protection & Cyber Security.
 - vii. Digital Society and Emerging Technologies – National Centre for Artificial Intelligence and Robotics (NCAIR).
 - viii. Indigenous Content Development and Adoption – A Nigerian start-up (ShapShap) won the challenge of Mobility & Smart Innovation at GITEX GLOBAL 2022!

10. The FMoCDE is today well positioned to support, facilitate, and enable ease of acquisition, adoption and implementation of digital innovation by the public and private organizations, institution and small and medium enterprise so that the future of work will be one where the environment supports a healthy community and workforce, the resources are safe and secured, and the business earns enough revenue to remain functionally viable.

11. Thank you for listening and on behalf of all of us at Galaxy Backbone Limited, I wish you successful and productive deliberation in this conference and doctoral colloquium as we look forward to the communiqué and to collaborating with you in the implementation of the recommendations.

12. Congratulations and best wishes.

Lead Paper

Integration of Knowledge and the 4th Industrial Revolution

Professor Omar Hasan Kasule, Sr. MB ChB (MUK), MPH (Harvard), DrPH (Harvard)
Executive Secretary, International Institute for Islamic Thought (IIIT), USA

1. Introduction

Greek and Roman knowledge decayed in the European Middle Ages when the church opposed science. The European crusaders who invaded the Near East interacted with Muslims and led to European discovery of the advanced Muslim civilization which triggered the European intellectual renaissance. The renaissance was followed by religious and thought reform. The empirical methodology learned from Muslims triggered the scientific revolution. This was followed by the agricultural revolution that led to increased food production and population increase.

2. The Industrial Revolution

2.1 The First Industrial Revolution 1760-1850: Manual to Machine Production

There was a transition in manufacturing from manual work to using machine in the UK, US, and Europe. There was an increase in production of iron and textiles. Steam power and water power were harnessed. Use of machine tools and the factory systems (bring workers and raw material in one place) led to increase of manufactured goods. Increase in population and global trade led to more prosperity. Standards of living rose for the owners of the factories but fell for the poorly-paid workers who moved from rural areas to urban slums. A middle class of professionals also emerged in the process.

2.2 The Second Industrial Revolution 1870-1914: Technology

This period witnessed increase in steel production, mass production (assembly lines), electric power, and advanced machinery. Communication and globalization were facilitated by the telegraph, railroads, roads, canals, bigger and faster ships. The Internal combustion engine was discovered and use of petroleum increased. Cities set up water supply and sewage systems. The capitalist system evolved fully making some very rich and others destitute. Unemployment increased because machines did all the unskilled work.

2.3 The Third Industrial Revolution (Digital Revolution/Information Revolution) 1950-2014

This period saw the transition from mechanical and analog technology to digital technology. Industrialization slowed down as the information/knowledge economy evolved. Data and communication technologies evolved very rapidly: computers, microprocessors, integrated circuit chips, cellular phones, internet, home computers, and supercomputers. Informational technology enabled growth of the electronic government, electronic business, smart phones, social media and social networking. Concerns grew about privacy, manipulation of information, and cyber- attacks. A new pre-history emerged because digital content is easy to create, change or delete but difficult to store over a long time because the machines and software keep changing and updating is not easy for the ordinary person.

2.4 The Fourth Industrial Revolution (Interconnectivity and Automation) 2015-Date

This era is seeing the emergence of many new developments that can be described as IoT (internet of things): artificial intelligence and cyber-physical systems, 3D printing, automation of production without human involvement (smart factory), and machine to machine communication (M2M). Metaverse and

augmented social reality became a phenomenon. Advanced robots became wide-spread. The knowledge economy relying on intellectual capabilities replaced the traditional economy that relied on physical inputs and natural resources. New social problems arose: loss of privacy, easy discrimination, loss of jobs, and social media addiction.

3. Roles of IOK in 4IR: Restore the Natural State Using Qur'anic Concepts

The technological part of 4IR does not require input from transmitted knowledge (*'ilm naqli*) it is purely rational knowledge (*'ilm 'aqli*). The contribution of *'ilm naqli* is in underlying guiding concepts and ethics that will guide the technology and stop it from causing grievous harm. We shall now review some of these concepts and there are many others we will not mention for lack of time. Muslims have the responsibility to disseminate these concepts to the rest of humanity in order to push back against harm to human civilization.

3.1 Purposiveness (غانية)

Each discovery leads to another automatically and every new innovation is accepted without questioning; nobody wants to be left behind. There is no overall vision of where we are going. Technology has become an automaton that cannot be stopped as long as it generates revenue for the investors. The Qur'anic term *'abath*' which signifies lack of purpose and mere play applies here. The Quran warned about *'abath*' (Surat Al Shuara: 128 and Surat Al Muminun: 115).

3.2 Blind Following Taqlid (تقليد)

The social media and the commercial advertisements induce people to buy the latest gadgets and the latest applications without first asking the necessary question whether they need them, they just follow the crowd. The Qur'an condemned blind following (Surat Baqara: 170-171), blind obedience of the elites (Surat Ahzab: 67). It also warned that that the followed after seeing the punishment of the last day will deny the followers (Surat Baqara: 166-167).

3.3 The Lowly Concrete vs The Higher Conceptual Thinking

Enhanced imagery will encourage concrete thinking and discourage abstract thinking which is an essential part of *tafakkur/tadabbur al Qur'an*. Believers are supposed to think about Allah's creation (Surat Al Imran 190-191). Itikaaf and qiyam al layl have their impact because they decrease environmental sensory input to allow the mind to think of higher things. Concern with the concrete and imagery is reaching extremes in the 4th industrial revolution because people prefer virtual reality to the beauty of Allah's creation in humans, animals, plants and the earth.

3.4 Virtual vs Concrete Reality

Many spend time in virtual reality and ignore the concrete reality that is before their eyes. Non-believers asked for virtual evidence instead of concrete evidence of Allah's majesty before their eyes (Surat Baqara: 166-167). Banu Israil asked Musa to show them Allah before they could believe (Surat Baqara: 55). Non-believers challenged the prophet to bring angels coming down as a tribe (Surat al Isra: 92). The Prophet did not respond with miracles because Allah's creation in front of their eyes was enough as a miracle. The Prophet was but a human messenger (Surat al Isra: 93).

3.5 Pastime (لهو) vs Seriousness

Robots and other forms of technology perform jobs that humans used to perform creating a lot of free leisure time. This time should be spent in *ibadat* but is otherwise misused. The current culture

emphasizes fun and pastime to waste time: games and all sorts of entertainment. The lowly life on earth is play and pastime but real life is that of the hereafter (Surat Ankabut:64).

3.6 Loss of Balance (توازن)

Humans these days are so engrossed in virtual reality that they have lost the natural balance that Allah enjoined for their life as individuals or as families. Balance is needed in dealing with wealth (Surat al Furqan:68). Balance is needed regarding the rights of the body and the family as is told in the story of Salman and Abudardau (Bukhari 1968). Emotional balance is needed. Artificial emotions of happiness and anger can be caused by the virtual reality with anxiety and depression being more common than elation and happiness.

3.7 Loss of Equilibrium (اعتدال)

We live a culture of extremes with loss of equilibrium. We are supposed to be a community of the middle (moderation) according (Surat Baqara: 143). We must seek the equilibrium of moderation between the earth and the hereafter, do good and do not do evil (Surat Qisas: 77).

3.8 Loss of Push Back or Action-reaction (تدافع)

Voices of protest against the current culture do not find a medium. The social and other media are so powerful and so over-whelming. There is no corrective mechanism of reaction/pushback against evil to save civilization (Surat Baqara: 25).

Conference Communiqué

Preamble

The Faculty of Management Sciences, Bayero University, Kano, Nigeria, organized the 3rd International Conference from 10 -12 January, 2023. The theme of the Conference is *Sustainable Transformation of Public & Corporate Management in the Digital Age: Perspectives, Challenges & Prospects*.

The opening ceremony was chaired by Arc. Yusuf Zubair Kazaure (Chairman, Nigerian Communications Satellite Limited (NIGCOMSAT)). The Chief Host, the Vice Chancellor Bayero University, Kano, Prof. Sagir Adamu Abbas, FMAN (ably represented by Professor Tijjani Hassan Darma, Provost, College of Natural and Pharmaceutical Sciences, BUK) delivered the Welcome Address. The Keynote Address was delivered by Amb. Shuaibu Adamu Ahmed (wazirin Ningi), FCA, FCCA (Executive Secretary/CEO, Financial Reporting Council (FRC) of Nigeria). Prof. Muhammed Bello Abubakar (MD/CEO Galaxy Backbone Ltd.), ably represented by Dr. Nasir Shinkafi (Chief, Information Security and Business Continuity Officer, Galaxy Backbone Ltd.) served as the Guest of Honour.

The lead paper was presented by Professor Omar Hassan Kasule (the Secretary General, International Institute for Islamic Thought (IIIT), United States of America). In attendance at the opening ceremony were Bayero University Senate members, Deans and Directors, as well as other members of the University community. Also in attendance were local and international scholars from various parts of the world. Others were the representatives of Jaiz Bank PLC, ANAN, ICAN and CIBN, among others. About 200 papers on various aspects of public and private sector management were presented at 28 parallel sessions. After thorough deliberations, the following observations and recommendations were drawn:

Observations

1. The present era of 4th Industrial Revolution brought about digital transformation through “digitalization” of processes, tasks and activities, leading to faster processing and enhancing easy access to data, allowing for greater analysis, faster information sharing and better informed decisions.
2. The digital age has brought about significant changes in the way we live and work. From the proliferation of the internet and social media, to the development of new technologies such as artificial intelligence, Big Data, Industry 4.0 and the Internet of Things, the digital revolution has had a profound impact on every aspect of lives.
3. In the realm of public and corporate management, the digital age has brought both opportunities and challenges. On one hand, digital technologies have the potential to improve efficiency, reduce costs, and increase transparency in government and business. On the other hand, they also present a number of challenges, including the need to adapt to new technologies, the risk of cyber-attacks, and the risks for job displacement.
4. Digital transformation of public and corporate management is crucial in achieving sustainable development, particularly in the areas of poverty reduction, employment generation, wealth creation, pollution control, mitigating climate change, enhanced performance and improving welfare and general standard of living.
5. As more task become automated, there is a risk that some jobs may become obsolete. This raises important questions about the future of work and the need to ensure that all workers have the skills

and training necessary to successes in the digital economy. The ‘Japa’ phenomenon business are facing in the country further compounds this issue.

6. Sustainable development continued to assume increasing recognition across the globe among policy makers, researchers, development agencies and supra national organizations including the United Nations (UN) which came up with 17 Sustainable Development Goals (SDGs) to guide the pursuit of development in various aspects of life.
7. The digital age presents both opportunities and challenges for the sustainable transformation of public and corporate management. By addressing the challenges and fully realizing the potential of digital technologies, we can create a more efficient, cost-effective and sustainable system of governance and business.
8. With the use of digital technologies, governments and businesses can streamline processes, automate tasks, and improve decision-making, which can lead to significant cost savings and increased productivity and performance.
9. With the right policies and strategies in place, digital technologies can be used to create a more transparent, accountable, and sustainable system of governance and business, solve business problems, improve business practices and deliver on customer expectation.
10. Artificial Intelligence, Augmented & Virtual Reality, Block Chain, IoT, Big Data, Cloud, etc, are changing the way we work by creating a new modern workplace through scaling and speeding up human capabilities, substituting labour with machines, and enabling new ways to access and supply labour.
11. The Millennial, otherwise known as Generation Y, born between the early 1980s and the mid-1990s, who are poised to become the largest generation in the workforce, place a higher value on work-life balance than previous generations and many prioritize this (including diversity and inclusion, collaboration and teamwork and entrepreneurship) over salary or other traditional measures of job satisfaction.
12. Achieving sustainability requires focus on People, Planet, Process, Profit and Technology, as well as effective collaboration between the Academia, Industry and Government.

Recommendations

1. Public entities and corporate organizations need to integrate *sustainability* strategies across multiple dimensions of their *digital transformation* roadmaps, including customer experience, operational processes and business models, to achieve higher productivity and better performance.
2. Public sector organizations can transform and streamline their services, drive better value from public funds and provide improved public services, by Combining innovative digital technologies with effective resource management.
3. Sustainable transformation of public and corporate management requires making changes to the way that public and corporate organizations are managed in a way that is environmentally and socially responsible, and that promotes long-term growth and survival of the organization.
4. Public and corporate governance should adopt sustainable transformation to ensure that they are able to continue to operate in a way that meets the needs of current and future generations, by a variety of factors, including changes in market conditions, shifts in customers demand, advances in technology, and shifts in societal values and expectations.
5. Attracting and retaining top talent, delivering a high-quality customer experience, protecting the privacy and security customers’ information, and navigating cultural differences should be the key concern for businesses undergoing transformation, which is especially pertinent with the rise of the

population of millennial in the workforce. As the millennial are becoming a large proportion of the workforce, business have to transform to accommodate them.

6. Public and private entities need to put the right policies and strategies in place, and use digital technologies to create a more transparent, accountable, and sustainable system of governance and business, that would promote sustainable development.
7. Business entities and public organization need to protect their data and systems from cyber-attacks though implementing strong password, regularly updating software and security protocols, and educating employees about cyber security best practices. This is with a view to forestall cyber threats and data breaches which can have serious consequences for business, including financial losses, damage to reputation, and loss of customer trust.
8. The board is responsible for overseeing the overall direction and performance of the organization, and this includes ensuring that appropriate measures are in place to protect the company's assets and data. The board should be aware of the risks and vulnerabilities facing the organization, as well as the steps that are being taken to mitigate those risks.
9. Public and private organizations should ensure implementation of policies and practices that reduce their organization's environmental impact, improving transparency and accountability, making changes to the way that organizations are structured and managed, adapt and incorporate digital tools and processes into their operations, for sustainable economic growth and development.
10. The public sector need to understand how to deploy digital technology to checkmate insecurity, corruption, efficient resource utilization, and provision of basic education to the teaming 20 million out of school children in the country.
11. Public and private sector organizations need to ensure the creation of modern workplace environment, designed to boost efficiency, increase conduciveness, enhance productivity, cooperative collaboration, provide safety and security, improve cost management and increase communication.
12. Public sector entities need to embrace digital transformation to reduce poverty and empower millions of Nigerians, enhance the way government delivers services to the citizens, guaranty efficiency and effectiveness in government operations, provide ease in supplying critical assistance to the general public, provide safety, privacy and protection of all Nigerians and makes access to good and decent physiological needs feasible.

Conclusion

The Conference acknowledges the contributions of all participants whose support have made it a huge success. The Conference is particularly grateful to the Vice Chancellor, Bayero University, Kano, Federal Inland Revenue Service (FIRS), the Nigeria Deposit Insurance Corporation (NDIC), the Nigerian Communications Commission (NCC), the Association of National Accountants of Nigeria (ANAN), Jaiz Bank Plc, Dala Foods Nigeria Limited, lead paper presenter, keynote speaker, guests of honour, chairmen of paper sessions, discussants, rapporteurs, paper presenters, alumni, colleagues, associates, members of the press, the Dean, Dangote Business School (DBS) and the Director, Centre for Dryland Agriculture (CDA) who provided the facilities for the plenary and paper sessions.

SECTION ONE

ROLE OF FINANCE & BANKING IN SUSTAINABLE TRANSFORMATION IN THE DIGITAL AGE

Islamic Banking and Sustainable Development: Empirical Evidence from Nigeria

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Abstract

The rapid growth of Islamic Banking has attracted much attention lately in the economic literature. At the same time, a mature body of the literature has shown that financial development is broadly conducive to economic growth and sustainable development, which raises the question as to whether a similar conclusion holds for Islamic banking. Against this backdrop, this paper investigates the impact of Islamic banking on sustainable development in Nigeria over the period 2012q1 to 2021q4. Our analysis is based on Autoregressive Distributed Lag approach (ARDL) within the error correction framework and Granger causality test. Except total Islamic assets, the results indicate that all the Islamic bank indicators have a significant and positive effect on sustainable development in both short and long run analysis. Moreover, the study employ Toda-Yamamoto Granger causality test and the result reveals that total Islamic finance, total Islamic deposits and public investment Granger cause sustainable development, which implies a clear association with sustainable development. The results suggest that development of Islamic banking products would enhance efficiency in Islamic banking industry and stimulate sustainable development.

Key words: Islamic banking, finance, sustainable Development

1.0 Introduction

Islamic bank is an ethical and equitable mode of financial services that derives its principles and its intents from sharia'a which is based on the holy Quran and the Sunnah of prophet Mohammed (peace be upon him) and it governs all aspects of personal and collective life (Iqbal and Mirakhor, 2011; Abasiel, 2022). The operation of Islamic banking differs from conventional banking in that it provides a wide range of financial products and services that are carefully designed to operate in conformity with the Islamic (shari'ah) law. Some examples of these financial products and services include Mudarabah, Musharakah, Murabaha, Bai Mu'ajjal, Bai Salam, Istisna, Ijarah among others (Iqbal and Mirakhor, 2011; Beck et al., 2013), and their attractiveness has increased globally especially in last decades. The justification behind this acceptability is that nations with large Muslim populations, who give importance to the religious rules, demand for the banking products that are appropriate for these rules

(Rashid and Hassan, 2009; Bennett and Iqbal, 2013). In other words, the populace in these nations does not want to gain interest income because it is not permissible in Islamic Sharia'a law. Because of this situation, they do not prefer to deposit their money in to the conventional banks, thus, the demand for Islamic banking crop-up (Rashid and Hassan, 2009).

Despite the fact that the emergence Sharia'a compliant banking industry does not crowd out the conventional banking in the Muslim countries but leads to a higher banking sector development, as measured by private sector credit or bank deposits as share of GDP (Gheeraert, 2014). Islamic banking plays a significant role for improving welfare and poverty alleviation for a long term sustainable development. Sustainable development involves integrating the current needs without compromising the ability of future generations to meet their own needs. The heart of achieving this vision lies in the seventeen Sustainable Development Goals. For example, statistics indicate that no poverty, gender equality and reduce inequality show that Nigeria scored less than 50 percent in the Sustainable Development Goals (SDGs) index between 2019 and 2020, and ranking 159th out of 185 countries assessed in 2019, and 160th out of 205 countries considered for similar survey in 2020. This is an indication of a poor performance, comparing her ranking in 2019 with 2020 (Sachs et al., 2020). With regard to poverty, the country scored 17.24% in 2020, which was a mild difference from the 2019 value of 17.15%. Conversely, there was a marginal improvement in the country's performance in the gender inequality and reduced inequality between 2019 and 2020. Nigeria's rating in the gender equality rose to 41.28% in 2020, which point out a slight gender equality when compared with 36.50% witnessed in 2019. Her score (9.06%) in the reduced inequality was among the worst in 2019. This however rose to 19.55% in 2020, implying a slight reduction in inequality. In general, Nigeria's performance in the SDGs appears worst relative to that of selected countries in Africa and beyond (Sachs et al., 2020; Dauda and Oyeleke, 2021). Hence, Islamic finance plays a crucial role in the Nigeria's sustainable development in many aspects, making its analysis necessary. In other word, Islamic banking can be useful in understanding how Islamic financial products can contribute towards achieving sustainable development (Sadiq and Mushtaq, 2015).

The objective of this paper is to investigate the impact of Islamic banking on sustainable development by utilizing indices of Islamic financial development covering the period 2012q1 to 2021q4. In other words, our aim is to comprehend the long and short term effects of Islamic banking indicators on sustainable development in Nigeria. In addition, the study wants to investigate if there is any unidirectional or bidirectional causal relationship between the Islamic banking indicators and sustainable development. We preferred Nigeria as a case study for the justification that Islamic banking has become one of the fastest growing industries in the last decade in Nigeria. Besides, there are conventional banks that incorporate Islamic windows in their operations such as Polaris bank, Stanbic IBTC, UBA, etc. On the basis of this, one can argue that Islamic banking is no longer seen as a business entity working only to fulfill the religious obligations of the Muslim community, but rather, more significantly, as a business that attract new customers irrespective of religion while also keeping the ones it already has in order to achieve sustainability (Eze et al., 2015; Dusuki and Abdullah, 2007). Second, Nigeria is the largest Muslim population country in sub-Saharan Africa, and fifth largest Muslim population country in the world with over 80 million Muslims. Additionally, the government is increasingly supporting the Islamic finance industry and there are significant finance needs. For instance, the Nigerian market for Islamic finance is dominated by the outstanding *sukuk*, followed by Islamic banks, Islamic funds, and *takaful*. The sector's growth has been comparable to that of Indonesia and Turkey, where sovereign assistance enabled Islamic banking to grow from a small base to an approximate 6% domestic market

share. At the end of 2019, the African continent accounted for less than 2% of the world's Islamic banking and *sukuk* market (Hanieh, 2020) . Third, Nigeria has the potential to develop into a centre for Islamic finance and an example of Islamic banking on the African continent given the market prospects for non-interest financing there.

The paper is structured as follows. Section two presents an overview of the emergence of Islamic bank in Nigeria, and section three reports the literature review. Section four demonstrates the methodology and results and discussion are presented in section five. Lastly, section six concludes the paper.

2.0 Literature Review

In spite of the increasing role of Islamic banking, the literature on Islamic banking has grown to an astronomical level. A large part of the literature contains comparisons of the instruments and a measure used in Islamic and conventional banking services, on one hand, with economic growth. Besides a number of papers focus on the effect of Islamic banking indices, but do so with economic growth, while studies on the contribution of Islamic banks on sustainable development are relatively scarce. However, there are constructive views on Islamic banking and finance floating in finance circles, these views have not been received much systematic and empirical treatment. It is only recently that some literature has emerged to seriously and empirically look at the Islamic banking and finance. For instance, Furqani and Mulyany (2009) investigate the dynamic interactions between Islamic banking and economic growth in Malaysia covering the period 1997q1–2005q4. The empirical results show an evidence of bidirectional relationship between Islamic banking and fixed investment to support “demand following” hypothesis of economic growth and Islamic banking, where the increase of economic growth causes Islamic banking to develop and not vice versa.

Similarly, Abduh and Chowdhury (2012) investigated the long run and dynamic relationship between Islamic banking development and economic growth in the case of Bangladesh. In this study, the authors used the quarterly time series data of economic growth, total financing and total deposit of Islamic banking from Q1:2004 to Q2:2011. By employing cointegration and Granger’s causality method, he found that IB financing has a positive and significant relationship with economic growth both in the long and short runs. This result implies that the development of Islamic banking is one of the crucial policies which should be taken care of by the government to improve their income. Abduh and Omar (2012) investigation is to examine the short-run and the long-run association between Islamic banking development and economic growth in Indonesia. Quarterly data (2003:1–2010:2) are used in this study. The empirical investigation demonstrates a significant relationship in the short- and long-run periods between Islamic financial development and economic growth. However, this relationship is neither Schumpeter’s supply-leading nor Robinson’s demand-following. It appears to be a bidirectional relationship.

Sarwer, Ramzan and Ahmad (2013) examine the dynamic interactions between Islamic banking and economic growth in Pakistan. Results show that Islamic banking finance in Pakistan affect economic development positively. Some scholars around the world consider the use of Islamic banking more convenient for sustainable economic development. This result also indicates that improving the infrastructure of Islamic finance in Pakistan could benefit economic development. Islamic banks can play an important role in Pakistan today

Pratiwi (2016) examine the impact of Islamic banking on sustainable socioeconomic development, especially in rural areas in Indonesia. The results indicate that Islamic banking mode of financing -

Musharakah and *Mudharabah* through micro, small medium enterprises were showing the positive correlation to their financial performance indicator; hence, Islamic banking is strongly suggested to have positive impact on Indonesia's sustainable socioeconomic development. Imam and Kpodar (2016) study the relationship between Islamic banking development and economic growth using a sample of 52 countries covering the period 1990–2010. The results show that Islamic banking is positively linked with economic growth. The main channels of transmission include capital accumulation and improved financial inclusion in particular a better access to deposits. Furthermore, they suggest that Islamic economies experiencing poor growth should adopt Islamic banking products through up to date legislative, regulatory, and infrastructural environment for instance. Likewise, non-Islamic economies that accept some Islamic banking products may stimulate growth as well.

Using data for 14 member countries of the Organization of Islamic Countries from 1999 to 2011, Zirek et al., (2016) investigate the link between Islamic banking variables and economic growth. Results show a positive and significant relationship between Islamic finance variables and economic growth. The result further indicates that an increase in the share of Islamic deposits, assets, and loans in total banking instruments results in an increase in economic growth. With regard to macroeconomic control variables such as capital stock, unemployment, inflation, and government expenditure, the results also show that in the long run, economic growth responds positively to shocks in Islamic finance instruments, namely Islamic deposits, investments, and size. Shocks in Islamic banking also contribute to economic growth.

Quarterly data from Southeast Asian countries cover the period between 2000Q1 and 2012Q4, Lebdaoui and Wild (2016) assess the impact of Islamic banking on economic growth in Southeast Asian countries. The ratio of Islamic bank to conventional banking assets and ratio of deposits of Islamic bank to conventional banking were used as proxy for Islamic banks. Panel autoregressive distributed lag model (PARDL) was used to measure the sensitivity of economic growth to the Islamic banking presence. The results indicate that Sharia compliant banks succeeded in mobilizing additional deposits for the financial sector, which may increase the stability of the banking system and the efficiency of the whole banking sector. The authors believe that the inclusion of Islamic banking products in the financial systems will, along with the diversification effect, stimulate financial deepening and, therefore, improve the financial stability in the countries under investigation in particular, and all countries with significant Muslim population in general.

Daly and Frikha (2016) examine the contribution of Islamic finance in economic growth. Using a panel data set, we compare between IBs and conventional banks in their adding to economic growth. We studied a sample of 120 banks between 2005 and 2012. By means of three ordinary least-square regressions, our empirical investigation reveals that the development of non-usurious banks supports economic growth. Moreover, the cooperation between the two financing modes improves economic growth. The integration of this new funding never neglected the role of the conventional method of financing. The practice of IBs is also away from their theoretical mode in terms of participation results. Nawaz et al., (2019) explores relationship between Islamic financing and economic growth of Pakistan. They make use of cointegration and Granger Causality tests to find out whether or not Islamic financial system influences economic growth. Results reveal that Islamic financial system supports economic growth. Additionally, bidirectional relationship exists between Islamic asset financing and population. It also entails that population strengthen Islamic finance, and population magnetizes Islamic financing.

Using the ARDL approach, Sabiu and Abduh (2020) analyses the short and long run dynamic relationships between Islamic financial development and economic growth in Nigeria. Quarterly time-series data (2012:1 to 2019:3) are employed for the variables, together with non-interest bank financing to the private sector and real gross domestic product as indicators of Islamic financial development and economic growth respectively. The results indicate a significant and positive short and long run relationship between Islamic financial development and economic growth. They suggest that improvement of Islamic financial system in Nigeria might enhance welfare and poverty alleviation leading to sustainable development in the long run. Tabash *et al.*, (2022) examine the relationship between Islamic banking and the economic growth in Nigeria from 2013 q1 to 2020 q2. The study employs ARDL approach. The results indicate that Islamic banking has a positive impact on the Nigeria's economy in both short run and long run, but these contributions are insignificant. They conclude that policymakers should endeavor to redesign the framework that would support the development of Islamic finance sector to strengthen Nigeria's position as leading Islamic finance hubs in Africa.

Having considered the literature, few existing studies that have provide a precise answer on the relationship between Islamic banking and sustainable development. More to the point, to our knowledge, this is the first paper to provide an empirical analysis of the role of Islamic banks indicators on sustainable development in Nigeria. Second, analyzing the issue in a single country context is important because cross-country study can only provide general view (not specific) from the multitude of other factors that have distinct characteristics. Third, the use of cross country data requires adjustment for country specific factors, but this is not possible in specific country case since the method used in this paper requires small sample observations, which are adequate for time series analysis. Therefore, this paper attempts to fill these gaps in the empirical literature on Islamic banking. To achieve our purpose, however, this paper includes total Islamic bank deposits and assets to measure the liquidity weight and the strength of the Islamic bank to withstand unexpected financial shock that might thwart sustainable development over the long term period. This is done after studying the empirical literature, which primarily focuses on Islamic banking finance variables. Thus, the following hypotheses are specified as:

- H₁: Total Islamic Bank Finance has a positive and significant effect on Sustainable Development in Nigeria
- H₂: Total Islamic Bank Deposits has a positive and significant effect on Sustainable Development in Nigeria
- H₃: Total Islamic Bank Assets has a positive and significant effect on Sustainable Development in Nigeria

3.0 Methodology

3.1 Data and Baseline Empirical Model

Islamic banking is a recent finance industry that started operation in Nigeria in 2012 (Sapovadia, 2015), therefore, it is difficult to obtain an adequate data on the Islamic banking industry. For this reason, we employ annual data from Islamic Financial Services Board of the Jaiz Bank International as the measures of Islamic finance variables covering the period 2012 to 2021. Using annual data, however, would limit us to a very small sample size of just ten observations, which can increase the margin of error and make the results worthless. In order to increase the data frequency, an interpolation method is applied using quadratic match sum to convert the annual into quarterly data (see, Romero, 2005; Mcdermott and McMenamin, 2008; Shahbaz *et al.*, 2016), therefore, the sample size contain forty

observations covering the period 2012q1 to 2021q4. Table 1 presents the detail and sources of the data set while the plots of the time series data in log form are shown in Figure 1.

Table 1: Data Description and Source

Variables	Description and Unit of Measurement	Source
<i>lnSDT</i>	Natural logarithms of Sustainable development proxy of economic growth measured by GDP Per capita at constant LCU.	WB
<i>lnTIF</i>	Natural logarithms of Total Islamic Bank Financing in nominal term. This includes the Islamic products offered by the Jaiz Bank International to public and private sectors. These consist of Murabaha, Istisnaa, Salam, Ijarah, Qard and Musharaka among others. Since its inception in 2012, Jaiz Bank has been investing in a number of sectors to boost economic activities.	JBN
<i>lnTID</i>	Natural logarithm of Total Islamic Banking Deposit in nominal term. This variable measures ability of a bank to adequately provide flow of funds among economic units of the economy.	JBN
<i>lnTIA</i>	Natural logarithm of Total Islamic Banking Assets in nominal term. This variable measures the strength of Islamic banks. Indeed, from this variable, we can observe the strength of Islamic Bank to withstand financial shocks and aid in stimulating long term growth.	JBN
<i>lnPUB</i>	Natural logarithm of Gross fixed capital formation as percentage of GDP, which measures the contribution of domestic investment on sustainable growth and development.	WB

Note: WB and JBN indicate World Development Indicators, World Bank and Jaiz Bank International

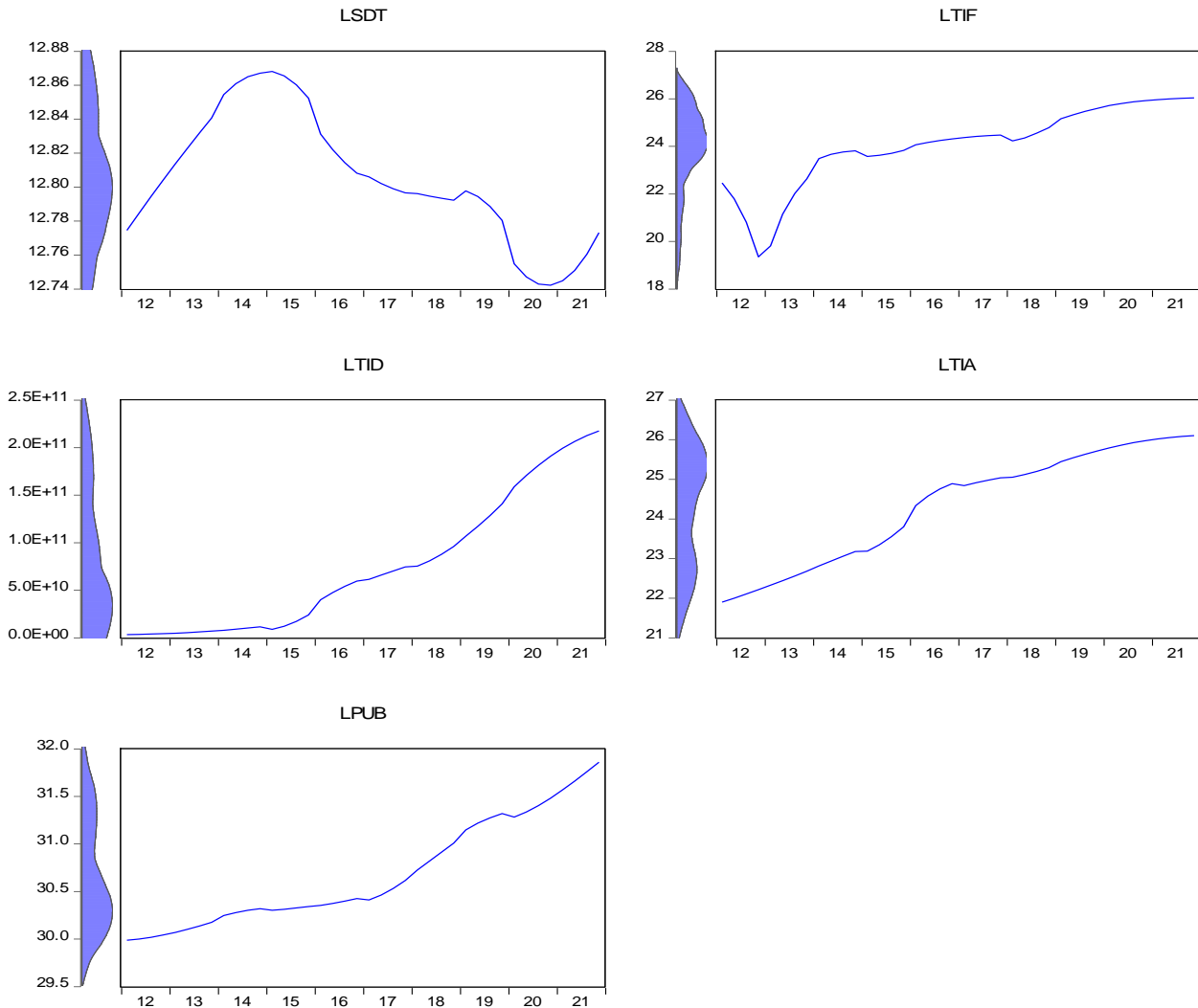


Figure 1: Time series plot, 2012q1 to 2021q4

However, the trend of Islamic banking has been growing in Nigeria, which is can abet to sustainable development. Therefore, the objective of this study is to assess the extent to which Islamic bank finance contributed towards the sustainable development in Nigeria. In order to do so, we adopt a modified version of an empirical model used by Berger *et al.*, (2009), Alin and Bogdan (2011), Fu *et al.*, (2014), Fernandez and Garza-Garcia (2015), Abojeib (2017) and Trianto and Masrizal (2021), and specify a baseline empirical model as:

$$\ln(SDT_t) = \eta_0 + \eta_1 \ln(TIF_t) + \eta_2 \ln(TID_t) + \eta_3 \ln(TIA_t) + \eta_4 \ln(PUB_t) + \varepsilon_t \quad (1)$$

Here t stands for the time period of the study from 2012q1 to 2021q4 and η_0 represents the constant term while $\eta_1 - \eta_5$ are the coefficients to be estimated. \ln and ε_t are the log transformation and the stochastic term.

3.2. Unit Root Test

Prior to the estimation of equation (1), the characteristics of the time series data have to be examined to ascertain the order of integration of the series. In order to achieve this purpose, the study employs Augmented Dickey-Fuller (ADF) (Dickey and Fuller, 1981) and Phillips and Perron (PP) (Phillips and Perron, 1988) tests. The ADF test is a parametric test with higher order correlation by assuming that a data series follows AR (k) process with disturbance term. Majority of macroeconomic time series data has complicated structure when captured by an AR (1) model. Said and Dickey (1984) added that the autoregressive unit root test can be adjusted with the ARMA (p, q) models that have no orders. Thus, ADF test is computed using the following model:

$$\Delta y_t = \nu + (\phi - 1) y_{t-1} + \mu_t = \nu + \gamma y_{t-1} + \mu_t \quad (2)$$

$H_0: \gamma = 0$, that is there is a unit root in y_t against $H_1: \gamma < 0$, that there is stationary in y_t . Dickey and Fuller (1981) unit root test is proposed because the null hypothesis under the conventional t -distribution is not applicable. Equation (3) is a condition, where the residual is a stochastic error term. The presence of autocorrelation in the residual, and Δy_t is written in the form of autoregressive process:

$$\Delta y_t = \nu + \gamma y_{t-1} + \sum_{i=1}^k \delta_i \Delta y_{t-i} + \mu_t \quad (3)$$

Of equation (3), the Dickey Fuller (DF) test could be alternatively is extended into a so-called Augmented Dickey Fuller (ADF) test by adding an augmented term, $\sum_{i=1}^k \delta_i \Delta y_{t-i}$. In addition, a deterministic trend is included to capture trend stationary.

Considering the low power of the ADF test (Phillips and Perron 1988), this study employs the Phillips and Perron (1988) unit root test commonly known as PP test. The PP test differs entirely with the ADF unit root test, particularly in dealing with heteroskedasticity in the stochastic error term. The ADF is a parametric auto-regression while PP test is non-parametric (i.e. it disregards serial correlation) and it is power, in the case of weakly autocorrelation (μ_t). Meanwhile, the PP tests are formulated because of the same asymptotic distributions as in relation to Dickey-Fuller tests. The PP test has more property as illustrated in Monte Carlo tests by Phillips and Perron (1988). One of the disadvantages of PP unit root test, it causes distortion when the sample size of a test varies significantly from the sample size suggested by asymptotic theory. Such variation could result to approximation in the asymptotic theory. The PP model can be specified as:

$$\Delta y_t = \beta_0 + \beta_t (t - T/2) + \gamma_0 y_{t-1} + \mu_t \quad (4)$$

where μ_t denotes $I(0)$ and can be heteroskedastic. The PP test takes care of any autocorrelation and heteroscedasticity issues in the stochastic term ε_t of the test regression by adjusting the test statistics $t_{\gamma=0}$ and T_γ .

3.3 ARDL Bond test: Cointegration test

Autoregressive Distributed Lag model (ARDL) bound testing method involves the use of Wald test (F -test) to check for long run relationship (Pesaran *et al.*, 2001). The null hypothesis is that the coefficients of the lagged series are equal to zero, which entails the absence of a long run relationship among the variables, whereas the alternative hypothesis indicates at least one of the coefficients is not equal to zero. The null and alternative hypotheses are express as:

$$H_0 : \eta_1 = \eta_2 = \dots \eta_k = 0$$

$$H_1 : \eta_1 \neq \eta_2 \neq \dots \eta_k \neq 0$$

The computed F -statistics is compared with critical values of Pesaran *et al.*, (2001) or Narayan (2005). If the value of computed F -statistics is greater than the upper bound value, then we conclude that no long run relationship is rejected against the alternative hypothesis that a long run relationship exists. Hence, the following unrestricted error correction model corresponding to equation (1) is express as follows:

$$\begin{aligned} \Delta \ln(STD_{t-1}) &= \eta_0 + \eta_1 \ln(TIF_{t-1}) + \eta_2 \ln(TID_{t-1}) \\ &+ \eta_3 \ln(TIA_{t-1}) + \eta_4 \ln(PUB_t) + \sum_{i=1}^p \eta_5 \Delta \ln(STD_{t-1}) \\ &+ \sum_{i=0}^p \eta_6 \Delta \ln(TIF_{t-1}) + \sum_{i=0}^p \eta_7 \Delta \ln(TID_{t-1}) \\ &+ \sum_{i=0}^p \eta_8 \Delta \ln(TIA_{t-1}) + \sum_{i=0}^p \eta_9 \Delta \ln(PUB_{t-1}) + \varepsilon_t \end{aligned} \quad (5)$$

Equation (5) captures the effects of Islamic banking variables on sustainable development since changes in economic development is subject to the improvement of Islamic banking products, total deposits and total assets, which without sustainable development will never be achieved.

3.4 Granger Causality test

According Granger (1988) when two variables are cointegrated, there exists causality between them, at least in one direction, as a consequence the study employs Granger causality test based on Toda and Yamamoto (1995). T-Y is a modified Wald test (MWALD) for the determination of long run causal relationship among $\ln STD$, $\ln TIF$, $\ln TID$, $\ln TIS$ and $\ln PUB$. To determine the maximum lag length (k) of a VAR in levels using the lag order selection criteria, we first consider the variables as endogenous and determine the maximum lag length (k) of a VAR in levels. Second, perform the following tests on the VAR ($k+d$) model:

$$V_t = \alpha_v + \beta_1 V_{t-1} + \beta_2 V_{t-2} + \beta_3 V_{t-3} + \beta_3 V_{t-4} + \beta_3 V_{t-5} \dots + \beta_k V_{t-k} \dots + \beta_{k+d} V_{t-k-d} + \mu_{vt} \quad (6)$$

where $V_t = (\ln STD_t, \ln TIF_t, \ln TID_t, \ln TIA_t, \ln PUB_t)$; α_v is a (5×1) vector of constant, $\beta_{1,2,3,4,5 \dots k+d}$ are (5×5) coefficients matrix and μ_{vt} (5×1) vector indicates the stochastic term. Now, to investigate the multivariate causality among the variables, this study is inspired by the work of Furqani and Mulyany (2009) for Malaysia, Abduh and Chowdhury (2012) for Bangladesh. Thus, the following is the system of equations for a VAR (6) model:

$$\begin{bmatrix} \ln STD_t \\ \ln TIF_t \\ \ln TID_t \\ \ln TIA_t \\ \ln PUB_t \end{bmatrix} = \begin{bmatrix} \eta_1 \\ \eta_2 \\ \eta_3 \\ \eta_4 \\ \eta_5 \end{bmatrix} + (L) \begin{bmatrix} \ln STD_{t-1} \\ \ln TIF_{t-1} \\ \ln TID_{t-1} \\ \ln TIA_{t-1} \\ \ln PUB_{t-1} \end{bmatrix} + \begin{bmatrix} e_{t,1} \\ e_{t,2} \\ e_{t,3} \\ e_{t,4} \\ e_{t,5} \end{bmatrix} \quad (7)$$

where (L) is the lag operator, η stand for the constant vector and e_t is the stochastic error term with mean is equal to zero.

4.0 Results and Discussion

Table 2 present the unit root test results at level and first difference of the series. It is clear from the results that STD_t , TIF_t , TID_t and PUB_t are stationary at first difference, $I(1)$ while TIA_t is stationary at level, $I(0)$, indicating the mix order of integration. This confirms the appropriateness of the ARDL bound test method.

Table 2: Unit Root Test at Level

Variable	At level		At First Difference	
	ADF	PP	ADP	PP
$\ln STD_t$	-2.924	-2.714	-5.341***	-4.693****
$\ln TIF_t$	-2.324	-2.130	-4.868***	-3.737***
$\ln TID_t$	-1.046	-0.972	-3.244*	-3.375**
$\ln TIA_t$	-3.602***	-3.257***	-5.333*	-4.449**
$\ln PUB_t$	-0.065	-0.552	-3.982*	-4.154***

Note: ***, ** and * indicate 1%, 10% and 1% significance level. The optimum lag [.] is suggested by Akaike Information Criterion (AIC) with maximum lags of 3 due to limited annual observations, while the Newey and West Bartlett kernel are used for PP test.

Prior to establishing the cointegration relation among the variables under consideration, for this reason, a suitable lag structure must be determined by FPE, AIC, SIC and H-QIC since cointegration test is sensitive to lag selection. Table 3 reports the minimum value chosen to generate a satisfactory cointegration result together with the lag order option. According to the test statistics, 4 lag length is selected based on the minimum value of Akaike information criterion (AIC) (Akaike, 1973) of -20.83 for the sustainable development model.

Table 3: Lag Order Selection Criteria

Lag	Final Prediction Error (FPE)	Akaike Information Criterion (AIC)	Schwarz Information Criterion (SIC)	Hannan-Quinn Information Criterion (H-QIC)
0	2.13	-3.47	-3.25	-3.39
1	1.66	-17.55	-16.23	-17.09
2	2.51	-19.52	-17.11*	-18.68
3	6.36	-18.83	-15.31	-17.60
4	1.43*	-20.83*	-16.21	-19.21*

Note: * indicate lag order selected by the criterion.

Table 4 presents the ARDL cointegration test to see whether or not the variables have a long run cointegrating relationship. As can be seen, using Pesaran *et al.*, (2001) and Narayan (2005) critical values, the computed F -statistics of 7.702 is greater than the upper bound value (UBV) at the 1% level of significance. As a result of the null hypothesis being rejected in favour of the alternative hypothesis, we conclude that the variables have long run cointegration.

Table 4: ARDL cointegration test results,

Model	Lag	F-Stat	Inference		
$F_{STD_t} (STD_t/TIF_t, TID_t, TIA_t, PUB_t)$	4	7.702	Cointegrated at 1%	Cointegrated at 1%	
Asymptotic critical value →	Pesaran <i>et al.</i> , (2001)		Narayan (2005)		
Significance level ↓		$I(0)$ Lower bound	$I(1)$ Upper bound	$I(0)$ Lower bound	$I(1)$ Upper bound
1%		3.41	4.68	4.045	5.898
5%		2.62	3.79	2.902	4.338
10%		2.26	3.35	2.483	3.708

Notes: Pesaran *et al.*, (2001) Table CI (iii) Case III: Unrestricted intercept and no trend and Narayan (2005), case III, unrestricted intercept and trend.

Panel A and B of Table 5 presents the long and short run coefficient results. Surprisingly, in both long and short run analyses, the total Islamic bank financing ($lnTIF$) coefficients are positive and significant at most 1%. This implies that a Islamic bank finance products in the form Murabahah (cost-plus), Mudarabah (Profit and loss sharing) Salam and Istisnaa (forward sale contract and manufacturing contract), Ijarah (leasing), and Musharakah (joint venture) among others promotes sustainable development. A 1 percent increase in total Islamic bank financing would enhance sustainable development by 77 percent and 16 percent respectively. This result is consistent with the findings of Furqani and Mulyani (2009), Abdul and Chowdhury (2012), Abdu and Omar (2012), Trianto and Masrizal (2021) among others but contrary to Tabash *et al.*, (2022). The coefficient of total Islamic banking deposits ($lnTID$) is positive and statistically significant in the long run but insignificant in the short run. This implies that a 1 percent increase in the share of total Islamic banking deposits would augment sustainable development by 13 percent in the long run. This substantiate the findings of Abdul and Chowdhury (2012), Lebdaoui and Wild (2016) and Zirek *et al.*, (2016). Unexpectedly, the coefficient of total Islamic bank assets ($lnTIA$) is positive but insignificant in the long run. However, it is negative and significant in the short run indicating that it has no effect on sustainable development.

The coefficient of public investment ($lnPUB$) is positive and statistically significant in both long run and short run. A 1 percent increase in public investment would support sustainable development by 48 and 22 percent, respectively. This implies that through increasing Nigeria’s infrastructure services, Islamic bank financing is an important catalyst for sustainable development. This result is consistent with the work of Sabiu and Abduh (2020). Nevertheless, the error correction term (ect_{t-1}) of -0.18% has a negative sign and highly statistically significant as expected at the 1% level. This suggests that the abnormality from the short run to the long run equilibrium is adjusted gradually by 18% for each year. Similarly, the long run equilibrium and long run Granger causality is supported by significance of the error correction term. Furthermore, the coefficient of determination (R^2), which measures the goodness of fit of the estimated linear regression, is 0.79 percent. This suggests that the model exhibit high goodness of fit of about 0.79 percent of the variation in sustainable development, which is explained by the explanatory variables in the estimated model, while the value of F -statistics that check for the joint significance of the overall model is statistically significant at the 1 percent level. The Durbin-Watson that test for autocorrelation in the residuals of the estimated model is 1.98, which confirms that there is absence of autocorrelation in the stochastic term.

Table 5: Long run and Short run coefficients
Dependent variable: $\ln SDT_t$

Variable	Coefficients	Std. Error	T-ratio	Prob.
<i>Panel A: Long run coefficients</i>				
Intercept	9.803	0.726	13.485	0.000***
$\ln TIF_t$	0.772	0.059	12.908	0.000***
$\ln TID_t$	0.132	0.046	2.821	0.009***
$\ln TIA_t$	0.002	0.005	0.369	0.713
$\ln PUB_t$	0.484	0.042	11.372	0.000***
<i>Panel B: Short run coefficients</i>				
$\Delta \ln TIF_t$	0.162	0.010	15.090	0.000***
$\Delta \ln TIF_{t(1)}$	0.113	0.009	11.938	0.000***
$\Delta \ln TID_t$	0.003	0.006	0.521	0.608
$\Delta \ln TIA_t$	-0.021	0.013	-1.538	0.141
$\Delta \ln TIA_{t(1)}$	-0.081	0.008	-9.602	0.000***
$\Delta \ln TIA_{t(2)}$	-0.054	0.008	-6.749	0.000***
$\Delta \ln TIA_{t(3)}$	-0.029	0.007	-3.987	0.000***
$\Delta \ln PUB_t$	0.221	0.012	17.595	0.000***
ect_{t-1}	-0.178	0.008	-21.860	0.000***
R^2			0.785	
F-statistics (Prob.)			121.41[0.00]	
Durbin Watson statistics			1.986	

Note: *** indicate significance at the 1% level

However, to ensure statistically robust, we subjected the dynamic model to diagnostics tests. Table 6 presents the results of the diagnostic tests in which the serial correlation LM test, J-B Normality test, Heteroskedasticity (ARCH) and Ramsey RESET tests do not show evidence of irregularities in the short run model. We apply CUSUM and CUSUMSQ test (Brown *et al.*, 1975) for stability test of the dynamic model. The results indicate that the bands are within the 5% level (see figure 2), this suggests that the explanatory power of the dynamic model is reasonably parsimonious.

Table 6: Short run diagnostic and stability test results

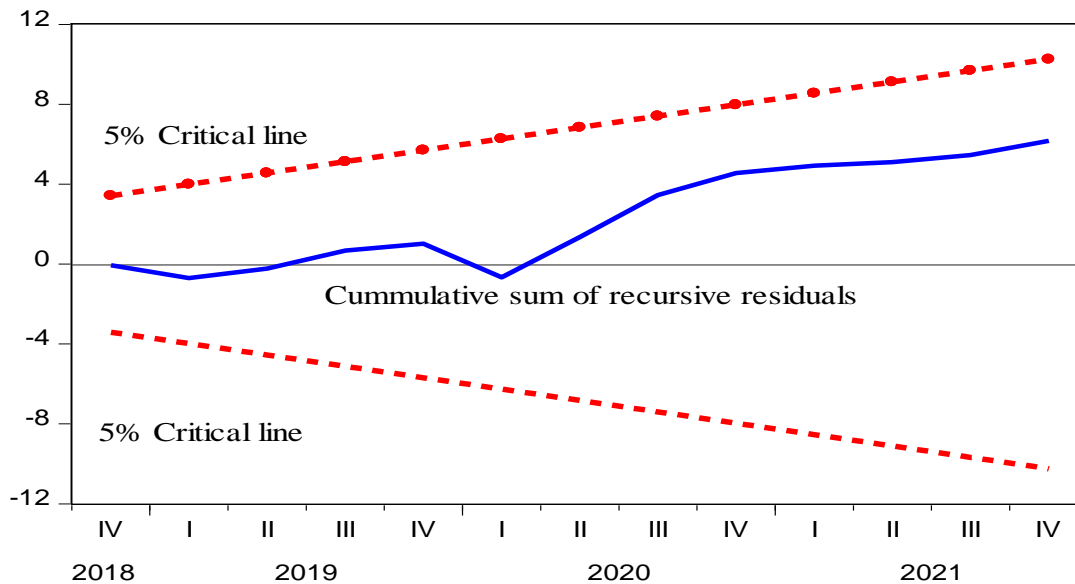
Serial correlation LM test χ^2 (1,12)	0.535 [0.277]
J-B Normality test χ^2	4.065 [0.130]
Heteroskedasticity (ARCH) χ^2 (1,33)	0.898 [0.894]
Ramsy RESET χ^2	0.683 [0.166]
CUSUM and CUSUMSQ	Structurally Stable

Table 7 presents the T-Y Granger causality test results for equation (7) by taking all the variables as endogenous and the estimated F-statistics (χ^2) and their probability values. As shown in Table 7, some of the probability values are statistically significant indicating there exists either unidirectional or bidirectional granger causality among the variables. The results indicate a unidirectional Granger causality running from total Islamic finance, Islamic deposits and public investment to sustainable development. This is consistent with the work of Abduh and Chowdhury (2012) and Nawaz et al., (2019). Similarly, bidirectional causality is recognized running from total Islamic deposits to total Islamic finance. On the other hand, there is no unidirectional or bidirectional causal relationship between public investment and Islamic finance variables.

Table 7: Multivariate Toda and Yamamoto causality test

Model↓→	\lnSDT_t	\lnTIF_t	\lnTID_t	\lnTIA_t	\lnPUB_t
\lnSDT_t	-	21.176 (0.000)***	10.109 (0.038)**	1.464 (0.521)	12.787 (0.094)*
\lnTIF_t	1.665 (0.787)	-	11.052 (0.031)**	2.079 (0.721)	5.482 (0.241)
\lnTID_t	2.120 (0.713)	1.511 (0.824)	-	19.063 (0.000)***	2.785 (0.594)
\lnTIA_t	1.912 (0.751)	2.716 (0.606)	39.120 (0.000)***	-	6.434 (0.168)
\lnPUB_t	0.804 (0.937)	9.305 (0.989)	0.892 (0.925)	2.522 (0.640)	-

Notes: Note: ***, **, * indicate significance at 1%, 5% and 10% levels.



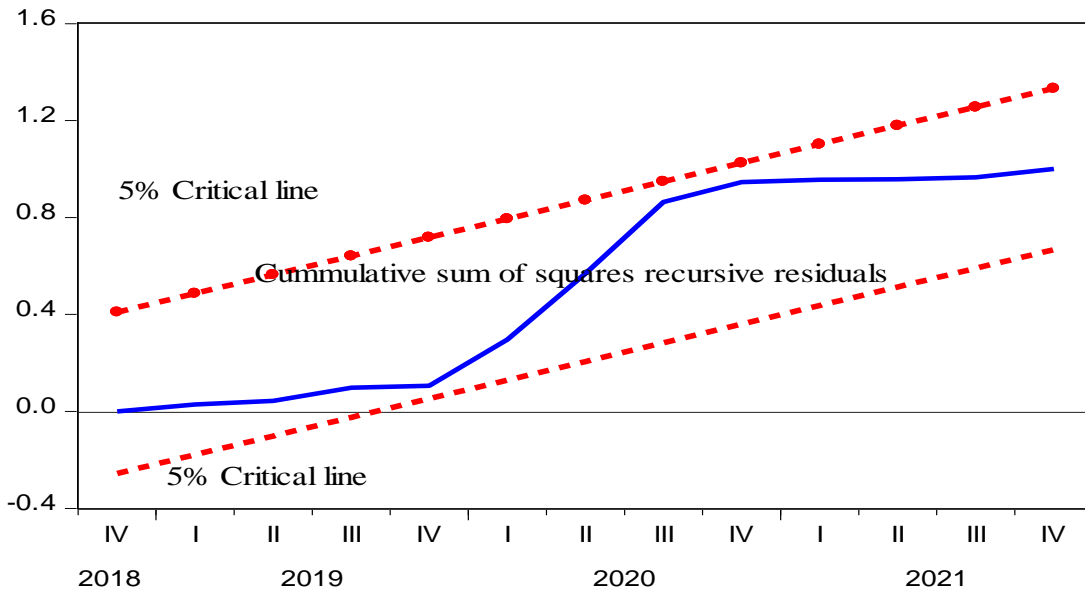


Figure 2: Residuals plots for CUSUM and CUSUMSQ

5.0 Conclusion and Policy Implications

The paper investigates the dynamic effects of Islamic banking on sustainable development in Nigeria covering the period 2012q1 to 2021q4. In addition, the paper explores the causal relationship among the Islamic banking indicators and sustainable development. Using the bound testing to cointegrating approach and Toda-Yamamoto Granger causality test, the result indicates that except the total Islamic finance, all the indicators have significant and positive effects on sustainable development. On the other hand, the result reveals a unidirectional causality from total Islamic finance, deposits and public investment to sustainable development. This implies that the variables are the main cause of sustainable development.

Other potential policy implications from the aforementioned findings are: firstly, despite the contributions that Islamic banks have made to the Nigerian economy, concerted efforts to strengthen the total asset base are required in order to compete with other conventional banks that currently hold the majority of the market share. Secondly, in order to increase the efficiency of the Islamic banking sector and promote sustainable development, players should improve Islamic financial products. Finally, the recent licensing of three new Islamic banks (Taj, Lotus, and Alternative) increases the proportion of overall financing provided by Islamic banks, nonetheless, more Islamic banks are still required in order to boost economic activity and enhances long term sustainable development.

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Mitigating the Challenges of Conventional and Islamic Sources of Financing Agriculture in Kaduna State, Nigeria: A Measured Approach

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Abstract

*The challenges of financing agriculture, with its multidimensional approach, have been a serious impediment to agriculture development in Nigeria. If the private, public, and international financial institutions and agencies provide sustainable funding to the overall agricultural value chain then there will be an economic and social transformation within the overall social system, especially in the rural areas. This study applied a social survey design and used a questionnaire as the instrument of data collection based on a calculated sample size using a percentage of 50% of the population (1,323,305) at a 96% confidence level and an error margin of .04. This gave an approximated sample size of 663 and 39 questionnaires were randomly administered within each of the 17 clusters with which 562 responses were received from 16 out of 17 clusters consisting of farmers, agro-processors, agents of financial institutions, government agricultural and regulatory agencies, international financial institutions and agricultural associations in Kaduna State and domiciled offices outside Kaduna. An Ordinary Least Square (OLS) linear regression analysis shows the result of the impact of the challenges of financing agriculture (dependent variables) on the measures to mitigate the challenges of financing agriculture (independent variables). The key findings show that monitoring and evaluation to check institutional bureaucracy in the disbursement of funds is a factor to access funds with a **B** score of **2.112** and eliminating interest rates in conventional banks and eliminating collateral for both conventional and Islamic financial institutions in the loan application is another factor to improve financing the sector with **B** score of **1.631**. It is recommended that processes within the structures of financial institutions and government agencies be reorganized to measure and ensure the financial inclusion of smallholder farmers to boost agricultural development.*

Key words: Agriculture, Conventional Finance, Collateral, Financial Processes, Islamic Finance, Poverty, Social Inequality, Unemployment

1.0 Introduction

Finance is a major impediment to agricultural development; it forms the superstructure that the whole value chain in the agriculture sector relies on to develop. With the multidimensional approach to the challenges of finance and agriculture, the role of conventional and Islamic financial institutions in financing agriculture, especially in rural areas, must be addressed to enhance agricultural productivity and food security. Financial institutions, government agencies, and international financial institutions are the major and formal sources of finance that can propel the development of the agriculture sector. The attributes of lack of access to finance for smallholder farmers can be argued for the increase in unemployment, poverty, social inequality, and other forms of criminality, especially in rural areas. With

27.3% of the population representing about 57 million with serious hunger levels, malnutrition, and a high mortality rate in Nigeria GHI, (2022) and Azahalu et al (2021), smallholder farmers have relied on Asusu, the contribution of funds from family and friends and Zakat as informal coping strategies to finance their agricultural activities. It is significantly important that financial institutions, government agencies, and international financial institutions have well-informed knowledge about the challenges of finance to smallholder farmers and the need for improvement in farmers' financial inclusion to boost sustainable agricultural development for food security.

The challenges of the effects of climate change, sustainable electricity, the structural challenges of financial institutions and agencies regarding interest rates, collateral, duplication of functions in government agricultural agencies, and the effective management of financial resources by conventional and Islamic financial institutions and agencies have been a continuous problem that limits achieving agricultural production and performance in all dimensions related to sustaining the agricultural value chain. The contribution of smallholder farmers to food security without the contribution of financial institutions and agencies must be addressed. This can only be achieved through a transformational change in the practice and standards of these financial systems operating in Nigeria.

The objective of this paper is to examine the effects of the challenges of financing agriculture on the measures to mitigate the challenges of financing agriculture in Kaduna State, Nigeria. The research question of this paper is to find out "what" the effects of the challenges of financing agriculture are on the measures to mitigate the challenges of financing agriculture in Kaduna State, Nigeria.

The test for hypothesis *H₀*: There is no significant relationship between the effects of the challenges of financing agriculture (dependent variables) on the measures to mitigate the challenges of financing agriculture (independent variables) in Kaduna, State, Nigeria.

2.0 Literature Review

The literature review is grouped into 3 namely Theoretical Framework, Empirical Review, and Conceptual review.

2.1 Theoretical Framework

The theoretical framework for this paper is based on the theories of development which are multi-dimensional and multi-disciplinary in approach. These theories include structural-functional theory, dependency theory, modernization theory, ecological modernization theory, human needs theory, conflict theory, and critical theory.

2.2 Empirical Review

Access to conventional finance has always been aligned with high-interest rates and has been identified as a major problem in financing projects, especially in the medium and long-term agriculture value chains. In addition, smallholder farmers find it difficult to access loans from conventional banks due to a lack of collateral and guarantors as indicated (Ojo & Oluwaseun 2015; Abdullahi & Gupta, 2022). Cultural norms and values affect marginalized smallholder farmers' participation in conventional finance due to interest-related issues and have made access to finance dispensable without an alternative to their normative financial norms as indicated by (Laluddin, 2016). With the privatization of the financial sector, government regulation of financial institutions has been limited, and conventional financial institutions open branches where their feasibility study takes them on maximizing profit for the bank. This has contributed to the distance between conventional financial institutions and government

agencies and smallholder farmers as another challenge that limits the accessibility of funds in rural areas with most structures of financial institutions in urban areas including the World bank's lack of structural framework in accessing rural financing as argued by (Nwosu et al 2010. p.87; Fadeyi, 2018). The high default rates experienced in financing agriculture and the lack of collateral to secure loans in financial institutions is also a problem for these smallholder farmers to obtain agric-loans (Abdullahi and Gupta, 2022) and this led to the establishment of the Small, Medium Enterprises Equity Investment Scheme (SMEEIS) by the bankers' committee under the CBN which (Isa & Terungwa, 2011) argued not to have contributed to agricultural development due to a lack of an accessible framework for the Agriculture, Small, Medium Enterprises Equity Investment Scheme (AGSMEEIS). This challenge persisted till 2019 when the Micro Finance Bank (MFB) was established to address the (AGSMEEIS) funds and the Nigeria Incentive-Based Risk Sharing Agricultural Lending (NIRSAL) funds. The structural framework failure of the (AGSMEEIS) under the Central Bank of Nigeria (CBN) to disburse the funds and the structural and process failure of the (NIRSAL) to guarantee smallholder farmers and ensure insurance coverage of these funds in commercial banks continued to be challenging for smallholder farmers. Micro Finance Banks can be argued to have failed because they must rely on commercial banks to be effectively and efficiently functional and the lack of real-time online digital financial services of these commercial banks in rural areas creates obstacles for the MFBs.

The farmers' lack of access to finance in rural areas has made farmers' efforts more challenging and frustrating, attempts to access funds and overlooking the distance to urban areas are faced with yet another challenge of bureaucracy by these institutions and agencies. With finance critical to the development of the agriculture sector growth as (Fawowe, 2017) argued it is important to emphasize that optimal utilization of resources is also challenging in financing agriculture (Ekpo, Etukafia, & Udofot, 2017) with both conventional, and Islamic financial institutions and government agencies sidelining or diverting the funds' marginalized smallholder farmers benefit within existing financial institutions like World Bank (WB), Islamic Development Bank (IsDB), Agricultural Credit Guarantee Scheme Fund (ACGSF), Nigeria Incentive-Based Risk Sharing Agricultural Lending (NIRSAL), and Nigeria Agricultural Insurance Corporation (NAIC).

The lack of a government Marshall plan on critical sectors of the economy with a focus on sustainable electricity that can propel agricultural production and agro manufacturing to boost economic development(Iyoboyi, Okereke & Pedro, 2018) argued. With financial institutions' inability to provide financial support to smallholder farmers in alternative sources of energy considering the lack of grid electricity, to support mechanization and irrigation farming has led to losses in terms of unemployment, yield output within the agricultural value chain is contributing to the failure of the agriculture sector as (Hiroyuki, 2016; Adekola et al 2014) argued. With the challenges of climate change, government and financial institutions must invest in mitigating flooding, drought, and high temperatures that affect the agriculture sector and invest heavily in irrigation farming to support production. The refusal of financial institutions and government agencies to monitor and evaluate resources disbursed in financing agriculture shows a lack of mismanagement of resources as argued (Ahmed, 2021). Islamic financial institutions do not utilize the Islamic mode of financing agriculture like Al-salam on a medium long-term basis but rely heavily on Murabaha (Trade Finance) (Ogunbado & Ahmed, 2015). The lack of utilization of Zakat as a pillar of Islam in addressing social problems to bridge the gap between the rich and the poor in providing financial support to help the needy in society is practically absent or abused in real terms. A recent study shown in (Abdullahi & Gupta, 2022) indicated that Zakat is a strong coping strategy that if adopted will provide financial inclusion to needy farmers and boost their capabilities in agricultural production and improve their well-being. The meta-analysis of the source codes reviewed in

financing agriculture will provide insights for collaboration, reorganization, and reorientation of financial institutions, government agencies, and smallholder farmers toward the improvement of financing agriculture (Abdullahi & Gupta, 2022).

2.3 Conceptual Review

Interest rates have always played an existent problem in finance especially in agriculture considering its medium and long-term duration from tilting the land to harvest. Interest rates charges evade savings and smallholder farmers are deviant of this while conventional financial institutions are deviant of the high risks of default. Conventional financial institutions do not offer optional and choice-able financial services that offer interest-free loans from an Islamic perspective through Islamic windows. With 28 conventional banks only Stanbic bank operates an Islamic window to provide financial inclusion for these marginalized smallholder farmers in accessing government program funds. There is a need for Islamic financial takeovers or mergers for financial institutions to provide stability in financing the agriculture sector on a medium long-term basis. The issue of collateral is another impediment that needs to be eliminated for smallholder farmers to access loans in both conventional and Islamic financial institutions. The majority of these smallholder farmers cannot afford the collateral to obtain a loan and this has limited credit supply to smallholder farmers so the need for monitoring and evaluation from the loan application to harvest is very important in providing access to targeted farmers. The documentation of farmlands is another way in mitigating the challenges of finance, unfortunately, the complex nature of farm ownership in most cases limits documentation at the local government level. The CBN (ACGSF) government program should be transformed into an agricultural bank because of its significant contributions to agricultural performance and development while the (AGSMEEIS) should be channeled through the ACGSF as a bank or channeled through the commercial banks as with the case of ACGSF. The MFB in practice has failed agricultural production and small and medium businesses and cannot quantifiably measure the funds of AGSMEEIS and NIRSAL in terms of smallholder farmers' standard of living and the contribution of agriculture to the Gross Domestic Product (GDP). These structural issues to support funding from both government agencies and financial institutions continues to limit smallholder farmers' financial opportunity to grow their businesses. The lack of expansion of private banks, government agencies in rural areas, and the partnership of WB and IsDB with federal and state governments limit accessibility to smallholder farmers because of the bureaucracy involved in the management of financial resources. The energy sector privatization's impact on electricity sustainability is also a major contributor affecting the agriculture value chain. With the closure of manufacturing industries agricultural production, jobs and income have become limited pushing unemployment, poverty, and hunger to the extreme. The unutilized use of the Islamic mode of financing can be argued to be another problem in financing agriculture with a non-debt instrument not considered to replace debt instruments.

3.0 Methodology

The method used for this study is the quantitative method, and data were collected using a questionnaire as the instrument of data collection from the random sampling within the 17 identified clusters for this study. A sample size of 663 was calculated using a Z test score of 96% confidence level, an error margin of .04, and a percentage of 50% of the population of 1,323,305. Some 39 questionnaires were administered to all the identified clusters, and 562 questionnaires were received from respondents with a sample error margin of - 17.9%. Ordinary Least Square (OLS) linear regression was applied for this study to test for the hypothetical relationship between the variables of the challenges of financing agriculture and the measures to mitigate the challenges. The study was carried out based on a 95% confidence level and a $< .05$ error margin.

4.0 Results

Table of OLS for the relationship of variables between the challenges of financing agriculture and the measures to mitigate the challenge.

Independent Variables	Unstandardized Coefficients		Standardized Coefficients Regression	t	Sig.	Mean Score Challenges	Mean Score Measures	Rank/No
	Beta. SE							
	B	Std. Error	Beta					
(Constant)	14.730	1.259		11.701	0.000			
Transforming conventional financial institutions to operate Islamic windows to include Islamic financial services to overcome the problems of access to government funds?	0.202	0.293	0.030	0.690	0.491			10 562
Islamic financial takeover of conventional financial institutions operating on Islamic mode of financing as a measure to provide stability in long term agricultural loans ?	0.302	0.266	0.050	1.135	0.257			7 562
The (AGSMEEIS) funds should be channeled through commercial banks just like (ACGSF) or channel the funds through the (ACGSF)	0.387	0.256	0.056	1.510	0.132			6 562
Macroeconomic policy with regulation of the energy sector will improve sustainable electricity supply that will boost economic growth through manufacturing and local content agricultural mechanization and equipment for production including irrigation	1.229	0.296	0.159	4.157	0.000			3 562

Independent Variables	Unstandardized Coefficients Beta. SE		Standardized Coefficients Regression	t	Sig.	Mean Score Challenges	Mean Score Measures	Rank/No
Eliminating interest rates for conventional banks and eliminating collateral for both conventional and Islamic financial institutions in loan application will improve financing the sector?	1.631	0.248	0.241	6.564	0.000			1 562
Land registry and certification will serve as a measure for collateral to obtain loans from both conventional and Islamic financial institutions ?	0.576	0.259	0.081	2.225	0.026			5 562
Monitoring and evaluation to check institutional bureaucracies in disbursement of funds is a measure to address access to funds.	2.112	0.361	0.226	5.855	0.000			2 562

Independent Variables	Unstandardized Coefficients		Standardized Coefficients Regression	t	Sig.	Mean Score Challenges	Mean Score Measures	Rank/No
	Beta. SE							
Developing ACGSF as an agricultural finance bank under the CBN and eliminating BOA, NIRSAL, NAIC institutions and transferring their funds including ABS, CADP, CACS program funds to the ACGSF.	0.936	0.250	0.151	3.742	0.000			4 562
WB and IsDB should adopt a structural framework in partnership with ACGSF or channel their funds through conventional and Islamic banks to reach smallholder farmers.	-0.263	0.303	-0.035	-0.868	0.386			11 562
IsDB in collaboration with the international Islamic liquidity management corporation IIMC inject funds through Jaiz bank to finance agricultural segments and the value chains using both debt and non-debt Islamic mode of financing ?	0.217	0.337	0.031	0.644	0.520			9 562
Establishing a central zakat fund to manage zakat distribution ?	0.235	0.318	0.034	0.739	0.460			8 562
Total	7.564	3.187				2.70	2.64	

Source: Field Survey, 2022

Regression line = $Y_i = 14.730 + (\text{Summation } X_i) 7.564 = 22.294$

Residual Sum of Square (RSS) on b = (Summation Xi Squared) = $7.564^2 = /15.128 = 3.88$

Residual Sum of Square (RSS) = Standard Deviation Q2 = 3.88

Mean Score of Challenges = 2.70 + Mean Score of Measures = 2.64 = 5.340/2 = 2.670

The Average Mean Score of Challenges and Measures = 2.670 or 2.70

The Standard Deviation of 3.880 is greater than the Average Mean Score of 2.670 or 2.70

No of Observations $N = 562$

Degree of freedom Residuals: $562 - (1 \text{ challenge} + 1 \text{ measure}) = 560$

Degree of freedom: Df calculated $Df = N - K$

Where N is the Sample Size Observed Numbers

Where K is the number of Variables ($K-1 = 2-1 = 1$)

Df of model: $K - 1 = 2 - 1 = 1$

Df = $N=562$, $K=1 = 561$.

T-test based on DF, 2, MEAN SCORE, 2.70, P- VALUE, $<.05$

T Critical Value @ Df- ($N-2$) less 2 variables for X and Y(Two-Tailed Test) $11-2 = 9$, Mean Scores of both parameters = 2.70, P- value $<.05$.

The critical value for the two-tailed test is $1 - (.05/2) = 1 - 0.025 = 0.975$ OR 97.5%. The t-critical value @ p-value of .05 or 0.025 is 2.263 indicating that the mean score critical is lower than the calculated mean value of 2.700 so the null hypothesis is accepted, indicating a higher percentage score within two standard deviations from the mean score above 95% confidence level.

Z- test based on $H_0 < 1.960$ or > 1.960 @ 0.9750 at the p-value of .05 (two-tailed test) @ 0.025 is rejected and the $H_1 < \text{or} >$ mean score of 2.700 and SD score of 3.880 is accepted with a mean score of $Z > 0.9965$ @ 99.65 confidence level and 0.0035 error margin or SD $Z > 0.99995$ @ 99.995 confidence level and 0.005 error margin. This indicates a normal distribution of the challenges of financing agriculture on the measures to mitigate the challenges that fall within two standard deviations from the mean score above 95% confidence level.

4.1 Unstandardized Correlation Coefficient Beta for Challenges and Measures Data Set

For one unit increase in change in the measures on the X axis on monitoring and evaluation to check institutional bureaucracies in the disbursement of funds to address access to funds as a measure, there is a one unit increase in change of ***b* 2.112** scores of the effects of the challenges of financing agriculture on the Y axis. For a one-unit increase in change in the measure on the X axis on eliminating interest rates in conventional financial institutions and eliminating collateral for both conventional and Islamic financial institutions, there is a one-unit increase in change of ***b* 1.631** scores of the effects of the challenges of financing agriculture on the Y axis. In addition, for one unit increase in change in the measures on the X axis on macroeconomic policy with regulation of the energy sector to improve sustainable electricity supply that will boost economic growth through manufacturing and local content agricultural and mechanization and equipment for production and irrigation as a measure, there is a one unit increase in change of ***b* 1.229** scores of the effects of the challenges of financing agriculture on the Y axis. For one unit increase in change on the measures on the X axis for developing the (ACGSF) as an agricultural finance bank under the CBN and eliminating Bank of Agriculture (BOA), (NIRSAL), (NAIC) and transferring their funds including Anchor Borrower Scheme (ABS), Commercial Agriculture Development Program (CADP), Commercial Agriculture Credit Scheme (CACS) program funds to the (ACGSF) as a measure, there is a one unit increase in change of ***b* 0.936** scores of the effects of challenges of financing agriculture on the Y axis. For one unit increase in change of measures on the X axis for land registry and certification as a measure for collateral to obtain loans from conventional and Islamic financial institutions, there is a one unit increase in change of ***b* 0.576** scores of the challenges of financing agriculture on the Y axis.

For a one unit increase in change on the X axis for the (AGSMEEIS) funds to be channeled through the commercial banks just like the ACGSF or channel the funds through the (ACGSF) as a measure, there is a one unit increase in change of **b 0.387** scores of the effects of the challenges of financing agriculture on the Y axis. For a one unit increase in change in measures on the X axis for an Islamic takeover of conventional financial institutions to operate on Islamic mode of financing as a measure to provide stability in long-term agricultural loans, there is a one unit increase in change of **b 0.302** scores of the effect of the challenges of financing agriculture on the Y axis. For a one-unit increase in change of measures on the X axis for the establishment of a central zakat fund to manage the distribution of funds, there is a one-unit increase in change of **b 0.235** scores of the effects of the challenges of financing agriculture on the Y axis. For a one-unit increase in change in measures on the X axis for IsDB collaboration with IIMC to inject funds in Jaiz Bank and invest in the agricultural segments and their value chain using debt and non-debt modes of financing, there is a one-unit increase in change of **b 0.217** scores of the effects of challenges of financing agriculture on the Y axis. For a one-unit increase in change in measures on the X axis for transforming conventional banks to operate Islamic windows to operate Islamic financial services to overcome the problem of access to government funds, there is a one-unit increase in change of **b 0.202** scores of the effects of the challenges of financing agriculture. Finally, for a one-unit increase in change in the measures on the X axis for WB and IsDB to adopt a structural framework in partnership with ACGSF or channel their funds through conventional or Islamic banks to reach smallholder farmers, there is a one-unit decrease in change of **b -0.263** scores of the effects of the challenges of financing agriculture. This impliedly shows there is no causal relationship but a correlational relationship.

4.1.1 Unstandardized Coefficient for Standard Error Analysis of Variables of challenges and Measures for OLS Data Set

SE_B = The total of the standard error (.293 + .266 + .256 + .296* + .248* + .259* + .361* + .250* + .303 + .337 + .318) = **3.187** However, the standard error with p- a value of <.05 will be considered for the high impact of the dependent variable on the independent variable. (.296 + .248 + .259 + .361 + .250) = **1.414**

Using the formula to calculate Standard Error Correlation: *SD/ Summation (xi - X) Squared*

$$SE = 3.88/1.414 = 2.743 \text{ Squared} = 1.656$$

According to Durbin-Watson standard error margin score of between 0 and, 2 indicates a positive autocorrelation between the variables of challenges and measures. The standard error margin for this data set is **1.656** which is lower than DW's **2.000**. This indicates a positive autocorrelation of the variables.

4.1.2 Standardized Coefficients for Beta (Regression) Analysis of OLS in Association of P. Value for Data Set for Effects of the Challenges and Measures to Mitigate the Challenges of Financing Agriculture in Kaduna State, Nigeria

The beta standardized analysis for this study is based on the regression R and the P-Value is explained in ascending order of Sig. Error Margin of < .05 for this study. Eliminating interest rates in conventional banks and eliminating collateral for both conventional and Islamic financial institutions in loan applications will improve financing the agriculture sector with **R. 24.1%** of the effects of the challenges as a measure at sig. value of **0.000**. Monitoring and evaluation to check institutional bureaucracy in the distribution of funds as a measure to access funds have an **R.22.6%** effect of the challenges at a sig. value of **0.000**. A macroeconomic policy with regulation of the energy sector will improve sustainable electricity supply that will boost economic growth through manufacturing and local content agricultural

mechanization and equipment for production including irrigation as a measure to mitigate the challenges of financing agriculture has an **R.15.9%** of the effect of the challenges at a sig. value of **0.000**. Developing the ACGSF into an agricultural finance bank under the CBN, eliminating BOA, NIRSAL, and NAIC institutions, and transferring their funds, including ABS, CACS, and CADP into ACGSF is a measure that has an **R. 15.1%** of the effects of the challenges at a p-value of **0.000**. Land registry and certification of farmlands will serve as collateral to obtain loans from both conventional and Islamic financial institutions is another measure to mitigate the challenges of financing agriculture with an **R. 8.1%** of the effects of the challenges at a p-value of **0.026**. The AGSMEEIS funds should be channeled through commercial banks like the ACGSF or be channeled through the ACGSF to mitigate the challenges of financing agriculture has an **R. 5.6%** of the effects of the challenges with a sig. value of **0.132**. The Islamic financial takeover of conventional financial institutions using the Islamic mode of financing as a measure to provide stability in long-term agricultural loans has an **R. 5%** contribution to the effect of the challenges at a p-value of **0.257**. Establishing a central zakat fund as a measure to mitigate the challenges of financing agriculture has an **R. 3.4%** of the effects of the challenges at a p-value of **0.460**. The IsDB in collaboration with the IIMC should inject funds into Jaiz Bank to finance agricultural segments and their value chains using set and non-debt modes of financing has an **R. 3.1%** of the effects of the challenges at a p-value of **0.520**. In addition, transforming conventional financial institutions to operate Islamic windows using Islamic modes of financing to overcome the challenges of access to government program funds as a measure has an **R. 3.0%** of the effect of the challenges with a p-value of **0.491**. Finally, the WB and IsDB should adopt a structural framework to partner with the ACGSF or channel their funds through conventional and Islamic banks to reach smallholder farmers as a measure that has no causal relationship but rather a correlational relationship, thus, indicating when there is a one unit increase in change in the X axis, there is a one unit decrease in change on the Y axis with an **R. -3.5%** at a p-value of **0.386**.

4.1.3 T-Value Analysis of OLS Data Set for Challenges and Measures to Mitigate the Challenges of Financing Agriculture in Kaduna State, Nigeria.

The beta unstandardized value or coefficient is divided by the standard error variation to give the t-value. Based on the formula $t = b / SEb$ the t value for all the variables as indicated in the table will provide the normal distribution curve pattern for this data set with the t - values of **(0.689 + 1.135 + 1.511 + 4.152 + 6.576 + 2.223 + 5.850 + 3.744 -0.867 + 0.643 + 0.738)** arranged according to the variables on the X axis from - 7 - 0 + 7

4.2 Discussion of Results

The results have shown that eliminating interest rates in conventional banks and eliminating collateral for both conventional and Islamic banks is a factor that has the most profound effect on the measure indicating that it will improve the loan application for financing agriculture as shown in (Ojo and Oluwaseun 2015; Laluddin, 2016). Monitoring and evaluation to check institutional bureaucracy in the disbursement of funds is another factor to ensure the accessibility of funds to targeted smallholder farmers. Financial institutions and government agencies including International financial institutions must professionally monitor these funds to avert the diversion of these resources to ensure optimal utilization of financial resources as indicated by (Ahmed, 2021; Ekpo, Etukafia, & Udofot, 2018). Furthermore, evaluating these funds' performance to the GDP and the physiological needs of the smallholder farmer showing growth must be ensured as argued (Mubaraq, 2021). Islamic financial institutions must invest in debt-related loans like Al-salam, mudarabah, and musharakah and ensure proper utilization of these funds by monitoring and evaluating the performance of smallholder farmers and transforming them into viable commercial farmers as argued (Ogunbado & Ahmed 2015). A macro-

economic policy with the regulation in the energy sector is another factor that will improve sustainable electricity supply that will improve agro manufacturing, while financial institutions investing in tractorization programs in collaboration with the government and financing the local content production of mechanized agricultural equipment and irrigation farming as a factor highlighted in (Iyoboyi, Okereke & Pedro, 2018; Hiroyuki, 2016; Adekola et al 2014) will go a long way in developing the agriculture sector. The (ACGSF) is considered to have a significant relationship with agricultural development and growth and as a factor transforming the (ACGSF) into an agricultural finance bank under the CBN (Mubaraq 2021; Ojo & Oluwaseun 2018) argued will boost the contribution of the agricultural sector to the (GDP). These factors are all related to the structural functions of financial institutions, international financial institutions both conventional and Islamic, and government agencies.

5.0 Conclusion and Recommendation

From the specified relationship between variables in the parameters of challenges and measures the effects of the challenges on measures reveal that eliminating interest rates in conventional banks and collateral for both conventional and Islamic banks, monitoring and evaluations to check institutional bureaucracy in the disbursement of funds, macroeconomic policy with regulation of the energy sector to improve electricity supply to boost agro manufacturing that will sustain the agriculture value chain, developing the ACGSF into an agricultural finance bank and transferring the funds of BOA, NAIC, NIRSAL including ABS, CACS, CADP, and registration and certification of land are factors that will go a long way in mitigating the challenges of financing agriculture. It is recommended that these measures are taken to transform and strengthen the structures and processes of financial institutions, government agencies, and International financial institutions to provide effective and efficient financial service delivery that will improve and sustain the financial inclusion of smallholder farmers and the development of the agriculture sector.

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Role of Financial Technology in Promoting Financial Inclusion in Nigeria

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Abstract

Financial technology has become a phenomenal global transition towards digital economy, with an estimated worth of \$11.5 billion dollars globally. This study seek to explore the role of fintech in promoting financial inclusion in Nigerian Economy. To this end, descriptive research design was adopted, moreover, secondary source of data was utilized, which entails collection of relevant data from existing sources. Result showed that despite the appealing statistics, fintech start ups in Nigeria are still faced with significant number of problems. It is recommended that there is need for regulatory framework to drive safe and enabling environment for fintech so as to maximize its potential while curtailing its negative effect.

Key words: *Financial Technology, Financial Inclusion, Nigeria*

1.0 Introduction

The past (Covid-19) pandemic has led to major disruption of economic development and gains for Africa region and across the globe (Andrew, Yasuyuki and Tesutshi, 2021). Over the period, governments took measures to keep the adverse consequence of the disease to the economy, however the strain on the world's economies is considerable (Sophendu M and Cyn-Young Park 2021). Taking Nigeria into consideration, the ongoing currency redesign moreover threatens to further entrench existing financial vulnerabilities in the country, including cost of doing business; which will be passed onto consumers, credit constraints, a lack of financial inclusion, and investment financing gaps, among others (Peter and Johan, 2019). As the currency redesign issue is still going on, the rapid pace of adoption of digital financial technologies (Fintech) offers an avenue for not only reducing the negative economic effects of the crisis, but for securing greater financial resilience. At present, over 60 million adults across the country remain unbanked and do not have access to formal financial institutions (Central Bank of Nigeria, 2023). The nation's savings have not been channeled to meet its infrastructure investment needs; which amount to billions of naira annually. The crisis further threatens to worsened these challenges making it difficult for the nation's economic gains (Peter, Yoke and Ulrich, 2021).

However, financial technologies (Fintech) and the accelerated digitalization of economies present a promising avenue to tackle these challenges, mobilizing finance for inclusive and effective intermediation while securing a sustained path to economic recovery (Dermirgue & Klapper, 2021). Fintech, blockchain-based technologies, advances in artificial intelligence, and other rapidly advancing innovations can help enhance financial efficiencies while promoting financial inclusion if the necessary infrastructure are put in place.

Scott, Van Reenen and Zachariadis (2017) examined that technological change in the financial services industry is accelerating, driven further by data abundance and the emergence of digital distribution channels. Businesses in the finance sector are facing increasing competition from financial start-ups and large technology firms, or BigTech. The ongoing crisis serves to trigger technological transformation, prompted by increasing demand for digital services.

Financial intermediation can help to overcome difficulties in resource allocation and contribute to effective channeling of available resources (Thitipat & Maria, 2021). It is grounded on two key elements—information and communication. First, information involves the collection and processing of data for screening and monitoring purposes. Such collection, processing, and use of data gives rise to economies of scale. Second, communication describes the capacity of intermediaries to create and maintain customer relationships and distribution networks. Banks are the traditional first point of contact for financial services, while brokers and exchangers act as matchmakers. These two key elements of financial intermediation information and communication generate market power or capture, creating barriers to entry and limits to competition.

Bernerd, Peter and Thorsten (2021) Stated a distinction is drawn between long-established and more recent developments in information and communication. A longer running transformation of information comprises the codification from soft to hard information, spurred by the abundance of both financial and nonfinancial data. The 1980s and 1990s saw a proliferation of hard information in finance, encompassing developments in the securitization of debt and in credit scoring, market-based finance, and consolidation. An upside is that this development has prompted gains in efficiency and risk management which have increased credit volumes, encouraged competition at lower financial cost, and reduced the influence of lenders in determining loan supply. On the other hand, increased reliance on hard information can aggravate biases and incentive problems. Credit terms deteriorate when hard information is unavailable, as is the case for small and medium-sized enterprises (SMEs) and innovative firms (Peter, 2022).

Based on the above; the following questions were raised for the study

1. To what extent does fintech promote access to financial products and services in Nigeria?
2. To what extent does fintech promote usage of financial products and services in Nigeria?
3. To what extent does fintech promote availability of financial products and services across Nigerians?

2.0 Literature Review

2.1 Overview of Digital Finance

Digital finance is defined as financial services delivered through mobile phones, the internet or cards (McKinsey, 2019). However, it involved the value of new financial products, financial businesses, finance-related software, and novel forms of customer communication and interaction delivered by FinTech companies and financial service providers. It is also noted that there is no standard definition of Digital Finance, there is general agreement that it involved all products, services, technology and/or infrastructure that enable individuals and companies to have access to payments, savings, and credit facilities through the use of internet (online) without the need to visit a bank branch or without dealing directly with the financial service provider.

There are three key components of any digital financial service: Digital transactional platform, Retail agents, and the Device to be used by customers and agents to transact via the digital platform. In addition, the Digital Financial Services user must have Bank account or access to one; available funds to make payments. In most part of the world, the internet has been accepted as recognized distribution channel for the banking industry, and all traditional banks as well as new players, are discovering its usefulness compared with other channels (Collins, Morduch, Rurherford and Ruthven, 2020).

Allen, Demingue-Kunt, Klapper, (2019) offered the following benefits of financial technology

- i. Stretching the opportunity to non- financial sectors, and the expansion of basic services to individuals.
- ii. Fintech provides affordable, convenient and secure banking service to less privileged across the globe, thereby helping millions of poor customers move from cash-based transactions to digital financial transactions on safe and secured digital platforms.
- iii. Potential to boost the GDP of digitalised economies by providing convenient access to diverse range of financial data, products and services for the people as well as Small Micro Medium Enterprises (SMMEs) which can increase aggregate expenditure thereby improving GDP levels.
- iv. Providing better customer experience coupled with reducing cost for market participants and the investing public.

2.2 Overview of Financial Inclusion

Financial Inclusion is the sustainable provision of cheap financial services that bring the poor into the formal economy (United Nation, 2019). Financial inclusion can also be viewed as the use of formal financial services by the poor (African Development Bank, 2021). Financial inclusion involves increasing the number of (less privileged) individuals that have access to formal financial services mainly through having formal bank accounts, which on the other hand contributes to poverty reduction and economic development. With greater financial inclusion, individuals who were previously financially excluded will be able to invest in various economic sector, save and engage in businesses, and this contributes to poverty reduction and economic prosperity.

Bruhn (2018) outlined the benefits of Financial Inclusion as follows:

- i. Financial inclusion help low income earners to save their money for the future, build savings, make investments and access credit.
- ii. It enabled low income earners to handle financial shocks for example the ongoing CBN cashless policy; and over unforeseen events such as illness or loss of jobs.
- iii. Greater level of financial inclusion can facilitate increased participation by different sectors of the economy in the formal financial system.

Digital Finance is viewed as Financial services delivered through mobile phones, or cards. Digital Financial Inclusion on the other hand is defined as “digital access to, and the use of, formal financial services by the excluded and underserved population (Cecchetti and Kharroubi 2017). It should be noted that sound Digital Financial Services through mobile phones and similar devices have been launched in at least 80 countries to encourage millions of poor customers to exclusively use digital financial services rather than cash-based transactions. However, that Digital financial services exist, does not mean the excluded and less privileged populations have access to it. It is only through policies and positive actions of private players and Governments that the available Digital Finance can result in Digital Financial Inclusion.

However, the process of Digital Financial Inclusion is not so simple, because it already presupposes that the excluded and/or underserved population have some sort of formal bank accounts and need digital access to enable them to carry out basic financial transactions remotely. This is very often not the case as most of the rural Communities remain unbanked. If the potential benefits of Digital Financial Inclusion are clearly articulated to them, and provided at a sustainable cost to both providers and customers, it would result in increased Digital Financial Inclusion indices.

2.3 Technologies That Contribute to the Growth of Fintech

Artificial Intelligence (AI) and Machine Learning (ML) Artificial Intelligence (AI) and Machine Learning (ML) are some of the most used technologies in FinTech, giving the influence to play bigger role in the finance industry as developments prospers. Some of the FinTech. Applications of AI and ML include credit scoring, fraud detection, regulatory compliance, and wealth management among others.

2.3.1 Big Data and Data Analytics

Big Data refers to massive amount of data sets that cannot be stored, processed, or analysed using traditional tools. These data have various formats and sources; the common being the social media platforms and networks. Data from customers and markets is of high value to Fintech companies through large datasets, information about consumer preferences, spending habit and investment behaviour can be extracted and used to develop predictive analytics. Predictive analytics refers to predicting how Consumers are likely to behave using past information and mathematical algorithms. The collected data also helps in formulating marketing strategies and fraud detection algorithm.

2.3.2 Robotic Process Automation (RPA)

Robotic Process Automation refers to the systematic assigning of manual, repetitive task to robotics instead of humans in order to streamline workflows in financial institutions The most widespread applications of RPA in finance are Statistics and data collection, Regulatory compliance management, Communication and marketing through e-mails and chat boats, Transaction management.

2.3.3 Block chain

Blockchain is a system in which a record of transactions, especially those made in cryptocurrency is maintained across computers that are linked in a peer-to-peer network. This technology is being utilised at a large scale in the financial industry, primarily due to its capability to secure and store transaction records and other sensitive data. Each transaction is encrypted, and the chances of successful cyber-attacks are relatively low when blockchain technology is employed. Blockchain technology is also the backbone of many cryptocurrencies.

3.0 Research Methodology

Descriptive research design was adopted as the study depicts the fintech pros and cons for sustainable financial inclusion in the emergence of digital economy. The study utilized qualitative study which involves a single data collection method and corresponding analysis procedures, which in this study is analytical deduction. The Research approach is exploratory as it aims to explore the emerging role of fintech in promoting financial inclusion. The most important thing to consider when choosing a research strategy is it will enable you to answer your research questions and objectives (Saunders, Lewis and Thornhill, 2007) and this had been fulfilled in the study This study employed secondary source of data which entails the collection of relevant data from Journal articles, magazines and books and government published data

4.0 Results and Discussions

Fintech industry is rapidly growing globally, so also the case in Nigeria, where the younger generations are deploying their talent to create massive employment and prosperity, developing domestic grown solutions to resolve problems and of course exporting some of these solutions beyond the country (CBN, 2023). It is agreed that Nigeria has not fully proven its readiness for fintech and the digital innovation despite the fact that it has one of the highest mobile penetration in the world, and currently experiencing hike in the mobile financial service and payment technologies (Ratnovski, Cheng, Blaire, 2021). Of course, FinTech can sustain financial inclusion, which at the extreme end will lead to

sustainable economic recovery but only when sufficient infrastructure is made available. No doubt, beyond the immediate benefits of the CBN's cashless policy and currency redesign, which includes countering terrorism, and managing money supply among others, the initiative will also ensure that going forward, social intervention programmes that are targeted towards poor Nigerians achieve their desired result. However, Economic impact will primarily come from expanding revenue and attracting foreign direct investment to the country. The sector can unlock economic benefit by deriving increased productivity, capital and labour hours through digitization of financial services. Fintech collect financial data. Financial data depicts a clear image of one's financial status, their spending habits, their credit worthiness, and their economic class. A person's spending also reveals a lot about their health status (World Bank 2022). All these available data leads to the development of appropriate innovative Apps to address Nigerian tastes and needs. It also provides positive data for Government policy decisions (CBN 2020). FinTech can ultimately increase loans for SMEs or individuals with no credit history and technology (AI and ML) that supports alternative data for decision making based on the need of the applicant. This creates greater room which allows small and medium sized businesses to develop rapidly and expand further which on the otherhand, promotes sustainable financial inclusion.

Furthermore, with gathered data by FinTechs, Data mining techniques comes into picture. Nowadays several financial decision-making methods are based on Machine Learning techniques. The analysis of data attributes like Customer ID, limited balance, gender, education, marital status, age, etc. all now come into play in determining customers crediting worthiness. Applicants with good credit have great possibility to repay financial obligation. Despite the increased activity in the FinTech sector in Nigeria and the positive multiplier effect in the economy, there is significant potential for further growth. FinTech accounted for only around 1.85 percent of retail banking revenues in 2022 and while FinTech investments in Nigeria grew to approximately \$460 million in 2022, the majority of which was from external investors, this was only a small fraction of the \$36 billion invested in FinTech globally.

The codification from soft to hard information, growing data abundance, and transition from in-person to distant financial transactions constitute longer-term trends in financial intermediation (Nor Anisa, Nika Pranata, Johan S., 2021). More recently, new types of data as well as new technologies including artificial intelligence and machine learning, low-cost, search, matching, and distribution through digital platforms have reshaped the financial landscape. This has disrupted traditional banking models and prompted a reconsideration of the relevance of the universal bank business model as banks have lost the "first point of contact" advantage. Such issues pose considerations for prudential, monetary, data, and competition policy. Boundaries between traditional banks and Fintech firms are becoming increasingly blurred. Coordination is growing as big banks seek to draw on the expertise of Fintech firms, while Fintech firms seek to benefit from the consumer base of traditional banks. It was moreover noted that it is difficult to distinguish between information and communication as the two interact—for instance, communication determines the nature of information collected. The emergence of big data has ushered in the growing volume, velocity and variety of data. Moreover, traditional financing and Fintech have their respective comparative advantages. Traditional financing can call upon a long-established customer base and hard and soft information, among other advantages. Fintech's comparative advantage includes real-time and varied data. A final comment raised the importance of considering episodes in financial intermediation; in particular, the need for a distinction between normal times and crises. Machine learning algorithms, for instance, are not well suited to respond to crises, as their algorithms rely on past, precrisis data.

Digital financial transformation has ramped up in line with the ongoing crisis. The restrictions on mobility and lockdown measures have driven more establishments to shift their businesses and services online. The use of digital technology and e-commerce has become the business norm, given containment measures and consumer preferences for contactless transactions. The paper highlighted how the digital economy is a driving force for growth, creating enormous economic value. In 2019, digital platform revenues reached \$3.8 trillion globally, equivalent to 4.4% of global GDP. FinTech accounted for only around 2.25 percent of retail banking revenues in 2020 and while FinTech investments in Nigeria grew to approximately \$490 million in 2020, the majority of which was from external investors, this was only a small fraction of the \$36 billion invested in FinTech globally. These trends show that the digital economy holds great potential to reboot post-ongoing crisis growth globally.

Nor, Nika, Johan (2021) highlighted three steps needed to ensure that Fintech helps secure a swift and sustained regional recovery post-COVID-19. First, the need to ensure equitable access to digital and financial infrastructure. Nigeria continues to see uneven development of basic digital infrastructure and varying degrees of digital readiness. The keynote stressed the need to take steps to close the digital divide and expand investment in digital infrastructure. Providing digital education and training was also highlighted as key to unlocking this rampant opportunity.

Second, the need for governments to develop an effective digital ecosystem to support the creation, diffusion, and scaling up of technology and innovation. The private sector will take on the major role of driving innovation. They also stressed how a complementary, consistent, and multifaceted policy framework is needed to nurture a digital ecosystem. This encompasses measures and safeguards to ensure fair competition, lower barriers to entry, consumer protection, and data privacy, among others.

Third, Fintech applications through smartphone-enabled saving, crowdfunding, and security. Tokens can ultimately enhance the efficiency of resource allocation and reduce transaction costs. Digital financial services can help overcome obstacles to financial access, expanding the reach of financial services to rural and largely underserved regions. They can moreover encourage delivery of social goods and services and improve the efficiency of such service delivery. It should be noted that complementary, consistent, and multifaceted policy framework is needed to nurture a digital ecosystem.

Fourth, Fintech offers new ways to mobilize financial resources for sustainable development, including encouraging increased savings and investment. Blockchain-based solutions and asset tokenization offer promising ways to close substantial financing gaps and secure sustainable funding for infrastructure.

5.1 Conclusion and Recommendations

From the commentaries and critical review, the following conclusion and recommendation is made:

Nigeria continue to face challenges in financial development, including lack of financial inclusion and long term investment gap. These challenges have grown amid the new CBN cashless policy and still suffering the consequence, because of lack of infrastructure to include those financially excluded meanwhile, technological advances have led to changes in the economy and financial intermediation prompting reconsideration of traditional economic system and posing policy concern. The banking and financial institutions in Nigeria still has a lot of work to do in its ability to leverage on building trust with FinTech firms. Only through this alongside tight security policies and regulations can there be free flow and analysis of data to and from which is the necessary for the development of a Digital Economy for Nigeria.

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Cryptocurrency Trade and Exchange Transactions: Prospects, Challenges and Implications for Emerging Economies

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Abstract

This paper reviews the effect of Crypto currency trade and exchange transactions on modern finance and emerging economy. The study applies narrative literature review method to synthesize previous studies and draw insights on implications, prospects and challenges of leveraging on digital currency. The findings revealed that Crypto currency offered businesses and individuals reduced transaction costs, improved efficiency, increased security and privacy, widened the scope of diversification, provide alternative financing solutions, allowed individual control over data and use of time tokens, create new forms of liquidity based on local circumstances and assets, create new market opportunities and funding models for businesses, easily collect data on customers, better and foster engagement with customers and promote financial inclusion. The challenges include: lack of regulatory framework, risk of criminal activity, high energy and environmental costs, regulatory bans and usage restrictions, security and privacy concerns, high volatility and lack of appropriate regulations on peer-to-peer network transactions. The paper highlights the role of the emerging financial instrument in simplifying cross-border transactions, transaction privacy and security, innovative finance mechanism and financial inclusion. The study also contributes to existing literature and promotes the intensity of discourse on prospects, challenges and implications of digital currency on emerging economy. The paper therefore recommended that regulatory framework should be provided to regulate Crypto currency transactions in order to minimize the rate of fraud, money laundering and other related financial crimes peculiar to digital currency transactions.

Keywords: *Crypto currency, Emerging Economy, Wallet, Bitcoin, Block Chain, Digital Currency, Mining, Business, Finance.*

1.0 Introduction

The global free and open market economy is witnessing a period of irreversible transformation which resulted in a new economic order. This transformation is characterized new knowledge, integration of technology and development of information non-centric networks. Financial markets problems associated with excessive centralization make it necessary to transform the existing system of international banking and financial flows. Alternative solution is block chain technology. It is a database formed as a growing chain of blocks with transactions records. The electronic imprint of transactions becomes the foundation for Crypto currency development. The well-known and common example of a decentralized block chain network is Bitcoin. Bitcoin Crypto currency has gained extraordinary popularity in the last two years due to the mistrust of market participants in the world financial system (Belomyttseva, 2014). This paper investigates the role and importance of Crypto currency in modern-day financial transactions and its implications on emerging economy. The narrative literature review was utilized to synthesize prior researches on Crypto currency.

Despite several discourse on the phenomenon, there is the need to further provide scholarly insights on Crypto currency, opportunities, prospects, challenges and implications on emerging economy. Chohan (2017) conducted a thematic review on Crypto currency in which the study fails to give comprehensive review on Crypto currency in relation to emerging economy, However, several points in Chohan's research remain theoretically unexplored and conceptually unelaborated, such as the challenges of Crypto currency transactions in the financial ecosystem. Furthermore, Harvey and Branco-Illod, (2020); Herskind et al., (2020) examined the relationship between privacy and Crypto currency transactions. However, comprehensive analysis of other factors influencing Crypto currency transactions, prospects, challenges and implications is imperative. Therefore, this study provides balanced and in-depth review of opportunities, challenges and implications Crypto currency trade and exchange in an emerging economy. In addition, the study fills in the gap in the literature of Crypto currency trade and exchange. Moreover, businesses and researchers gains insight on the opportunities brought by digital financial instruments to individuals, businesses and financial institutions (Charfeddine et al., 2020).

2.0 Literature Review

The definition of Crypto currency is a complex and difficult one. However literature provided different definitions of Crypto currency as there is no universally accepted definition. Kristoufek (2013) described Crypto currency as a computer programme which issue its own currency or monetary units. However, these units do not have a direct physical counterpart (e.g. coins or banknotes), nor do they have an underlying asset. Ali, John, Roger & James (2014) asserted that Crypto currency could appear physically but are designed electronically and coins or banknotes are just derivatives for convenience. Furthermore, Yermack (2015) argued that, the aim of Crypto currency is to promote economic activities between at least two individuals by imitating the functions of money. Similarly, Ametrano (2016) opined that, the transferability of tokens typically uses internet infrastructure but not a trusted third party. This allows a large group of individuals to access it. Basically, this feature is one of the reasons why Crypto currency is attributed the potentially to give unbanked and under banked people access to financial services (Mas & Lee, 2015). According to JP Morgan, Crypto currency is a virtual currency created, stored and governed electronically by an open, decentralized and cryptographic system. Crypto currency can be used to exchange money, buy goods/services and or make investment. In addition, virtual currency (VC) can be obtained, stored, accessed and transacted electronically and can be used for a variety of purposes based on the agreement of the transacting parties.

The central concept in the development of Crypto currency is cryptography which creates and manages the ledger (Ahmad, Nair & Varghese, 2013; Gandal & Halaburda, 2014). Cryptography though is present in traditional banking services; it plays a different role in both systems. In traditional banking system, cryptographic functions are implemented to ensure the privacy of the system. Therefore, Cryptography works at the entry points in traditional banking services; this is not so in Crypto currency where Cryptographic functions are at the heart of the system. Crypto currency is built around a specific set of cryptographic functions that protect the system from insiders. The introduction of Crypto currency has added to global payment industry and the economy in general through data protection, low transaction cost, quick transfer, immunity to inflation, and expansion opportunity attributed to the traditional financial institutions. Franco (2014) argued that, there is a low transaction risk for Crypto currency users; they are only at risk if the hackers get access to their private keys.

2.1 Block Chain Technology

The Bitcoin (Crypto currency) is powered by block chain technology which enables secure electronic transactions without a centralized ledger and without double spending (Europol, 2015). Instead of a centralized ledger, it makes a collective accounting by distributing a shared or decentralized public ledger which contains a complete record of all past transactions on the network (FATF 2014). This ledger is the block chain. When two parties wish to engage in a transaction, they must broadcast it to the entire network thereby requesting the network participants to determine its authenticity. If the transaction is validated, the ledger is updated and network users' block chain records are collectively updated. In other words, once a transaction has been recorded in this transparent public ledger, it cannot be changed unless it is matched with a second offsetting transaction. The proof-of-work validation system is essentially a competition among network participants to validate transactions. The network users participate in this competition by exercising computational power. Under this system, user's ability to improperly influence validation or double spend is limited by the total proportional computation power he can harness. Therefore, users are incentivized to bear the computational costs of validation because successful participants are rewarded with new Bitcoin.

2.3 The Prospect of Crypto currency

Despite the regulatory challenges, Crypto currency technology is cheaper and faster in international remittances as it aids international trade especially at micro level facilitates financial inclusion. Specifically, the following are the benefits of Crypto currency:

2.3.1 International Remittances

International remittances are under stress in various ways. For example, in Somalia the Hawala system has been under threat of being shut down due to concerns on the part of banks and states that it is used to finance terrorists. Remittances are a vital element of the Somali economy but companies like Dahabshiil that provide this crucial service has been targeted for exclusion by banks in places like the United Kingdom which has a large Somali population. Bitcoin theoretically could be used to bypass such banks to form an alternative remittance channel as many workers in Australia regularly send money back to their families overseas. Remittances are low-value payments individually; nonetheless they constitute up to about 10% of GDP in some developing countries for instance 27% in Tonga and 20% in Samoa (World Bank, 2016). Thus, high remittance cost has important implications on socio-economic development of these countries.

2.3.2 International Commerce

Bitcoin also has the potential to facilitate small-scale international commerce. Local merchants in poorer countries may struggle to access international payments systems to sell their goods abroad. For example, a rural crafts cooperative from Nigeria might find it difficult to set up a website with an integrated credit card payments system, however, a Bitcoin address might enable them sell their products in exchange for Bitcoin tokens, thereby avoiding traditional e-commerce system which often involve having to set up a merchant account with a bank. For example, imagine a scenario where a small-scale independent producer of sustainable cocoa butter products sold them to US clients in exchange for Bitcoin tokens that were then redeemed for local or foreign currency on a Bitcoin exchange. Furthermore, a small-scale non-governmental organization can easily be set up to receive Bitcoin tokens as donations.

2.3.3 Financial Inclusion

Bitcoin was used as an intermediary currency to facilitate transfers between other currencies. This may assume that user has access to a bank account but struggles with the cost and difficulty of international transfers system. It is possible, however, to focus on the Bitcoin system as a decentralized bank in itself. If a person has a personal computer or a mobile phone that can be used to download a Bitcoin wallet, he can obtain a public key that represents his account on the global system. This in turn comes to resemble a quasi-bank account in which you can build up savings. In the context of a country with poor banking infrastructure and reliance on cash, such technology could hypothetically be a safe and convenient way to hold and transfer money in everyday transactions. In addition, Bitcoin could be an infrastructure for everyday local payments in precarious informal settings. In this sense, Bitcoin has potential to complement, or compete with mobile banking applications.

2.4 The Challenges

The challenges faced by Crypto currency system are two-fold: the first is to the regulatory authorities and the second is to the community of users or investors. The risks to the users or investors are beyond the scope of this paper but should be kept in mind. Some of the major problems to the regulators include financing terrorism (FT), money laundering (ML), and tax evasion (TE) and are discussed below.

2.4.1 Terrorism Financing

Conventionally, one of the most challenging aspects of organizing international terrorist activities is rooted in financial transactions. This is because terrorism is highly dependent on cash flows ranging from the acquisition of ammunition to domains and pamphlets (Brantley, 2014). Traditionally, terrorist organizations use a variety of methods to launder and finance terror activities. Two of the most popular methods they employ include Hawala networks and conventional international banking. Hawala network is an alternative remittance channel that exists outside the traditional banking system. Transactions between Hawala brokers are made without promissory notes because the system is mainly based on trust. The network is also referred to as underground banking because money launderers and terrorists take advantage of the system to transfer funds from one location to another. Although Hawala networks are efficient in moving money from one point to another anonymously, they are at the same time inefficient for the decentralized collection of funds from multiple donors and the disbursement of those funds to single or multiple geographically dispersed end points. The process of funding, planning, and implementing attacks is therefore constrained by the limits imposed by a trust-based network in the dynamic collection and disbursement of funds (Europol, 2015).

2.4.2 Money Laundering

Money laundering is a constantly changing criminal phenomenon with updated modus operandi and evolving business models (Omri, 2013). A decent cash-out strategy is one of the biggest challenges facing criminal enterprise. Crime proceeds without laundering channels would make the criminal business unprofitable, unless it is carried out purely for lifestyle expenditure. Traditionally, the laundering of crime money is facilitated by money mules, offshore accounts or luxurious products such as arts, houses, boats, or a combination (FATF, 2015; Freeman, 2011; Nakamoto, 2008). Alternative payment methods such as Western Union or Perfect Money allegedly have prominent place in money laundering schemes. Prepaid credit cards, Gift vouchers or other easily exchangeable non-traditional value items are also often associated with the laundering of crime money. Today, new-payment methods are becoming a more important factor in money laundering schemes (Staples et al 2017; Starnes et al 2016; Williams, 2017; World Bank, 2019). A paradigm shift is apparent in which criminals more frequently make use of Crypto currency in the cash-out of crime proceeds (Schwarz, 2018). Europol (2015) reported that Bitcoin accounted for over 40 percent of all identified criminal-to-criminal payments in cybercrime investigations.

2.4.3 Tax Evasion

Bitcoin and other crypto currencies offer a new advantage to tax-evaders that conventional tax havens do not. This is because the operation of Bitcoin is not dependent on the existence of financial intermediaries such as banks. Therefore, because it is peer-to-peer exchangeable, Bitcoin seems immune to the developing international anti-evasion regime. Thus, Crypto currency has the potential to become the ultimate offshore bank account (FATF, 2015). For example, a service provider could accept payments for real services in Bitcoin and given that the service provider is not required to identify itself when establishing the online Bitcoin wallet, it would be very difficult to trace the earnings accumulated in the wallet back to the service provider. Such income is clearly taxable in most jurisdictions across the world; however, it is unlikely that tax authority will know about the income unless the service provider voluntarily reported.

2.5 Economic Implications

2.5.1 Investment Implications

The recent ban on Crypto currency transactions in Nigeria could taper investment flows into the country as global investors are beginning to heavily exploit the Crypto currency space. Recently, Jay Z and Jack Dorsey announced a \$23.6 million investment to fund Bitcoin development in Africa. In addition, there is a fast growing interest by Wall Street and the big players in the financial industry such as JP Morgan and Morgan Stanley. This signals a huge potential for the crypto market in the coming years. There are high expectations of reduced volatility as investors could begin to increase Crypto currency investments in emerging markets. This is good news but with the largest consumer market in Africa banning Crypto currency transactions in Nigeria could limit investment in-flows into the country.

2.5.2 Shadow Economy

Bitcoin was created for the purpose of reducing the bottlenecks in international financial transactions. The introduction of Bitcoin may bring about increase in crypto shadow economy in Nigeria which could in turn increase the rate of money laundering and illicit financial flows. There would also be little or no advertisements on social media platforms and transactions through financial institutions.

2.5.3 Capital Flight

The move by the Central Bank of Nigeria (CBN) to ban Crypto currency trade and exchange in Nigeria may fuel the pessimism of existing and potential investors who were already skeptical about the policy uncertainty in the country. The attendant effect could be an increase in capital outflows which is risky for the Naira and infrastructure development.

2.5.4 Poverty, Unemployment and Insecurity

The rapid growth of the crypto market in Nigeria has created thousands jobs especially for the youths. The ban on Crypto currency trade and exchange in Nigeria will affect individual home-based traders and their employees. Therefore, stopping the operations of emerging crypto market means more job loss which could trigger increase in the rate of unemployment and insecurity in the country.

3.0 Methodology

This paper used narrative literature review in its methodological approach to establish a comprehensive understanding and evaluation of knowledge relevant to Crypto currency trade and exchange reveal weaknesses of concepts, theories, or claims that require further investigation. The narrative literature review is not meant to be exhaustive instead it is selective in the content it uses to advance and contribute to policy and theory development. The use of a narrative literature review permits investigation into the concept of Crypto currency and the anticipated paradigm shift in trade, exchange and finance.

4.0 Conclusion and Recommendations

Governments should accept Crypto currency as a valuable commodity for its intended benefits and exert influence over the operations of Crypto currency market. Similarly, for competition and antitrust authority the major challenge would be to understand whether the playing field is appropriate in the light of emerging technologies and collection and use of customer and market data. Furthermore, additional digital platforms could have broader economic benefits such as increase in trade opportunities through the reduction of barriers. Policymakers may also benefit from improved access to data in order to understand real-time transactions and the relationship between events and spending behavior. The introduction of digital currency could decrease state control over tax revenues by allowing users an option out through the use of unregulated currency and tokens. The rationale behind certain types of tax such as the carbon tax is not necessarily revenue collection, but to change behavior; it is important to recognize that the ethical basis for taxation is that gains are taxed in order not to create skewed incentives. Through effective analysis of money flows as facilitated by digital transactions, tax rates and bands could be more effectively targeted to identify the minimum burden and avoid creating skewed incentives. Finally, cyber security is a key strategic and systemic challenge to the government not only in relation to digital platforms and currency, but also to the overall control on key public services and economic institutions and the legal system.

The paper synthesized literature on the role and challenges of Crypto currency trade and exchange in an emerging economy. The growing popularity and pervasiveness of Crypto currency revealed that the existing financial ecosystem was unable to respond to the citizen's needs and concerns in the wake of the devastating 2008 financial crisis. Many of the benefits of Crypto currency are tangible and reflected in the ability to drive efficient online transactions, lower transaction costs, and streamlined payment processes. The use of Crypto currency also implies an increased level of efficiency in trade and exchange value through the Internet. Crypto currency promotes innovation and create new business models.

A Crypto currency-based ecosystem promotes opportunities for new market entrants and support startups through efficient fundraising process. For instance, initial coin offerings enable entrepreneurs and investors to finance new projects without the recourse to intermediaries and endorsements of traditional investors and financial institutions. The programmability of Crypto currency prompts the development of autonomous decentralized organizations and the proliferation of automated trusted machine-to-machine transactions. With the recent emergence of the machine economy, there is a potential for Crypto currency to simplify the trade and exchange of data generated from the Internet in data marketplaces.

One of the biggest challenges in the spread of Crypto currency is the lack of appropriate regulations in peer-to-peer network transactions. Thus, users are at risk of being victims of fraud and cyber-attacks without appropriate sanctions. In addition, crypto currencies are underpinned by block chain technology which could enable malicious actors to operate without oversight. In cases where bugs affect crypto currencies or the private key is stolen, users may lose their wallets and the ability to transact. Similarly, the mining and generation of crypto currencies require substantial electric energy consumption that often necessitates economies of scale. Investors and businesses might use crypto currencies to facilitate tax evasion, money laundering and financing of illicit activities. Although this study aims to explore the prospect and challenges of Crypto currency, it does not cover in depth the information surrounding the fast-emerging area in the evolving global financial ecosystem. Hence, future studies may provide additional insight through considering other Crypto currency research dimensions.

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Impact of Financial Crimes on Financial Inclusion: The Role of Institutional Quality Influence

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Abstract

Policy makers have appreciated pivotal role of financial inclusion in improving social cohesion and poverty alleviation. Thus, policies have been evolved to advance frontiers of financial inclusion. But, the increasing level of global financial crimes seems to be impending tides of progress. This study used panel data to investigate the effect of institutional factors on dynamic and causal relationship between financial crime and financial inclusion. The study found evidence of a causality between financial crime and financial inclusion. It was also established that of institutional factors have significant impact on the relationship between financial crime and financial inclusion.

Keywords: Crimes, Financial, Inclusion, Institutional

1.0 Introduction

The importance of financial inclusion has been highly acknowledged by economies as veritable instrument for capital formation. The importance of financial inclusion is not only viewed from prism of capital formation, but also embraced as economic strategy for facilitating transfer of wealth. Thus, governments are evolving policy measures aimed at attracting citizens into dragnet of formal financial system. Arun and Kamath (2015) viewed financial inclusion as a situation where people have access to financial services and products of good quality which are affordable and convenient with dignity for all the clients. Also, financial inclusion is seen as providing access to an adequate range of safe, convenient and affordable financial services to disadvantaged and other vulnerable groups, including low income, rural and undocumented persons, who have been underserved or excluded from the formal financial sector. Additionally, it is about making a broader range of financial services available to individuals who currently only have access to basic financial products. Financial inclusion can also be defined as ensuring access to financial services at an affordable cost in a fair and transparent manner. Financial inclusion (FI) has been conceived as the process of broadening the accessibility of financial services for households and firms. Alternatively, Aduda and Kalunda (2012) defined FI broadly as the process of availing an array of required financial services, at a fair price, at the right place, form and time and without any form of discrimination to all members of the society.

Financial inclusion could be influenced by varying factors that may be financial or nonfinancial. Therefore, people interpret information embedded in such factors to make decisions accordingly. One of

such factors that may affect financial inclusion is the level of economic and financial crimes incidences in the financial system. Dobrowolski & Sułkowski (2020) noted that constituents of economic and financial crimes include money laundering, corruption, cybercrime, fraud, drug trafficking and terrorism financing. Despite laudable economic policies, evolving monitoring frameworks and structural reforms, financial crimes have become clog in wheels of achieving set goals. Economic and financial crimes have constituted a great challenge bedeviling firms, financial system and countries economic engagements. Financial crimes do not only result in financial lost but could also lead to multiplier consequences on deterioration of economy credibility and integrity, which can lead to public distrust. Economic and financial crimes possess threat to investors, creditors and employees, and reputation of companies due to financial losses associated with such crimes (Craja et al. 2020). This distrust may culminate in sending negative signal to economic agents and result in financial exclusion.

Banks provide access to financial services such as savings, payment and credit services through branches and recently through technological enabled services carried out by agents. But these banks are profit oriented organisation that take decision considering cost and benefit analysis. Thus, most of the platforms for providing these financial services are largely found in urban areas with high profit propensity. In contrast coverage of rural areas tend to be less profitable but expensive to operate. Hence, these could result in financial exclusion of people with limited or no access to bank services. Technological innovations that present opportunities for expanding access to financial services have boosted financial inclusion agendas. These innovations cover a range of activities, including offering credit, processing payments, issuing currencies and managing assets, to name a few. Despite the expansion of accessibility to financial services there is large percentage of population that are still financially excluded. Financial inclusion makes it possible for individuals to save for the future, invest in education, train their children, and launch businesses, and this contributes to poverty reduction and economic growth (Bruhn and Love, 2014; Ozili, 2018).

Financial crimes have assumed a disturbing trend in recent times. Although varying mechanisms have been developed to prevent and detect economic and financial crimes, criminal minded elements have also continued to evolve sophisticated channels to perpetuate economic and financial crimes. Financial crimes could affect financial inclusion through the channels related human, social and institutional factors, which can create climate of insecurity resulting in additional cost. Despite the threat of high incidences of economic and financial crimes, the secrecy, illegality and indirect damages characterizing it have made measuring the real losses difficult. Furthermore, financial inclusion is relatively an emerging area in the financial literature. Thus, there seems to be limited empirical literature that have explored linkages between it and other socio-economic factors. Studies on financial inclusion have largely focused largely on the determinant of financial inclusion and its effects on income inequality and poverty reduction. Thus, in order to advance the frontiers of knowledge on this area by exploring the effect of institutional quality on the relationship between financial crimes and financial inclusion. Thus, the study hypothesizes that institutional quality has no significant relationship between financial crimes and financial inclusion.

2.0 Literature Review

Mohammed, Samuel, Solomon. & Amarh (2022) assessed the effect of anti-money laundering regulations on banking sector stability in Africa. The study used panel data of 51 African countries over the period of 2012 to 2019. The study two-staged Generalised Moment Method (GMM) for estimation. The study established that AML regulations significantly positively affected stability of banking sectors in African countries. Thus, suggesting is there was high effectiveness or low effectiveness of the AML

regulations, it would still have a positive impact on the stability of the banking sector of the country. Malakouti (2020). analyse the relationship between counter-terrorism financing regulations and financial inclusion. The study established that Financial exclusion is a focal point which results in ineffective counter-terrorism measures which are caused mostly by the banking system. The financial exclusion also leads to counter-productive counter-terrorism financing through a low risk-appetite, de-risking, de-banking, financial exclusion, and using unregulated or less regulated and supervised financial systems.

Yousaf (2021) assessed the effect of institutional legal and political factors on financial inclusion. The study used data collected for 64 former colonies, using 2SLS, DOLS and FMOLS. The study establish that legal and political institutions significantly affect the degree of FI across countries. Bakari, Idi and Ibrahim (2018) explored how institutions affected the degree of financial inclusion however these studies are limited to African countries. Eldomiaty, Hammam and El Bakry (2020) found that institutions impact certain level of FI across countries. Alber (2019) found that per capita GDP, GDP growth and interest rate were significant factors of FI in 145 countries.

Barik and Lenka. (2022) examined the impacts of financial inclusion on control of corruption in selected upper-middle and lower-middle income countries. Using cross-country annual data from 2004 to 2018, the study applied fixed effect, random effect, panel corrected standard errors, feasible general least square and 2SLS (two-stage least squares regression) models to evaluate the impacts of financial inclusion on control of corruption across all samples from upper-middle and lower-middle income countries. The study found that the upper-middle income (UMI) countries demonstrated that a basic level of financial inclusion has no impact on the control of corruption, whereas higher intensification of financial inclusion beyond the basic level positively impacts it. Similarly, the findings from lower-middle-income (LMI) countries indicated that financial inclusion up to a certain threshold level helps to control corruption, whereas financial inclusion above the threshold level negatively impacts the control of corruption. Sharma and Paramati (2020) conducted an empirical study on 140 sample countries to know the impact of financial sector development on the control of corruption. Their empirical findings depicted that the development of the financial sector plays a significant role to control the growth of corruption across the full sample countries, low- and lower-middle-income countries, and upper-middle and high income countries. Ajide (2020) assessed the effect of financial inclusion on corruption control in African countries for the period of 2005–2016, to. The study established that financial inclusion intensifies the control of corruption. That financial inclusion will have a negative impact on the control of corruption because of weak institutional factors present in African countries.

2.1. Theoretical Framework

The theoretical foundation of the study will be anchored on the ‘sand the wheels’ hypothesis. This hypothesis, which holds that the presence of corruption can adversely affect the financial sector development (Cooray and Schneider 2018). It further asserted that inadequate supervisory frameworks, insider trading, large-scale regulation and the absence of transparency, could lead to corruption practices which further impedes the financial sector’s development (Song et al. 2021). This suggest that in the context of financial inclusion, it could result in the problem of adverse selection and moral hazard (Cooray and Schneider 2018), the financial resources are diverted that leads to inefficient allocation of money. Again, due to lack of transparency and supervision in the system, misallocation of financial resources raises the volume of non-performing assets which further damages the financial stability of the country.

3.0 Research Methodology

To examine the role of institutional quality on the effect of financial crimes on financial inclusion using a sample of 103 developing economies over the period 2012 to 2020. The choice of countries for this study was largely influenced by availability of data. To establish the effect of financial crimes on FDI inflow, the study applied Autoregressive Distributed Lag (ARDL) model employed by Pesaran, Shin and Smith (1996) and Pesaran, Shinb and Smith (2001) was applied for estimation. The stationarity properties of the data used in the study indicates they are stationary at level I(0) and first difference I(1). Thus, the estimation technique is appropriate as it can be employed to estimate explanatory variables that are stationary at either levels I(0) or first difference I(1) as noted by Pesaran, Shin and Smith (2001). The ARDL co-integration technique (bound test) is conducted to enables the co-integration relationship to be estimated by the ordinary least square (OLS) after determining the lag order of the model. The model can also be applied to estimate both the long run and short run parameters of the models when co-integration exists. Pesaran and Shin (1995) and Pesaran *et al.* (2001) noted that the ARDL models tend to yield consistent estimates of the long run coefficients that are asymptotically normal regardless of whether the underlying regressors are purely $I(0)$, purely $I(1)$, or combination of both. This suggest that, the ARDL avoids the pre-testing of variables to identify the order of integration of the underlying variables. Additionally, the ARDL method avoids the larger number of specification to be made in the standard cointegration test.

Financial Inclusion was employed as the dependent variable drawn from Global Findex database, while the explanatory variables institutional quality is represented by Worldwide Governance Indicators (Control of Corruption, Political Stability and Absence of Violence and Regulatory Quality) developed by Kaufmann et al. (1999). Other measures of Worldwide Governance Indicators were not used in this study due to multicollinearity problem. Financial crimes are measured by Basel AML composite index Basel Anti-Money Laundering (AML) Index, which is published by the Basel Institute on Governance (Basel Institute). The study controlled for size of economies measured by log of Gross Domestic Product (GDP), data was sourced from World Bank’s World Development Indicators (WDI) database (World Bank, 2020). The model of estimation is expressed in functional linear form as:

$$FIN_t = f(AML, CCRP_t, PSTAB_t, REGQ_t, LGDP) \dots \dots \dots (1)$$

Post estimation diagnostic test for stability of the model test based on CUSUM and CUSUM of Square were conducted. The ARDL model which is transformed into natural logarithmic is specified, thus:

$$\begin{aligned} \Delta FIN_{t-1} = & \alpha_0 + \beta_1 FIN_{t-1} + \beta_2 AML_{t-1} + \beta_3 CCRP_{t-1} + \beta_4 PSTAB_{t-1} + \beta_5 REGQ_{t-1} + \beta_6 LGDP_{t-1} \\ & + \sum_{p} \beta_7 \Delta LFIN_{t-1} + \sum_{p} \beta_8 \Delta AML_{t-1} + \sum_{p} \beta_9 \Delta CCRP_{t-1} + \sum_{p} \beta_{10} \Delta PSTAB_{t-1} \\ & + \sum_{p} \beta_{11} REGQ_{t-1} + \sum_{p} \beta_{12} \Delta LGDP_{t-1} + \varepsilon_{it} \end{aligned}$$

Where:

- FIN: Financial Inclusion Index
- AML: Basel Anti-Money Laundering (AML) Index
- CCRP: Control of Corruption
- PSTAB: Political Stability and Absence of Violence
- REGQ: Regulatory Quality
- LGDP: Log of Gross Domestic Product

Δ = represents the first difference operator

ϵ_{it} = Vector of the error term

To determine existence or otherwise of co-integration in the variables the bound test is conducted. According to Pesaran et, al. (2001) the regressors are assumed to be integrated of order zero I(0) or are integrated of order one I(1). The decision criteria is that if the F-statistic is less than I(0) bound, the null hypothesis (no co-integration) cannot be rejected. Conversely if the F-statistics exceeds the I(1) bound the null hypothesis is rejected.

4.0 Result and Discussion of Findings

The results of descriptive statistics, serial correlation, cointegration, and stability are presented in this section. The result of descriptive statistics shows the mean, standard deviation, skewness, and kurtosis statistics of the coefficients.

Table 1: Descriptive Statistics

	FIN	AML	LGDP	CCRP	PSTAB	REGQ
Mean	21.6562	5.4934	25.1597	19.1337	49.5122	57.9431
Median	21.5346	5.4600	24.8717	8.9615	47.8673	60.1896
Maximum	26.9605	8.4937	30.5406	1289.1465	99.5238	100.0000
Minimum	13.9398	1.7787	19.9658	6.0894	0.0000	0.0000
Std. Dev.	2.1195	1.1271	2.1035	110.9330	27.2199	27.0477
Skewness	-0.0436	0.0342	-0.0160	10.8668	0.0971	-0.2729
Kurtosis	2.9443	2.7169	2.7591	119.1917	1.8722	2.0558
Obs.	824	824	824	824	824	824

The result of descriptive statistics depicted in table 1 shows highest standard deviation exist in CCRP, which indicates it has highest variability. The result also shows FIN, LGDP and REGQ are negatively skewed.

Table 2: Correlation Matrix

	AML	LGDP	CCRP	PSTAB	REGQ
AML	1				
LGDP	-0.0824	1			
CCRP	0.1147	-0.0631	1		
PSTAB	-0.0302	-0.0072	-0.0230	1	
REGQ	-0.0938	0.0523	-0.0858	0.7250	1

The correlation matrix shown in the table 2 indicates that the highest correlation exists between REGQ and PSTAB with a value of 0.7250, this indicates multicollinearity problem does not exist among the independent variables as all the values are below the threshold of 0.8 for existence of high multicollinearity problem between independent variables as suggested by Rumsey (2007). Thus, variables employed in the study are statistically appropriate for inclusion in the model used for estimation.

Tables 3: Augmented Dickey-Fuller (ADF) Unit Root Tests

Variable	t-Statistic	Order of Integration
FIN	-3.6524	I(0)
AML	-2.2365	I(0)
LGDP	-6.3122	I(1)
CCRP	-3.4251	I(1)
PSTAB	-6.4635	I(0)
REGQ	-5.5243	I(1)

Source: Extracts from Eviews Output

The time series properties of the variables for existence of unit root were examined using Augmented Dickey-Fuller (ADF) and P unit root test. The results of the ADF tests as shown in table 3 indicates all the variables used in the study are integrated of order I(0) and I(1), that is stationary at levels and first difference.

Table 4: ARDL bounds test for Co-integration

ARDL Bounds Test		
F-statistic 3.9754 AIC (Lag 1)		
Bounds Significance Level	I(0) Bound	I(1) Bound
10%	2.487	3.557
5%	2.897	3.275
2.50%	3.287	3.527
1%	3.777	3.970

Source: Extracts from Eviews Output

The results for the ARDL bounds test for co-integration as illustrated in table 4 shows the F-statistics of 3.9754 is higher than the I(1) upper bound value of 3.275 at 0.05 level of significance. Thus, there is co-integration relationship between the variables estimated. Thus, the Error Correction Model (ECM) was specified. The result of lag length criteria test using AIC indicates a lag of 1 is appropriate.

Table 5: Results of Long-run estimation using ARDL approach

Variable	Coefficient	t-Statistic	Prob.
AML	-0.1707	-2.2848	0.0225
LGDP	0.8290	19.5137	0.0000
CCRP	-0.0002	-0.2725	0.0253
PSTAB	-0.0093	-1.3583	0.0147
REGQ	0.0004	0.0694	0.0447
C	2.1724	1.7860	0.0544

The long-run ARDL estimation results in table 5 for establishing the effect of institutional quality on the interactive effect of financial crimes on financial inclusion indicates that AML, CCRP and PSTAB

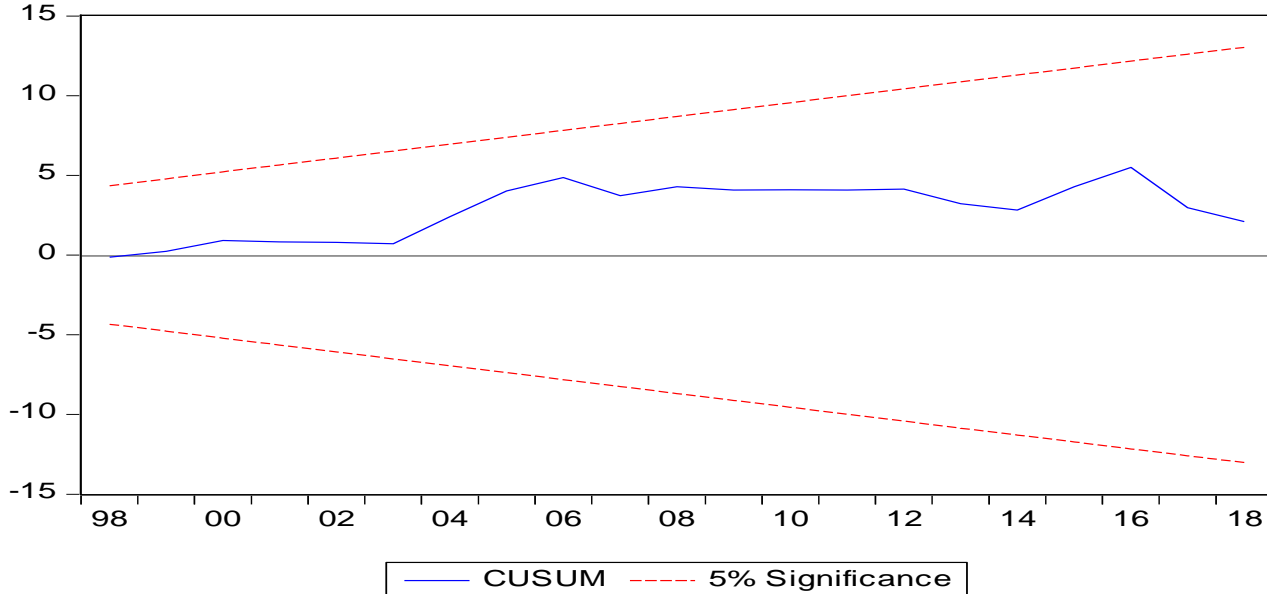
significantly negatively affects FIN. Conversely, the long-run estimates show long run positive significant of LGDP and REGQ on FIN.

Table 6: Results of Short-run ECM Estimation

Variable	Coefficient	t-Statistic	Prob.
D(AML)	-0.1621	-5.0929	0.0000
D(AML(-1))	-0.0636	-2.2708	0.0234
D(LGDP)	0.8067	27.2162	0.0000
D(LGDP(-1))	0.1423	3.6299	0.0003
D(CCRP)	-0.0001	-0.2724	0.7854
D(PSTAB)	-0.0032	-1.9564	0.0507
D(PSTAB(-1))	0.0020	1.7294	0.0841
D(REGQ)	0.0036	2.0865	0.0372
ECM(-1)	-0.3723	-12.4251	0.0000

The Result of short-run estimation in table 6 indicates that the outcomes did not differ from the long-run estimation as AML, CCRP and PSTAB are statistically negatively significant. Thus, these suggest that the variables lead to decrease in FIN. Furthermore, the negative coefficient of the error correction term (ECM) indicates that 37 percent deviation from the long-run equilibrium level of financial crimes to financial inclusion is corrected for annually. The result of post estimation model stability test using CUSUM indicates it lies within the 5 percent significance level as presented in figure 1. Thus, the model used for the study is stable and could be applied for estimation.

Figure 1: Result of Stability test



Source: Extracts from Eviews Output

5.0 Conclusion and Recommendations

The study examined the effect of public debt management strategies on Nigeria debt profile for the period 2012-2020, using the Autoregressive Distributed Lag (ARDL) model for estimation. The study employed financial inclusion was measured by financial inclusion composite index, while institutional quality is represented by Control of Corruption, Political Stability and Absence of Violence and Regulatory Quality. Financial crimes are measured by Basel AML composite index Basel Anti-Money Laundering (AML) Index, while the control variable size of economies was measured by log of Gross Domestic Product (GDP). The long-run estimation reported AML, CCRP and PSTAB significantly negatively effects on FIN. Conversely, the result shows that LGDP and REGQ positive significant affected FIN. The result indicates that institutional quality has significant effect on the relationship between financial crimes and financial inclusion. Thus, it is recommended that financial regulator should continue to strengthen their economies anti money laundering and corruption fighting strategies by way strengthen enforcement of existing legal frameworks, and also explore international collaborations.

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Effect of Dividend Policy on Market Price of Shares: A Post Global Financial Crises Review

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Abstract

This paper reviewed the effect of dividend policy on market price of shares: A post global financial crises. The methodology of this study is a desk research basically from secondary information through various articles, journals and website. The study proposed an econometrics regression models to test the effect of dividend policy on share price: A post global financial crisis. There is mix finding from the literatures review where some literatures shows positive significant relationship between dividend policy and share price, while some shows negative significant relationship between dividend policy and share price but only few shows no significant relationship. From the literature reviewed, we conclude that there is significant relationship between dividend policy and share price.

Key words: Dividend Policy; Share Price; Post Global Financial Crisis.

1.0 Introduction

In recent years, there has been increased attention, by both the popular press and the financial analysts, on the topic of share price movement (Njogo, Ogboi, Inim, & Seun 2018). Interest peaked after the ‘New Economy’ period when many high-tech shares that were considered overvalued experienced a large drop in their price (Mansuri & Topkanlu 2018). But still now, there persists the idea that the ‘knowledge economy’ (less unfashionable a term than the New Economy), has resulted in greater movement, especially of small innovative organizations which tend to go public earlier in their life-cycle than in previous times (Ideweke & Murad 2019). In the modern economy, the stock market has been deemed very important since it acts as a mediator between lenders and borrowers (Otieno 2016). Listed corporates issued the share in the stock market that helps to convert the savings into investments; such investments help to boost their business activities.

Nguyen, Bui and Do (2019) reported that an operational stock market may assist the development process in an economy through two important channels, firstly, by boosting savings and secondly, by allowing for a more efficient allocation of resources. According to Kibet, (2015) savings have been found to increase as they are presumed to provide households with assets that satisfy their risk preference and liquidity needs. Focusing on price mechanism, an operational stock market values the shares of profitable organization. Relative share prices in operational stock market may reflect the status of an organization listed in the stock market, the price mechanism therefore ensures the efficiency of utilizing current and future economic resources (Khan, Al Bassam, Khan & Javeed 2017).

A limited liability company's sole purpose is to generate profit to its shareholders, unless stated otherwise (Osakeyhtiölaki & Finlex 2016). Since shareholders are owners of the corporate, their interest must be a top priority. Generally speaking, shareholders have two ways of increasing their wealth by investing in shares and then receiving dividends, or hoping that the share price rises and then sell the shares at a profit (Lindeman 2016). Owning corporate stock is a popular investment activity (Gitman, 2006). All types of investors either large institutional or individual could see the new media for the report on the movements of the stock prices. Share prices are the most important indicators used by investors to invest or not to invest on a particular share (Zakaria, Muhammad, & Zulkifli 2012). Their main objective of investing in the stock market is to maximize the expected return at low level of risk.

Meanwhile, Bibiana, Ogboi, Victor and Ayanwale (2018) reported that available data from Nigerian Bureau of Statistics revealed that despite the robust corporate earnings and attractive dividend payment to shareholders, share prices on the Nigerian Stock Exchange remained sluggish. This supported by Egwuatu (2018) who reported that the NSE All Share Index, which represents the price movement of shares traded on the Exchange, went down by 7.5 per cent, to close at 35,358.94 points from 38,243.19 points at the end of 2017. Also, a report from trading economics stated that the NSE-All Share decreased 3544 points or 11.41% since the beginning of 2019, according to trading on a contract for difference (CFD) that tracks this benchmark index from Nigeria.

The results of previous researches also provided clues that the dividend policy was a factor that influenced the relationship between profitability and share prices. Khan and Meer (2017) revealed that profitability had a significant positive effect on dividend policy. Nurlita and Robiyanto (2018); Zakaria, Muhammad, and Zulkifli (2012) also confirmed that the greater the dividend payout ratio policy, the higher the stock prices. However, investors in emerging markets tend to be less concerned with volatility in dividends over time (Adaoglu 2000), this statement supports the dividend irrelevant theory developed by Miller and Modigliani (1961). The difference in the previous research results shows that there is a gap between dividend policy and share prices. It is believed that it happens because there are other variables influencing the relationship between them. Various attempts have been made to establish the effect and relationship between dividend policy and the share price. Empirically it has been established that there is a positive relationship between the movement of share prices and the corporate profitability, trading volume, dividend or general economic conditions (Nurlita & Robiyanto 2018; Paramin, 2013). Theorists like Gordon (1963), Walter (1961), Modigliani and Miller (1961) have raised question about the determinants of movement of share prices which led to the emergence of three distinctive groups namely the dividend relevance, dividend irrelevance and recently the dividend signaling groups (Bibiana, Ogboi, Victor, & Ayanwale 2018).

However, the financial crisis of 2007-2009 was by no means the first during this era of globalization; indeed, the expansion of markets and number of market players is usually associated with an increase in the frequency of such crises. Financial crises involving governmental borrowing from global banks occurred in 1982, 1994, 1998, 1999, and 2001; crises involving private sector borrowing occurred in the United States from 1988-1991 and in Asia from 1997-1998; global stock market collapses took place in 1987 and 2000; and the massive collapse of stocks, real estate, and debt instruments came upon the globe in 2007-2009 (Bernstein, 2010) This era of globalization and financialization was also one in which governmental responsibilities for regulatory oversight of financial institutions changed character: both expanding in consistency across nations and contracting in practice within many nations. Though international efforts to coordinate regulatory rules for banking increased, the effect of those rules

produced an overall relaxation of regulatory restraints across many nations and a decline in effective regulatory consistency (Tregenna, 2009).

The financial crisis that has been wreaking havoc in markets in the U.S. and across the world since August 2007 had its origins in an asset price bubble that interacted with new kinds of financial innovations that masked risk and with regulators and supervisors that failed to restrain excessive risk taking. The financial crisis has brought about major uncertainty; however financial directors of companies are still required to make decisions with regard to payout policy, with absolute certainty (Blundell-Wignall et al, 2009). Most African countries have put in place measures to attract direct foreign investment and also encourage investors to invest in existing firms across Africa. The issue of corporate dividend policy decision across 13 African countries, including Botswana, Ivory Coast, Egypt, Ghana, Kenya, Morocco, Namibia, Nigeria, South Africa, Tanzania, Uganda, Zambia and Zimbabwe, paying firms in these countries where the GDP per capita is low, firms are more likely to pay dividends. The level of corruption is high for non-payers of dividends (Joseph & Charles, 2016). Egypt has the propensity to pay dividend of 65.8%, South Africa 72.1%.

From the foregoing discussion, it is clear that the issue of the relationship between dividend policy and the share price has generated intense debate for many years. Further, whether to distribute earnings or not to the shareholders or to plough the money back into the firm has left the opportunity for many finance scholars and professionals to examine its various effects. Therefore, this study aims to examine the effect of dividend policy on market price of shares: A post global financial crises review. Therefore, the main objective of this paper is to examine the effect of dividend policy on market price of share: A post global financial crises review.

2.0 Literature Review

This section covers the concept of market share price, dividend policy and relationship between them. Empirical studies on market share price and dividend policy were also discussed.

2.1 Market Share Price

According to Huang (2004) share price refers to the price of a single share of a number of saleable stocks of a firm. Once the share is purchased, the owner becomes a shareholder of the corporate that issued the share. Shareholders have certain privileges and rights by virtue of owning shares in a company (Brigham & Daves, 2010). Shareholders invest their money in the shares of a corporate in the expectation of a return on their invested capital. Share return is the loss or gain of a security in a particular period. The return consists of the income (dividends) and the capital gains relative on an investment. Capital gain is the profit that results when the price of a security rises above its purchase price when the security is sold (realized gain). If the security continues to be held, the gain is unrealized. A capital loss would occur when the opposite takes place. Forces of demand and supply determine the prices of securities at a particular time. If a particular security is available in abundant supply, it will sell at a lower price than usual. Similarly, if there are more buyers than sellers the price will have a tendency to rise. But demand and/or supply of securities is dependent on company factors, industry factors, micro and macro-economic conditions, as well as general economic outlook.

In financial and economic theory, analysts use random walk techniques to model the behavior of asset prices, in particular share prices on stock markets, currency exchange rates and commodity prices. This practice has its basis in the presumption that investors act rationally and without bias, and that at any moment they estimate value of an asset based on future expectations. Under these conditions, all

existing information affects the price, which changes only when new information comes out. The new information comes out randomly and influences prices randomly (Huang, 2004).

2.1.1 Factors that can Influence Share-Prices

Theoretically, the major factor that influences share prices in any stock market is the forces of demand and supply. Thus, when there are more persons willing to buy a particular security than suppliers, the price will rise and vice versa. Increase in the demand of stocks shows an anticipation of a buoyant economy. This explains why stock markets worldwide are used as barometers for the economy. However, in practice, there are some other endogenous and exogenous factors that tend to combine to influence the reaction of stock market participants to share prices. These factors include:

- i. Investors tend to respond to factors that affect the company's future like merger proposals, takeover bids, quality of management, growth history, competitive position of the company and potentials for technological breakthroughs. Hence, in a corporate valuation, a company's analysis is done to select a firm that is not only competitive but has a reasonable chance of at least maintaining its competitive position in future.
- ii. Speculation of the performance of a company of an aggravate share price movement: Investors generally react to economic conditions which may lead to a bullish or bearish market. For instance, fear or hope of budgetary or monetary measures or even publications of the balance of payment figures that can influence investors.
- iii. Level of interest and yield differentials: During the period of rising interest rate, stock prices tend to drop or level-up. The price of bond will move in the opposite direction because of its attractiveness, but from a corporate point of view, as interest rate increases, stock prices might rise depending on the use of internal financing by companies.
- iv. Money supply and by extension inflation: According to Kraff and Kraff (1977) as supply of money increases, stock price tends to increase, normally which suggests that real stock prices remained constant except if the increase in the supply of money is a lot less than the increase in the stock price. The opposite is the case with bond.
- v. Trading volume: Ying (1966) suggested that it takes volume to move the price of a stock on the stock exchange because trading volume is indeed a measure of investor's emotions.
- vi. Another important factor that can affect stock price is the financial performance of a company, i.e., the company's earnings. The world economy and political situation within the country can influence investors' confidence in the economy and therefore, in their investment behavior.

2.2 Dividend Policy

Bierman (2001) stated that dividend is an appropriation of profits to shareholders after deducting tax and fixed interest obligations on debt capital. It constitutes return to shareholders on their investment, and the aim is to increase their confidence in the future of the company in which they have invested. Dividend is defined as a cash payment made on a quarterly or semiannual basis by a firm to its shareholders (Watson & Head 2010). According to Jo and Pan (2009) a dividend payment could provide a signal to the investors that the firm is complying with good corporate governance practices.

Uwuigbe, Jafaru and Ajayi (2012) stated that one of the primary elements of corporate finance is dividend policy decision. According to Allen and Michaely (2003), policy indicates that dividends do not develop in a random and arbitrary manner and that some consistency over time is present. According to Alkhatib (2012) a corporate's dividend policy refers to the choices the corporate makes about whether to pay shareholders a cash dividend, about how large the cash dividend should be, and about how frequently it should be distributed, this definition includes decisions such as whether to distribute cash to

investors via share repurchases or specially designated dividends, rather than regular dividends, and whether to rely on stock or on cash distributions. Nissim and Ziv (2001), viewed dividend policy as the regulations and guidelines that a corporation uses to decide to make dividend payments to shareholders.

The major concern of the dividend policy is the trade-off between dividend payout and retained earnings. In other words, dividend policy deals with the division of net profit between shareholders. Dividend policy can therefore be taken as one of the primary elements of the internal capital market consideration. A dividend policy is an action plan adopted by a corporate's directors whenever dividend decisions are to be made. It determines the division of earnings between shareholders (Dividend payment) and the corporate (reinvestment). Dividend policies in practice are designed to suit each corporate's requirements necessary to achieve corporate specific goals. The main approaches include: residual, stable predictable, constant payout or low regular plus extra policy. Dividend policies assist a corporate to vary dividend payment from period to period and from year to year depending on the cash flows and the financing requirements (Pandey, 2014).

2.2.1 Type of Dividend Policies

There are many types of dividend policies, such as cash dividend, stock dividend, property dividend, scrip dividend, liquidity dividend and there to be explain below:

- i. **Cash Dividend:** the cash dividend is by far the most common of the dividend type use. On the date of declaration, the board of directors resolves to pay a certain dividend amount in cash to those investors holding the company's stock on a specific date on which dividends are assigned to the holder of the company's stock. On the date of payment, the company issues dividend payments.
- ii. **Stock Dividend:** A stock dividend is the issuance by a company of its common stock to its common shareholders without any consideration. If the company issues less than 25% of the total of previously outstanding shares, the transaction is treated as a stock dividend. If the transaction is for a greater proportion of the previous outstanding shares, then the transaction of the stock split. To record a stock dividend, transfer from retained earnings to the capital stock and additional paid in capital accounts an amount equal to the fair value of the additional shares issued. Fair-value of the additional shares issued on their fair market when the dividend is declared.
- iii. **Property Dividend:** A company may issue non-monetary dividend to investors, rather than making a cash or stock payment. This distribution will be recorded at the fair market value of the assets; the company will likely record the variance as a gain or loss.
- iv. **Scrip Dividend:** A corporate may not have sufficient fund to issue dividends in the near future, so instead, it issues a scrip dividend, which is essentially a promissory note (which may or may not include interest) to pay shareholders at a later date. Dividend creates a note payable.
- v. **Liquidity Dividend:** this is when the board of directors wishes to return the capital originally contributed by shareholders as dividends. This type of dividend may be a precursor to shutting down the business. The accounting treatment for a liquidating dividend is similar to the entries for a cash dividend except that the funds are considered to come from additional paid in capital account.

2.2.2 Dividend Relevance & Irrelevance

Dividend relevance theory was developed by Gordon (1963) and Lintner (1962), the theory states that there is a direct relationship between the market value of a corporate and its dividend policy. One aspect

and addition to this theory is the bird-in-the-hand argument, which main point is that investors value current dividend over future dividend or capital gains (Gitman & Zutter, 2012). The argument is based on the notion that certain dividend today is more valuable than uncertain cash flows or returns in the future. As demonstrated by Lintner (1962) and Gordon (1963), the investors required rate of return decreased when dividend increased, cash dividend returns are more certain and therefore higher valued by the investors. Current dividend is seen as less risky, a sign of good financial corporate health and as generating a positive effect on the share price (Frankfurter, Wood & Wansley, 2003).

On the dividend irrelevance side there is the capital structure irrelevance principle which was developed by Miller and Modigliani (1961). This theory states that a corporate's value is determined by its earning power and its risk of investment. How the corporate chooses to distribute its earnings, as dividend or reinvestments, is not relevant for the valuation of the corporate. Another aspect here is that investors are indifferent, whether their capital gain is derived from dividends or capital gain, since, if they are in need of cash, they can sell some of their shares. The return gained by the investor is therefore the same whether the share pay dividend or not, thus, the dividend policy is irrelevant for the shareholder and the possible returns (Gitman & Zutter, 2012).

2.2.3 Rationale behind Corporates Paying Dividend

In corporate finance, the most thoroughly researched topics focus by the academics is dividend policy. Numerous authors and re-searchers have described the concept of dividend, as it is a reward for the shareholders since they are the equity finance provider to a corporation. Bierman (2001) asserted that, dividend is usually a seizure of profits distributed to the shareholders after deducting the fixed interest and tax obligations on debt capital. According to Grullon and Ikenberry (2009) dividend can be distributed to the shareholders in three ways i.e. cash, stock and liquidating dividend. Jo and Pan (2009) added that dividend payment can provide perception to the investors that corporation is conforming to good corporate governance functions. According to Lease, John, Kalay, Loewenstein, and Sarig (1999), the corporate's dividend policy indicates to "the practice that management pursues in making dividend payout decisions or, in other words, the pattern of dividend and size of cash distributions over time to the shareholders". Since 1950, financial academicians' attention has been gained by the dividend policy decision of the corporate. Many researches have been performed to resolve the issues concerning dividends for decades, but no acceptable opinion of convergence-illustrating corporate's expected payout behavior ever discovered. According to Brealey, Myers and Allen (2005) dividend payout policy is among the toughest unresolved topics in financial economics. This fact is similar with Black (1976) who asserted that "the more the payout policy is looked at, the harder it appears to be, as it has components that cannot fit together". Allen, Bernardo and Welch (2000), specified the prevailing consensus view that "Although a number of theories have been put forward in the literature to explain their pervasive presence, dividends remain one of the thorniest puzzles in corporate finance". It is harmony even in today's world that dividend puzzle cannot be resolved with any certain theory or factor (Liaquat, Gul, Irfan & Sami, 2016). Hence, a mix of belief occurs about the fact that why corporates pay dividends and whether the choice of a specific dividend policy can affect the share price and corporate value.

4.0 Discussions

This research reviewed the relationship between the research variables namely: dividend policy and market price of shares. The empirical evidence about the dividend policy influence on market price of shares indicates a positive, negative or no statistical relationship between dividend policy and market price of shares. Tumiwa and Mamuaya, (2019), Ahkmadi, et al., (2020); Baral, and Pradhan (2018);

Njogo, Ogboi, Inim and Seun (2018); Akram (2017); Samuel, Duncan and Lilian (2013); Sunday, Ademola, and Oyefemi (2015); Evans and Hadrat (2016); Vandana (2013); Ordu, Enekwe, and Anyanwaokoro, (2014); Ifuero and Iyobosa (2016); Irtaza Arslan and Syed (2015); Adna, Farzand and Ilyas (2015); Pankaj (2017) obtain a positive relationship between dividend policy and market price of shares. On the other hand some showed negative relationship between dividend policy and market price of shares for example Oyinlola and Ajeigbet (2014); Olorunfoba and Kunle (2018); Muhammad, Shabir, Hamad, Iqbal and Muhammad (2014). Meanwhile, Yudawisastra, Sumantri, & Manurung, (2018) and Balakrishnan (2016) finding indicates that there is insignificance statistical relationship between dividend policy and market price of shares. Based on the literatures reviewed the researcher concluded that there is significant effect of dividend policy on market price of shares.

5.0 Conclusion and Recommendations

The following conclusions can be drawn from the paper, as most of the previous researches reviewed and only discussed the direct and simple relationship between dividend policy and market price of shares. From the literatures reviewed; most of the results of direct relationship show that there is positive significant relationship between independent variable dividend and dependent variable market price of shares. Moreover, the result of some literatures also indicated that there is negative significant relationship between dividend policy and market price of shares. Meanwhile, it was found that only few of the literatures reviewed shows insignificant relationship between dividend policy and market price of shares. Therefore, it can be concluded that there is significant effect of dividend policy on market price of shares. Hence, market price of shares can be strengthened, enhance, and that managers and investors should pay more attention to dividend as its affect share price in that, investors prefer immediate gain than capital gain.

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A Systematic Literature Review on the Capital Structure of Islamic Banks Using the Prisma Framework

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Abstract

The purpose of this research is to critically evaluate theoretical and empirical research into capital structure practices in Islamic Banks (IBs) from four perspectives, namely the theoretical aspect and its nature, the determinants of capital structure in IBs, the links between capital structure and risk management and the nexus between capital structure and the performance of IBs. The authors reviewed and examined past studies on IBs' capital structure from both theoretical and empirical research using the PRISMA approach. It was discovered that most of the literature on the IB capital structure is largely theoretical than empirical. Existing studies have various limitations, which suggest a need for detailed empirical work. Detailed empirical research in the field of capital structure will support bank managers and policymakers in making decisions about improving capital structure. This research will contribute to addressing literature gaps on the IB capital structure. Furthermore, this paper identified areas for future research into capital structure practices and IB financing decisions. Lastly, this paper will equip regulators with guidelines to establish sound capital requirements for IB.

Key words: Capital structure, Islamic Banks, PRISMA approach.

1.0 Introduction:

In recent decades, interest in Islamic banking and finance has increased as the number of full-fledged Islamic banks, and Islamic Banks windows have risen both in Muslim and non-Muslim nations (Sakti et al. 2017). The Islamic banking global capital market was estimated at US Dollar 1.992trillion in 2019, indicating a growth rate of 10.07 percent annually. The report also predicted that Islamic banking assets could reach US Dollar 5.44 trillion at the end of 2030 (Ismail, 2022).

Islamic Banks operate under Sharia principles and are prohibited from engaging in any transaction that will lead to usury (riba), gambling (maysir) and excessive uncertainty (gharar) (Ebrahim and Safadi, 1995). The banks connect lenders (investors) and borrowers and other clients. However, the theoretical aspect of Islamic finance offers three models of finance for Islamic banks: equity-based, debt-based, and service-based (Ismail, 2010). The finance principles used in Islamic Banks often include profit and loss sharing (mudaraba and musharak) and non-profit and loss sharing, also known as debt-based (Murabaha, salam, Istitsna, Ijarah, etc.). According to Chong and Liu (2009), equity-based finance dominates another finance method in Islamic banking operations.

Unlike Conventional Banks (CB), Islamic Banks are prohibited from interest-based transactions. They are motivated under Sharia Law to finance their activities with profit-loss sharing contracts, which will require banks to share their profit and loss with investors. A profit-loss sharing contract is a finance option that enables Islamic banks and their customers to pool funds together and invest without involving interest (Danlami et al., 2020). The contract does not promise a predetermined profit to investors, but they are eligible for a portion of the profit. Islamic Banks are expected to establish profit-sharing investment accounts (henceforth PSIA) as part of bank equity. The capital structure in Islamic Banks is influenced by the inclusion of the PSIA as the class of equity with no governance right ((Archer et al. 2010; Archer and Karim 2006). This led to the variation between the feature of the Islamic banks' capital structure and that of conventional banks, which imposed constraints on the possibility of the Islamic Banks raising finance through the capital market.

Modigliani and Miller (1958) (hence referred to as MM) explained that a firm's market value is wholly independent of its capital structure. The reason for this independence is due to perfect capital markets and the absence of corporate income tax. Hence, all capital structures remain fixed, as the cost of capital in their model remains unchanged independent of the capital structure. The market value maximization criterion serves as the foundation for these assumptions. IBs' financial decisions, in contrast to CBs, are heavily influenced by the moral standards of the Shariah (Ayedh and Echchabi, 2015). It is important to note that these principles will prevent the projected utility from being maximized (Toumi et al., 2015). Notably, Al-Deehani et al. (1999) contended that because of contractual obligations' fundamental nature and the profit-sharing arrangement between banks and the holders of investment accounts, modern capital structure theories are not applicable to IB.

Since 1980s, the capital structure literature has grown in popularity among academics' professionals, and policymakers. However, the volume of the study has significantly expanded in the form of journal articles, book reviews, conference papers and other resources, Nonetheless, the majority of this flood of capital structure literature has focused on non-financial enterprises and CB (Allen, 2013; Caglayan and Sak, 2010; DeAngelo and Stulz, 2015; Haron, 2014; Rajan and Zingales, 1995; Titman and Wessels, 1988). To the authors' best knowledge, not much study has been done on the capital structure and financing decision of IB. As a result, this study aimed at breaching the gaps in the previous research on IB capital structure practices and their financing strategies by systematically reviewing the extant studies using Preferred Reporting Items for the Systematic Reviews and Meta-Analyses (henceforth PRISMA) approach.

2.0 Research Method

The study reviewed the literature on the capital structure of Islamic Banks using the PRISMA approach, Articles/ journals were extracted from the Scopus database. The PRISMA process is a rigorous review that provides evidence for a literature review in any discipline. It also helps in comprehending and relating text and content associated with a particular problem in the previous studies done in a specific field Zuhroh (2022) mentioned that one of the advantages of the research methodology to content analysis is the flexibility to interpret the text, which is subdivided into concepts, themes and subjects to help to arrange the distribution of structured and unstructured texts and provide an adequate framework for answering research questions. Therefore, all the papers reviewed in this study were analyzed, classified, and categorized to highlight themes and topics that have received attention from the previous literature to achieve the principal aim of the study and point out areas and opportunities for future research.

Becheikh et al. (2006) asserted that the systematic literature review method has been employed and advocated in recent years in limiting bias and impacts through systematic reviews to improve the results' validity, authority and dependability. In management research, the traditional narrative reviews have been widely criticized for the lack of relevance and due to subjective and biased methodology by authors (Becheikh et al., 2006; Fink, 1998). Tanfield et al. (2003) described specific principles for using systematic reviews in management research and argued that systematic reviews improve the quality of the review process by establishing a systematic, transparent, and reproducible literature review. Although there is adequate literature on capital structure in Islamic Banks, we could not locate any systematic reviews related to the topic.

The Scopus database was used to search for the available literature on capital structure in Islamic banks. The keywords used were “capital structure” and “Islamic banks”. The total number of articles/journals displayed at first was thirty-six. The process required a filter to gate match and qualitative literature for the study. Therefore, the topic was limited to the subject, Business, Management and Accounting, Economics, Econometrics, Finance and social sciences. The language chosen was English. Another option was the source of the papers; only journals and conferences were selected for the study's reliability and quality and the database automatically had thirty-four articles. We adapted the basic guidelines proposed by Janjua et al. (2021) for conducting systematic review in management. We customized the steps as per our study requirement into five-step process as shown in Figure One.

We generated an excel sheet for further screening and all documents that meet up the prescribed criteria were included in the study. Criteria for the inclusion and exclusion of the quality assessment of the papers are as follows.

2.1 Inclusion criteria

- Studies that explicitly deal with capital structure in Islamic Banks.
- Studies that explore Capital structure decision and underlying theories or philosophical aspects of Islamic Banks.
- Studies that present a comparison of capital structure of Islamic Banks (IB) and Conventional Banks (CB)
- Studies that propose solutions to the identified inherited Capital Structure of IB flaws and present new theories or suggestion for the improvement.

2.3 Exclusion criteria

- Studies which mentioned capital structure in the abstract only. We found few studies that mentioned it in their titles or opening sentences as a principal concept; however, they did not really address them as the primary focus.

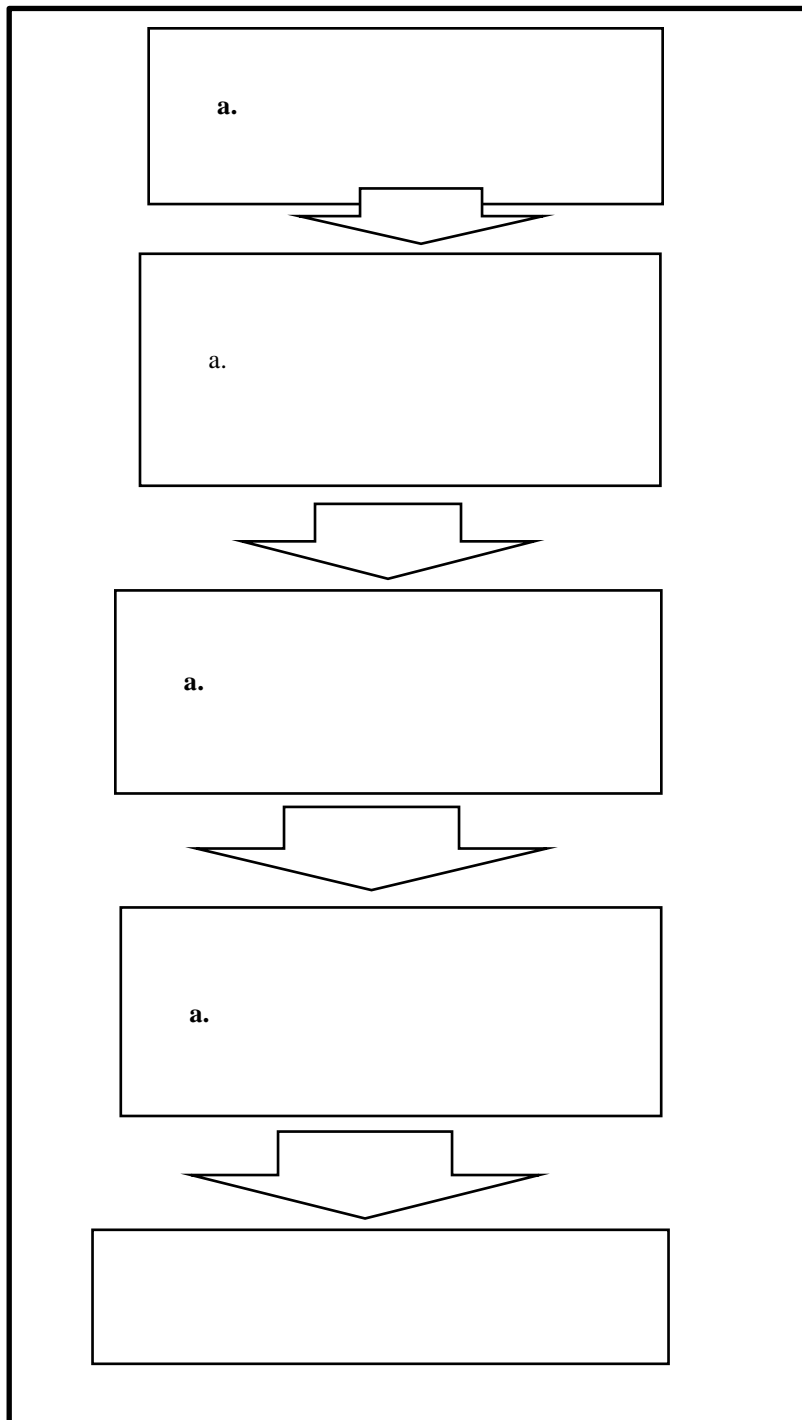


Figure 1. SLR process

Source: Adapted from Janjua et al. (2021)

- Studies that address capital structure from perspectives other than Islamic Banks, i.e., Conventional Capital structure.

- Introductory papers for books or book reviews and workshops.
- Editorials, keynotes, annals, tutorial summaries, tool demonstrations and panel discussions, books, technical reports, and other non-peer-reviewed publications.

2.3 Defining Research Questions

To get an overview of the current research work on the Capital structure in IB, we have defined following three questions to achieve the objective:

Q1. To what extent has the literature addressed the capital structure of Islamic banks? The study will evaluate journals that published high number of papers on capital structure in IB, which country leads in research on capital structure and which year sees the highest publications.

Q2. What different types of studies are presented in the literature and to what extent have they been addressed? This question is defined to investigate the gaps in the methods and types used in the Capital Structure in IB research and suggest the dimension for future research. We found several studies present different factors that determined the capital structure in IB. The study aimed to summarize the literature to get an overview of the capital structure in IB.

We began with conducting search by using a simple string “Capital Structure” AND “Islamic Banks” in the Scopus databases to identify relevant journals and conferences publishing research on Capital structure. An overview of search results is shown in Table One, which explains further details of studies. Below is the title used in the Scopus data based.

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TITLE-ABS-KEY ( "Capital structure" AND "Islamic Banks" ) AND ( LIMIT-TO ( DOCTYPE , "ar" ) OR LIMIT-TO ( DOCTYPE , "cp" ) ) AND ( LIMIT-TO ( SUBJAREA , "BUSI" ) OR LIMIT-TO ( SUBJAREA , "ECON" ) OR LIMIT-TO ( SUBJAREA , "SOCI" ) ) AND ( LIMIT-TO ( LANGUAGE , "English" ) ) AND ( LIMIT-TO ( SRCTYPE , "j" ) OR LIMIT-TO ( SRCTYPE , "p" ) ).
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3.0 Content Analysis

This section aims to synthesize the data. Therefore, we divided this section into general characteristics of the included studies (obtained from data extraction), an overview of capital structure theories, and the classification scheme we adopted in this study.

3.1 General characteristics of included studies.

This section presents some general characteristics of the included studies along with answering Research Question 1. We analyzed the studies to identify the publications trend, the distribution of the studies by, years of publication, the country of research and the journals mostly used to publish such studies. For this purpose, we recorded the basic information about the included studies in the data extraction form, such as author name, study title, journal, respective years of publication, country of research, research method, and nature of the study. The analysis on the basis of this extraction is presented below.

The result in figure three showed that the publications on the capital structure of IB experienced a positive increase between 2009 to 2020, with articles in sourced from scientific journals indexed by Scopus. This signifies that scholars, researchers, and practitioners began to pay attention to the issues of Islamic banking. However, these issues were caused by many factors that include this period to be after the crisis of global monetary crisis faced by many developing and Muslim countries around the world. Furthermore, it is after this crisis that several studies revealed that Islamic banking was able to withstand

an economic crisis. In fact, it was disclosed that Islamic banking is capable of playing a maximum role in restoring the country's economy and increasing economic growth. Therefore, scholars, researchers, and practitioners began to focus on the issues of Islamic banking. However, they examined the factors that affect the performance, of Islamic banking, capital Structure, the role of Sharia Law, the design of organizations, and a comparison of management and conventional banking.

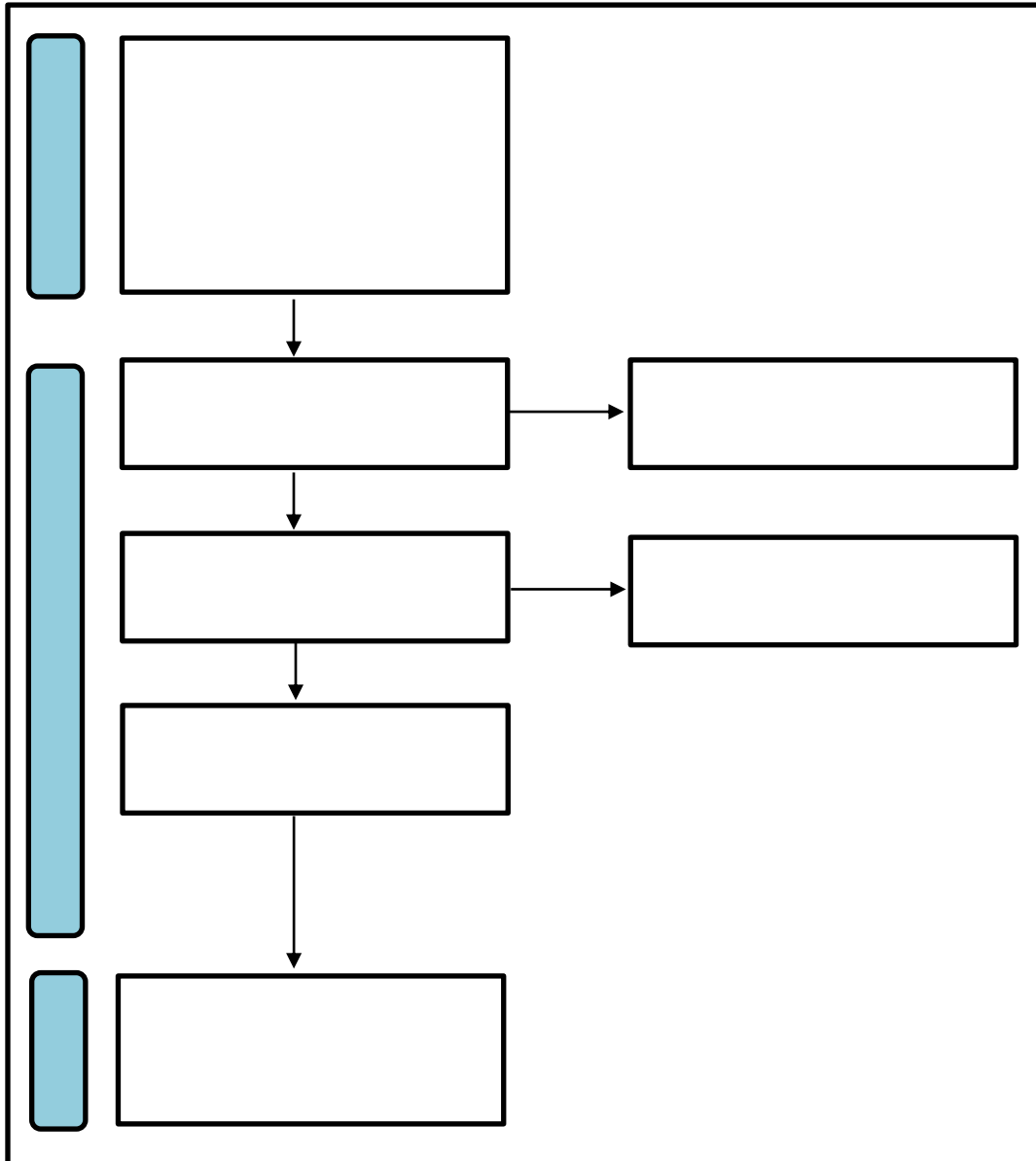


Figure 2: A PRISMA flowchart for the literature screening process.

Source: Adapted from Janjua et al. (2021)

However, the increase in the number of publications further shows a consistent increase in the number of publications on the capital structure of IB except for 2017, 2018, and 2020. This confirms that the study of Capital Structure is becoming an attractive object for researchers, scholars, and practitioners in the field of Islamic banking. Furthermore, it is for the purposes of developing theories, concepts, models, and conceptual frameworks. Also, it is practical, such as making capital structure decisions on Islamic banking, service innovation, developing policies, adopting Sharia Law, and formulating

strategies to increase capital finance. Furthermore, the consistent increase in the number of publications shows that the topic of Islamic Bank capital structure will continue to receive serious attention from scholars, researchers, and practitioners. This has an impact on the development and expansion of the study area related to Islamic banking issues, which in turn contributes to the increase in the number of publications and high public interest in the studies in all developing and Muslim countries.

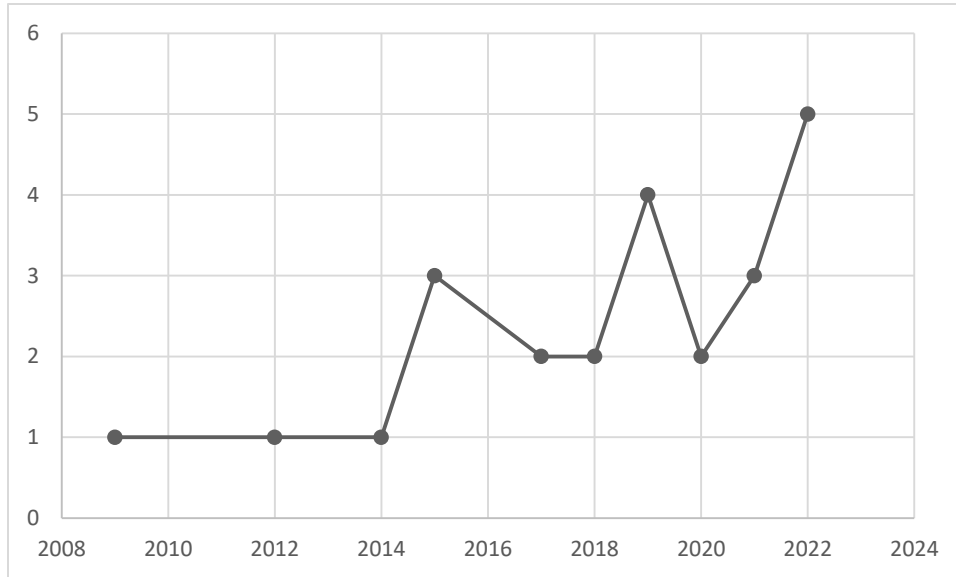


Figure 3: Distribution of publications by year

Source: Author's Computation

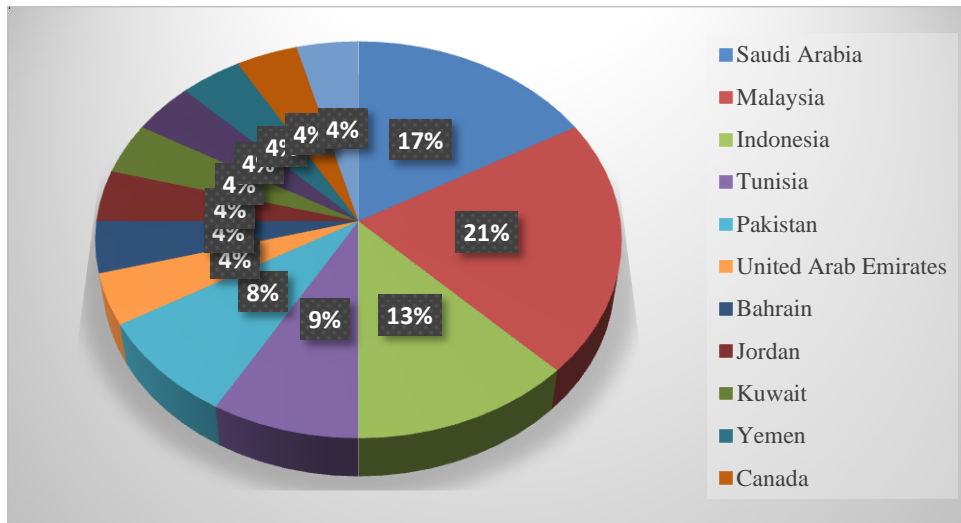


Figure4: the number of Journals based on the country's names in the last 14 years

Source: Author's Computation

The important finding in the study is that scientific publications on Islamic banking have shown positive developments in the last fourteen years. However, the Muslim-majority countries, such as Malaysia, Saudi Arabia, Indonesia, Pakistan, and others contributed to the increase in the number of scientific publications on Islamic banking. The findings of this study confirm that the Capital Structure in IB has received a lot of attention from scholars and researchers in various countries and will continue

developing the concept and complexity of problems (González et al., 2019; Ifada et al., 2019). However, the development of the Islamic Bank Capital Structure is related to the increase in the number of countries, perspectives, approaches, and publications yearly. This shows that the study of Islamic banking is not only explained from the perspective of economics, accounting, and Sharia, but also from the social sciences, humanities, and other disciplines. Therefore, the diversity of perspectives shows that Islamic banks are an object of study, which is explained by various disciplines that allow Islamic banking issues to be well-expressed and conceptualized.



Figure 5: The number of articles on Islamic banking based on journals in the last fourteen years.
Source: Author’s Computation

From the above figure based on inclusion criteria, this review clearly shows that only journal articles and conferences are eligible for this review. The highest number of studies observed for this research are from “The International Journal of Islamic and Middle Eastern Finance” with a frequency of seven studies, The second-highest frequency of four studies is from “The Journal of Islamic Accounting and Business Research”. However, three studies are from “Afro Asian Journal of Finance and Accounting” and two articles are from the journal of “International Journal of Business and Management Science, Journal of Asian Finance Economics and Business, and Journal of Financial Services Marketing”. Journals with one frequency include the International Journal of Finance and Economics, Journal of Economic Cooperation Among Islamic Countries, Journal of Financial Reporting and Accounting and Research in International Business and Finance, respectively.

3.2 An Overview of Capital Structure Theories

The seminal papers of MM (Modigliani and Miller, 1958, 1963) provided new insight into an optimal capital structure by proving the irrelevance of capital structure decisions under restrictive assumptions in which neither capital structure nor dividend policy should have any effect on the firm’s value. With that, their seminal works have been acknowledged as a milestone of corporate finance literature. Since then, subsequent works have relaxed some of the restrictive assumptions of MM and introduced market frictions into the model, for instance, taxes, bankruptcy costs, and asymmetric information (Baker and Wurgler, 2002; Haugen and Senbet, 1978). Factors that influence capital structure decisions are connected to these types of friction.

It is worth pointing out that a consensus of capital structure models that can explain all the basic facts does not exist in the corporate finance literature. For instance, all available capital structure models, such

as trade-off theory, pecking order theory, agency theory, signaling theory, and market-timing theory, tend to contradict and have problems with different facts (Bessler et al., 2011). Initially, trade-off theory postulated that the firm balance the benefits of debt (tax shield) against the cost of using debt (financial distress and bankruptcy). The gains from choosing debt rather than equity can increase the firm's value (Kraus and Litzzenberger, 1973). However, the trade-off for an offsetting cost of debt is bankruptcy. The higher the firm leverage on the ratio, the greater will be the possibility of bankruptcy.

Secondly, the pecking order theory proposed by Meyers and Majluf (1984) posits that a firm's capital structure is the result of the firm's financing requirement over time and its attempt to minimize adverse selection problems. The pecking order theory ranks sources of financing based on the degree to which they are affected by asymmetric information. In that, the firm prioritizes its internal funds over equity. In other words, the pecking order theory is primarily based on the notion of asymmetric information between firm insiders and outsiders and the resulting adverse selection problem.

Third, agency theory explains that capital structure is the result of a manager's attempts to minimize the cost associated with the separation of management and control (Jensen and Meckling, 1976). Managers have the incentive to maximize equity value rather than the firm's value. Particularly, managers tend to engage in risky projects and even negative net present value (NPV) projects. In the case of successful projects, this attempt will benefit the shareholders as the gains from these projects accrue to the shareholders. However, in the case of failure, the debt holders will bear the losses. Because the debt is too risky, debt holders will demand a risk premium and eventually a high-interest payment as compensation for risky projects. This behavior follows a similar reasoning as Meyers' (1977) under the investment hypothesis. That the evidence argues that managers of higher leveraged firms have the incentive to forgo positive NPV projects as the gains accrue to the debt holders.

3.3 Classification Scheme

We categorized the selected studies into four perspectives. Each perspective is described below.

- a. The theoretical feature of the capital structure of Islamic Banks.
- b. Accounting standard of Islamic banks
- c. Factors determine capital structure decisions in Islamic Banks.
- d. Islamic Banks' capital structure and performance and
- e. Capital structure and Risk-taking.

a. The theoretical aspect of Islamic Banks' capital structure

The conventional theories in the capital structure include Modigliani and Miller's theory, the trade-off theory, the Agency cost theory, and the pecking order theory. These theories were developed to justify the preference between equity and debt, which contradict the principle governing Islamic banks' operation and capital structure decisions. Because of Sharia principles that dominate their operations, prohibiting the issuance or acceptance of the interest-bearing loan encourages the capital structure decision using the profit and loss sharing principle. The Islamic banks' capital structure has unique features different from Conventional Banks. The Islamic Bank's capital structure theory is considered all equity. The tenet of Sharia Law's dominance in the operation of Islamic banks requires banks to have a unique governance mechanism, transaction, assets, sources of raising funds, and risk management compared to conventional banks (Bukair, 2017).

b. Accounting standard of Islamic banks

The value of firms with a high debt ratio in their capital structure is much better compared to those with having low debt ratio. Ju et al. (2005) found that the value of firms maintaining a low debt ratio is lower than those maintaining a higher debt ratio. However, this financial instrument (debt) is a controversial issue in Islamic finance. Islamic firms are not free to choose the level of debt they want in their capital structure due to the unfair returns associated with debt financing (Zaher and Hassan, 2001). Accordingly, Islamic regulatory bodies have issued regulations that restrict the use of debt financing. The purpose of these regulations is to verify that all activities of firms listed in Islamic capital markets do not contradict the Shari'ah. For example, the Accounting and Audit Organization for Islamic Financial Institutions (AAOIFI) Shari'ah standard No. 21 states that Islamic institutions are allowed to use debt financing up to 30% of their total capital (AAOIFI, 2010).

The uniqueness of the Islamic banks' products brings many risks that require unique risk measurement and capital adequacy measures compared to conventional banks. Any failure of an Islamic bank will generate systemic risk for the financial system overall. Furthermore, any failure will damage the Islamic banking sector. Also, in order for Islamic banks to receive international recognition they will have to fulfill many criteria, and compliance with international standards is one of them. According to AAOIFI (1999), the capital of Islamic banks is exposed to three types of risks: commercial risk, fiduciary risk, and displaced commercial risk.

They also suggest that PLS accounts should not be included in the risk-bearing capital. All assets financed by the debt-bearing liabilities and own capital should be included in the calculation of the capital adequacy ratio. The weight of PLS accounts within the capital adequacy calculation should be 50 percent of the total PLS. Separate capital adequacy standards may be applied for PLS accounts and current accounts in order to establish comparability (Khan and Ahmed, 2001, Chapra and Khan, 2000). Muljawan et al suggest that the amount of PLS accounts should not exceed the combined amount of equity capital and the mark-up amount of trade-related credit instruments. Hassan and Choudhury suggest that the suggested risk weight of 50 percent by AAOIFI for investment accounts should be raised to 100 percent to determine capital adequacy as per Basel II.

c. The determinant of Islamic Banks' capital structure

The remaining part of the literature category explains the determinant of the Islamic Bank capital structure, the studies that investigate the determinant include Guizani, (2020); Guizani and Ajmi, (2021); Al-Hunnayan, (2017) and Bukair, (2017). Previous literature shows a significant association between capital structure and the following determinant factors: tangibility, profitability, Bank size, growth opportunity, and liquidity. The study by Guizani (2020) categorized the determinant factors of capital structure into (1) Banks level determinants: tangibility, nondebt tax shield, bank size, profitability, liquidity, growth opportunity, and risk. (2) Macroeconomic determinants consist of gross domestic product (GDP) growth, financial market development, and oil price. The oil price was included because the study focused on GCC countries with oil-based economies. However, our focus is on the variables that appear in most studies.

Tangibility: The tangibility of the bank asset represents the collateral in case of any financial distress. Tangibility is measured as the ratio of the fixed asset to the firm's total asset. Money lenders recognize the tangible asset as having much value when the firm faces a liquidation problem. Therefore, tangibility is expected to impact the level of leverage in the firms positively. The studies that revealed the positive impact of tangibility on leverage include Batira (2017), Sekiti et al. (2017), and Guizaini (2020). While

Bukairi (2017) found no relationship between tangibility and leverage. Other studies found a negative relationship, such as Toumi (2019), ALhunayyi (2019), and Guizaini (2020).

Profitability: Islamic Banks raised funds through the mobilization of Profit-sharing investment, which changes their capital structure and reduces their exposure to risk and leverage as a result of banning ribba and the requirement of profit-sharing principles. Under this agreement, Islamic banks share profit generated with PSIA's on the bases of the pre-agreed ratio. Losses in PSIA's funds are to be borne by holders except in the case of negligence by Islamic banks. Consequently, Islamic banks' characteristics allow them to pass financial shock on the asset side to financiers. The total Islamic Banks' risk is theoretically less than conventional Banks, considering banning interest principles (Toumi, 2019).

The deposits generated by Islamic Banks should positively affect their overall profit. The greater the amount realized through deposits, the better the bank can expand and diversify its operations to realize much profit. However, there are inconclusive results on the relationship between capital structure and profitability in IB. Batire et al. (2017) revealed a positive relationship between profitability and leverage. The studies by Guizaini (2020) and Guizani and Ajma (2021) revealed a negative result while Bukair (2017) and Khokher and Alhabshi (2019) showed no significant effects.

Bank size: larger banks are frequently able to diversify resources due to their experiences and reputations and are less prone to bankruptcy. The large is able to furnish outside investors with better information and minimize information asymmetry, which motivates equity financing. Guizani (2021) argued that larger Islamic Banks are also better off managing risk due to the type of their business contract rooted in Sharia principles. Consequently, larger Islamic banks have more leverage. The literature revealed inconclusive results on the impact of Bank size on leverage. However, several studies have shown a positive impact of Bank size on leverage, including Guizaini (2021), Guizani and Ijmi (2021), Alhunnaya (2022), Bukair (2017) but Qayyum and Noreen (2019) and Bateri et al. (2017) revealed negative impact.

Growth opportunity: The Pecking order Theory states that a firm's leverage is positively impacted by growth opportunities. because firms with higher opportunities require a higher amount of cash to meet their cash shortfall and restrict their commitment to costly external finance. The reason for the higher growth opportunities in Islamic Banks is the quick exhaustion of the internal sources of finance and more external finance is required to meet the growth opportunities. Contrarily, the study by Bitare et al. (2018) clarified the negative effect of growth opportunities on Islamic Banks' leverage. They have recommended that Islamic banks be more transparent in their transaction in compliance with Sharia Law and less exposed to information asymmetric. The result of Alhunnaya (2017) revealed a positive relationship between growth opportunities and the leverage of Islamic Banks, while Guizani and Ajmi (2021) and Bulair (2017) showed that the relationship was not significant.

Liquidity: Liquidity is the ratio of current assets to current liability. It demonstrates a company's capacity to fulfill its immediate responsibilities (short-term liability). Therefore, liquidity is vital in leverage decisions. According to the trade-off theory, banks with higher liquidity are less vulnerable to bankruptcy costs and have a better chance of raising debt. In the case of IBs, there is limited liquidity due to the Sharia Law. They cannot raise funds through debt or the use of financial derivatives. But Islamic Banks prefer to hold liquidity to maintain higher capital to restrict financial risk. Bukair (2019) opined that banks holding more liquidity may have increased the capital structure by minimizing the liquidity risk by reducing debt demand. Bukair (2017) and Batire et al. (2017) show the positive impact

of liquidity on leverage, while Guzaini (2020), Guzaini and Ijma (2021), and AlHunnaya (2017) revealed a negative effect.

d. Islamic Banks' Capital Structure and Performance

The relationship between capital structure and firms' performance has been broadly examined in Islamic banks with mixed results. Some research revealed no association between capital structure and Islamic banks (Rozaq et al., 2021), while other studies support a negative impact of capital structure on financial performance (Khasawneh, 2020).

Saiti and Akhtar (2017) stated that prior research revealed that banks with high capital ratios could experience negative effects on their profit efficiency, that is, the large capital ratio adversely affects the profit performance. Furthermore, the results also revealed that the negative effect of capital structure on financial performance was higher in Islamic banks than in conventional Banks. Therefore, IB management is required to enhance its financial performance and efficiency.

Maher (2018) investigated the impact of the capital structure on the Banks' performance in Pakistan between 2011 and 2017. The study proxied the capital structure with three leverage variables: total debt ratio, long-term to total equity, and short-term to total equity. The result showed a significant variation in the impact of the capital structure variables on performance. In another vein, Sadiki et al. (2017) examined the effect of capital structure on the financial performance of Banks in Bangladesh for the period 2005 to 2014. The result underpinned the inverse relationship between capital structure and the financial performance of Islamic Banks. It is worth concluding that the impact of capital structure on Islamic banks' financial performance is unclear.

e. Capital Structure and Risk-taking in Islamic Banks

Previous studies (Jensen, 1986; Perotti and Spier, 1993) have shown the impact of capital structure on banks' risk. Banks with high leverage are able to absorb more economic shocks, which makes them riskier. In the conventional finance literature, higher leverage is related to the increase in the cost of debt, which affects performance and increases risk.

In the case of Islamic Banks, a few studies investigated capital structure and risk. Rozaq et al. (2021) examined the effect of capital structure and operational efficiency on Islamic banks' risk from 2014 to 2018. The result showed that capital structure had no effect on the risk while operational efficiency significantly impacts the risk of Islamic Banks. Guizani (2020) revealed that risk was negatively related to the leverage of Islamic Banks. Another study by Khokher and Alhabshi (2019) showed that risk absorbed by PSIA had a negative and significant impact on the leverage of Islamic Banks.

4.0 Conclusion

The study reviewed the literature on the capital structure of IB for the last fourteen years using the PRISMA approach. The descriptive results presented include the distribution of the publications by the years, journals, and countries. There is a yearly increase in the number of publications due to factors, such as the period to be after the crisis of global monetary faced by many developing and Muslim countries around the world. As a result, scholars, researchers, and practitioners began to focus on the issues of Islamic banking. Contribution by countries revealed that the capital structure of Islamic banks is produced mostly in Asian countries, such as Malaysia, Pakistan, Kuwait, Saudi Arabia, and the United Arab Emirates, where Islamic Banks predominantly operate. Limited literature in the field related to

theories necessitated the need for more effort to develop an analytical framework and address contemporary issues facing Islamic banks' capital structure.

This study is not free from limitations. First, it only employed a single database, namely Scopus. Further studies may use other databases, such as Web of Science, Google Scholar, PubMed, etc. to generate more search results with different publication quality. Combining those databases is also possible to obtain more diverse results. Besides, using less-prestigious indexing bodies may allow for more up-to-date documents because their publication criteria are not strict as the slots indexed in Scopus. Second, further studies may expand the document types to other sources, such as Book chapters and series, because this study included various types. Selecting only journal articles and conference proceedings may allow focusing on the peer-review slots.

However, based on the analysis of the literature, the capital structure of IB showed no conclusive result queries, such as the determinant of capital structure, the nexus between a capital structure with performance, and capital decision, which create the opportunity for future research. The theoretical aspect is still debated, as some scholars use conventional theory in capital structure decisions in Islamic Banks. In contrast, others oppose the adoption of contemporary capital structure alongside Islamic Banks' moral values. Most previous research on the capital structure of Islamic banks has theoretical constraints, therefore empirical studies with strong theoretical backing are needed to help management and policymakers to make better judgments about the capital structure of Islamic banks.

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Impact of Information Technology Investment and Digitalization on Profitability and Non-interest Income in Nigerian Banking Sector

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Abstract

This study aims to examine the concept of information technology investment and digitalisation in increasing profitability and non-interest income taking company size as a control variable. The purpose of the study is to add to the body of knowledge and to contribute in improving the profitability of banks, particularly in the field of technology and digitalisation. The population of the study consists of all banks listed on the Nigeria Stock Exchange. The research is quantitative in nature using secondary data from the bank's financial statements, which were analysed using the EViews 8 software. The results of the study show that financial technology investment had a positive effect on profitability and non-interest income, whereas, digitalisation positively affects non-interest income but its effect on profitability was insignificant. This explains that digitalisation increases non-interest income, but, since the operational costs of digitalisation are still high relative to its revenues, as a result contribution to profitability resulting from digitalisation becomes insignificant.

Key words: *Financial Technology; Non-interest Income; Digital Finance; Bank Profitability.*

1.0 Introduction

Banks encourage economic growth mainly by mediating between the surplus and deficit economic units. The existence of banks has helped to remove a lot of bottlenecks which would have otherwise, hindered the flow of liquidity directly from the surplus to the deficit segments of the economy. Financial flows to Banks such as, interest income, interest expense, and the subsequent net interest margins are largely from this intermediation function (Emmanuel, 2021). Through this intervening process, these banks facilitate capital formation and ease the production process, this has been the nucleus of revenue generation in the banking sector decades ago prior to the arrival of the e-banking.

As a result of the deregulation process of the banking sector in the 1970's, there has been an increase in the diversification of bank operations from interest based activity to non-core income based activity and for a bank to remain in business, banks are involved in different activities such as investments, trading and money transfer through which non-core income is earned, hence, a rise in the percentage of non-core income of commercial banks (Emmanuel, 2021). This has also been attributed to recent structural forces of change that have caused banking in emerging markets to experience a decline in its traditional activities and leading them to diversify into new business strategies (Adedeji & Adedeji, 2018). The upsurge in bank's non-core income activity was further ascribed to the global financial crisis of 2008, the Nigerian banking sector reforms of 2004, the advent of Islamic banking, the introduction of Treasury Single Account (TSA) policy, increased competition among banks, technological advancement and financial innovation, which allowed banks to provide a much wider range of services and products to its clients. Development in information and communications technology, for example, the Internet, Automatic Telling Machines (ATMs), new intermediation technologies for processes like loan securitisation and credit scoring, and the introduction and expansion of financial instruments and

markets (high yield bonds, commercial paper, financial derivatives) all impacted on the levels and types of non-core income of DMBs (Lown, Osler, Strahan & Sufi, 2000).

According to Ritter and Udell (1996), this source of revenue has become more important in recent times as banks have shifted from the traditional interest income to more of non-traditional income known as non-core income. This shift towards non-core income has increased banks' revenue as it is one of the significant factors influencing banks' profitability (Oniang'o, 2015). This income source had proven over the years to have great growth significance on the total income and financial performance of banks. Modern trends in financial services delivery have mandated banks to quickly utilise technology to improve their systems, one of which is the development of digital banking systems (digibank), otherwise, its business activities will be disrupted by technology.

The banking industry is one of the leading sectors in the use of information technology. Over the past three decades, the development of information technology in the financial industry has impacted new ways in how banks serve their customers. In particular, self-service technology provides a new way of data access, analysis and decision making regarding a person's financial management (Syarifudin, 2014). The first self-service technology in the financial sector emerged in the 1970s, when banks first used automatic teller machines (ATMs) (Dabholkar, 1996). Initially, the ATM was only used for cash withdrawals but now it can be used for cash deposits, sending money, paying, and even opening accounts. The number of ATMs throughout Indonesia also increased by 54, 3 percent in the 2012-2016 period to 104,419 ATMs. At the global level alone, the growth in the number of ATMs has reached 11.2 percent annually. Asian countries recorded the highest average growth per year, which reached 16.3 percent with China, Indonesia, and Thailand as the top three countries with the highest number of ATM growth.

Service quality is a supporting quality received by the system users from the organization to the personnel supporting information technology, for example, responsiveness, accuracy, reliability, technical competence, and empathy of the IT personnel staff. Use is the degree and the way employees and consumers use the capabilities of an information system, for example, the amount, the nature, the suitability, the extent, and the purpose of use. User Satisfaction is the level of user satisfaction of reports, web sites, and support services. For example, the broader use of an instrument is attributed to the measure of information satisfaction (Gamayuni, 2020).

This research focuses on Nigeria because majority of existing studies on banks' non-core income focuses on developed economies (such as the US, Europe and the Middle East) and this call for empirical investigation of this subject in other jurisdictions, basically in Nigeria. Second, despite the significant growth recorded in the Nigerian banking sector and the technological advancement in almost all fields of human and business endeavours, there are no corresponding increases in non-interest income studies in Nigeria. The researcher was only able to have access to three major studies Adedeji and Adedeji (2018), Emmanuel (2021) and Uniamikogbo, Okoye and Amos (2021) and all these studies did not consider whether investment in information technology and digitalisation can influence non-interest income and the profitability of banks in Nigeria. This is the gap this research is bridging.

It is on this premise that a detailed study of some selected banks within Nigeria was undertaken using country-specific data as contained in the annual reports of the sample banks and the Nigerian Stock Exchange website respectively as basis for measurement with a view to bridging the existing knowledge gap. It is against this background, that the objective of this paper is to formulate a suitable

approach in terms of the use of information technology and digital services towards improving the performance of banks, especially on Tobins Q and non-interest income. Arising from the results of this study, it is expected that the application of information technology and digitalisation can contribute to the improvement of the performance of banks in Nigeria.

2.0 Literature Review and Hypotheses Development

Investment or spending is a term with several meanings relating to finance and economics. Information technology investment is an advanced decision made after the formulation of business strategies and information technology strategies. The strategic alignment between the business strategy and the information technology strategy agreed upon is very influential on the return on IT investment. Michael E. Porter said that information technology investment provides a competitive advantage for companies. This is because the information technology investment inherent in the value chain of potential companies creates a competitive advantage (Indrianita, 2007).

Digitalisation is a process in which an organization moves from an analog process to a digital process. In this process, the use of paper began to be abandoned or commonly called paperless, to move towards more modern digitalisation, in every line of the company. Some company activities that need to be digitized immediately, such as customer service, document archiving, and database storage. This effort also led to innovations in overall production flow management, namely the digitalisation of companies in product design and development.

Profitability is a measure used to measure a company's ability to generate profits derived from investment activities. Or in other words, profitability is an indicator of a business unit to obtain a return on several assets owned by the business unit. This measure is used to measure management's ability to obtain overall benefits. The greater the profitability, the greater the level of profits achieved by the company, and the better the company's position in terms of asset use. Non-interest income otherwise, known as fee-based income is the profit gained from transactions provided in other bank services. According to Lapoliwa and Kusnadi (2000), the notion of fee-based income is the purpose of providing these services in addition to developing the bank's market share but also to increase bank income in the form of commissions. Susilo (2004), states that fee-based income is revenue or income that comes from providing banking services other than credit services. Company size is a scale that can be used to determine the size of the company (Aryani, 2011). The size of the company will determine the company's capacity to carry out operations, the possibility of generating profits, and to influence market reactions (Crisostomo et al., 2011). On the other hand, the larger size of the company shows the more established and more stable company growth.

2.1 Effects of Information Technology Investment and Digitalisation on Profitability

To carry out daily operational activities, capital investment or capital expenditure is needed in the form of tangible assets such as factories, machinery, equipment, supplies, and other tangible assets to produce each unit of the sale in the long run (Elmasry, 2004). Investment in goods or capital can be tangible and intangible. One of the effects of investment here is reflected by the company's profitability.

Some studies suggest that technology has an important role in increasing access to public banking by providing sustainable financial services. Harumadina (2018) states that investment in software and IT services has a significant positive effect on the financial performance of banking companies, while investment in information technology in hardware has no significant effect on the financial performance of banking companies.

According to Hernando and Nieto (2005), the use of the internet as a bank distribution channel has a positive impact on ROA and ROE. This is in line with De Young's research (2006) which shows that banks with internet banking have a significantly better ROA and ROE development economically and statistically compared to banks without internet banking. In this research, the writer wants to know whether information technology investment and digitalisation have a positive influence on profitability. So the hypothesis in this study:

H1: information technology investment has a positive effect on profitability

H2: digitalisation has a positive effect on profitability

2.2 Effects of Information Technology Investment and Digitalisation on Non-interest Income

Several studies suggest that technology has an important role in increasing access to public banking by providing sustainable financial services. The development of technology, especially mobile, made Bank Indonesia encourage banks to provide mobile-based digital financial services. Several studies have been conducted regarding the effect of digital services on banking performance. A survey conducted in America (Palsokar, 2000) shows that the use of internet banking has the lowest cost burden compared to the use of branch offices, telephones, and ATMs.

According to Malhotra (2009) banks with internet banking have better assets, more customers, and lower operational costs than non-internet banking banks. Farliana (2019) states that technology investments have proven to affect the return on assets and return on equity positively and is proven to have a negative effect on operational costs of operating income. But information technology has not been proven to have a positive effect on non-interest income. According to Permadi (2018), electronic banking influences the non-interest income of PT BRI and PT CIMB. PT Bank Rakyat Indonesia has a significant influence on the variable fee-based income of 95.063%, while the remaining 4.938% is influenced by other factors not observed. PT CIMB Niaga Tbk's electronic banking transactions have an influence of 95, 26% of fee-based income while the remaining 4.74% comes from other factors. This is in line with research by Syarifudin & Viverita (2014) which states that the mobile banking application has a positive relationship with profitability but is not significant. This positive relationship encourages banks to bring financial inclusion through digital financial services in Indonesia. So the hypotheses in this study are:

H3: Information technology investment has a positive effect on non-interest income

H4: Digitalisation has a positive effect on non-interest income

3.0 Methodology

3.1 Population and Research Sample

The sample in this study was taken from banking companies listed on the Nigeria Stock Exchange (NSE) for the period of 2017-2021. There are 16 banks that are listed on the floor of the Nigeria Stock Exchange. Based on the predetermined sampling criteria, 10 banks meet the sample selection criteria while the rest were outliers.

3.2 Operational Definitions

3.2.1 Dependent Variable

The dependent variable in this study is profitability and non-interest income.

a. Profitability

Profitability is a measure used to measure a company's ability to generate profits from the use of all its resources or assets. As a profitability ratio, ROA is used as an operational definition to assess the quality and performance of a company in generating net profits from the utilization of its assets.

ROA = (net profit after tax: average total assets) x 100%.

b. Non-interest income

Non-interest incomes or fee-based incomes are the incomes that banks earn outside their core business operations. It is the income that a bank earn for providing variety of services for which it does not need to involve its funds. In this study, non-interest income is measured using a ratio of other operating incomes or non-interest operating income divided by the total income presented in the company's annual comprehensive income statement.

Non-interest income = (other operating income: total income) x 100%

3.2.2 Independent Variables

The independent variable in this research is information technology investment and digitalisation.

a. Information Technology Investment

Investment is a term with several meanings related to finance and economics. Information technology investment is an advanced decision made after the formulation of business strategies and information technology strategies. The strategic alignment between the business strategy and the information technology strategy agreed upon is very influential on the return of information technology investment. Measurement of information technology investment in this study is the addition of machinery and equipment divided by the total investment assets listed in the cash flow statement in investment activities.

IT investment = (addition of machinery and equipment: total asset investment) x 100%.

b. Digitalisation

Digitalisation is one of the elaboration programs of inclusive financial strategies that adjust to the times. The banking industry is one of the leading sectors in the use of information technology. Over the past three decades, the development of the financial industry has impacted new ways in how banks conduct their operational activities; one of such was the digital mobile banking financial application (E.banking or mobile banking application). Digitalisation is assessed using a dummy variable where it has a value of 1 if the banking company has a mobile banking application and a value of 0 if the banking company does not have a mobile banking application.

3.2.3 Control Variables

The size of the company is included as one of the control variables because large companies are more likely to increase their profitability, such as buying large quantities of inventory so they can get discounts, get various facilities from suppliers/distributors and get a longer payment period or period than these suppliers, then, are also better able to maintain the level of the collectability of their receivables better than smaller companies.

SIZE = Ln (Total Credit granted)

4. Result and Discussion

Table 1: The Effect of Information Technology Investment and Digitalisation on Profitability

Variable	Coefficient	Probability	t-Statistics
Constant	-0.159793	0.0402	-2,070523
INFOTECH	0.051543	0.0359	2.207561
DIG	-0.020517	0.2684	-1.111021
SIZE	0.075894	0.0014	3.259095
Adjusted R-squared			0.277420
F-statistics			20.06847

Source: E-views 8 Output, 2022

4.1 Test of the Coefficient of Determination

Based on the test results above, it can be seen that the value of Adjusted R-Square in the first regression model of 0.277420 or 27.74%. These results indicate that the ability of the independent variable, namely information technology investment and digitalisation in explaining the dependent variable profitability is still very limited in the region of 27.74% while the remaining 72.26% is influenced or explained by other variables that cannot be explained by the independent variables in this study. While in the second regression model it is known that the Adjusted R Square value of 0.530959 or 53.09% shows that the ability of the independent variable, namely information technology investment and digitalisation in explaining the dependent variable non-interest income is quite strong at 53.09% while the rest is 46,

4.2 Test of F-statistics

Based on the table value of F with df value 1 = 2 and df 2 = 147 then the table's F value is 3.06. From the first regression results in table 1 above it can be seen that the calculated F value (20.06847) > F table value (3.06), while in table 2 it can be seen that the calculated F value (57.22313) > F table value (3.06). So it can be concluded that the independent variables in the two regression models in this study together affect the dependent variable.

4.3 Test of Significance of Individual Parameters (Statistical T-test)

4.3.1. Information Technology Investment on Profitability

The results of the t-test for information technology investment variables obtained t value (2.207561) > t. table (1.65529), this means that with the presence of firm size as control variable in the model, information technology investment individually has a significant effect in the relationship. So it can be concluded that the first hypothesis that investment in information technology has a positive effect on profitability of banks in Nigeria. is supported.

4.3.2. Digitalisation on Profitability

The results of the t-test for digitalisation variables have a calculated t value (-1.111021) < t table (1.65529), this means that the digitalisation variable individually has no significant effect. So it can be concluded that the second hypothesis about digitalisation has a positive effect on profitability of banks in Nigeria is not supported.

Table 2: The Effect of Information Technology Investment and Digitalisation on Non-interest Income

Variable	Coefficient	Probability	t-Statistics
Constant	0.435623	0.0000	9.985109
INFOTECH	0.099639	0.0435	3.071014
DIG	0.013657	0.0929	1.808223
SIZE	0.058609	0.0000	4.452134
Adjusted R-squared			0.530959
F-statistics			57.22313

Source: E-views 8 Output, 2022

4.3.3. Information Technology Investment on Non-interest Income

The results of the t-test for information technology investment variables obtained t value (3.071014) > t table (1.65529), this means that with the presence of firm size as control variable, information technology investment individually has a significant effect non-interest income of banks in Nigeria. So it can be concluded that the third hypothesis that investment in information technology has a positive effect on non-interest income is supported.

4.3.4. Digitalisation on Non-interest Income

The results of the t-test for the digitalisation variable have a calculated value of t (1.808223) > t table (1.65529), this means that with the presence of size as a control variable, digitalisation individually has a significant effect on non-interest income of banks in Nigeria. So it can be concluded that the fourth hypothesis that digitalisation has a positive effect on non-interest of banks is supported.

4.4 Discussion of Findings

4.4.1. Effect of Information Technology Investment on Profitability

Information technology investment is an advanced decision made after the formulation of business strategies and information technology strategies. The strategic alignment between the business strategy and the information technology strategy agreed upon is very influential on the return of information technology investment. Porter (2007) says that information technology investment provides a competitive advantage for companies.

The first hypothesis in this study is that information technology investment has a positive effect on profitability. Based on the results of statistical tests obtained the value of probability of information technology investment variable of 0.0359 which means that the information technology investment variable has an effect on profitability at the 5% level of significance. In Table 4.5 it can be seen that the regression coefficient value of the information technology investment variable is positive at 0.051543, so it can be concluded that information technology investment has a positive effect on profitability. This means that investment in information technology in banking companies in the form of online computer networks and ATMs.

The results of this study are in line with the results of Farliana's research (2019) which states that technology investment is proven to positively influence return on assets and return on equity. Harumadina (2018) states that investment in software and information technology services have a significant positive effect on the financial performance of banking companies. The results of this study also support capital expenditure in which large amounts of expenditures made by companies can provide an increase in profits on an ongoing basis in this case information technology investments in banking companies can increase profitability that is profits derived from investment activities.

4.4.2. The Effect of Digitalisation on Profitability

Digitalisation is one of the elaboration programs of inclusive financial strategies that adjust to the times. The banking industry is one of the leading sectors in the use of digital transactions. Over the past three decades, technological developments in the financial industry have impacted new ways in how banks conduct their operational activities. Specifically, self-service technologies enable banks to follow strategy development using electronic media (Black et al., 2002). In this case, the more intensive use of digital financial services features, the acquisition of e-banking revenue will increase so that increased revenue will be able to increase bank profits.

The second hypothesis in this study is that digitalisation has a positive effect on profitability. Based on the results of statistical tests obtained the value of probability for digitalisation variable of 0.2684 which means that the digitalisation variable does not affect profitability. In Table 4.5 it can be seen that the regression coefficient value of the digitalisation variable is negative at -0.020517, so it can be concluded that digitalisation has a negative effect on profitability.

The results of this study are in line with previous studies Sudaryanti (2019) which states that the use of mobile banking has a negative effect on ROA. This may be attributed to the fact that the use of mobile banking may not be comprehensive, because every customer does not necessarily use this facility. This can also be caused by various factors including the level of security, long-term maintenance, and the ability of banks to maintain mobile banking.

4.4.3. Effect of Information Technology Investment on Non-interest Income

Non-interest income (fee-based income) are incomes, fees, or commissions received by banks from marketing products and banking service transactions charged to customers in connection with the bank's products and services that they enjoy. The Central Bank of Nigeria has formulated a banking policy in three interrelated corridors - maintaining financial system stability, strengthening banking resilience and competitiveness, and strengthening the intermediary function system. In the third corridor, strengthening the intermediation function is expanding people's access to banking services at a more affordable cost through an inclusive financial program. The inclusive financial program will be carried out simultaneously from two sides, namely the supply side and the demand side. From the supply side, expanding access to affordable banking services and providing banking products that are suitable for low-income people. Subsequently, efforts were made to expand access to banking services in unconventional ways through the use of information technology, telecommunications, and agency cooperation, known as branchless banking, so that banking services can reach all levels of society without the need to present a physical bank office.

The third hypothesis in this study is information technology investment has a positive effect on non-interest income. Based on the results of statistical tests obtained the value of probability of information technology investment variable of 0.0435 show that information technology investment variable influences non-interest income at the 5% level of significance. In Table 4.6 it can be seen that the regression coefficient value of the information technology investment variable is positive at 0.099639, so it can be concluded that information technology investment has a positive effect on non-interest income.

The results of this study also support capital expenditure in which large amounts of expenses made by banks, in this case information technology investments can increase non-interest income in banking companies. Information technology investment in banking companies in the form of online computer

networks, ATMs, etc. which supports operational activities can increase the number of banking transactions. The higher the number of transactions, the more non-interest income the banking sector itself has.

4.4.4. Effect of Digitalisation on Non-interest Income

The banking industry has since begun to aggressively encourage the implementation of digital banking. In addition to adjusting to the times, this step can also improve efficiency. Thus, operational costs can be reduced through digital utilisation. The application of digitalisation in banks can reduce operational costs so that operating income increases.

The fourth hypothesis in this study is that digitalisation has a positive effect on non-interest income. Based on the results of statistical tests obtained the value of probability of the digitalisation variable is 0.0929 which means that the digitalisation variable influences non-interest income at a significance level of 10%. In Table 4.6 it can be seen that the value of the digitalisation variable regression coefficient is positive at 0.013657, so it can be concluded that digitalisation has a positive effect on non-interest income.

The results of this study support the theory of the industrial revolution in which digital services are useful for creating flexible customer-oriented markets to increase banking income other than interest income. This means that digitalisation in the form of mobile banking makes it easy for customers to make more flexible transactions anywhere and anytime to increase the number of banking transactions that automatically increases non-interest income. The results of this study are in line with the results of Permadi's research (2018) that electronic banking influences the non-interest income of banks in Indonesia with a significant influence on the non-interest income variable of 95,063%.

5.0 Conclusion and Recommendations

This study aims to determine the effect of information technology investment and digitalisation in increasing profitability and non-interest income of banks in the Nigeria banking industry. The study arrived at the following conclusions, after an empirical analysis of 10 deposit money banks listed on the Nigeria Stock Exchange from 2017 to 2021:

- i. Information technology investment has a positive effect on the profitability of banking companies. Information technology investment also has a positive effect on non-interest income. Banks with high information technology investments will also increase banking income, especially non-interest income, and ultimately increase bank profitability.
- ii. Digitalisation has a positive effect on non-interest income but the effect on profitability is not significant. This shows that digitalisation increases non-interest income but the operational costs of digitalisation are still relatively high so that revenues from digitalisation and operating costs are still relatively balanced as a result of the fact that digitalisation's contribution to profitability is not significant.

Based on the results of this study the author recommends that banks be intelligent in managing strategies of developing technology investments and digital services. The development of information technology investment and digitalisation positively affects revenue of banks. A suggestion for further researchers is to add indicators in the measurement of independent variables. As in the digitalisation variable, it can use an ordinal scale based on the number of digitalisation products owned by banking companies so that the size used can better explain the actual digitalisation of banking companies in Nigeria

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Financial Constraint and Performance of Non-financial Firms in Nigeria

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Abstract

This study has examined financial constraint and performance of non-financial firms listed on the Nigerian Stock Exchange. The main objective was to assess the degree of influence financial constraint measured by (KZ index, SA index and dividend payout ratio) have on performance (return on assets) of the non-financial firms in Nigeria. Data from all the 87 non-financial firms listed on NSE were extracted through financial reports and analyzed using descriptive statistics, correlation and regression through STATA version 16. The findings revealed that KZ index has negative and significant effect on performance, while the SA index and dividend payout ratio were not significant in influencing performance. The result implies that an increase in financial constraint (difficulty in access to both internal and external finance), leads to a significant reduction in performance of the firms. The result also confirms that the KZ index provides better measurement of financial constraint. It was however concluded that, KZ index measured financial constraint better, and has negative and significant effect on performance of firms in Nigeria. The study recommends that more opportunities to access finance as well as favorable conditions be given to firms in Nigeria as such will help in reducing financial constraint issues and improve performance of the non-financial firms in Nigeria.

Keywords: *Financial Constraint, Performance, Non-Financial Firms.*

1.0 Introduction

The non-financial sector is the key to the growth and development of any country. These sectors include; the industrial goods, consumer staples, consumer discretionary, materials, energy, health care, real estate, information technology, communication services and utilities (Nigerian Stock Exchange, 2021). Accordingly, Ishola and Olusoji (2020) opined that contribution of these sectors to the GDP in Uganda is 40%, Zambia 50%, India, Korea and Brazil is 60%, and 80% in the US. Also, Sodiq (2022) observed that food business, real estate, e-commerce and logistics, are the fastest growing businesses in Africa (especially in Nigeria, South Africa, Kenya, Ethiopia, Ghana and Mauritius) and all these businesses being in the non-financial sectors. In Nigeria, report shows that 53% of the service sector GDP comes from the non-financial services (Nigerian Investment Promotion Commission, 2022). Also, observed that the aggregate contribution to the GDP by the non-financial sector increased from approximately 71% in 2016 to approximately 78% in 2021 (Statista Report, 2022). These simply implies that, the aggregate non-financial sector contributes larger to the economy, thus such sector performance is vital for growth and development of the country.

Accordingly, Khan (2022) argues that financial constraint were more likely to limit firms' ability to change how they operate in response to external shocks like the economic or financial crisis. Eppinger and Neugebauer (2022) investigates how external financial dependence leads to firms performance crisis across seven (7) European countries and found that firms who depends largely on external finance (debts or equity) are more likely to experience decline in performance especially during economic and financial crisis periods. Similarly, Farooq (2020) and Adekoya (2019) found access to external finance as a fundamental problem limiting performance, hence they have no way but to use internal financing to meet their financing needs. In another research, Golubeva (2021) also discovered equity, then cash balances and debts as major causes of financing constraints for firms in thirteen European countries.

Also, previous studies identified subpar infrastructure, an unreliable political climate, corruption, and access to finance, lack of technical expertise, high interest rates, other bank charges and collateral securities as major factors hindering performance (Ede, 2018; Tunde et al., 2017; Musa et al., 2021). In response, the Central Bank of Nigeria (CBN) recently recommended the Manufacturers Association of Nigeria (MAN) to contact development financing institutions for their funding requirements, notably the development bank of Nigeria and bank of Industry (CBN 2022). Thus, this study looked in to access to finance which was among the key issues hindering firm's performance in Nigeria. Prior studies only looked at the components of non-financial or financial firms (banks, manufacturing, exports, health, consumer goods, etc.). Also, empirical studies revealed most previous researches on financial constraint concentrated on developed and few developing countries, necessitating the need for this research in Nigeria especially among larger firms. Out of the few found to have been done in Nigeria and mostly among SMEs, this study has adopted some key proxies of financial constraint with the quest to deriving better measure of financial constraint, as well as it influence on performance. In view of the above, this paper aims to achieve the following objectives:

- i. To examined the effect of financial constraint (KZ index) on performance of non-financial firms in Nigeria.
- ii. To evaluate the effect of financial constraint (SA index) on performance of non-financial firms in Nigeria.
- iii. To assess the effect of financial constraint (Dividend Payout Ratio) on performance of non-financial firms in Nigeria.

In line with the objectives, this study has establish the following hypotheses:

H1: Financial constraint (KZ index) have significant effect on performance of non-financial firms in Nigeria.

H2: Financial constraint (SA index) have significant effect on performance of non-financial firms in Nigeria.

H3: Financial constraint (Dividend Payout Ratio) have significant effect on performance of non-financial firms in Nigeria.

2.0 Literature Review

An effective performance assessment index is one of the key factors in the firm's success (Bhagat and Bolton, 2019). Firm's performance is dependent on both the stakeholders' and the organization's economic perspectives of meeting investors needs while maximising profits for the same organisation (Aifuwa, 2019). Financial performance is the monetary evaluation of a company's activities over time, typically through the calculation of return on assets or return on equity (Akenga, 2017). On the other hand, He and Ren (2018) viewed financial constraints as the amount of funds firms possess to satisfy profitable investments. Also, Kumar, et al (2018) opined that choosing the most feasible financing option for investment, is the key objective of firms in a financial constraint situation. In other words,

financial constraint happen when there is a significant differential between the cost of external finance and opportunity cost of internal finance (Fazzari, et al., 1987; Kaplan and Zingales, 1997). However, Strong doubts are expressed by Kaplan and Zingales (1997) regarding the use of investment - cash flow sensitivity as a metric of financial constraint. Hence, created the KZ Index, a new scale based on five components of external finance hurdles: Cash flow, Tobin's Q, debt to capital, dividends to book assets, and cash are some of the indicators.

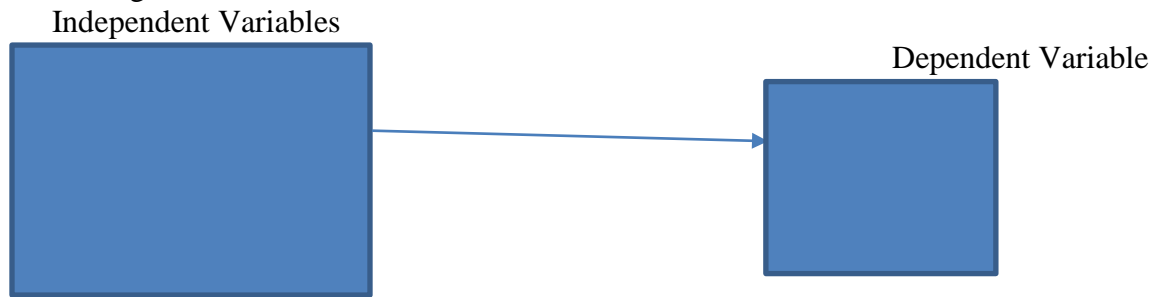
Further, Almeida et al. (2004) developed an alternative index called the ACW index based on a company's payout ratio, size, bond rating, and commercial paper rating. Similar to this, Whited and Wu (2006) provide a second index known as the WW index that is based on six (6) firm characteristics connected to financial constraints. These variables are firm size, industry sales growth, firm sales growth, cash flow, dividends, and leverage. Hadlock and Pierce (2010), on the other hand, argues that just the firm's age and size should be taken into account, in order to show that small and new firms are more financially constrained than large and established businesses, thus propose a new index, such as the SA index.

However, greater financing costs and unfavourable governmental incentives, moderate and major funding obstacles significantly weaken firm's performance (Tian and Lin, 2019). Kaushik and Chauhan (2019) looked at the financial performance of businesses and discovered that businesses with a high degree of funding restriction tended not to delay paying dividends and interest. Using 26 studies and 189 effect sizes, Ahamed, Houqe, and Zijla (2022) discovered a negative correlation between financial constraints (external financing) and firm performance. Similar to this, Khan (2022) used 19 nations to evaluate how financial constraints affected the performance of SMEs during times of economic and global crisis, such as the Covid-19 epidemic and found that firms with high credit, experience more liquidity and cash flow problems, and less access to funds. Kim, et al., (2021) found financially constrained firms with dividend payout policies have a significantly greater positive impact on their firm performance and value than firms that do not pay dividends.

Ekpete, et al. (2021) examined financial constraints (equity, debts, cash flows, and retained earnings) and investment growth (net fixed assets) of Nigerian firms from 2010 to 2018, and discovered a favourable and statistically significant correlation between cash flow and firm investment growth. Accordingly, Golubeva (2021) surveyed 5,730 firms from 13 countries and discovered market demands for products, sector, participation in exports, size, and cash, debts, and equity are the major causes of performance and finances by firms. Nizaeva and Coskun (2019) studied factors determining financial constraint in Europe and found trade sector SMEs and domestic credit facilities offered to SMEs reduces their financial constraints, while big firms, especially high banking sector concentration experience difficulty in getting funds. Further,

Optimality theory was used to explain the research model. The theory believed that due to financial constraint, firms cannot choose financing method on the basis of optimal capital, while income from leverage becomes difficult to obtain. The financial mix of firms and financial policy are irrelevant and have no bearing on their investment decisions, (Modigliani & Miller, 1950) theorem, which states that external financing is a perfect substitute for internal financing. It demonstrates how businesses aim for the best degree of liquidity to balance the benefit and expense of holding onto cash. However, this assumes the presence of ideal capital markets, which are not relevant in practice. In essence, organizations encounter challenges when selecting to borrow (debt or equity), and thus any decision

should be aimed at having positive effect on the performance and value of the firm. The figure 2.1 below shows the diagrammatic illustration of the research:



3.0 Methodology

This study adopts a quantitative research design, and the population and sample comprises all the eighty (87) non-financial firms listed on the NSE as at December, 2021. Data was extracted from financial reports of the firms and analyzed using Stata version 16 to run the descriptive, correlation, regression as well as some post estimations. While the descriptive statistics captures the mean, median, standard deviation, minimum and maximum value of the data, the correlation and regression shows the pattern and degree of influence between financial constraint and performance. In addition some diagnostic tests (normality, multicollinearity and heteroskedasticity) and specification (fixed effect, random effect, hausman, lagrangian multiplier) tests were done to ensure fitness of the data and choose the best regression result. Performance was measured using the return on assets (ROA), while financial constraint measured using three (3) proxies: KZ index developed by (Kaplan and Zingales, 1997), SA index by (Hadlock and Pierce, 2010) and Dividend Payout Ratio (DPR) opined by (Fazzari et al., 1987). The model also used three (3) control variables such as: Firm Size (Log of Total Assets), Leverage (Total Debts to Total Assets Ratio), and Firms Age (Number of year the firm has been in operation).

4.0 Results and Discussions

4.1 Descriptive Analysis

The descriptive statistics presents the mean, median, standard deviation, minimum and maximum values for each of the variables under investigation. In relation to Table 4.1 below, the descriptive shows two (2) out of the three financial constraint proxies were found to have outlier problem, and such were corrected through winsorization (w). These is depicted in Table 1 below:

Table 1: Descriptive Statistics

	Mean	Median	Std. Dev.	min	max
roa	.007	.022	0.169	-1.161	1.763
kziw	-2.96	-.156	6.409	-17.997	2.824
sai	-3.908	-3.918	0.885	-6.541	-2.021
dprw	.246	0	0.342	0	.94
fs	4.177	4.038	0.825	2.33	6.379
lev	.679	.623	0.527	-1.029	4.908
age	40.236	38	20.504	3	98

Source: Research 2022

Table 1 shows that return on assets (ROA) has an average of (0.007) with the median being (0.022), standard deviation (0.169), minimum (-1.16), and maximum being (1.763). This implies that firms in the non-financial sector earned average of (0.7%) return on their assets, with the highest earning being

approximately (176%) and lowest having a loss of (-116%) on their assets. Also, financial constraint proxy (KZIw) shows an average of (-2.96), median (-0.156), standard deviation of (6.4), minimum (-18) and maximum of (2.82). These indicate that firms in the non-financial sectors were averagely constrained financially (KZIw) given the negative index. Similarly, the second measure of financial constraint surrogated by SAI depicts an average of (-3.91), median (-3.92), Standard deviation (0.89), minimum (-6.5) and maximum value of (-2.02). The inverse index indicate that average firms in the non-financial sector were constrained financial through the (SAI).

Further, the third proxy of financial constraint (DPRw) shows mean value of (0.25), median (0), Standard deviation (0.34), min value of (0), and maximum value being (0.94). This implies that firms in the non-financial sector paid an average of (25%) of their profit after tax as dividend to investors. Lastly, the control variable firm size (FS) shows a mean of (4.18), median of (4.03), standard deviation of (0.83), minimum value of (2.33), and maximum of (6.38). The second control variable denoted by leverage (LEV) shows a mean score of (0.68), median (0.62), standard deviation of (0.53), minimum (-1.03), and a maximum value of (4.91). This indicate that (68%) of firms assets were financed by debts. The lastly, firms age denoted by (AGE) has a mean score of (40.22), median (38), standard deviation (20.5), minimum (3) and maximum of (98).

4.2 Diagnostic Tests

Before running the regression and post estimations, some diagnostic tests such as; normality, heteroskedasticity, and multicollinearity test were performed to ensure fitness of the data before estimations. The normality test was done by running the Jarque Bera test and skewness and kurtosis tests for normality. The test for Jarque Bera showed a (Chi (2) = 0), while skewness and kurtosis test also revealed (p.values = 0) indicating that the data is normally distributed. Also, heteroskedasticity test was performed using the IM White's test, and showed (Prob > chi2 = 0.1161) indicating there is no problem of heteroskedasticity in the data. Multicollinearity test was also performed using the Variance Inflation Factor (VIF) which all showed (VIF < 10) indicating that the data is free from multicollinearity problem.

4.3 Correlation Matrix

The correlation matrix shows the interrelationships among the variables under investigation. This could be observed in Table 2 below:

Table 2: Correlation Matrix

Variables	roa	kziw	sai	dprw	fs	lev	age
roa	1.000						
kziw	-0.198	1.000					
Sai	-0.089	-0.033	1.000				
dprw	0.229	-0.589	-0.069	1.000			
Fs	0.121	0.010	-0.372	0.183	1.000		
lev	-0.434	0.172	-0.038	-0.244	-0.097	1.000	
age	0.051	0.038	-0.938	0.005	0.031	0.080	1.000

Source: Research (2022)

Table 2 above shows that the association between return on assets (ROA) and financial constraint KZIw is (-0.198) indicating inverse relationship. This means that an increase in financial constraint measured by (KZIw) would results in a decrease in performance (ROA) by approximately (19.8%). Also, ROA and SAI showed a negative relation of (-0.089) indicating inverse relationship similar to the KZIw.

However, ROA shows a positive relationship with dividend payout ratio (DPRw) equals (0.229) implying that dividend payments increase ROA by (22%). Further, performance (ROA) and control variable firm size (FS) shows a positive relationship of (0.121), leverage (LEV) showed negative relationship of (-0.434), and firms age (AGE) revealed a positive association of (0.051). Although the control variables were held constant, firms size (FS) improve performance by (12%), leverage (LEV) decrease performance by (43%), and firms age (AGE) has a direct association by (5%).

4. 4 Specification Tests

After the diagnostic tests, correlation and robust regression, this study extend the analysis by running the post estimations to get the best regression results. These estimates include the fixed effect, random effect, Hausman (1978) specification test and the Lagrangian multiplier (LM) test for random effect. The Table 3 below shows the result of the specification tests.

Table 3: Specification Tests

Hausman (1978) Test	Coef.	LM Test	Coef.
Chi-square value	-29.827	Chi-square value	13.67
P-value	1	P-value	0.0001

Source: Research (2022)

The Table 4.3 above shows the Hausman and LM tests to determine the best regression estimate. The Hausman shows an insignificant (p-value = 1) indicating that the random effect result was better. Also, the LM test shows a significant result (p-value = 0.001) implying that the random effect is still the best result. Hence, the justification for adopting the random effect estimate as the best regression result for this study.

4. 5 Random Effect Regression Result

The random effect result was chosen as specified by the specification tests. The result depict the degree of influence financial constraint (KZIw, SAI, and DPRw) have on performance (ROA), as well as the pattern of the influence. This is vividly explained in Table 4 below:

Table 4: Random Effect Regression

roa	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]	Sig
kziw	-.003	.001	-1.99	.046	-.005	0	**
sai	.29	.219	1.32	.185	-.139	.718	
dprw	.015	.026	0.57	.571	-.036	.066	
fs	.121	.081	1.49	.137	-.039	.28	
lev	-.144	.014	-10.22	0	-.172	-.117	***
age	.012	.009	1.40	.161	-.005	.029	
Constant	.227	.172	1.32	.187	-.11	.564	
Mean dependent var		0.007	SD dependent var			0.169	
Overall r-squared		0.222	Number of obs			522	
Chi-square		133.806	Prob > chi2			0.000	
R-squared within		0.185	R-squared between			0.348	

*** $p < .01$, ** $p < .05$, * $p < .1$

Source: Research (2022)

Table 4.4 shows that (p-value = 0.000, $R^2 = 35\%$) indicating fitness of the model and the financial constraint (KZIw, SAI, and DPRw) explained ROA by (35%). Specifically, (KZIw) has a (p-value = 0.046) and (Coef. = -0.003). This indicate that financial constraint (KZIw) has negative and significant effect on performance at (5%) degree of freedom. Also, (SAI) revealed a (p-value = 0.185) and (Coef. = 0.29) implying positive but not significant influence on (ROA). Similarly, (DPRw) showed a (p-value = 0.57) and (Coef. = 0.015) indicating positive but not significant in predicting ROA. Further, the control variables firm size (FS) shows a (p-value = 0.137) and (Coef. = 0.121, and firms age (AGE) with (p-value = 0.187) and (Coef. = 0.12) which indicate that both firm size (FS) and firms age (AGE) were not significant in explaining performance (ROA). While, leverage (LEV) revealed a (p-value = 0) and (Coef. = -0.144) implying that leverage (LEV) has negative and significant effect on performance (ROA). However, all the control variables were assumed to be constant and thus, not influencing the relationships.

4.6 Hypothesis Testing

In light of the results above, hypothesis (H1) which states that financial constraint (KZI) have significant effect on performance of non-financial firms in Nigeria was accepted, because the result indicate that financial constraint (KZIw) has negative and significant effect on performance of firms in Nigeria. In addition, hypothesis (H2) which states that (SAI) have significant effect on (ROA) was rejected, because the result shows that (SAI) was not significant in influencing (ROA). Lastly, hypothesis (H3) which states that dividend payout ratio (DPR) have significant effect on performance was rejected, because the result indicate that DPRw was not significant in influencing performance (ROA) of non-financial firms in Nigeria.

4.7 Discussion of Findings

The findings revealed that financial constraint (KZIw) has negative and significant effect on performance of non-financial firms in Nigeria. This conforms to the study of Ahamed et al. (2022) who discovered a negative correlation between financial constraints (external financing) and firm performance. This means that (KZI) serve as a better measure of financial constraint, because it is broader and contain all the key factors that determines financial constraint emanating from external and internal sources. As opined by Kumar, et al (2018) who claimed that choosing the most feasible financing option for investment, is the key objective of firms in a financial constraint situation. The external sources are; debts and equity which serve as the major sources of finance for companies. Firms sometimes prefers to raise funds through by selling shares in the capital. Accordingly, Golubeva (2021) revealed; cash, debts, and equity are the major sources of finances by firms. However, even though sometimes, firms experience difficulty in raising capital through debts probably due to higher cost of the capital or probably information asymmetry; debts offers better option because of the urgency of the investment opportunity and shorter processes. This reduces or solve the firm's financial constraint situation. This was supported by Khan (2022) that firms with high credit, experience less access to funds, more liquidity and cash flow problems.

Conversely, internal sources like; profit after tax, retained earnings, assets, reserves, dividends, cash, and cash flow, may be used when firms find it difficult to raise funds through external source. As observed by He and Ren (2018) that financial constraints is the amount of funds firms possess to satisfy profitable investments. The internal sources ensures that firms manage their internal resources efficiently by ensuring that only investment with positive net present value are considered. This will earn the organization reasonable profits out of which it will have enough to pay dividends to investors, and possibly retain some for future investments or even offset some maturing obligations of the firm. As

suggested by Kang (2019) that financially constrained firms used retained earnings which they could otherwise give as dividends, to exploit investment opportunities.

Further, (SAI) was tested as not being significant in influencing performance (ROA). This means that (SAI) was not a good measure of financial constraint probably because it only considered firm size and firm's age as key determinants of financial constraint. The weakness of this measure was observed by ignoring the role of equity, debts or even internal sources in minimizing financial constraint of firms. This was also supported by Ekpete, et al. (2021) who confirms cash flows and retained earnings as major determinants of assets growth of firms. Hence, only assets and age cannot be considered as real indicators of financial constraint of the non-financial firms in Nigeria. Lastly, dividend payout ratio (DPRw) was not significant in influencing (ROA), indicating that dividend payment alone cannot be considered as a sign of financial strength of the firm, but firms only use it to attract more investments. As claimed by Kim, et al. (2021) who suggested that dividend payout could be used to attract more funds to the firms and that reduces financial constraint by the firms. Also supported by Kaushik and Chauhan (2019) that businesses with a high degree of funding restriction tended not to delay paying dividends and interest. Hence, the dividend payout cannot be considered as a good measure of financial constraint because payment of dividends cannot be used as a major yardstick of financial constraint.

5.0 Conclusions and Recommendations

This study concludes that financial constraint (KZIw) have inverse and significant effect on performance of firms in Nigeria. Also, (KZI) measures financial constraint better, and firms faced with financial constraint problem experience decrease in their performance. Further, it was concluded that (SAI) does not serve as a good measure of financial constraint, and at the same time not significant in influencing performance. Lastly, DPRw was not good in measuring financial constraint, also not significant in influencing performance of non-financial firms in Nigeria.

Based on the conclusions, this study recommends that (KZI) should be considered as a better measure of financial constraint, as it captures key components (debts, dividends, Tobin's Q, cash, and cash flow) of financial constraint, and has inverse and significant effect on performance of non-financial firms in Nigeria. Also, opportunities to access finances should be given to the firms, as such will help improve their financial strength and performance. However, this study also recommended that (SAI) only considered firms size and age as key determinant of financial constraint, hence a weak measure of financial constraint, and at the same time not significant in influencing performance. Lastly, dividend payout (DPRw) was not good in measuring financial constraint, but could attract more investments to improve financial strength and performance of the firms.

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Nexus Between Internet Banking and Customer Retention in Selected Deposit Money Banks

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Abstract

The study assessed the Nexus between internet banking and customer retention in selected Deposit Money Banks in Gombe metropolis. The study examined internet banking as the independent variable and customer retention was the dependent variable whose measures are customer services and services integrity. The study adopted the cross-sectional survey in its investigation of the variables. Primary source of data was generated through self-administered structured questionnaire. The population for the study comprised of personnel from the four different Deposit Money Banks, or DMBs, Access Bank, Unity Bank, Union Bank, and Stanbic Bank, made up the study's population. 137 employees from various DMBs' human resources departments. The table created by Krejcie and Morgan (1970) was used to establish the minimum returning sample size for a given population. For our demographic, the table calculated a sample size of (94). The tests were carried out at a 0.05 significance level. Findings from the study revealed that there is a significant positive Nexus between internet banking and customer retention in selected DMBs in Gombe metropolis. There is also a positive significant relationship between internet banking and customer services well as service integrity of customers in selected DMBs in Gombe Metropolis. The study concludes that internet banking has a positive and significant Nexus with customer retention in DMBs. The study recommends that the management should ensure that the customers' level of satisfaction is taken care of with e-banking, focus more the compliant and suggestion of customer so as to enable them to render a more convenient services to their customers and have a good communication skill both on and off the net.

Keywords: *Customer Retention, Customer Services, Internet Banking and Services Integrity.*

1.0 Introduction

The general expectation of banks to compete actively and to grow continually, especially in this era of globalization, is informed by the capabilities of these banks and their competence in creating and retaining loyal customers. This as such constrains the banks to strive to create a competitive advantage through innovative efforts and creativity so as to retain loyal customers. Kungumapriya and Malarmathi, (2018) defined customer retention as the commitment of the customers to repurchase a product or service consistently in the future, although situations do arise which hypothetically causes behavioral changes like being swayed by other individuals or marketing efforts steered by competitors. Syafarudin

(2021) also found that satisfied customers were more probable to repeat the purchase of products or services and even become loyal customers and not to think of switching to another banks.

Globalization and technology advancements are possibly challenging the financial sector, mostly the banks. The stern competition combined with customer demands has steered the banking industry to further challenges. The dip in the global economic coupled with diminishing margins is a disquietto banks globally. Globally, banks are striving to cut costs and increase margins in order to survive in this highly competitive environment. The Internet, today, is virtually a crucial channel for the sale of goods and services (Lee & Leonas, 2018). Internet banking has left the realm of being a phenomenon to being a pre-requisite for the banking sector ideating as the most comprehensible mode of future banking. Internet banking currently stands out as the logical and most cost effective channel for banks and their customers. A noteworthy feature of internet banking is its allowance of customers to access their bank accounts 24/7, which is a new experience and intrinsically inspiring.

Internet banking is a system that facilitates bank customers in accessing their accounts and general information regarding bank products and services via a personal computer or any other electronic internet enabled devices such as mobile phones (Li, Lu, Hou, Cui & Darbandi, 2021). It offers banking at the go, enabling transactions and payments over the internet through a bank's website (Zhang, Lu & Kizildag, 2018). According to Singh and Srivastava, (2020) internet banking is defined as a set of technological tools offered by financial institutions for its customers to do banking transactions via computers using an internet connection. Internet banking is an integrated system that offers customers flexible, suitable and low-cost platforms with integrated services of online personal banking such as online checking and saving accounts, certificate of deposit, money market accounts, investment services and other related financial services (Lin, Wang & Hung, 2020).

Internet banking involves customers interacting via a network technology, while traditional banking entails interactions with customers on a non-website-based setting. However, internet banking services possess a distinctive characteristic which traditional banking services lack. For example, internet banking grants the customers an avenue to carry out a range of banking activities electronically at one's convenience with low handling cost (Simiyu, 2018). In this way, internet banking plays an important role in reducing operating and fixed costs (Nazaritehrani & Mashali, 2020) and helps the bank in building better relationship with their customers (Harvey, Moorman & Toledo, 2018).

Service quality according to Güntürkün, Haumann and Mikolon, (2020) involves the customer judgment about a service provider's overall excellence. It is regarded as a critical factor that distinguishes competitors (MacMillan, Zemann & Subbanarasimha, 2022). In late eighties, service quality was opined to be the degree in which customer's normative expectation could be differentiated from their perception of service performance (Osiegbu & Onuorah, 2018). Sharma and Malviya (2014) pointed out that the service quality judgment is a result of the difference amid customer expectation and perception of the actual performance. Okoe, Adjei, and Osarenkhoe, (2013) noted that there exists a significant difference between expected and perceived service quality of banks.

van Assen (2020), customer service is a dynamic interactive process which needs continuous improvements. Further, they expounded that quality is paramount in selling a product and it is a factor that sways the purchasing behavior of the customer. Service Quality is the primary factor that defines the achievements and shortcomings of electronic commerce (Wilson, Keni & Tan, 2019). Failure to assess service quality is detrimental to the growth of the internet banking. Customers are apt to demand

equal or higher standard of service quality based on-line than the traditional services, (Wilson, Keni & Tan, 2019). Traditional service quality varies from e-service quality when dealing with delivery of services, former being the traditional interaction and the latter being delivered primarily through websites.

From empirical point of view, many studies have been done regarding the construct and concept of internet banking with other construct and practices. For instance; Hassan and Farmanesh (2022), studied “Consumer perception of internet banking Self-Service outcomes Singh (2020) examined internet banking practices: Accessing Customer Satisfaction with Internet-Based Service Encounters. Singh (2020), tested “the effect of service quality of Islamic banking on customer satisfaction”. Solimun and Fernandes (2018) examined “the relations among service quality, value and satisfaction”. It is therefore factual that from the listed empirical studies, most studies have not critically looked at how internet banking has better the retention of customers and consequently, patronage of the banks. A literature gap therefore exists and our departure point is to empirically investigate the impact of internet banking on customer retention of deposit money banks in Bauchi State.

The study provided answers to the following research questions

- i. What is the nexus between internet banking and customer services in selected DMBs in Gombe metropolis?
- ii. What is the nexus between internet banking and services integrity in selected DMBs in Gombe metropolis?

2.0 Literature Review

2.1 Theoretical Framework

Theory of Reasoned Action (TRA) according to Fishbein & Ajzen (1975), is a well-established social psychological model that is concerned with the determinants of consciously intended behaviors. From a theoretical point of view, the TRA is intuitive and insightful in its ability to explain behavior (Bagozzi, 1982). The TRA assumes that individuals are usually conscious of the implications of their actions before embarking on such (Ajzen & Fishbein, 1980). According to the TRA, behavioral intention is the immediate antecedent or premise of an individual’s behavior. According to Ajzen and Fishbein (1980), the TRA posits that “most behaviors of social relevance are under volitional control and are thus predictable from intention”. The theory also suggests that because many extraneous factors influence stability of intention, the relationship between intention and behavior depends on two factors: (a) the measure of intention must correspond to the behavioral criterion in action, target, context, and time; and (b) intention does not change before the behavior is observed (Ajzen & Fishbein, 1980). The TRA specifies that behavioral intention is a function of two determinants: a personal factor termed attitude toward behavior, and a person’s perception of social pressures termed subjective norm (Fishbein & Ajzen, 1975). *Attitude* refers to the person’s own performance of the behavior, rather than his or her performance in general (Fishbein & Ajzen, 1975). *Subjectivenorm* is a function of a set of beliefs termed normative beliefs. According to Ajzen and Madden (1986), normative beliefs “are concerned with the likelihood that important referent individuals or groups would approve or disapprove of performing the behavior”. According to the TRA, to obtain an estimate of a subjective norm, each normative belief of an individual is first multiplied by motivation to comply with the referent and the cross product is summed for all salient referents.

The TRA is a general model and, as such, it does not specify the beliefs that are operative for a particular behavior (Davis *et. al.*, 1989). Thus, the researcher using the TRA must first identify the

beliefs that are salient for participants regarding the behavior under investigation. Furthermore, the TRA deals with the prediction, rather than outcome of behaviors (Foxall, 1997). In the TRA, behavior is determined by behavioral intentions, thus limiting the predictability of the model to situations in which intention and behavior are highly correlated. The highest correlates between intention and behavior are found where the temporal gap between their expressions is minimal. To take the extreme case of overcoming this, however, measuring intention and behavior at the same time fails to ensure an assertive state of the model's power to predict the future. At best, it affirms the attitudinal basis of current behavior.

2.2 Concept of Customer Retention

Retention is seen to be maintaining a customer in an exchange transaction. It could also mean "the act of being a regular customer to a shop. In a highly competitive industry, such as banking, satisfying the customers should be the primary focus of firms that wish to retain their customers (Shirazi & Mohammadi, 2019). Service organizations can enhance customers' retention by creating value in product offerings to meet customers' expectations and satisfy their needs. Narteh (2018) view consumers' purchase intention as an important pointer for predicting consumer behavior. Customer retention describes the prospect that the consumer will be willing to buy a specific product in the future. Sarpong, Amankwaa, Frimpong, Xu, Cao, Ni and Nkrumah (2021) stressed that merchandize value perceptions steers purchase intentions and purchase behavior in organizations. Literature on regulatory focus theory abound (Ozkazanc-Pan, 2019).

Customer retention is a strategy whose objective is to retain a company's customers and to retain the revenue contribution. Primarily, it aims at preventing customers from defecting to alternative brands or going to competition. According to Assegaff and Pranoto (2020) satisfied customers remain loyal and talk favorably to others about the company and its products. Customer retention and loyalty will depend on the levels of satisfaction that the customers receive when either they buy or use the products or services. This will highly depend on the quality and the customer care services offered by the company.

It is commonly believed that it is more economical to keep customers than to acquire new ones. The costs of acquiring customers to replace those who have been lost are high. This is because the expense of acquiring customers is incurred only in the beginning stages of the commercial relationship. In addition, longer-term customers buy more and, if satisfied, may generate positive word-of-mouth promotion for the company. Additionally, long-term customers also take less of the company's time and are less sensitive to price changes (Hoekstra & Leeftang, 2020). These findings highlight the opportunity for management to acquire referral business, as it is often of superior quality and inexpensive to obtain. Thus, it is believed that reducing customer defections by as little as five percent can double the profits (Sabadini & Madlener, 2021).

The key factors influencing customers' selection of a bank include the range of services, rates, fees and prices charged (Omoregie, Addae, Coffie, Ampong & Ofori, 2019). It is apparent that superior service, alone, is not sufficient to satisfy customers. Prices are essential, if not more important than service and relationship quality. Furthermore, service excellence, meeting client needs, and providing innovative products are essential to succeed in the banking industry. Most private banks claim that creating and maintaining customer relationships are important to them and they are aware of the positive values that relationships provide. While there has been several studies emphasizing the significance of customer retention in the banking industry, there has been little empirical research examining the constructs that could lead to customer retention. This paper examined the constructs that impact consumers' decision to stay with or leave their current banks in Kenya. In addition, the paper explored whether there was any

association between consumers' demographic characteristics (i.e. age, gender, educational level and income) and loyalty decisions.

2.3 Measures of customer retention

2.3.1 Customer Service

Customer service entails the provision of services or products while the customer is around by relaying relevant information, taking bookings and reservations, and finally accepting payments with the sole intention of attaining good customer satisfaction (Al-Adwan & Al-Horani, 2019). According to Al Breiki and Nobanee, (2019), customer service promotes the realization of competitive advantage hence ensuring an organization safeguards its sales and strengthens its effectiveness; a keystone of hotel performance. Cheung and To (2021) recommends the upholding of customer service approaches since dissatisfied customers would switch to other organizations and further spread negative information by word-of-mouth. Furthermore, the performance of any organization is gauged on how it fulfills enlightened customers. Similarly, Mubiri, Hukkanen, as cited by Zhang, Lu and Kizildag, (2018) asserts that satisfied customers in a specific hotel are more naturally devoted and can equally market the hotel through word-of-mouth; an indicator of hotel performance. Sann and Lai, (2020) study revealed that some of the essential aspects of customer satisfaction include; hotel staff conduct, hygiene, and timeliness while rendering services. These are important aspects of customer service.

Furthermore, Titov, Nikulchev, Brikoshina and Suetin, (2020) include "non-quality cost" and value for money as contributors to quality customer service. While quality customer service would promote the efficiency of the hotel, any service failure or flaws would result in a negative hotel image. Therefore, it is evident that customers are the evaluators of any service rendered and can determine the lifetime value and performance of the organization (Chiang & Yang, 2018). Consequently, However, Al Breiki and Nobanee, (2019) cautions that not all customers would accept a combination of an organization's resources with their viewpoint. Sann and Lai, (2020), further indicates that poor service principles could be dangerous to an organization because service delivery can be presumed both subjectively and objectively, therefore proper strategies should be put in place, as there is a rift between customer viewpoint of service quality and the organization resources. A study by Parawansa (2018) reported that to redefine customer loyalty and customer's satisfaction, marketers should uphold the hotel's recognition approach that depicts aspects of how the classified hotel can offer a solution to customer's requirements and presumption, the good apprehension of visiting the hotel, and the efficacy of the brand. As such, managers should strive to employ diverse strategies that will tend to cater to customers' viewpoints and presumptions (Khan, Korac-Kakabadse, Skouloudis & Dimopoulos, 2019).

2.3.2 Service Integrity

As stated by Rosli, Ha and Ghazali, (2019) the modern world hotels are approximately on the same level as regards tangible features, however intangible features roused customers most. They comprise; intangible services (personalized service, stun and experience,) and tangible services (furnishing, building, premises, decoration). Service integrity, one of the key components of intangible services, is the creation of a competitive front in the hotel industry by upholding professionalism and sincerity during service delivery to foster customer satisfaction, which promotes loyalty and retention thereby ensuring a competitive edge against opponents (Chen & Wu, 2019).

Buhalis and Leung (2018) contend that proper strategies for upgrading customer experiences are a prerequisite to effective hotel performance resulting in profit maximization. The desired attributes of service integrity consist of efficient internet availability, empathetic staff, frequent service reviews and

evaluation, quality food and drink services, and good quality customer reception on arrival coupled with the outstanding customer–staff relationship (Achieng & Pepela, 2020). A study on how the quality service dimension relates to the retention of customers using territorial units' hotels found out that the greatest effect on customers' retention with units of hotels was human resources who are the service providers (Obomeghie, 2020). In support, Achieng and Pepela (2021) contends that frontline employees in the hotel industry such as front desk, waiting staff, door and bellmen, stewards, and house cleaners, should be well trained as regards standardized customer service. This is so as there is a direct connection between staff, the customers, and motivated staff will always be willing to offer quality services to customers, which will normally lead to a fulfilled relationship. Hence, a satisfied customer will repurchase because of the guaranteed alignment to the hotel.

According to Karanja (2022), altering customers' needs involves attentiveness to customer encounters thereby requiring well-trained and efficient staff, particularly stronger in human relations. As maintained by Obomeghie, (2020), innovation and inventiveness are essential tools for effective customer service as this improves their ability to perform under a speedy atmosphere by taking charge of daily operations, inspiring staff, and pinpointing the market niche and business projections. By creating superior value for the consumers, a company builds a high-value brand and achieves a high market price. In this way, the company can differentiate itself from other competitors in the industry and significantly increase its market value. According to Karanja (2022) quality service integrity is an asset to customer retention as they encourage memorable customer encounters, reduces dissatisfaction, and promote effective profit returns thereby leading to gaining a competitive edge against similar challenges. Similarly, customers in the hospitality sector are inclined to assess services and constantly commend and compare them with competitors. This is because, as posited by Yu, (2019), customers are always yearning for quality service however much they pay.

2.3.3 Concept of internet banking

Internet banking is the provision of retail and small value banking products and services through electronic channels. Such products and services can include deposit-taking, lending, account management, the provision of financial advice, electronic bill payment, and the provision of other electronic payment products and services such as electronic money (Lusaya & Kalumba, 2018). According to Chaimaa, Najib and Rachid, (2021), Internet banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. Internet banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through the Internet.

Customers access e-banking services using an intelligent electronic device, such as a personal computer, personal digital assistant, Automated Teller Machine (ATM), Kiosk, or Touch Tone telephone. Although internet banking may have appeared and even behaved like a new product or service when it was initially introduced, e-banking is now most accurately portrayed as a relatively new, convenient, and technologically-oriented procedure whereby, consumers can accomplish customary banking tasks more quickly and easily than before (Hu, Ding, Li, Chen & Yang, 2019). Organizations continue to substantially invest in Information Technology hoping that it will improve their business process and increase their productivity. However, for technologies to improve productivity, they must be accepted by intended users (Estriegana, Medina-Merodio & Barchino, 2019). He also noted that research in understanding user acceptance of new technology has resulted in several theoretical models with roots in

information systems, psychology and sociology. Technology Acceptance Model is one of the most utilized models for studying Internet banking acceptance (Hu, Ding, Li, Chen & Yang, 2019).

Internet banking means using the internet as a delivery channel to carry out banking services, which consists of new banking services for example electronic bill presentment and payment and all traditional services for example printing statement, bills payment, fund transfer to other accounts and balance enquiry without visiting a bank (Altobishi, Erboz & Podruzsik, 2018). Alabsy, (2018) defines internet banking as a service that enables a bank client to effect a financial transaction anywhere, via electronic means without necessarily visiting the brick and mortar bank. Internet banking has not replaced traditional banking but relatively improved on quality service delivery, speed, decreased cost and optimized on efficiency of banking services (Raza, Umer, Qureshi & Dahri, 2020).

Electronic banking enables viewing of accounts and generating statements, paying bills, transferring money, scheduling electronic periodic payments like rent, bills or loan and opening accounts or loan application (Rajasulochana & Khizerulla, 2022). Banks are enhancing their traditional methods with e-banking because of its vast benefits. It has improved customer service because it is self-service in nature. Again, it is helping banks increase their account sales through a wide market reach and brings in new market opportunities which increase bank deposits. It is also a new source of fee-based income (Alabsy, 2018).

2.4 Review of Related Empirical Studies

Sheera, Singh and Kaur (2019), in a study titled understanding consumer adoption of internet banking: an interpretive study in the Australian banking context, Using grounded theory and correlation coefficient to analyse data gotten from 214 respondents found and supported, Aboobucke and Bao (2018), study of internet banking consumers, that women regarded privacy protection and ethical standards more seriously than did men; hence their patronage of e-banking services more than men. This was however contrary to the findings reported in Albayati, Kim and Rho, (2020) indicated that women were less likely to conduct their banking activities online. This was however supported by the studies of Aboobucke and Bao (2018), where they found that males engage in online banking than female. Barclay, Donalds and Osei-Bryson (2018) in a study found that users with higher education are more tolerant toward web usage and easier to satisfy compared to users with lower education levels.

Dey, Saha, Salam and Roy (2019) in a study titled an empirical assessment of the relationship between service quality and customer satisfaction in fashion house in Bangladesh, used factor analysis and regression analysis to analyze responses from 210 customers concluded that responsiveness (employee empathy) is not significantly correlated with customer satisfaction. This is just as (Dey, Saha, Salam and Roy, 2019) asserted that incomprehensiveness, difficulty of use, non-interaction between the customer and bank employees made some customer to be skeptical about using internet banking. Parawansa (2018) concluded that reliability of the technology that supports internet banking is very crucial determinant of consumers' trust. Measurement variables in this regard service reliability, customer sensitivity, personalized service, and prompt response to customer complaints include varieties of service, accuracy of operation, reliability, and availability of network.

Previous research observes that a user-friendly bank website affects the selection and adoption of Internet banking services (Raza, Umer, Qureshi & Dahri, 2020), has a positive effect on users' attitudes on usefulness and users' attitudes toward online banking. The website design influences customers' perceptions of the service provider and customers' behavioural intentions (Ladhari & Leclerc, 2013).

Khatoon, Zhengliang and Hussain, (2020) in a study titled re-examining traditional service quality in an e-banking area asserted that reliability of the banking service also holds a high expectation from customers. This is in contrast to the findings of Othman, Harun, Rashid and Ali (2019) in a study titled service quality delivery and its impact on customer satisfaction in the banking sector in Malaysia where 117 respondents were sampled using correlation and regression analysis to analyse data. Results showed that reliability does not have any significant impact on customer satisfaction. Consumers' concerns about security, which arise from the use of an open public network, have been emphasized as being the most important factor inhibiting the adoption and use of internet banking (Alam, 2020). In USA, Mazurek and Małagocka (2019), which conducted a survey focusing on banks concluded that 67 percent of US banks feel that "security concerns" is the major barriers for Internet banking. The same results obtained from the study of Aliyu, Younus, and Tasmin, (2012), reveals that security concern among customers was the top-ranking obstacle for non-adoption of Internet banking in Latin America. The above is purely in line with the proposition of this study that security concerns will have effect on customer satisfaction.

Delivering qualitative e- banking services has shown to be an important strategy for marketers to establish customer value and satisfy customers' needs (Hussien & Abd El Aziz 2013) as well as promote customer loyalty and retention (Nikhashemi, Paim, Haque, Khatibi, & Tarofder 2013). Simply stated, the causal order of the relationship between service quality and consumer satisfaction has been a matter of considerable debate within the marketing literature. Three major positions have been advanced. First, service quality has been identified as an antecedent to satisfaction (Bansal & Taylor, 2015). Within this causal ordering, satisfaction is described as a "post-consumption evaluation of perceived quality. (Muskat, Hörtnagl, Prayag & Wagner 2019). Muskat, Hörtnagl, Prayag, and Wagner (2019). who specifically suggest that high level of service quality will always bring about customer satisfaction. However, Swain and Kar (2018) argued that satisfaction is antecedent to service quality. Scholars have over the last years researched assiduously to research into the area of mobile banking adoption. Rantyanti and Halim (2020) using extended Technological Adoption Model (TAM) collected data from 180 respondents surveyed at an e-commerce exposition and symposium in Taiwan and found that Perceived self-efficacy, financial costs, credibility, easy-of-use, and usefulness had remarked influence on intention to adopt mobile banking. From the work Rantyanti and Halim (2020), 300 respondents randomly interviewed in the streets of six major cities in China and it was found that Awareness, confidential and security, past experience with computer and new technology are salient factors influencing mobile banking adoption.

Rantyanti and Halim (2020), had 178 students selected from a university in South Taiwan and found that adoption factors are location-free conveniences, cost effective, and fulfill personal banking needs, while resist factors are concerns on security and basic fees for connecting to mobile banking Karma, (2016). using Technological Adoption Model, TPB, and IDT had 681 samples drawn from the population of Singapore found that usefulness, social norms, risk influences the intention to adopt mobile banking. From the Nigerian point of view, Mousa, Mousa, Aljshamee and Nasir (2021) looked at e-banking in developing economy: empirical evidence from Nigeria using 750 respondents. He concluded that most bank customers agreed that convenience, speed of operation, and lower transaction cost account for significant reasons why customers adopt mobile banking.

These arguments gave rise to the following hypothesis

HO₁: Internet banking does not significantly related with customer services in selected DMBs in Gombe metropolis.

HO₂: Internet banking does not significantly relate with services integrity in selected DMBs in Gombe metropolis.

3.0 Methodology

The cross-sectional survey approach was used to collect data for the study. The study's population consisted of all employees from four different Deposit Money Banks, or DMBs, namely Access Bank, Unity Bank, Union Bank, and Stanbic Bank. The overall population was made up of 137 workers acquired from the Human Resources Departments of various DMBs. The sample size for a given population was determined using the Krejcie and Morgan (1970) table. The table calculated a sample size of 94. Data analysis and hypothesis testing were carried out using descriptive statistics and Spearman's rank correlation.. The simple random sampling technique will be applied in this study as the sample procedure. With the help of the SPSS Package version 23, descriptive statistics and Spearman's rank correlation were employed for data analysis and hypothesis testing.

4.0 Data Analysis and Results

4.1 Bivariate Analysis

The hypothesis test included the bivariate hypotheses Ho₁ and Ho₂, which were all expressed in the null form. To conduct the analysis, we used the Spearman Rank (rho) statistic. The 0.05 significance level is used as a threshold for the probability of either accepting or rejecting the null hypotheses at (p>0.05).

Table 1: Correlation Matrix showing Relationship between Internet Banking and Customer Retention

			Internet Banking	Customer Services	Services Integrity
Spearman's rho	Internet Banking	Correlation Coefficient	1.000	.778**	.755**
		Sig. (2-tailed)	.	.000	.000
		N	81	81	81
	Customer Services	Correlation Coefficient	.778**	1.000	.730**
		Sig. (2-tailed)	.000	.	.000
		N	81	81	81
	Services Integrity	Correlation Coefficient	.755**	.730**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	81	81	81

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

Source: Research Data, 2022 (SPSS output, version 23.0)

The table above illustrates the test for the two previously postulated bivariate hypothetical statements.

HO₁: Internet banking does not significantly related with customer services in selected DMBs in Gombe metropolis.

The correlation coefficient 0.778 shows that there is a strong and positive relationship between internet banking and customer services. The p value 0.000<0.05 indicates that the relationship is significant.

Therefore, the null hypothesis is hereby rejected and the alternate upheld. Thus, Internet banking significantly related with customer services in selected DMBs in Gombe metropolis.

HO₂: Internet banking does not significantly relate with services integrity in selected DMBs in Gombe metropolis.

The correlation coefficient 0.755 shows that there is a positive relationship between internet banking and services integrity. The p value $0.000 < 0.05$ indicates that the relationship is positive but weak. Therefore, the null hypothesis is hereby rejected and the alternate upheld. Thus, internet banking significantly relate with services integrity in selected DMBs in Gombe metropolis.

4.2 Discussion of Findings

Using the Spearman's rank order correlation tool and a 95% confidence interval, the data demonstrated a strong and positive significant relationship internet banking and customer retention. This study's findings indicated that internet banking had a significant relationship with the measures of customer retention (customer service and service integrity). This finding was backed by Barclay, Donalds and Osei-Bryson (2018), study of internet banking consumers, that women regarded privacy protection and ethical standards more seriously than did men; hence their patronage of e-banking services more than men. This was however contrary to the findings reported in Schehl, Leukel and Sugumaran, (2019) indicated that women were less likely to conduct their banking activities online. This was however supported by the studies of Barclay, Donalds and Osei-Bryson (2018), where they found that males engage in online banking than female. Mani and Chouk, (2018) in a study found that users with higher education are more tolerant toward web usage and easier to satisfy compared to users with lower education levels.

Aboobucke and Bao (2018) in a study titled an empirical assessment of the relationship between service quality and customer satisfaction in fashion house in Bangladesh, concluded that responsiveness (employee empathy) is not significantly correlated with customer satisfaction. This is just as (Aboobucke & Bao, 2018) asserted that incomprehensiveness, difficulty of use, non-interaction between the customer and bank employees made some customer to be skeptical about using internet banking. Rahi, Ghani and Ngah, (2019) concluded that reliability of the technology that supports internet banking is very crucial determinant of consumers' trust. Measurement variables in this regard service reliability, customer sensitivity, personalized service, and prompt response to customer complaints include varieties of service, accuracy of operation, reliability, and availability of network.

Kumra, Mittal and Gunupudi (2019) showed a positive effect on users' attitudes on usefulness and users' attitudes toward online banking. The website design influences customers' perceptions of the service provider and customers' behavioural intentions (Kavitha & Gopinath, 2021). Khatoon, Zhengliang and Hussain, (2020) in a study titled re-examining traditional service quality in an e-banking area asserted that reliability of the banking service also holds a high expectation from customers. This is in contrast to the findings of Othman, Harun, Rashid and Ali (2019) in a study titled service quality delivery and its impact on customer satisfaction in the banking sector in Malaysia. Results showed that reliability does not have any significant impact on customer satisfaction. Consumers' concerns about security, which arise from the use of an open public network, have been emphasized as being the most important factor inhibiting the adoption and use of internet banking (Lewis, 2019). In USA, Mazurek and Małagocka (2019), which conducted a survey focusing on banks concluded that 67 percent of US banks feel that "security concerns" is the major barriers for Internet banking. The same results obtained

from the study of Chungu, (2019), reveals that security concern among customers was the top-ranking obstacle for non-adoption of Internet banking in Latin America. The above is purely in line with the proposition of this study that security concerns will have effect on customer satisfaction.

Shetty and Panda, (2021) his study of the state of e-Banking implementation in Nigeria: A post-consolidation review using 369 questionnaires deduced that ATM is the most widely used of all e-banking service channels and that organizational reputation, reliability and trustworthiness are customers' preference for patronizing a bank or its services. Festus, Kazeem and Ayodeji, (2020) in a study titled Information and Communication Technology (ICT) and Nigerian Bank Reforms: Analysis of anticipated impacts in selected Banks using 152 questionnaires concluded that age, and educational qualification had influence on the intensity of ICT use in banks and that its use in the banks impacts positively on the speed of operations and service delivery. Akinola and Odesola, (2018) in a study titled electronic banking services and customer satisfaction in the Nigerian Banking Sector used 391 questionnaires to elicit information from respondents. He concluded that customer satisfaction in banking industry has a positive relationship with banks' electronic banking services.

5.0 Conclusion and Recommendations

Based on the foregoing study findings, it was evident that the level of adoption of electronic banking was high especially on the use of automatic teller technology and mobile banking. However, internet banking was given least attention yet it was the most cost-effective strategy in electronic banking. Overall, internet banking had a statistically significant effect on customer retention in commercial Banks.

Based on the discussion and conclusion above, the following recommendations are hereby made:

- i. The Management should ensure that the customers' level of satisfaction is taken care of with internet banking. This would enable customers to have adequate access to the banking system as ease.
- ii. Employees should be encouraged to have a good communication skill both on and off the net. This services can ensure free discourse and consultation with the customer on finding solution to any challenge faced by either parties.

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Interest Rates Policy and Investment Behaviour in Nigeria: A Dummy Variable Regression Approach

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Abstract

Nigeria embarked on interest rate deregulation in August, 1987 in order to increase savings and investment through an increase in interest rate. There is no consensus among economists on the relationship between gross domestic investment (GDI) and interest rate in economic literature. The results of previous studies on the impact of interest rate deregulation on GDI in Nigeria are mixed. The error correction model, ordinary least squares regression and vector autoregressive models that were used in previous studies to evaluate the impact of interest rate deregulation on GDI in Nigeria are not appropriate for an impact study. The main objective of this paper is to determine the impact of interest rate deregulation on GDI in Nigeria from 1970-2020 using a dummy variable regression technique. The result of the investigation indicates that interest rate deregulation has a significant positive impact on GDI in Nigeria. The interest rate deregulation led to an increase in interest rate and an increase in interest rate has a positive effect on the volume of investment in Nigeria. The interest rate deregulation should be sustained in order to increase investment in Nigeria.

Key words: *Interest Rate Deregulation, Investment, Dummy Variable Regression Model, Nigeria*

JEL Classification: C01, E22, E43

1.0 Introduction

In classical view, investment is negatively related with interest rate. On the other hand, McKinnon (1973) and Shaw (1973) believe that investment is positively related with interest rate. Keynes (1936) believes that investment is mainly determined by profit rather than interest rate. So, there is no consensus among economists on the relationship between investment and interest rate in economic literature.

The low levels of absolute savings as well as growth rate of savings, made Nigeria to switch from a fixed interest rate policy to a flexible interest rate policy in August, 1987. The objective was to increase savings for investment through an increase in interest rate as the low level of nominal interest rate from 1970 to 1986 has discouraged savings and constrained investment. The deregulation of interest rate led to an increase in interest rate. The lending interest rate ranges from 6.00 percent to 10.24 percent in 1970 to 1986 and the lending interest rate ranges from 13.64 percent to 31.65 percent in 1987 to 2020 (The World Bank: The World Tables, 2020). The gross domestic investment (GDI) is higher in the period of flexible interest rate policy than in the period of fixed interest rate policy. The GDI ranges from 8.80E+8 naira to 1.28E+11 naira in 1970 to 1986 and GDI ranges from 2.18E+11 naira to 4.53E+13 naira in 1987 to 2020 (National Accounts Statistics, 1986 and The World Bank: The World Tables, 2020). The data in

Nigeria imminently support McKinnon (1973) and Shaw (1973) thesis. The GDI increases as interest rate increases. Surprisingly, the results of the previous studies on the impact of interest rate deregulation on GDI in Nigeria are not in support of McKinnon (1973) and Shaw (1973) thesis. This study is motivated because the results of the previous studies in Nigeria are not in tandem with evidence.

The results of the previous studies on the impact of interest rate deregulation on GDI in Nigeria are mixed. For example, using ordinary least squares (OLS) regression model, Onwumere, Okore and Imo (2012) and Chuba (2005) found that interest rate liberalization had a negative impact on investment in Nigeria in line with the classical view. Utilizing error correction model (ECM) and vector autoregressive (VAR) model, Hitlar (2015) found that there is no differential impact of interest rate on investment in Nigeria during the pre and post-liberalization regimes and this finding is in support of the Keynesian view. Although the error correction model (ECM), ordinary least squares (OLS) regression and vector autoregressive (VAR) models are useful in determining the cause and effect relationships among variables, they are not appropriate for an impact study.

In view of the above statement of the problem, this study is guided by the following research question. What is the impact of interest rate deregulation on GDI in Nigeria? The main objective of this paper is to determine the impact of interest rate deregulation on GDI in Nigeria. The hypothesis to be tested in this study is that the parameters of the dummy variable regression model are stable for the entire data set, i.e. interest rate deregulation has no impact on GDI in Nigeria.

This study is significant because of the followings reasons. It reveals that the switch from a fixed interest rate policy to a flexible interest rate policy leads to an increase in interest rate and the increase in interest rate has a significant positive impact on GDI in Nigeria. It confirms the McKinnon (1973) and Shaw (1973) proposition that an increase in interest rate has a positive effect on the volume of investment in financially repressed economies. It suggests that interest rate deregulation should be sustained in order to increase GDI in Nigeria. This paper consists of five sections. The next section is literature review. Section 3 presents the methodology. The results are discussed in section 4 and section 5 is the conclusion and recommendations.

2.0 Literature Review

In the classical view, the demand for credit results from the desire by business to borrow for investment purposes. The demand schedule has a familiar negative slope which indicates that investment spending will increase when the interest rate declines and decrease when the interest rate rises. This is because the interest rate is the price businesses pay to obtain credit. When the price is lower, businesses will demand more credit for investment; when the price is higher, they will, demand less credit for investment (Amacher and Ulbrich, 1986: 159-160).

McKinnon (1973) and Shaw (1973) state that an increase in real interest rates has a positive effect on the volume and on the quality of investment in financially repressed economies. The former effect is seen because self-finance is important and investment is lumpy. Then, the economic agents must accumulate resources before any investment project is executed. An increase in real interest rates thus stimulates both total and financial savings and, consequently, investment. The latter effect, improvement in the quality of investment, occurs because a higher interest rate will rule out investment projects with low productivity. At the same time, higher rates move resources from less efficient (e.g. goods facing some depreciation) to more efficient forms of accumulation (e.g. bank deposits with a more favorable return) [Lugo, 2003].

Looking at business investment decisions, Keynes concluded that the interest rate was only one factor to be considered. He argued that investment spending would take place only if business decision makers could expect to make a profit. While the cost of financing-the interest rate-was an important consideration in the business decision to invest, it was not the only consideration. Based on their expectations of the rate of profit for a given investment project, businesses would often borrow when interest rates were high and refuse to borrow when interest rates were low. Final demand, the existing capital stock, and the availability of new technology all play a role (Amacher and Ulbrich, 1986).

There are many studies on the impact of interest rate on savings, investment and economic growth in many countries of the world. Romero-Ávila (2009) investigated whether the liberalization of capital controls and interest rates restrictions affected economic growth in EU-15 countries. The results of the investigation revealed that the growth effects of interest rate liberalization are 0.3% per year in EU-15 countries. Warman and Thirlwall (1994) evaluated the effects of real interest rates on saving, investment and growth. They use data from Mexico for the period 1960 to 90 to quantify the level effects of low and high interest rates on private investment. They found that the coefficients for interest rates and for the term measuring nonlinearity are very low and statistically insignificant. When a linear relationship is assumed, the real interest rate has an important negative and statistically significant effect on private investment.

Majed and Ahmed (2010) investigated the impact of interest rate liberalization on investment in Jordan from 1990 to 2005 using econometric approach. They found that interest rate liberalization had a negative impact on investment. An increase in interest rate by 1% reduced investment by 44% in Jordan during the period under investigation. Fry (1979) investigated the cost of financial repression in Turkey and found a significant positive relationship between real interest rates and the incremental capital-output ratio. A similar result was obtained in a pooled time-series study of 11 Asian developing countries by the Asian Development Bank (1985). Similarly, Robert and Ross (1992) found that countries with severely depressed interest rates tend to have low investment rates and low efficiency of investment measures.

Seck and El Nil (1993) investigated the relationships implied in the McKinnon-Shaw thesis for a sample of African countries. Using pooled cross-section and time-series data for 30 countries, the following results were obtained: i) the real deposit rate has a positive and significant impact on economic growth; ii) foreign savings and domestic financial savings both have a strong positive impact on investment; iii) interest rates have a negative impact on investment; and iv) the deposit rate positively influenced financial savings.

Chuba (2005) examined interest rates policy and investment behaviour in Nigeria from 1973 to 2002 using ordinary least squares (OLS) regression model. He found that interest rate liberalization had insignificant negative impact on GDI in Nigeria. Eregha (2010) examined variations in interest rate and investment determination in Nigeria from 1970 to 2002 using OLS technique. The result of the investigation showed that interest rate is negatively related to investment. Onwumere, Okore and Imo (2012) determined the impact of interest rate liberalization on savings and investment in Nigeria from 1976 to 1999 employing OLS regression model. They found that interest rate liberalization had a significant negative impact on investment in Nigeria. Davis and Emerenini (2015) investigated the impact of interest rate on GDI in Nigeria from 1986 to 2012 using OLS regression model. They found that prime lending rate had a negative relationship with GDI. Hitlar (2015) evaluated the impact of interest rate liberalization on investment in Nigeria from 1970 to 2012 using error correction model

(ECM) and vector autoregressive (VAR) model. He found that there is no differential impact of interest rate on investment in Nigeria during the pre and post-liberalization regimes.

The data in Nigeria imminently support McKinnon (1973) and Shaw (1973) thesis. Surprisingly, the results of the previous studies on the impact of interest rate deregulation on GDI in Nigeria are not in support of McKinnon (1973) and Shaw (1973) thesis. The results of the previous studies on the impact of interest rate deregulation on GDI in Nigeria are mixed. For example, using ordinary least squares (OLS) regression model, Onwumere, Okore and Imo (2012) and Chuba (2005) found that interest rate liberalization had a negative impact on investment in Nigeria in line with the classical view. Utilizing error correction model (ECM) and vector autoregressive (VAR) model, Hitlar (2015) found that there is no differential impact of interest rate on investment in Nigeria during the pre and post-liberalization regimes and this finding is in support of the Keynesian view. Although the error correction model (ECM), ordinary least squares (OLS) regression and vector autoregressive (VAR) models are useful in determining the cause-and-effect relationships among variables, they are not appropriate for an impact study.

3.0 Methodology

3.1 Theoretical Framework of the Study

The theoretical framework of the study is the acceleration principle and the theory of high interest rate policy that was popularized by McKinnon (1973) and Shaw (1973). According to the law of acceleration principle, society's needed stock of capital, whether inventory or equipment, depends primarily upon the level of income or production. Addition to the stock of capital, or what we customarily call net investment, will take place only when income is growing. If business sales go up and down, the acceleration principle can intensify their fluctuation. It induces net investment on the upswing, but causes about the same amount of net disinvestment on the downswing (Samuelson, No Date: P.246-247). McKinnon and Shaw argue that, in countries characterized by "financial repression", raising nominal interest rates relative to inflation would increase savings and the supply of investable resources in an economy.

3.2 Model Specification

Based on the theoretical framework of the study, the two variables that are closely related to GDI are gross domestic product (GDP) and lending interest rate. This study uses a dummy variable regression technique to determine the impact of interest rate deregulation on GDI in Nigeria. The dummy variable is used for a test of stability of the estimated parameters in a regression equation. The equation (1) below includes both a dummy variable for the intercept and a multiplicative dummy variable for the lending interest rate. The intercept and the partial slope are allowed to vary, implying different underlying structures for the two conditions (0 and 1) associated with the dummy variable. In essence, two different equations are being estimated from the coefficients of a single equation. The dummy variable regression equation is specified as follows:

$$\text{LogGDI} = \beta_0 + \beta_1\text{DUM} + \beta_2\text{LIR} + \beta_3\text{LogGDP} + \beta_4(\text{DUM}*\text{LIR}) + U_t \quad (1)$$

Where GDI is gross domestic investment, DUM is dummy variable, LIR is lending interest rate, GDP is gross domestic product, U_t is error term, β_0 is intercept, β_1 is differential intercept and β_4 is differential slope coefficient (slope drifter). The lending interest rate and GDP are expected to have a positive relationship with GDI. The effect of a dummy variable on GDI may be negative, zero or positive.

The differential intercept indicates how much the intercept of the second period's GDI function (the category that receives the dummy value of 1) differs from that of the first period. The differential slope

coefficient indicates how much the slope coefficient of the second period's GDI function (the category that receives the dummy value of 1) differs from that of the first period. Dummy variable = 0 for observations in 1970-1986 and dummy variable =1 for observations in 1987-2020. While 1 indicates the presence of interest rate deregulation, 0 indicates the absence of interest rate deregulation.

The F-statistic is interpreted following these decisions: the null hypothesis that the parameters are stable for the entire data set are rejected if F-calculated is greater than the F-tabulated, and a conclusion that there is evidence of structural instability is drawn and vice versa. The interpretation of the F-statistic is based on the following assumptions:

$$V_1 = K-1 \quad (2)$$

$$V_2 = N-K \quad (3)$$

Where V_1 is degree of freedom for numerator, V_2 is degree of freedom for denominator, K is number of parameters and N is number of observations.

3.3 Model Estimation Method

The results of descriptive statistics are estimated in order to identify the variables that need to be transformed to logarithms. The time series properties of the data are analyzed using Augmented Dickey-Fuller (ADF) unit root test of Dickey and Fuller (1979). Test of cointegration is carried out using the Johansen (1988) maximum likelihood procedure. The dummy variable regression equation is estimated in order to determine the impact of interest rate deregulation on GDI in Nigeria. The Breusch-Godfrey serial correlation LM test, Cusum test and histogram-normality test are used for autocorrelation, stability and normality tests respectively. The data are analyzed using e-view 9.

3.4 Sources and Description of Data

The empirical analysis is conducted using annual data. The time span covered is 1970 to 2020. The data of lending interest rate and GDP from 1970-2020 are obtained from The World Bank: The World Tables, 2020. The data of GDI at current prices from 1970-1980 are obtained from National Accounts Statistics: Analysis of Main Aggregates 1986, United Nations, New York, 1989. The data of gross fixed capital formation at local currency unit from 1981-2020 that are obtained from The World Bank: The World Tables 2020 are used as proxy of GDI from 1981-2020.

4.0 Results and Discussion

4.1 Pre-Estimation Tests

Table 1 presents the results of descriptive statistics. The Jarque-Bera statistics is a goodness-of-fit test of whether sample data have the skewness and kurtosis matching a normal distribution. The Jarque-Bera statistics is far from zero and the probabilities of Jarque-Bera statistics are less than 5 percent for GDI and GDP. These results show that GDI and GDP are not normally distributed. Taking the log of GDI and GDP would make the distribution of the transformed variables more symmetric (more normal). The Jarque-Bera statistics is close to zero and the probability of Jarque-Bera statistics is greater than 5 percent for LIR. This result shows that LIR is normally distributed and so unlogged data of LIR is used in model estimation.

Table 1: Results of Descriptive Statistics

Statistic	GDI	LIR	GDP
Mean	5.54E+12	15.31144	2.67E+13
Median	1.15E+12	16.79167	3.10E+12
Maximum	4.53E+13	31.65000	1.54E+14
Minimum	8.80E+08	6.000000	8.96E+09
Std. Dev.	9.43E+12	6.101887	4.29E+13
Skewness	2.569761	0.120962	1.619188
Kurtosis	10.01941	2.579919	4.435239
Jarque-Bera	160.8346	0.699148	26.66235
Probability	0.000000	0.704988	0.000002
Sum	2.83E+14	780.8835	1.36E+15
Sum Sq. Dev.	4.44E+27	1861.651	9.20E+28
Observations	51	51	51

Source: Author's Computation Using E-view 9.

The results of Augmented Dickey-Fuller (ADF) unit root test are presented in table 2. All the variables are non-stationary at levels because ADF test statistic is less than test critical values in absolute terms at 1 percent, 5 percent and 10 percent levels of significance and p-value of each variable is greater than 5 percent. All the variables are stationary at first differences because ADF test statistic is greater than test critical values in absolute terms at 1 percent, 5 percent and 10 percent levels of significance and p-value of each variable is less than 5 percent. The ADF test indicates that the variables are of same order of integration at 1 percent, 5 percent and 10 percent level of significance.

Table 2: Results of Augmented Dickey-Fuller Unit Root Test

Variables	Levels		First Differences		Order of Integration
	ADF- Statistic	Prob*	ADF- Statistic	Prob*	
GDI	-2.5606	0.2993	-5.3994	0.0002	I(1)
LIR	-1.866720	0.3449	-7.804587	0.0000	I(1)
GDP	-1.5707	0.7918	-8.3761	0.0000	(1)
DUM	-1.475127	0.5379	-7.000000	0.0000	(1)

Test critical values: 1% level -3.6156

5% level -2.9411

10% level -2.6091

*Mackinnon (1996) one sided p-values

Source: Author's Computation Using E-view 9.

The results of Johansen cointegration test are presented in table 3. The Trace statistic is greater than 5 percent Critical Value and p-value is less than 5 percent for none and at most 1 hypothesized numbers of co-integrating equations. The Trace test denotes rejection of none and at most 1 hypothesized numbers of co-integrating equations at 5 percent level. The Trace test indicates 2 co-integrating equations at the 5 percent level. The Max-Eigen statistic is less than 5 percent Critical Value and p-value is greater than 5 percent for all the hypothesized numbers of co-integrating equations. The Maximum Eigenvalue test denotes acceptance of all the hypothesized numbers of co-integrating equations at the 5 percent level.

The Max-eigenvalue test indicates no cointegration at the 5 percent level. The Trace test indicates that the variables are co-integrated or there is long-run equilibrium relationship among the variables.

Table 3: Results of Johansen Cointegration Test

Hypothesized No. of CE(s)		Trace			Maximum Eigenvalue		
Trace	Maximum Eigenvalue	Trace Statistic	0.05 Critical Value	Prob**	Max-Eigen Statistic	0.05 Critical Value	Prob*
None*	None	75.1615	69.8189	0.0176	26.9750	33.8769	0.2647
At most 1*	At most 1	48.1865	47.8561	0.0465	21.1333	27.5843	0.2682
At most 2	At most 2	27.0532	29.7971	0.1003	13.4509	21.1316	0.4116
At most 3	At most 3	13.6024	15.4947	0.0945	11.1463	14.2646	0.1470
At most 4	At most 4	2.4560	3.8415	0.1171	2.4560	3.8415	0.1171

*denotes rejection of the hypothesis at the 0.05 level

** Mackinnon- Haug- Michelis (1999) p-values

Source: Author's Computation Using E-view 9.

4.2 Dummy Variable Regression Results

Table 3 presents the dummy variable regression results of log GDI. The calculated F-statistic is 1044.215. The tabulated F-statistic is 2.6060 at 5 percent level of significance and at 4 and 46 degrees of freedom. The calculated F-statistic is greater than the tabulated F-statistic. Therefore, this study rejects the null hypothesis that the parameters are stable for the entire data set and concludes that there is an evidence of structural instability. In other words, the shift from interest rate regulation to interest rate deregulation leads to an increase in interest rate and the increase in interest rate has a positive impact on GDI in Nigeria.

The differential intercept is 3.9946 and its p-value is 0.0000. The differential slope coefficient is 0.4236 and its p-value is 0.0000. As these regression results show, both the differential intercept and differential slope coefficient are statistically significant, strongly suggesting that the lending interest rate-GDI regressions for the two time periods are different. This is a case of dissimilar regressions. These results show that the differences in the regressions for the two time periods are because of the differences in the intercept and slope terms.

The regression coefficient of lending interest rate is 0.4337 and its p-value is 0.0000. The regression coefficient of lending interest rate is positive and statistically significant. This result shows that the shift from interest rate regulation to interest rate deregulation leads to an increase in lending interest rate and the increase in lending interest rate has a significant positive impact on GDI in Nigeria. This result confirms the McKinnon (1973) and Shaw (1973) proposition that an increase in real interest rates has a positive effect on the volume and on the quality of investment in financially repressed economies. The results obtained in this study corroborate the results of previous studies by Fry (1979), Asian Development Bank (1985) and Robert and Ross (1992).

The regression coefficient of gross domestic product is 0.8452 and its p-value is 0.0000. This result shows that gross domestic product has a significant positive relationship with gross domestic investment in Nigeria. This result confirms the law of acceleration principle that society's needed stock of capital, whether inventory or equipment, depends primarily upon the level of income or production. The

coefficient of determination is 98.91 percent. This implies that 98.91 percent variation in gross domestic investment is explained by lending interest rate, gross domestic product and dummy variable; and 1.09 percent variation in gross domestic investment is explained by other factors outside the model. The F-statistic is 1044.215 and p-value of F-statistic is 0.0000 percent. The F-statistic, the overall test of goodness of fit of the regression is statistically significant. The results obtained in this study indicate that there is no omission of important explanatory variable and there is no misspecification of the mathematical form of the model.

Table 4: Dummy Variable Regression Results of Log(Gross Domestic Investment)

Variable	Coefficient	Std Error	t-Statistic	Prob.
C	-0.7981	0.7295	-1.0942	0.2796
DUM	3.9946	0.6803	5.8715	0.0000
LIR	0.4337	0.0640	6.7774	0.0000
LOG(GDP)	0.8452	0.0281	30.0678	0.0000
DUM*LIR	0.4236	0.0671	6.3178	0.0000

R-squared: 0.9891

F-statistic: 1044.215

Prob(F-statistic): 0.0000

Source: Author's Computation Using E-view 9.

4.3 Post-Estimation Tests

The results of Breusch-Godfrey serial correlation LM test are presented in table 5. The dummy variable regression model assumes that there is no autocorrelation among the error terms. The Breusch-Godfrey serial correlation LM test statistic is used to verify the assumption of no serial correlation, or no autocorrelation. In an application, if p-value of chi-square of Breusch-Godfrey serial correlation LM test is less than 5 percent, one can accept the hypothesis that there is no residual autocorrelations. The p-value of chi-square of Breusch-Godfrey serial correlation LM test is equal to 0 percent. This result shows that there is no autocorrelation among the error terms.

Table 5: Breusch-Godfrey Serial Correlation LM Test

F-statistic	18.4562	Prob. F(2,44)	0.0000
Obs*R-squared	23.2663	Prob. Chi-Square(2)	0.0000

Source: Author's Computation Using E-view 9

The Cusum test is used to verify whether the dummy variable regression model is stable. The dummy variable regression model is stable if the Cusum lies within 5 percent critical bound dotted red lines. As we can see in Figure 1, the Cusum lies within 5 percent critical bound dotted red lines. The Cusum test indicates that the dummy variable regression model is stable at 5 percent level of significance.

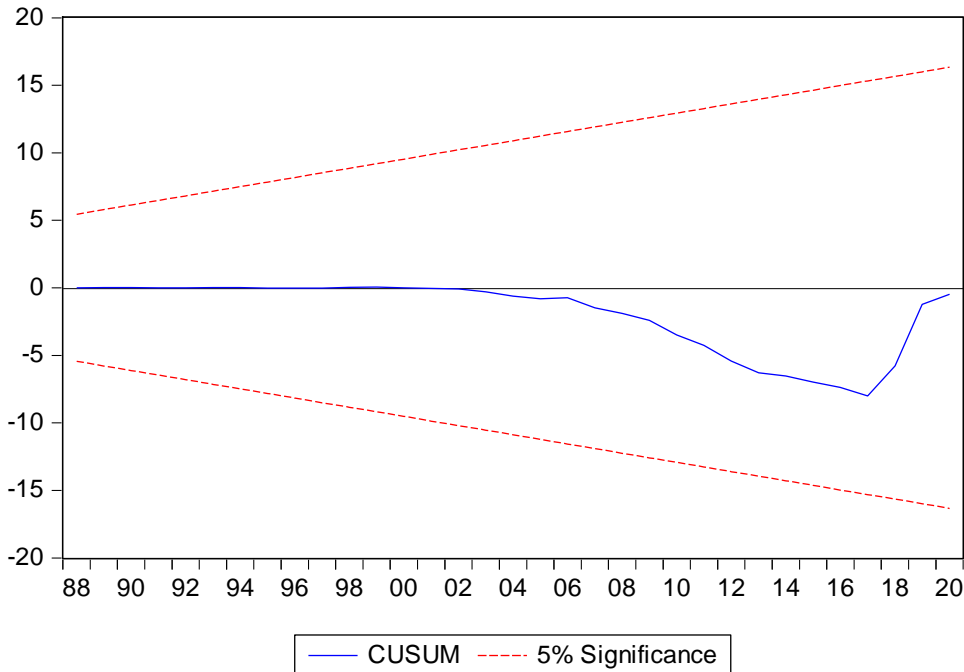


Figure 1: Cusum Test

Source: Author by E-view 9 Application

Figure 2 shows the results of histogram-normality test. Samples from a normal distribution have an expected skewness of 0 and a kurtosis of 3. The skewness is 0 approximately and the kurtosis is not quite different from 3. The Jarque-Bera statistics is a goodness-of-fit test of whether sample data have the skewness and kurtosis matching a normal distribution. The Jarque-Bera statistics is close to zero and the probability of Jarque-Bera statistic is greater than 5 percent. These results show that the estimated dummy variable regression model is normally distributed.

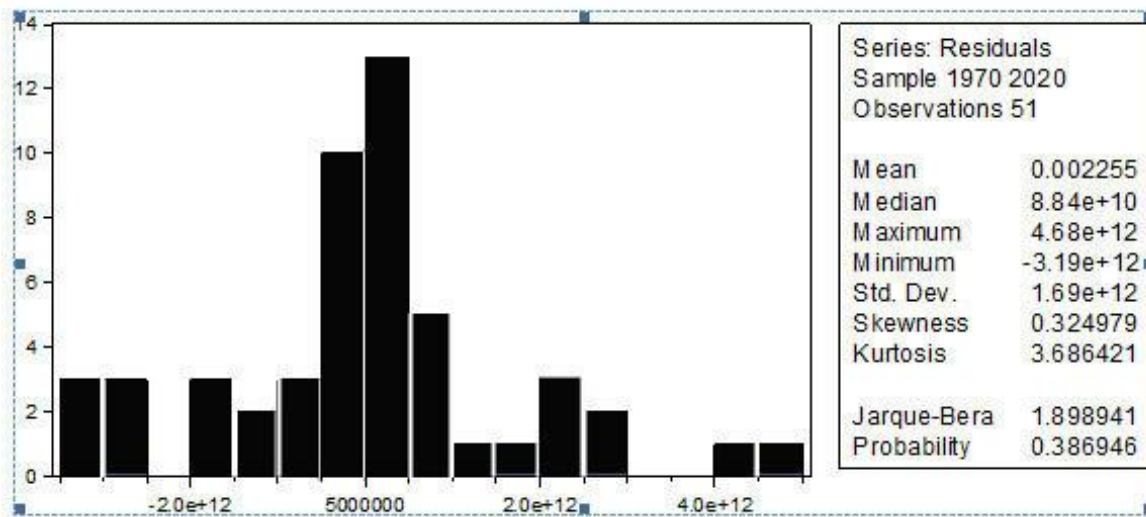


Figure 2: Histogram-Normality Test

Source: Author by E-view 9 Application

5.0 Conclusion and Recommendations

The switch from a fixed interest rate policy to a flexible interest rate policy leads to an increase in interest rate and the increase in interest rate has a positive effect on the volume of investment in Nigeria. This paper confirms the McKinnon (1973) and Shaw (1973) proposition that an increase in interest rate has a positive effect on the volume of investment in financially repressed economies. The target of economic policy should be interest rate because gross domestic investment will increase if interest rate increases in Nigeria. The interest rate deregulation should be sustained in order to increase interest rate and gross domestic investment in Nigeria.

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Public Reaction to Redesigning and Redistribution of Nigerian Currency by the Central Bank of Nigeria: Implications for National Security

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Abstract

The paper focuses on public reaction to Naira redesigning and redistribution by the Central Bank of Nigeria (CBN). The currency management in the country had faced several escalating challenges which threatened the integrity of the Naira, the CBN, and the country in general. The CBN was committed to safeguarding the integrity of the money, the efficiency of its supply, as well as its success in the conduct of monetary policy. The apex bank decided to redesign the ₦200, ₦500 and ₦1000. And the idea behind this policy is all about risk management. The present study aims at identifying the causes of Naira redesign and redistribution, the reaction of the general public to Naira redesign and the effect of Naira redesign and redistribution on the economy and national security. The study adopted a qualitative methodology. This involved in-depth interviews with 24 participants whose responses were coded into themes based on the objectives of the study. The study exposed that the causes of Naira redesign are to prevent counterfeit currencies, bring hoarded currency into the banking system, curb inflation, encourages cashless policy, render cash in the hands of insurgent and kidnappers unusable and prevent vote-buying during election. The study also revealed that the reaction of the general public to Naira redesign involve both positive and negative reactions. While the effect of Naira redesign and redistribution on the economy and national security are that huge amount of cash in circulation is outside the banking system, worsening shortage of clean and fit banknotes and increased risk to financial stability.

Key words: CBN, currency, Naira, redesign, redistribution.

1.0 Introduction

Nigeria's socioeconomic pressures driven by national instability, inflation and uncertainties require all hands to be on deck to address the most critical challenges that would enable the country exceed its own expectations. Fiscal and monetary authorities are leading the campaign (*Ejikonye, 2022*). The ability of the Central Bank of Nigeria (CBN) to initiate sound policies that positively impact Nigerians and support economic growth, such as the currency redesign policy, is due to its independence as enshrines by the law. The CBN is taking appropriate steps to make moderate and incremental progress in promoting the values of the Naira, deepen financial inclusion and discourage illegal hoarding of the Naira by individuals (*Edeh, 2022*).

The currency redesign and redistribution is a global best practice (*Aduloju, 2022*). Although, the law does not give a procedure for the Naira redesign. **Countries around the world** redesign and reissue their legal tender for several reasons. Chief among the motives is the prevention of counterfeit currencies. However, **the redesign of some denominations of Nigeria's currency is a crucial step towards bringing back large volumes of money circulating outside the banking system** and encourage a cashless economy (*Adegboyega, 2022*). The CBN Governor listed the benefits of the redesigned Naira notes to include but not limited to: improving security of banknotes, mitigating counterfeiting, preserve and promote rich cultural heritage, controlling currency in circulation, reducing the overall cost of currency management and enhanced greater durability and attractiveness of Naira notes (*Itsibor, 2022*).

Nigeria has altered its currency four times in the last 15 years. In 2009, the 5-Naira, 10-Naira and 50-Naira notes were converted from paper notes to polymer substrate following the success of the 20-Naira polymer banknote issued in 2007 to improve the durability of the currency. In 2010, the 50-Naira commemorative polymer banknote was issued to celebrate Nigeria's 50th independence anniversary. The last redesign was in 2014 when the 100-Naira commemorative banknote was issued in celebration of Nigeria's centenary celebration (**Ujah, 2022**). Holding cash is still very popular; in fact, it is not uncommon for traders within Nigeria to hold hundreds of millions of Naira in cash for their operations. A lot of people expressed their sentiment on the matter, however, the governor of the Central Bank of Nigeria maintained that the central bank has both operational and administrative independence to carry out the exercise (*Onwukwe, 2022*).

The central bank governor explained that the proposed redesigning of the currency was a sequel to the approval of President Muhammadu Buhari and that the circulation of the new banknotes commenced on December 15th, 2022 and the redesigned notes replaced notes currently in circulation by January 31st. 2023. Similarly, President Buhari explained that the decision of the CBN to redesign the banknotes had his support, saying he was convinced that the nation would gain a lot by doing so (*Ashike and Faminu, 2022*). Therefore, in view of the foregoing information, the paper will examine the public reaction to Naira redesigning and redistribution by the central bank of Nigeria and analyses the implication of this new policy to the economy and national security.

The amount of cash in circulation outside the banking system is very alarming. The currency in circulation has increased significantly, a worrisome trend that affect the credibility of the Naira, regulatory agency and the nation at large. With the new development, the CBN aims to take control of money supply by mopping up all cash from the economy, both within the vaults of commercial banks and in the hands of citizens. Therefore, redesigning the currency is one of the most efficient ways to achieve that. However, few murmurings and bickering have emanated from the general public and the economic analysts, since the news hit the airwaves.

The extents of these challenges necessitate the need to conduct an empirical study. For that reason, the study is necessary in order to fill the existing gap in knowledge needed in economic and social development planning.

Research Questions

- i. What are the causes of Naira redesign and redistribution in the country?
- ii. What is the reaction of the general public to Naira redesign and redistribution?
- iii. What is the effect of Naira redesign and redistribution on the economy and national security?

Objectives of the Study

- i. To identify the causes of Naira redesign and redistribution in the country
- ii. To examine the reaction of the general public to Naira redesign and redistribution
- iii. To discover the effect of Naira redesign and redistribution on the economy and national security

2.0 Methodology

The paper employed a qualitative research design as the suitable method in this study, because it requires people's knowledge, understandings, views, interpretations, experiences and interactions. The study was also made flexible in order to maximize the collection of intensive and high quality information for the success of the study.

The interview technique was adopted by the researcher to collect data from the participants. Therefore, in-depth interviews are considered to be the best to describe and understand the participants' views on Naira redesign and redistribution. This is in line with Braun and Clarke's (2016) assertion that the interview must be used to provide context and meaning. Their justification of the interview as a critical qualitative tool is pertinent to this study.

For this study, a semi structured face to face interview was conducted using an interview schedule provided by Sekaran (2010) in which the topic and questions are notified in advance before the actual interview sessions take place. The interview schedule was designed to encourage participants to contribute their own ideas and share their experiences with relevant information and by providing their own knowledge, information or views on the relevant issues. The keenly nature and specificity of responses provided the substance of the descriptions that contributed to the effective reaction of the general public to Naira redesign and redistribution in the country.

A sample of twenty four (24) participants, was chosen for the study. This sample was selected from the eight metropolitan local government areas of Kano state. These comprise of Fagge, Nassarawa, Tarauni, Dala, Gwale, Kano Municipal, Ungogo and Kumbotso local government areas. In each local government area, three (3) participants were interviewed; this gave a total of twenty four participants. The sample is comprised of adult male and females residing within the eight metropolitan local government areas. Therefore, purposive sampling was employed. The reason for the purposive selection was to provide the desired information by knowing the minds, opinions, attitudes and feelings of the participants. The justification for this choice was to explore information on the public reaction to Naira redesign and redistribution. Time and budget constraints did not allow for a larger sample size.

A face to face interviews were conducted with the participants. And the data collected was interpreted using the thematic analysis method. That is to say the interview responses were transcribed by a

researcher, and then followed by ordering, studying, coding and separating the transcripts into chunks. A researcher confirms the responses of the participants by re-listening to the audio record of the interview to validate and verify the responses. A researcher read the transcripts several times to gain a deep understanding of the information and record the current, relevant information as categories. The data with evidence of the categories were continually collected from the interview transcripts and sorted into concepts. Themes reflecting recurring patterns of the concepts emerged into codes. From the codes, the themes were generated and the data are interpreted by making comparisons between the findings and the literature. Therefore, the researcher organised and gather all the results into a descriptive form. By doing so, the researcher obtained the required data on the public reaction to Naira redesign and redistribution by the Central Bank of Nigeria.

Then, open ended questions were used during the intensive interviews. The duration of the interview was approximately 15 minutes per each participant. Thus, the total amount of time spent for interview purposes by all the participants amounted to approximately 6 hours, 30 minutes. Semi-structured interview format was adopted in this study. The participants were encouraged to express their thoughts freely on issues pertaining to their positive or negative reactions regarding Naira redesign and redistribution in the country. All the interviews were audio recorded (with permission) and then transcribed at the early stages of data collection. Notes were also taken during the interviews to capture participants' emotions such as nodding, laughter, smiles, frowns and other indicators which aided in the data analysis.

The researcher listened several times to the recorded interview data. The pre-scheduled personal interviews were conducted with the participants. The data was then reviewed and transcribed in a written form. At the same time, the data is organized by question to look across all participants and their answers to identify commonalities and differences.

3.0 Results

The results were presented and analysed on the data gathered from the interview of the participants. The views of the participants were examined and discussed as follows:

3.1 The Causes of Naira Redesign and Redistribution:

The themes that emerged explain the causes of Naira redesign and redistribution in the country through the interviews with the participants. The causes identified by the participants include preventing counterfeit currencies, bring hoarded currency into the banking system, curb inflation, encourages cashless policy, render cash in the hands of insurgent and kidnappers unusable and prevent vote-buying during election.

Among the causes of Naira redesign and redistribution, one of the participants mention preventing counterfeit currencies. Nigeria has a big challenge of counterfeit currency all over the country. Therefore, redesigning currencies will improve its security and prevent fake Naira by fortifying it with security features that make them difficult to counterfeit.

This followed by another participant who highlighted the causes of redesigning the currency. He added that:

Advancement in printing technology has massively aided counterfeiting of the Naira, but with the emergence of redesigned notes in circulation, it would strengthen the integrity of the currency, by rendering the counterfeits useless.

Similarly, another participant observed that the causes of Naira redesign and redistribution is to bring hoarded currency into the banking system. She added that there is too much money in circulation, chasing too few goods. She further maintained that:

Over 80% of the total amount in circulation, according to CBN is not within the range of the “Cash Management” system put in place in our monetary ecosystem.

In the same direction, one of the participants is of the opinion that the causes of Naira redesign and redistribution is to curb inflation. According to her once the money is returned to the CBN’s vault, through commercial banks, the “physical” measure would be most effective in controlling the rising prices of commodities in Nigeria. She added as follows:

One of the causes of inflation is that there is too much money in circulation and Naira redesign is the only solution to the problem.

Similarly, a participant mentioned that one of the causes of Naira redesign and redistribution is to encourage cashless policy. The policy, therefore encourages Nigerians to go electronic in their financial transactions. This is the CBN intention to drive the country into cashless economy with the redesigning of the currency, meant to help reduce the cost of (physical) cash management. He further stated that:

Redesigning the currency will help drive the much heralded cashless economy, and it would be complemented by the increased minting of the e-Naira.

In the same direction, another participant mentioned that the causes of Naira redesign and redistribution is to render cash in the hands of insurgents and kidnappers impracticable. He believed that the proposed redesign would have significant effects on efforts to tackle insecurity, as it would dislocate the ecosystem of financial transactions in the kingdom of kidnappers. Similarly, another participant has this to share,

This policy will ease the payment of ransom to the kidnappers, and terrorists in particular, as demanded by those social mischief-makers.

Likewise, a participant mentioned that one of the causes of Naira redesign and redistribution is to prevent vote-buying during election. He believed that redesigning Naira notes would help INEC to monitor campaign funding and restrict the incidence of vote buying which has become a menace to Nigeria’s electoral system. In the same direction, one of the participants confirmed that:

The endeavour of purchasing votes during the upcoming general election would become extremely difficult, if not impossible, with the redesign of the naira. Loads of money would have been placed in each of the politicians' residences in advance of the general election, as is common for those vote-buying politicians.

3.2 The reaction of the general public to Naira redesign and redistribution

Another theme that emerged from the participants’ explanation on the reaction of the general public to Naira redesign and redistribution involve both positive and negative reactions. The positive reaction comprises of a well-considered and timely response to the challenge of currency management, stabilize the country’s monetary policy environment and bring sanity to the currency management situation in Nigeria.

Therefore, one of the participants positively reacted to the Naira redesign by stating that it is a well-considered and timely response to the challenge of currency management and a welcome development in the country. He believed that:

The reason for redesigning the banknotes is based on the fact that currency management has faced several daunting challenges that have continued to grow in scale and sophistication with attendant and unintended consequences for the integrity of both the CBN and the country.

This followed by another participant who confirmed that the challenges of currency management are now addressed by the CBN. She further affirmed that:

Currency management in the country had faced several escalating challenges which endangered the integrity of the Naira and negatively impacted the country's monetary policy and security imperatives. Therefore, redesigning the currency attend to all these challenges.

Similarly, another participant reacted that Naira redesign will stabilize the country's monetary policy environment. The new banknotes would help the Central Bank design and implement better monetary policy objectives as well as enrich the collective memory of Nigeria's heritage. She further maintained that:

The CBN move helps with better design and implementation of monetary policy by having much more accurate data on money supply and monetary aggregates.

In the same direction, one of the participants reacted to Naira redesign by stating that it will bring sanity to the currency management situation in Nigeria. He claimed that:

It is heart-warming that the CBN has demonstrated courage in taking this bold decision, which will bring sanity to the currency management in the country.

However, the negative reactions to Naira redesign consist of people triggered unnecessary rush to exchange dollars, the government abandoned its responsibilities, the government make it difficult for the opposition parties to stock enough money for campaign, the government was interested in making people poorer and the currency redesign would increase inflation.

Therefore, one of the participants adversely reacted to the currency redesign by alleging that the policy triggered unnecessary rush to exchange dollars from the local Bureau de Change. Also, another participant reacted by saying that:

Redesigning the currency, necessitate the return of the old ones by holders to the bank in exchange for new ones. However, those citizens who are afraid of EFCC's investigations, exchange their money with Dollars to escape being monitored.

Similarly, one of the participants reacted to the currency redesign that government abandoned its responsibilities of protecting the lives and ensuring better living standards for the whole citizens. But, the government ended up introducing a policy that puts the entire citizens in hardship. He added that:

Some members of the public expressed anger that it is not the Federal Government priority for now, it had abandoned its responsibilities such as addressing insecurity, fuel scarcity, unemployment and food shortage. Instead, the government has put people through unnecessary hardship because it has a hidden motive for this sudden decision.

While, another participant reacted to the currency redesign that government makes it difficult for the opposition parties to stock enough money for the campaign. She further stated that All Progressives Congress (APC) - led government wants to stay in power beyond 2023 and is, therefore, making it difficult for the opposition parties to store enough money to fight back. This followed by another participant who was of the view that:

The Currency redesign by the government is not in good faith. He sees it as a ploy by the ruling All Progressives Congress (APC) to deny other politicians, on the platform of other parties, access to funds, to prosecute electioneering projects, considering how heavily monetised the country's electoral process is. According to him, it is now only the APC politicians, aided by the power of incumbency, who would have access to the physical cash to prosecute the election.

Similarly, a participant reacted to the currency redesign that government was only interested in making people poorer by giving people short notice to change their old Naira notes only through their bank accounts. Therefore, looking at this situation, the majority of citizens, particularly in the rural areas have no bank accounts. He added that:

The government was not interested in good governance, rather finding ways to make people poorer, the rich who have stored up wealth for themselves, may equally become poor, since all eyes are on those who make huge deposits of old notes in the banks.

In the same direction, the other participant reacted to the currency redesign, that it would increase inflation. She revealed that:

I am in doubt that the currency redesign would solve inflation, but, rather it would increase inflation. Even if the country wants to change currency, it should have given more time for people to either make a deposit or use the money to buy goods and keep.

3.3 The effect of Naira redesign and redistribution on the economy and national security:

The themes that emerged from the participants' explanations of the effects of Naira redesign and redistribution on the economy and national security. These comprise of huge amount of cash in circulation is outside the banking system, worsening shortage of clean and fit banknotes and increased risk to financial stability.

One of the participants observes that the effect of Naira redesign is that huge amount of cash in circulation is outside the banking system. She added that:

The Large amount of money is outside the custody of the commercial banks. People are in possession of too much cash. This definitely does harm to the economy than goods. It would deepen the inflationary pressure on Nigeria's currency.

Also, another participant discovered that the worsening shortage of clean and fit banknotes is another effect of Naira redesign and redistribution on the economy and national security. He maintained that:

People are in the habit of mishandling Naira notes. Some people tore the money, kept in an untidy place, put oil or chemical which makes the money

tattered. This condition led to the rejection of the money and its subsequent shortage in circulation.

In the same direction, one of the participants clarifies that increased risk to financial stability is another effect of Naira redesign and redistribution on the economy and national security. He further stated that the risk include aggressive spending of stacked money from the general public, pushing up the price of commodities and foreign exchange crises. Another participant added that:

The country is on the verge of financial instability. As a result of Naira redesign people could invest in real estate or even other asset classes which will push the prices up, especially if they do not want to put money in the banks.

Similarly, another participant insisted that Naira redesign led to the increased risk to financial stability in the sense that before the old currency is completely phased out, the FX crisis in the country will be worse. This would put more pressure on the Naira and affect the key sectors of the economy.

4.0 Implications for National Security

Nigeria has waited for this long time to deploy the instrument of finance against kidnappers, bandits, terrorists and their collaborators who do not wish good for the country. The proposed redesign would have significant effects on the efforts to tackle insecurity, as it would dislocate the ecosystem of financial transactions in the kingdom of kidnappers

Furthermore, there have been major busts of currency counterfeiting operations in the country. A simple analysis of Central Bank reveals many such busts all over the country. Perhaps a fair proportion of the N500 and N1000 in circulation are forged. There is the need for the central bank as a currency management regulator in a country to deal with corrupt people who hold cash in bulk in their soak ways or overhead tanks. The apex bank insisted that over 80% of the currency in circulation are outside the banking system and this circumstance led to inflation.

In the same direction, currency redesign and redistributions in the country should be sustained in order to render very difficult, if not impossible, the venture of vote-buying during the forthcoming general election. As it is customary of those vote-buying politicians, loads of cash would have been stacked in their various homes, in anticipation of the general election.

In addition to that, there is the need for the apex bank to put more emphasis on official Bureau de Change operators who traded foreign currency in their offices. It must ensure that foreign currency is exchanged with Naira at an official rate and black market operators who carried all their transactions openly and illegally on the street or under trees are controlled.

5.0 Conclusion and Recommendation

The Central Bank of Nigeria (CBN), has announced the design, production, and re-issuance of the local currency (N200, N500 and N1000 notes). The move to introduce newly designed notes became imperative following the abnormalities bedeviling Nigerian financial, monetary and security systems. The apex bank advanced several reasons as to why it is embarking on the exercise. It said, about 80% of the currency in circulation are outside the banking system – a factor that eases the payment of ransom to kidnappers and terrorists. Among other things, there was the need to safeguard the integrity of the Naira. In the same direction, the advancement in printing technology has massively aided counterfeiting of the

Naira, but that, once the redesigned notes are out, it would strengthen the integrity of the currency, by rendering the counterfeits useless. Similarly, the move will render very difficult, if not impossible, the venture of vote-buying during the forthcoming general election that is almost on us. As it is customary of those vote-buying politicians, loads of cash would have been stacked in their various homes, in anticipation of the general election.

Despite the mixed reaction by the public, the apex bank, believed that once the money is returned to the CBN's vault, through commercial banks, the "physical" measure would be most effective in controlling the rising prices of commodities in Nigeria and would help to drive the much heralded cashless economy.

The following recommendations have been put forward for the benefit of policy makers, stakeholders and change agents to in order to address the challenges:

- i. The CBN must maintain course with the redesigning of our currency
- ii. The new currencies should be polymers which are incredibly hard to forge and cannot be printed with existing printers with which currency forgers have mastered the art in Nigeria
- iii. The CBN should reorganize Bureau De Change (BDC) agents in the country to meet global standards by working hand in hand to consolidate them in order to control the volatility of Naira rates.
- iv. The CBN could also use this opportunity to power the e-Naira and its proposed domestic card. The e-Naira could enable Nigeria's currency to attain a level of compatibility which has been elusive for some time.
- v. The CBN should not release large amount of money in circulation, this may lead people changing their dollars back into Naira cash just to live their normal lives, thus strengthening the Naira. Scarcity of cash in circulation will also lead to better adoption of e-banking.

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SECTION TWO

THE ROLE OF PUBLIC ADMINISTRATION IN SUSTAINABLE TRANSFORMATION IN THE DIGITAL AGE

Self-Efficacy on Entrepreneurial Intention among University Graduates in Kwara State

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Abstract

*The impact of entrepreneurship in any country cannot be overemphasized especially to the economy of developing countries. Nigeria is no exception and as Kwara state is blessed with so many University graduates, their entrepreneurial intention is a vital mechanism in running the economy of the state. This study examines the influence of self-efficacy on entrepreneurial intention among university' graduates in Kwara State. The study was anchored on two (2) theories, Self-efficacy Theory, and Theory of Reasoned Action. The population of the study consists of all University' graduates living in Kwara State. The sample size was determined using Raosoft (2021) sample size calculator that amounted to 375-sample size. Descriptive and inferential statistics were employed to analyse the quantitative data. The findings revealed that there is a significant relationship between the personal attitude and entrepreneurial intention of university graduates at a 5% level of significance. Finally, correlation coefficients between each of the dimensions of personal attitude include; perceived educational support 01 ($r=0.285^{**}$ sig. at 1% level). This study concluded that most graduates preferred entrepreneurship as a career option to increase their income and the opportunity to recognize the business opportunities around them. The study, therefore, recommends that entrepreneurship training should be made compulsory at all levels of learning from primary schools to tertiary institutions. This will assist the students to change their minds about getting white-collar jobs compulsorily after graduation.*

Keywords: *self-efficacy; entrepreneurial intention; University Graduates; Kwara State.*

1.0 Introduction

The impact of entrepreneurship in any country cannot be overemphasized especially to the economy of developing countries. Kwara State, Nigeria is no exception and as a state blessed with so many University graduates, their entrepreneurial intention is a key cog in running the economy of the state. According to Faloye and Olatunji (2018), entrepreneurial intention is a process of creating something new with value, particularly responding to the opportunities available. In Kwara State, for instance, there are so many opportunities for University graduates with a good entrepreneurial background to explore. Programs such as entrepreneurial summit, poverty alleviation program has been instilled in the state to boost the entrepreneurial intention among youths and particularly fresh graduates. This has helped some youths to bring out the entrepreneurial skills in them yet, it is regarded as a necessary but not sufficient condition.

Although, the difference in individual self-efficacy could be a significant factor in entrepreneurial intentions among University graduates due to the different nature and disparity in behaviour between males and females. Meanwhile, self-efficacy could be denoted as to the belief about one's personality that is having control over individual thoughts, feeling and actions and could influence entrepreneurial intention among graduates. On the other hand, some research has not been able to provide empirical evidence about the impact of perceptual factors on the relationship between self-efficacy and entrepreneurial intention.

In this vein, the existence of non-conclusive empirical evidence is significantly more noteworthy when the analysis is focused on the entrepreneurial intention of men and women once they become entrepreneurs. While it is true that most previous research agrees that entrepreneurs report more entrepreneurial self-efficacy, more ability to recognize opportunities and less fear of failure than non-entrepreneurs (Wu & Wu, 2018; Urbano. & Aparicio, 2019). It is not less true that the role played by perceptual in explaining self-efficacy differences in the entrepreneurial intention reported by entrepreneurs has hardly been previously addressed (Teshome, 2021).

Previous studies have contributed to the limited and non-conclusive research that has analyzed the mediating role of perceptual factors on the relationship between self-efficacy and entrepreneurial intention (Solesvik & Gulbrandsen, 2018; Shahab, Chengang, Arbizu, & Haider, 2019). To this respect, the study provides interesting and robust findings, which could help to shed some light to this research. Second, and closely related to the first contribution, the goes a step further, since comparatively analyzes the impact of entrepreneurial self-efficacy on the entrepreneurial intention reported by non-entrepreneurs and entrepreneurs. Finally, the enrichment of the literature on self-efficacy because of differences in experiences and in their socialization processes which could result in that men and women differ in their intentions in relation to entrepreneurship. However, previous empirical research has not addressed the specific question of whether the experiences acquired by female entrepreneurs during their lives could result in that inherent differences in self-efficacy could be hindered or, at least, decreased.

In the same vein, previous studies indicate that the self-employment category of the labour market is the less preferred labour market amongst the highly qualified people in Nigeria. This indicates that more awareness is needed amongst students so that entrepreneurship can be considered viable employment. Unfortunately, only a few studies have been able to torchlight the self-efficacy that influence entrepreneurial intentions among youths but more also, none of these studies was able to consider the influence of self-efficacy on entrepreneurial intention especially in a graduate dominant state like Kwara.

Research Hypothesis

- H₀₁: Social persuasion has no significant effect on entrepreneurial intention of university graduates in Kwara State.
- H₀₂: Perceived educational support has no significant relationship with entrepreneurial intention of university graduates in Kwara State.

2.0 Literature Review

2.1 Entrepreneurial Intention

Entrepreneurial intention is the driving force which people utilize to create a new ground of business (Wu & Wu, 2018). The entrepreneurial intention is seen by the action of an individual's attitude toward the outcomes of that actions and individual's self-efficacy (Douglas & Fitzsimmon, 2019). Existing literature have suggested relationship between the entrepreneurial intention and the perceptions of desirability as well as the reaction toward the opportunities and the abilities to leverage on the available opportunities (Peterman & Kennedy, 2018). Entrepreneurial intentions are central to understanding the entrepreneurial process because they form the underpinnings of new organizations and are equally viewed as the first step in an evolving long-term process (Van Gelderen, Brand, Van Praag, Bodewes & Van Gils 2018). Behavioural intention results from attitudes and becomes an immediate determinant of behaviour (Zal, 2019). Entrepreneurial activity can be predicted more accurately by studying intention

rather than personality traits, demographic characteristics, or situational factors (Krueger, Really & Carsrud 2020).

2.2 Concept of Self-Efficacy

The concept of entrepreneurial self-efficacy is derived from Social Learning Theory. Self-efficacy is based on individuals' perception of their own skills and/or abilities and their competence to perform particular tasks, and it reflects a person's confidence in his/her own ability to succeed in such tasks (Bandura, 1989;). Burns, Martinelli and DeVille (2018) defined self-efficacy as how well one can execute courses of action required to deal with prospective situations. Psychologists have studied self-efficacy from several perspectives. Thus, the believe in innate abilities means valuing one's particular set of cognitive strengths. It also involves determination and perseverance to overcome obstacles that would interfere with utilizing those innate abilities to achieve goals (Carree & Thurik, 2020).

- i. **Social persuasion:** Social persuasion generally manifests as direct encouragement or discouragement from another person. Discouragement is generally more effective at decreasing a person's self-efficacy than encouragement is at increasing it.
- ii. **Physiological factors:** In stressful situations, people commonly exhibit signs of distress: shakes, aches and pains, fatigue, fear, nausea, etc. Perceptions of these responses in oneself can markedly alter self-efficacy. Getting butterflies in the stomach before public speaking will be interpreted by someone with low self-efficacy as a sign of inability, thus decreasing self-efficacy further, where high self-efficacy would lead to interpreting such physiological signs as normal and unrelated to ability. It is one's belief in the implications of physiological response that alters self-efficacy, rather than the physiological response itself (Waaktar, 2013).

Summarily, in an entrepreneurial context, self-efficacy can be defined as an individual's confidence in his or her ability to succeed in entrepreneurial roles and tasks (Otsupiu & Kabuoh, 2018). Entrepreneurial self-efficacy influences choices, aspirations, and effort, as well as perseverance when entrepreneurs face difficulties (Piotr, Anna, & Krfazystaf, 2016), and it plays an important role in the development of an intention to establish and manage a new venture (Ramoni, 2016).

2.3 Social capital and Entrepreneurial Intention

Capital emphasises that social capital, like human or financial capital, is productive: It enables us to create value, get things done, achieve our goals, fulfil our missions in life, and make our contributions to the world. But saying that social capital is productive is an understatement, in that, it is likely or could be said that no one can be successful or even survive without it. But many people believe they should be able to get along without social capital; they make the mistake of going it alone as the prescription for success while others pretend to thrive without social capital, using it secretly as if it were improper or even unethical.

2.4 Perceived Educational Support and Entrepreneurial Intention

To promote an enterprising society, entrepreneurship education may play three important functions. For starters, it might serve as a general advocate for the entrepreneurial attitude and innovation, as well as introduce kids to entrepreneurship as a feasible career option. Second, perceptions of educational assistance have been identified as a factor in entrepreneurial intent. Entrepreneurial education, according to a previous study, is an effective way of providing students with the required information about entrepreneurship (Fayolle, Linan & Moriano, 2018). Individuals' job choices are also influenced by entrepreneurship education (Franke & Luthje, 2017). The university must play a significant role in

developing entrepreneurship to thrive in today's competitive economic sector. According to a study done among Turkish university students, higher education has a beneficial influence on entrepreneurial ambition (Shinnar et al., 2019). They claim that entrepreneurship education is useful for gaining entrepreneurial expertise.

2.5 Conceptual Framework of the Study

This section discusses the conceptual framework of the study from independent variable of self-efficacy and dependent variable of entrepreneurial intention among University graduates in Ilorin metropolis. The figure 1 shows the direct relationship between personal attitude, vicarious experience, social persuasion and perceived educational support towards entrepreneurial intention.

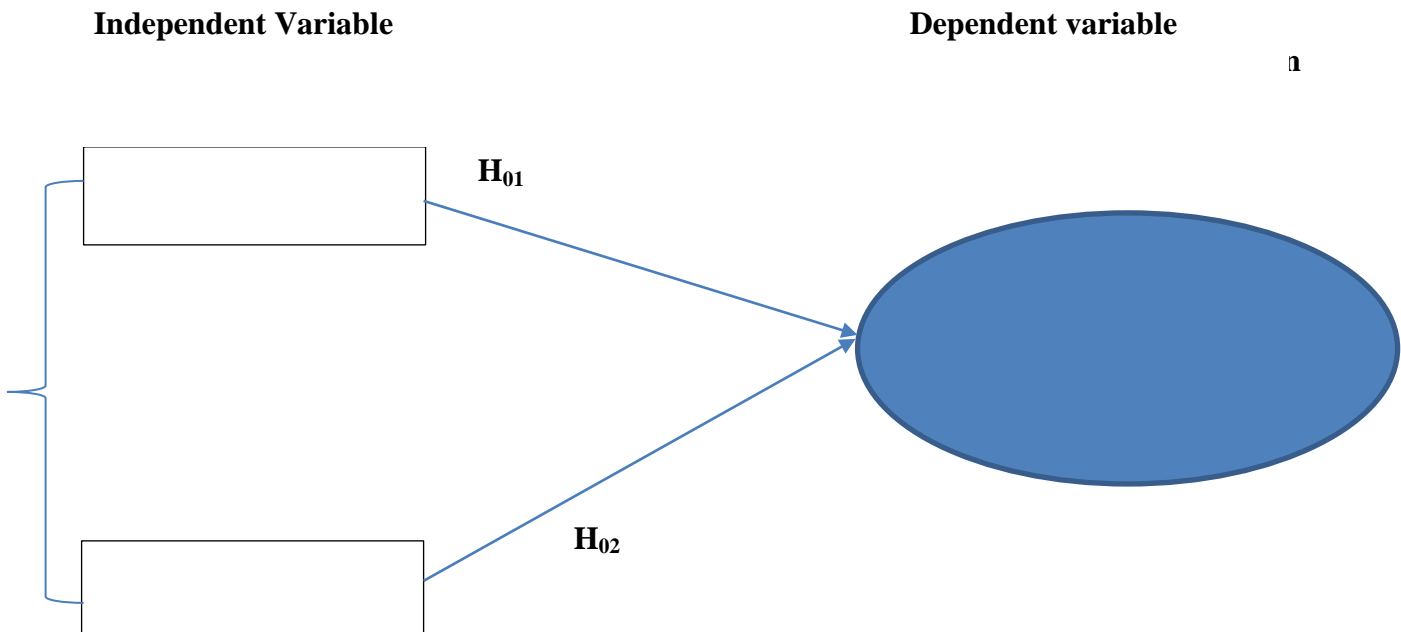


Figure 1: Conceptual Framework of the Study

Source: Author's Conceptualization (2021)

Figure 1 explained the conceptual framework of the study which was conceptualised on the independent variables of self-efficacy with dimensions from personal attitude, vicarious experience, social persuasion and perceived educational support. Also, the dependent variable of entrepreneurial intention among the University graduates in Kwara State.

2.6 Self-efficacy Theory

Self-efficacy which was originally proposed by Bandura (1977), refer to a person's beliefs concerning his or her ability to successfully perform a given task or behaviour, because self-efficacy expectations are behaviourally specific rather than general, the concept must have a behavioural referent to be meaningful. Self-efficacy beliefs also help determine how much effort people will expend on an activity, how long they will persevere when confronting obstacles and how resilient they will be in the face of unfavourable outcomes or situations.

This concept of self-efficacy expectations is particularly useful for both understanding and modifying career behaviour because it is embedded within Bandura's theory. Low efficacy expectations may be

accompanied by negative self-talk or anxiety responses, which interfere with focus on the task at hand and thus impair performance. Low self-efficacy may be, in effect, a self-fulfilling prophecy. Finally, the effects of self-efficacy on persistence are essential for long-term pursuit of one's goals in the face of obstacles, occasional failures and dissuading messages from the environment, for example, gender discrimination or harassment (Douglas, & Fitzsimmons, 2017).

2.7 Theoretical Framework

Researchers have used the theory of reasoned action (TRA) and theory planned behaviour TPB to study not only entrepreneurial intentions but other intentions as well. The two theories are closely related such that they are best described here together, rather than sequentially. The TRA was formulated towards the end of the 1960. this theory was developed from previous research that started out as the theory of attitude, which led to the study of attitude and behaviour. The theory was "born largely out of frustration with traditional attitude behaviour research, much of which found weak correlations between attitude measures and performance of volitional behaviours (Doğan, 2015).

At that, time psychologists were concluding that attitudes (at least in the form of one-dimensional phenomena) have very limited validity as predictors of future behaviour (Ajzen, 2002). As expressed in its final form, the TRA represented by green predictors) combines two sets of belief variables, described under the headings of 'behavioural attitudes' and 'the subjective norm'. TRA was designed to predict and explain human behaviour in specific contexts behaviours that were volitional in nature and excluded those behaviours that are nonvolitional (impulsive, habitual or cravings). Such behaviours were excluded because the performance of people might not be voluntary or because engaging in the behaviours might not involve a conscious decision on the part of the actor.

2.8 Empirical Review

Aponte et al. (2017) worked on cooperative entrepreneurship as correlated with commercial organization with a view to improving the operation of cooperative enterprises in Puerto Rico. The study adopted Global Entrepreneurship Conceptual Model that centres on interaction of an individual's perception of opportunity, capability and condition of environment or area of operation where the cooperative society is situated which may make or mar entrepreneurial activity in an environment. Data were obtained through National Expert Survey while Mann Whitney U. test, a non-parametric procedure was employed. This tool can be put to use when samples do not comply with normality assumption for the t-test. The instrument is also good for comparing two independent groups when variables are either continuous, or ordinal but not normally distributed.

Jinying and Pelagie (2014) in a study investigated the determinants of entrepreneurial intention among African students studying various disciplines in China base on the theory of planned behaviour. The entrepreneurial intention model was tested and its verified hypothesis and descriptive statistics was used for empirical analysis. The study was conducted through a survey on 148 students and the results revealed the Africa economic environment, gender and fields of study are main determinants of African students' entrepreneurial intention. These results revealed the importance of African students' training in the fields of economics and engineering sciences to develop their entrepreneurial spirit and the need for African governments to create a suitable economic environment to further stimulate the entrepreneurial spirit of these students when they return to Africa.

Ambad and Darmit (2016) identified the determinants of entrepreneurial intention among undergraduate students using the Theory of Planned Behaviour (TPB) as a theoretical framework of the study. The

independent variables of this study consisted of perceived educational support, perceived relational support, perceived structural support, personal attitude, and perceived behavioural control. The sample size of the study was 351 undergraduate students in one of the Public University in Malaysia. The results found that personal attitude, perceived behavioural control, and perceived relational support are the predictors to entrepreneurial intention.

Faloye and Olatunji (2018) investigated the determinants of entrepreneurial intention among business undergraduate students with a view to establishing the effect of education, social network, innovativeness and self-efficacy on entrepreneurial intention. The study was guided by Ajzen’s Theory of Planned Behaviour that views behavioural intent as an immediate determinant of planned behaviour. Explanatory research design was adopted and the study targeted 1,649 undergraduate business students drawn from Moi, Mount Kenya and Catholic universities in Uasin Gishu County. Stratified sampling was used to select a sample size of 321. The results indicated that innovativeness among students was highly and positively correlated to entrepreneurial intention at (r=0.650). Self-efficacy was the second characteristic among students to positively associated with entrepreneurial intention (r = 0.618), education had significant and positively correlated with entrepreneurial intention (r=0.564). Finally, social network showed a positive and significant relationship with entrepreneurial intention (r = 0.507).

3.0 Methodology

The study is exploratory with the view to clarify and define the nature of a problem. It also adopted a cross-sectional analysis that allows data from the population using survey method in gathering data and was considered appropriate as for the study. The adoption of survey method allows the use of primary sources of information and also allows the researcher to interact with the subjects on the field through an administration of questionnaire (Otokiti, 2011). The population of the study consists of all University graduates living in Ilorin metropolis. According National Bureau of Statistics (2020) the total population of University graduates in Kwara State is 14,789. This includes graduates from year 2017 - 2019.

Table 1 Study’s Population

S/N	Name of the University	No of graduates living in Ilorin metropolis between 2017 and 2020
1	University of Ilorin, Ilorin	6,916
2.	Kwara State University, Malete	5,560
3.	Al-Hikmah University, Ilorin	2,313
	Total	14,789

Source: NBS Report, 2020

The sample size was determined using Raosoft (2021) sample size calculator which amounted to 375 sample size (Raosoft, 2021). In terms of the number selected, the sample size (n) and margin of error E are given:

$$n = \frac{N^2}{(N-1) E^2 + x}$$

$$n = \frac{14,789^2}{(14,789-1) 0.052 + 14,789} = 375$$

Where N is the population size, r is the fraction of the responses that are interested in, and Z(c/100) is the critical value for the confidence level c. This sample size determination method is considered good because it premises that a sample of 375 respondents were selected at 95% confidence level. This was further apportioned to each university using proportionate affixation criterion.

Table 2 Sample Size Determination

S/N	Name of the University	No of graduates between 2017 and 2020	Sample size of each university
1	University of Ilorin, Ilorin	6,916	175
2.	Kwara State University, Malete	5,560	141
3.	Al-Hikmah University, Ilorin	2,313	59
	Total	14,789	375

Source: Author’s computation 2021

The study employed some research instruments such as a well-structured and close-ended questionnaire and interview for this study. The questionnaire was divided into three segments Section ‘A’ comprises the socio-economic characteristics of the respondents while Section ‘B’ contains the items on respondents’ views on entrepreneurial self-efficacy in relations to personal attitude, vicarious experience, social persuasion and perceived educational support. Section ‘C’ consists of items on entrepreneurial intention.

Descriptive and inferential statistics were employed to analyse the quantitative data. This is in conformity with the view of Yamusa and Adefila (2014), that descriptive statistics are used for measuring central tendency such as mean, mode, median, standard deviation, variance, frequency and percentage which help in summarising the socio-economic and demographic characteristics of the respondents. The inferential statistics was used for testing the hypotheses and deriving estimates or act of generalising from the sample to a population with calculated degree of certainty. In this study, four hypotheses were tested accordingly while on the other hand, thematic data analysis was used for the analysis of qualitative data.

4.0 Result and Discussion

4.1 Hypothesis 1

H₀₁: Social persuasion have no significance effect on entrepreneurial intention of university graduates in Kwara State.

Table 3 Model Summary^c

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.279 ^a	.078	.075	.970	
2	.346 ^b	.120	.114	.949	1.451

a. Predictors: (Constant), social persuasion

c. Dependent Variable: Being_an_entrepreneur

Source: Field Survey, 2021

The model summary as indicated in table 4.3.5 above shows that R Square is 0.078 this implies that 16% of variation in the dependent variable (being an entrepreneur) was explained by the constant variable (social persuasion) while the remaining 87% is due to other variables that are not included in the model. This means that the regression (model formulated) is useful for making predictions. Hence, social persuasion has the ability to determine entrepreneurial intention (being an entrepreneur) through self-efficacy at the rate of 78%.

Table 4. ANOVA^a on Self-Efficacy of Entrepreneurial Intention among University Graduates in Kwara State

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.161	1	25.161	26.766	.000 ^b
	Residual	297.053	316	.940		
	Total	322.214	317			
2	Regression	38.539	2	19.270	21.398	.000 ^c
	Residual	283.674	315	.901		
	Total	322.214	317			

a. Dependent Variable: Being_an_entrepreneur

b. Predictors: (Constant), social persuasion

Source: Field Survey, 2021

Table 4.3.3 summarizes the results of an analysis of variation in the dependent variable with large value of regression sum of squares (25.161) in comparison to the residual sum of squares with value of 297.053. This value indicated that the model does not fail to explain a lot of the variation in the dependent variables. However, the estimated F-value (26.766) is given in the table above with significance value of 0.000; which is less than p-value of 0.05 ($p < 0.05$) which means that the explanatory variable elements as a whole can jointly influence change in the dependent variable (c).

Table 5: Coefficients^a of Social Persuasion and Entrepreneurial Intention

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.923	.161		18.197	.000		
	Entrepreneurial intention 09	.218	.042	.279	5.174	.000	1.000	1.000
2	(Constant)	2.378	.211		11.249	.000		
	Entrepreneurial intention 10	.187	.042	.239	4.446	.000	.963	1.038

a. Dependent Variable: Being_an_entrepreneur

Source: Field Survey, 2021

The dependent variable as shown in Table 5 explains the influence of self-efficacy on entrepreneurial intention of university graduates in Kwara State. This was used as a yardstick to examine the influence between the two variables. According to the result in the table above, social persuasion -test coefficient is 2.923 and the P-value is 0.000 which is less than 0.05 (i.e. $P < 0.05$). From the above table Beta value for social persuasion is low (i.e. 27.9%), indicating a low impact on entrepreneurial intention (being an entrepreneur) through social persuasion, with p-value less than 0.05. This means that this variable is statistically significant at 5% significance level. Therefore, this implies that the null hypothesis is rejected while social persuasion have a significance effect on entrepreneurial intention of university graduates in Kwara State at a 5% significance level.

Hypothesis 2

H₀₂: Perceived educational support have no significance relationship with entrepreneurial intention of university graduates in Kwara State.

Table 6: Correlations between PES and Entrepreneurial Intention

		PES01	PES02	EI01	EI02
PES01	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	318			
PES02	Pearson Correlation	.285**	1		
	Sig. (2-tailed)	.000			
	N	318	318		
EI09	Pearson Correlation	.155**	.279**	1	
	Sig. (2-tailed)	.006	.000		
	N	318	318	318	
EI10	Pearson Correlation	.229**	.254**	.192**	1
	Sig. (2-tailed)	.000	.000	.001	
	N	318	318	318	318

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

Source: Field Survey, 2021

Table 4.3.1 showing the correlation coefficients between each of the dimensions of personal attitude which include; perceived educational support 01 (r=0.285** sig. at 1% level), perceived educational support 02 (r=0.155* sig. at 5% level), entrepreneurial intention 09 (r=0.279** sig. at 1% level), entrepreneurial intention 10 (r=0.254** sig. at 1% level), perceived educational support and entrepreneurial intention have all tested positive at 99% confidence level except for office spaces which tested positive at 95% confidence level. Thus, the relationship between Perceived educational support and entrepreneurial intention is modest in the overall test of significance. This indicates that the dimensions of the Perceived educational support are pronounced on entrepreneurial intention. Thus, this concluded by rejecting the null hypothesis and accepting the alternate that posited perceived educational support have a significance relationship with entrepreneurial intention of university graduates in Kwara State at a 5% level.

4.2 Discussion of Findings

The report from hypothesis indicates that R Square is 0.078 this implies that 16% of variation in the dependent variable (being an entrepreneur) was explained by the constant variable (social persuasion). However, the estimated F-value (26.766) is given in the table above with significance value of 0.000; which is less than p-value of 0.05 (p<0.05) which means that the explanatory variable elements as a whole can jointly influence change in the dependent variable (c). From the above table Beta value for social persuasion is low (i.e. 27.9%), indicating a low impact on entrepreneurial intention (being an entrepreneur) through social persuasion, with p-value less than 0.05. This means that social persuasion have a significance effect on entrepreneurial intention of university graduates in Kwara State at a 5% significance level. This also supported the view of Adamu (2019) in a study used factors such as entrepreneurship education, environmental factors and societal entrepreneurship attitude to explore the student’s entrepreneurial intention. And that of Nyadu and Mensah (2018) in a study investigated the relationship between students’ exposure to Entrepreneurship Education and their career entrepreneurial intentions in Ogun State-owned universities.

The final hypothesis revealed that the correlation coefficients between each of the dimensions of personal attitude which include; perceived educational support 01 ($r=0.285^{**}$ sig. at 1% level), perceived educational support 02 ($r=0.155^*$ sig. at 5% level), entrepreneurial intention 09 ($r=0.279^{**}$ sig. at 1% level), entrepreneurial intention 10 ($r=0.254^{**}$ sig. at 1% level). Thus, the relationship between Perceived educational support and entrepreneurial intention is modest in the overall test of significance. This indicates that the dimensions of the Perceived educational support are pronounced on entrepreneurial intention. perceived educational support have a significance relationship with entrepreneurial intention of university graduates in Kwara State at a 5% level of significance. This was in line with the opinion of Srivastava et al. (2017) conducted a study to find out the entrepreneurial intention of undergraduate Agricultural students in Ethiopia.

5.0 Conclusion and Recommendations

This study has discovered that most graduates believe that they are in the ability to develop new products and services that fulfil prospective customers' unmet needs by building an innovative environment, and cope with unexpected challenges and developing entrepreneurial intention. It was shown that most graduate preferred entrepreneurial as a career option to increase their personal income and the opportunity to recognize the business opportunities around them. In addition, result indicated that four dimensions of self-efficacy such as social persuasion and perceived educational support are positively related to entrepreneurial intention among graduates.

The role of entrepreneurial self-efficacy, personal attitude, vicarious experience, social persuasion and perceived educational support as contributing to entrepreneurial intentions of graduate students in Kwara state, Nigeria has been well established. The new model from this study is useful in explaining the causal relationship between the independent variables and entrepreneurial intention having the most effective causal effect followed by vicarious experience, entrepreneurial self-efficacy, personal attitude and social persuasion.

- i. The curriculum should be tailored towards learning the skills for starting businesses after graduation from school, thus changing the orientation of the students at an early stage towards entrepreneurship to avoid the vicarious experience by most graduates. For instance, some of the potent psychological factors in the study can be taught to the students to assist them develop their entrepreneurial intention.
- ii. Collaboration between those who are entrepreneurs and the tertiary institutions should be encouraged to increase the social persuasion among the graduates. This in turn will ensure that the entrepreneurs can have the opportunity of sharing their experiences and thus, contribute to the training of the students for self-employment.
- iii. There should be the financing and supporting of educational programmes by policymakers especially in the area of personnel to assist in the proper training of these graduates.

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Psychological Contract Breach, Organizational Justice and Job Performance of Academic Staff in Nigerian Universities: A Proposed Framework

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Abstract

Psychological contract breach, which represents instances when employers fail to fulfil their side of the employment bargain, has been associated with salient concepts in strategic human resources management such as employee's performance, employee's wellbeing, loyalty and commitment. This paper is motivated by the non-implementation of various agreements reached between the Federal Government of Nigeria (FGN) and the Academic Staff Union of Universities (ASUU) vis-à-vis the application of collective bargaining mechanism during negotiations which had resulted into incessant ASUU strikes over the years. The purpose of this paper is to develop a framework with a view to investigate both the direct and the mediating relationships involving organizational (procedural and interactional) justice, psychological contract breach, and employee's performance. Drawing from the positivists philosophy which employ deductive inquiry aims at testing hypotheses that reflect causal relationships between variables that are based on theories and empirical evidence, this paper adopts quantitative research approach with the view to assess the structural relationships among the three constructs: psychological contract, organization justice, and work performance. Partial Least Squares path modeling in conjunction with SmartPLS would be used to test the three formulated hypotheses based on social exchange theory. This proposed framework would therefore be used to guide the conduct of the actual study. The proposed framework will be empirically validated by distributing an adapted self-administered survey questionnaire among academic staff from three selected universities in the North-west Geo-political zone of Nigeria.

Keywords: *Psychological Contract, Organizational Justice, Job Performance, Academic Staff*

1.0 Introduction

Psychological contract breach, organizational justice and work performance are three distinct yet related areas of research that have attracted the attention of both academics and practitioners in organizational psychology and human resources management. Despite the abundant literature in this particular field no studies have explored the link between breach, justice and job performance of academic staff in one study. The contribution of this paper to the field is not only to focus on the relationship between breach and performance, but also to identify why and how justice represents a useful lens through which to better understand this relationship. Psychological contract theory and research has grown systemically (cf. Conway & Briner, 2005, Coyle-Shapiro & Conway, 2005; Rousseau, 1998).

In particular, research on psychological contract breach has burgeoned primarily in organizational psychology literature but also in HRM literature. Mcdermott et al. (2013, p. 291) argue that "psychological contracts aligned with strategy to translate HR systems into firm performance via their impact on employees' attitudes and behaviors". Sparrow (1998) has emphasized that psychological contract between organizations and their employees is HRM's responsibility. Additionally, Sonnenberg et al. (2011) found a positive influence of commitment of HRM practices leading to lower levels of perceived psychological contract violation for individual employees regardless of differences in characteristics. Breach and violation are often used interchangeably in the literature, however, Morrison and Robinson (1997) distinguish between the two notions. They claim that perceived breach refers to the

cognitive assessment based on an employee's perception that the organization fails to meet the obligations within the psychological contract in a manner corresponding to his/her contributions, whereas violation refers to the feelings of anger and betrayal experienced by an employee when s/he believes that the organization has failed to fulfil one or more of those obligations. In this paper, the focus is on psychological contract breach.

Breach is related to perceptions of unfairness and inequity (Rousseau, 1998). However, what is of relevance in this paper, is to study the relationship of psychological contract breach with organizational justice as a human resource practice and with job performance as an outcome. Chen (2010) found that organizational justice has a positive influence on psychological contract fulfilment, while Tekleab et al. (2005) reported indirect relationships between forms of justice and contract breach on organizational support. In addition, research on the relationship between breach and outcomes has long been on going, but few studies have investigated the relationship between breach and attitude to work as an outcome (e.g. Guest, 1987; Guest et al., 2010; Conway et al., 2011). According to Guest (1987), HRM focuses on the individual needs, amongst which employee attitude to work is crucial. Additionally, Bal et al. (2013) found that developmental HRM as applied universally to all employees relates to employee outcomes by rebalancing the psychological contract between the employee and organization from a transactional to a more relational contract that focuses more on employee well-being.

Research in this area is warranted, particularly as organizations continue to adopt strategic HR systems in favor of personnel administration. Furthermore, because of the influence of attitude in organizations, it is relevant to evaluate the impact that breach and fairness at work have on job performance. Against this background, this study therefore intends to explore the plausible pathways in the relationships between contract breach, organizational justice and job performance. Unravelling this black box is important for the Federal Government of Nigeria as the findings can provide them with a clue on how to maintain optimal employment relations in the university system, as well as to enhance the performance of the academic staff amidst the enormous pressures the Nigerian universities are currently facing.

This paper is motivated by the non-implementation of various agreements reached between the Federal Government of Nigeria (FGN) and the Academic Staff Union of Universities (ASUU) vis-à-vis the application of collective bargaining mechanism during negotiations which had resulted into incessant ASUU strikes over the years. It is imperative to note that in the year 2022, ASUU embarked on an 8 months strike to press for the implementation of the 2009 FG-ASUU agreement with respect to University autonomy vis-à-vis the rejection of the Integrated Payroll and Personnel Information System (IPPIS) payment platform among others but to no avail as government had refused to exempt ASUU from the payment platform, even though at the end of negotiations, it agreed to do so. The Government went ahead to withhold the 8 months' salaries of the striking academic staff by invoking the draconian "No Work No Pay" and the infamous Pro Rata policies. Of course, without missing words, it is obvious that the behaviour of government on this matter is tantamount to breach of psychological contract in collective bargaining.

As observed by Bello, Matthew, Isa and Kabir, (2016) collective bargaining consists of negotiations between an employer and a group of employees via a union to determine the condition of employment. The result of collective bargaining procedures is a collective agreement. Employees are often represented in collective bargaining by a union or other labour organizations. Gupta, Srivastava, and

Agrawal (2013) posit that collective bargaining is the performance of mutual obligation of the employer and representatives of the employees to meet at reasonable times and confer in good faith to negotiate wages, hours and terms of conditions of employment; it is also the negotiation of an agreement or any quest arising there under and the execution of a written contract incorporated in any agreement reached if requested by either party. However, such obligation does not compel either of the parties to agree to a proposal or require the making of a concession.

Sloane and Witney (2007) equally assert that in collective bargaining process, the negotiating teams are crucial; both the union and the management are to send a negotiating team each to the bargaining table and the teams usually go into the bargaining session having done their homework; and subsequently, the union representatives will canvass the opinions of union members of their desires, while the representatives of the employer will report to their principal and later, while armed with feedback, return to the round table for further meeting with their counterpart, being the union representatives, for onward negotiations until an agreement is reached.

To this end, as an implicit agreement between individuals and organizations, a psychological contract reflects employees' internal beliefs about whether the organization can meet their potential psychological needs (Robinson and Morrison, 2000). When employees feel the organization has failed to fulfill its commitments on collective bargaining by violating either a procedural or interactional justice psychological contract breach will be generated (Rousseau, 1998). Given that employees have higher psychological expectations on their organizations, they will have more negative attitudes toward job performance when they perceive that the organization has violated the principle of organizational justice in industrial relation which amounted to failure to fulfill its commitments as contract (Ahrari, et al., 2021).

Breach of psychological contract not only damages employees' physical and mental health (Liu et al., 2022), but also causes negative behaviors (Shore et al., 2006). For example, drawing from social exchange and role theory, Bulińska-Stangrecka, and Bagieńska (2021) found a positive correlation between breach of trust and depersonalization. Based on the job requirements-control model, Liu et al. (2022) proposed that violation of organizational justice by employer positively predicts the job burnout of employees. Taking the perspective of the job demand-resource theory, Bakker and de Vries (2021) found that breach of psychological contract could reduce employees' happiness and improve their turnover intention. Several studies have explored the direct relationship between psychological contract breach and job performance within a particular occupational group, such as teachers (Peng et al., 2020), nurses (Li et al., 2022), and drivers (Tu et al., 2021), but have all ignored the antecedent effect of the implicit variable of psychological contract breach such as organizational justice on employees' job performance.

Justice has been one of the most important areas of research and theory development in organizational psychology for over two decades (cf. Cropanzano and Greenberg, 1997). This body of research and theory development has also influenced researchers in human resources management, with the main aims being to investigate the role that people management plays in organizational justice (Edwards, 2009). Colquitt and Rodell (2011) state that "one likely reason for that increased attention is that justice perceptions [...] are consistent predictors of employee attitudes and behaviour" (p. 1183). This position has been substantiated by several meta-analyses (e.g. Cohen-Charash & Spector, 2001), which reveal that justice perceptions are associated to several important organizational outcomes including behaviour

(e.g. OCB) and attitudes (e.g. commitment). This study therefore represents a modest attempt toward filling this research fissure by developing a framework which integrates psychological contract breach, organizational justice and work performance in a single research model.

2.0 Literature Review

2.1 Conceptual Definition of Variables

2.1.1 Organizational Justice

The concept of organizational justice was introduced by Greenberg (1987) to explain the attitudes and behaviour of employee as reactions to organizational behaviour. Organizational justice theory (Colquitt et al., 2005) examines individuals' perceptions of fairness in their employment relationship. Within the parameters of organizational justice, people's perceptions of fairness are strongly related to fairness in collective bargaining, fairness in decision making, as well as how resources and rewards are allocated and distributed in a working context (Greenberg, 1987). Justice is broadly categorized into three (Colquitt, 2001), namely distributive justice (referring to the fairness associated with outcomes like rewards), procedural justice (referring to how people make sense of how rewards and resources are allocated) and interactional justice (referring to the degree of fairness associated with the interpersonal treatment experienced in the process of distributing resources and rewards).

This paper focuses primarily on procedural and interactional justice for two reasons: first, a lot of research interest in the psychological contract seems to flourish more in the context of the exchange beliefs and processes between parties rather than on outputs, which are associated to distributive justice (e.g. Rousseau, 2001; Rousseau and Schalk, 2000). For example, how people relate to their immediate superiors is possibly more indicative of the presence or lack of breach (Rousseau, 2011; Shore & Tetrick, 1994; Zagenczyk et al., 2009) and threshold models of breach seem to indicate that changes in the zone of acceptance, due to changes in the exchange relationship, are more likely to induce stronger levels of breach rather than merely what was received (Rigotti, 2009). Therefore, whereas distributive justice is about the fairness attached to specific outputs, this paper is more interested in the role of perceived justice as a mechanism regulating specific decisions and interactions, which may influence the onset of breach. Both procedural and interactional justices refer to people's cognitive and experiential evaluative processes (Folger & Cropanzano, 1998) and are therefore more likely to inform us about people's judgement and response to psychological contract breach.

Second, some researchers have suggested that psychological contract breach represents a form of distributive injustice (Kickul et al., 2001) since breach implies a discrepancy in the delivery of the output. This paper is considering breach and justice to be distinct constructs. Therefore, the inclusion of distributive justice is being omitted in this case.

2.1.2 Psychological contract

The concept of psychological contract refers to the unwritten, intangible agreement between an employee and their employer that describes **the informal commitments, expectations and understandings** that make up their relationship.

The term psychological contract has been widely used in organizational behavior studies to refer to the perceived agreement that exists in the mind of an employee about the employee–employer relationship (Rousseau, 1999). The employee infers that the particularities of this agreement are made by the employer in return for the employee's contributions to the organization. Initially, psychological

contracts were seen as an individuals' beliefs about the mutual "give and take" expectations in a relationship (e.g., Levinson et al., 1962; Kotter, 1973). It was later seen as employees' unidirectional perception of obligations to both parties. Daniel Rousseau redefined it as "an individual's belief regarding the terms and conditions of a reciprocal exchange agreement between the focal person and another party" (Rousseau, 1989). Roehling (1997) further noted that a psychological contract can be extended to the relationship between an enterprise and consumers outside the organization. For a brand, a psychological contract constitutes a consumer's perception about the promises made by a brand. These perceived features of the agreement are often unspoken promises that go beyond the tangible and intangible products involved in the exchange. Llewellyn (2001) defined the psychological contract of consumers in B2B contexts as the unspecified agreement between the two parties in the transaction, and the implementation of the agreement is conducive to the smooth progress of the transaction. Montgomery et al.'s (2018) research forms the primary work in marketing on brand-consumer relationships in the context of psychology contracts. They show that committed consumers have psychological contracts with brands, and any violation of any aspect in the contract results in a negative response.

There are several ways to categorize psychological contracts (Sels et al., 2004). A widely accepted typology views contracts as either transactional or relational (Rousseau, 1998; Pavlou & Gefen, 2005). A transactional psychological contract is based on short-term returns and benefits; a relational psychological contract focuses on general, long-term, social, and emotional connections. The relational psychological contract is an emotional commitment higher than the transactional psychological contract, which is an individual's recognition of the other party at a higher level of trust.

Some empirical studies in marketing based on Chinese consumers also divide the psychological contract into transaction and relationship (Luo, 2006). However, scholars have argued that the psychological contract has more dimensions. For example, Shapiro and Kessler (2000) proposed three dimensions: transaction responsibility, training responsibility, and relationship responsibility. Kingshott (2006) proposed four aspects in the supplier-buyer context: good faith and fair dealing, intrinsic relational characteristics, relational benefits, and relational conditions. Ma et al. (2013) developed a consumer psychological contract scale reflecting the relationship between shoppers and shopping malls; in their study, they included four dimensions: authenticity and reliability, service environment, service equity, and after-sales service. In the business-to-consumer context, Wang et al.'s (2017) consumer psychological contract scale revealed three dimensions: transaction normative responsibility, service equity responsibility, and relationship development responsibility. Guo et al. (2015) found that the consumer psychological contract in business-to-consumer contexts can be divided into the relational, standard, transitional, and captive types. Although the above-mentioned multi-dimensional psychological contract is structurally different from the classic two dimensions of transaction and relationship, its content can still be categorized into the two main dimensions i.e. transactional and relational.

Psychological contract breach therefore refers to the perception and feeling of employees about the organization failure to fulfill the psychological contract. It is becoming more frequent for new generation of employees to have psychological contract breach experience (Samah et al., 2021) and negative working attitude (Yannick & Tim, 2018).

2.1.3 Job Performance

Job performance is defined as the total expected value to the organization of the discrete behavioral episodes that an individual carries out over a standard period of time. This definition is a slightly revised version of the definition of performance presented in a previous publication in connection with a theory of individual differences in task and contextual performance (Motowidlo, Borman, & Schmit, 1997). One important idea in this definition is that performance is a property of *behavior*. In particular, it is an aggregated property of multiple, discrete behaviors that occur over some span of time. A second important idea is that the property of behavior to which performance refers is its *expected value* to the organization. Thus, the performance construct by this definition is a variable that distinguishes between sets of behaviors carried out by different individuals and between sets of behaviors carried out by the same individual at different times. The distinction is based on how much the sets of behaviors (in the aggregate) are likely to contribute to or detract from organizational effectiveness. In a word, variance in performance is variance in the expected organizational value of behavior.

2.2 Theoretical Framework

This paper revolves around the social exchange theory which holds that, when employees perceive an unequal psychological contract exchange relationship with their organization, they will adjust their behavior so to back the equilibrium state of exchange relationship again. Employees will reduce performance to cope with the perceived default behavior, which may eventually interfere with the impact of psychological contract breach on their work performance. The relevance of this theory to this study is that the failure of the Federal Government to honor the agreement its signed voluntarily and the attendant gross disregards and utter violation of the principle of collective bargaining in negotiating with ASUU manifest a total violation of both interactional and procedural justices. The aftermath of which may involve the employees (Academic staff) adopting actions such as lack of commitment, alienative involvement, frequent turnover or job-hopping, so to overcome psychological losses and maintain the inner order of their psychology. As previous research indicated employees with previous breach experience show a more prominent tendency toward non-reciprocity than those without previous breach experience (Rousseau, 1998). In summary, the psychological contract breach of academic staff of Nigerian universities will induce job burnout (Wang et al., 2021). On the other hand, a persistent state of job burnout for the academic staff will cause their emotional resources to be continuously depleted and will be difficult to concentrate on work, which will eventually lead to reduced performance.

2.3 Hypotheses Development

2.3.1 Psychological contract breach and work performance

Psychological contract breach is negatively related to work performance (Turnley et al., 2003; Zhao et al., 2007). Consistent with prior work, this paper examines two types of work performance: job performance (in-role) and organizational citizenship behaviors (extra-role; OCBs; Organ, 1988; Williams & Anderson, 1991). Employees and employers engage in exchanges in which each party reciprocates the other's contributions (Blau, 1964). According to the norm of reciprocity (Gouldner, 1960), when employers do not fulfill their promises and obligations, the employee reciprocates by altering his or her contributions to the organization (e.g. by reducing their efforts and performance). Thus, psychological contract breach is expected to be negatively related to employee job performance. Moreover, when the organization fulfills its promised obligations, employees may be motivated and engage in discretionary behaviors, including increased effort and organizational citizenship (OCBs; Coyle-Shapiro, 2002; Turnley et al., 2003). Conversely, contract breach may adversely impact organizational citizenship. In sum and consistent with previous research, we expect that psychological

contract breach of academic staff in Nigerian universities is negatively related to their job performance. This paper therefore hypothesized that:

H1a: Psychological Contract breach of academic staff in Nigerian universities is negatively related to their Job Performance in organization.

2.3.2 Correlating breach, Job Performance Procedural and Interactional justice

In a recent meta-analysis, Robbins et al. (2012) provide several important insights in relating breach, justice and job performance, namely that the experience of injustice, psychological contract breach or unfairness can adversely impact an employee's attitude to work, which reflects his/her well-being; that perceptions of unfairness are associated with indicators of physical and mental health; and that psychological contract breach contributed to the prediction of strain-related indicators of health above and beyond that accounted for by injustice alone. In other words, they highlight the need to explore breach and justice as non-redundant constructs in their prediction of employee's attitude to work. Given, however, that many of the measures used for this meta-analysis confounded unfairness with breach (and in some cases breach was merely substituted by measures of violation or simply by measures reflecting the opposite of fulfilment) (cf. Morrison a& Robinson, 2004; Rousseau, 2011), they correctly urge "researchers to consider how psychological contract breach is related to procedural, and interactional injustice and how it is related to attitude to work" (p. 250).

More recently, Zhang and Agarwal (2009) provided valuable evidence on the mediating effects of organizational justice in predicting organizational citizenship behaviour and turnover intention from empowerment, psychological contract fulfilment and communication. Focusing first on procedural justice, this creates a framework to process concerns against inconsistencies (Leventhal, 1980). Thus, being denied an opportunity to validate incongruences at work is likely to generate more suspicions of foul play and deteriorates trust, an important underlying dimension of healthy psychological contracting (Rousseau, 1998). Therefore, procedural justice is likely to provide the generative mechanism through which breach influences emotional well-being. Hence it is hypothesized that:

H1a. Procedural justice will mediate the relationship between psychological contract breach and employee's job performance.

Interactional justice comprises both informational and interpersonal justice, and therefore, people lack access to information or have poor work relationships with their superiors (low-interactional justice) (Rousseau, 1995). Thus individuals who are given more truthful and specific information are more likely to have a sense of interactional justice (Gilliland and Paddock, 2005) and because of this are less likely to keep monitoring their organization for possible breaches (Rousseau, 1995, 2011). Because of this, interactional justice is likely to impact the relationship that breach has on emotional well-being. Hence it is also hypothesized that:

H1b. Interactional justice will mediate the relationship between Breach and employee's job performance

2.4 Conceptual Framework

Against this background, this study incorporates all three constructs in one analysis. It focuses on specific aspects of justice for reasons given earlier, conceptualizes breach primarily as a function of the perceived exchange relationship (Rousseau, 1995), presents breach as a separate construct from justice (cf. Kickul et al., 2001) and focuses specifically on the most important aspect of employees well-being: their attitude to work (Cassar, & Buttigieg, 2015). In addition, it explores plausible pathways of how these constructs are further related which may instigate more multiple-sample and longitudinally derived data. Two pathways that would be investigated will be described here.

Pathway 1: Breach as a predicator of poor attitude to work hence low performance

Pathway 2: Organizational justice as a mediator in the relationships between breach and job performance

While both procedural and interactional types of justice determine one's outlook about the output, they are not the same. Folger and Cropanzano (1998) provide a very good explanation that both types of justice can be viewed as making up the throughput in a system composed of inputs and outputs. Both procedural and interactional types of justice provide the groundwork for the decision-making process about the perceived fairness of a consequence or output: the former as voice, the latter as justification. In their own words: "One organizational implication is that when managers make decisions without allowing an employee any voice they can be held severely accountable if the explanation for the decision does not provide a good justification" (Folger & Cropanzano, 1998, p. 44). Provided that justice perceptions influence the propensity of perceived breach, one may further argue that the combined effect of both justice types is also likely to influence perception of breach over and above their single contribution, and in turn influences Job Performance. Similar interactions have been found in Kickul et al. (2001, 2002). Therefore, this paper developed the below framework

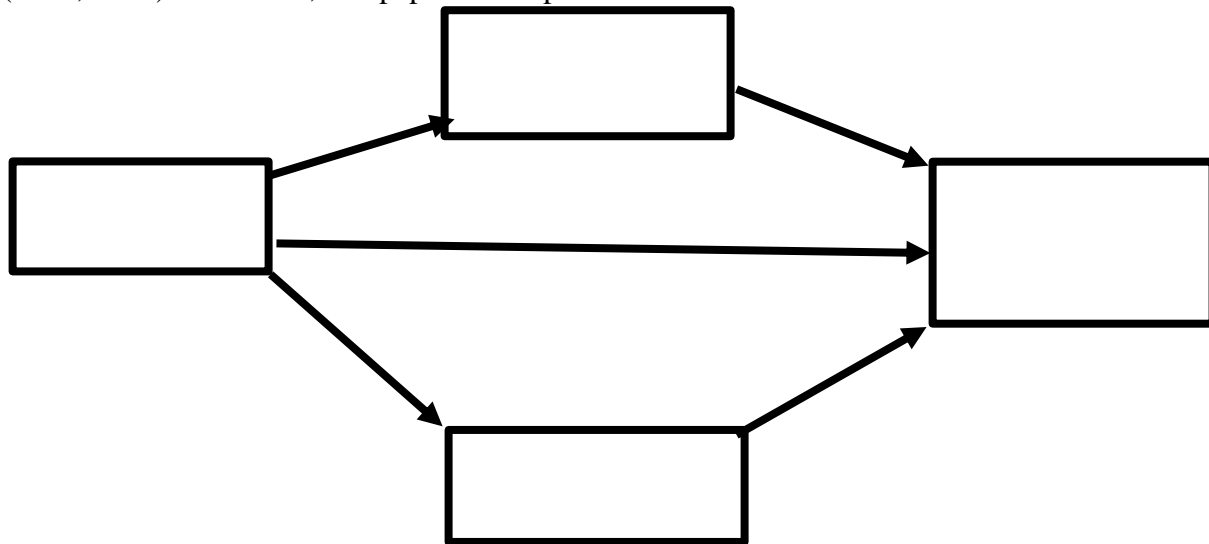


FIG: 1.1 Conceptual Framework

Perceptions of breach are events that signify a rupture in the reciprocal relationship. The diary studies by Conway and Briner (2002) show that slight changes in the delivery of salient contract terms result in fluctuations in emotional reaction. Likewise, Conway et al. (2011) also showed that breach relates significantly to emotional well-being. Psychological contracts also provide a strong means to anticipate future exchanges (Rousseau, 1995) and they are primarily motivated by some future return for one's contributions (Coyle-Shapiro, 2002; Coyle-Shapiro & Kessler, 2002). Part of this anticipation depends on the quality of the relationship experience between the employer and employee. Contexts that have high levels of organizational support and leader-member relations show lower levels of contract breach (e.g. Henderson et al., 2008; Tekleab et al., 2005). More recently, Zhang and Agarwal (2009) provided valuable evidence on the mediating effects of organizational justice in predicting organizational citizenship behaviour and turnover intention from empowerment, psychological contract fulfilment and communication.

3.0 Methodology

Drawing from the positivists philosophy which employ deductive inquiry (Tashakkori & Teddlie,1998), aims at testing hypotheses that reflect causal relationships between variables that are based on theories and empirical evidence (Creswell, 2013). This study adopts quantitative research approach to assess the structural relationships among the three constructs: psychological contract, organization justice, and Job performance. Partial Least Squares path modeling in conjunction with SmartPLS would be used to test the three hypotheses based on social exchange theory.

3.1 Population and Sample

The population of this study covers the Academic staff from Ahmadu Bello University, Zaria, Bayero University Kano and Usman Danfodio University Sokoto. Based on the statistics obtained from Report of the Needs Assessment of Nigerian Universities, as at November 1, 2014¹, there were 4560 Academic staff members in the three selected universities. Therefore, the output of *priori* power analysis indicated that a minimum of 355 subjects would be required for the present study. This means 355 or more measurements/surveys are needed to have a confidence level of 95% that the real value is within $\pm 5\%$ of the measured/surveyed value.

3.2 Sampling Technique

In this study, to ensure an equal distribution of Academic staff members working in the 3 selected universities, a quota sampling technique would be used to select 355 determined sample size. According to Sekaran and Bougie (2010) “Quota sampling can be considered as a form of proportionate stratified sampling, in which a predetermined proportion of people are sampled from different groups, but on a convenience basis” (p. 278).

Quota sampling technique would be used for at least three main reasons. Firstly, because sampling frame could not be access, quota sampling (i.e., a non-probability sampling technique) is considered appropriate for the conduct of this study despite the fact that findings cannot be generalized (Cooper & Schindler, 2009). Secondly, quota sampling technique ensures homogeneity within a group (i.e. academic staff in Nigerian universities) and heterogeneity across groups (i.e. different universities with different departments) (Cooper & Schindler, 2009). Thirdly, quota sampling technique would be used because of the resource constraints of the researchers in terms of time and money (Sekaran & Bougie, 2010) as well as unavailability of a practical sampling frame (Cooper & Schindler, 2009).

Adoption of quota sampling technique involves a series of steps. The first step is to define the population. The second step is to define the stratum. The logical stratum in this study are the three selected universities located in 3 state from north-west geopolitical zone of Nigeria. Next is to determine an average number of population elements per strata by dividing the population size (i.e., 4560) by number of strata (3 strata or states). This yielded 1520 elements per strata. Next is to determine the percentage of participants to be drawn from each stratum by dividing the determined sample size by the population of the study (i.e. 355 divided by 4560, and then multiply by 100 = 2.82%). The final step is to determine the number of subjects in a sample by multiplying the total number of each element in the population by determined percentage (i.e. 8%.) For example, if the total number of Academic staff in Bayero University Kano is 2,381 and this number is multiplied by 8% to arrive at the number of subjects in sample (i.e. $2,381 \times 6.28\% = 190$) ...and so on. This study would

adopt disproportionate quota random sampling to ensure an equal distribution of the participants representing each state in the north- west geopolitical zone of Nigeria.

Having identified the sample size in each stratum; next was to select number of subjects in sample from number of elements in quota. For example, selecting 3 from 43 or 150 from 2,381. A non-probability sampling technique would be used to select number of subjects in sample from number of elements in quota.

3.3 Measures

Psychological contract breach. Psychological contracts are embedded in social exchange dynamics (Conway & Briner, 2005; Coyle-Shapiro & Conway, 2004) but most measures of breach consider what the organization failed to give to the employee rather than whether there was a perceived imbalance between the employer and employee. Hence, a four-item measure was specifically constructed to reflect the essential characteristic of exchange imbalance and therefore since this focuses more on employee-employer relationships, should be more adapt for HRM practices. The items would be subjected to an exploratory factor analysis with varimax rotation.

Job performance. Job performance would be measured using the four-item in-role behavior scale provided by Williams and Anderson (1991).

Procedural justice. This would be measured using a scale adapted from Niehoff and Moorman (1993) and consisted of four items.

Interactional justice. This would be measured using a scale adapted from Tyler and Schuller (1990) and consisted of four items.

3.4 Survey Instrument

In this study, questionnaire would be administered to Academic staff from the three selected universities. The questionnaire consists of four sections. Section one comprises of five demographic variables including gender, age, rank, job tenure and highest educational qualification. Section two consists of four items that measure psychological contract. Section three consists of eight items that measure two dimension of organizational justices. while Section four consists of four items that measure work performance.

Furthermore, all items adapted in the questionnaires would be answered using a four-point scale. The use of a four- point scale format is considered the most appropriate because it has been found to enhance the reliability of measures (Saunders, Lewis, & Thornhill, 2000), and reduce social desirability bias that could lead to contamination of the substantive results (Glaser,1978). Furthermore, respondents would not know what is being investigated, thereby decreasing their tendency to respond in a particular way (QAA, 2008). Such scale has also been used in previous studies (Robson, 2004). Furthermore, according to Marshall and Rossman (1999), using a large number of points on a scale such as seven- point scale or more takes some thought, effort and time, which could annoy or confuse the respondents with hair-splitting differences between the response levels. Hence, the use of a four-point scale format was considered sufficient to stimulate the respondents to indicate their responses towards reasonable and reliable direction (Sutrisna, & Barrett, 2007). Partial Least Squares path

modeling in conjunction with SmartPLS would be used to test the two formulated hypotheses based on social exchange theory.

4.0 Conclusion and Recommendations

This paper intends to explore a possible pathway between three important constructs in organizational psychology and human resources management, namely psychological contract breach, organizational justice and job performance. All three constructs are related to the effectiveness of organizational life and to strategic human resources management. Justice and the employment relationship are two of the many mechanisms that HR managers in organizations should adopt to ensure that people perform in psychologically safe environments. Additionally, emotional well-being of employee as a result of psychological contract fulfilment should be considered as a useful parameter of having a highly motivated and productive workforce on evidence that links emotions at work and performance. It is therefore important for Nigerian researchers in the field strategic human resource management and industrial psychology to study how the behaviour of government towards Nigerian academics which amounted to breach of psychological contract in the collective bargaining process may impact academic staff's ability to remain emotionally committed to their respective duties of teaching, research and community service and provide evidence that inform policies in the realm of employment relations.

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Effect of Recruitment Process on Teachers Performance in Kano State

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Abstract

Recruitment process has been identified as the backbone of successful organisation. For an organisation to reap maximum employee performance and their loyalty, there must be compliance with merit standard in the process of hiring new employees. Unfortunately, in Nigeria and Kano state in particular recruitment process has been adulterated with many irregularities and violating due process. This paper aimed to find out the effect of recruitment process on teachers performance with special emphasis on teachers in primary schools in Kano state. The methodology adopted is qualitative approach using content relational analysis. The study found out politicization and nepotism are the order of the day in the recruitment process of teachers which consequently resulted low performance from the teachers, indiscipline, absenteeism, lack loyalty, corruption etc. the paper recommended among others that human resource expert should be allowed to carry out recruitment process without involvement of politicians, nepotism should be shun away in the hiring process of teachers.

Key words: *Recruitment process, Performance, Finding Candidate, nepotism, teachers' performance.*

1.0 Introduction

Performance is the bedrock of any organisational success, without it organisation cannot achieve its set goals and objective. It is pertinent to know that organisation can never perform effectively, efficiently and optimally without adhering with formal recruitment process. Recruitment process is one of the most important aspect of human resource management. Performance is what the organization hires one to do, and do well (Campbell et al., 1993). Thus, performance is not defined by the action itself but by judgmental and evaluative processes (Ilgen & Schneider, 1991; Motowidlo, Borman, & Schmit, 1997). Moreover, only actions which can be scaled, i.e., measured, are considered to constitute performance (Campbell et al., 1993). Anderson (2004) asserts that teacher job performance is one who quite consistently achieves goals which either directly or indirectly focuses on the learning of their students.

Crow and Hartman (2001) note that teacher job performance is a measure of the degree to which teachers achieve the desired effects upon students. According to him, the term 'teachers performance is used broadly to mean the collection of characteristics, competencies, and behaviour of teachers at all educational levels that enable students to reach desired outcomes, which may include the attainment of specific learning objectives as well as broader goals such as being able to solve problems, think critically, work collaboratively, and become effective citizens.

The concept of recruitment has been variously defined by several authors and organizational managers alike. Croft (1996) defines recruitment as "the analysis of a job and the features the organization will look for in a potential employee and attracting candidates to apply to the organization and the offering of various terms and conditions of employment to a chosen potential employee". According to Cole (2002), the principal purpose of recruitment is to attract sufficient and suitable potential employees for vacancies in the organization. The recruitment process aims to provide the best elements with excellent qualifications. The importance of the recruitment process to the human resources department is to prevent hiring the wrong person, who may cost the organization very much. Therefore, this process is

one of the most important processes for managing organisation as a whole. A systematic recruitment process according to Gamage (2014) involves indentifying vacancies, job analysis, job description, person specification and advertising.

Teaching Job as the noblest profession and the larger employer of labour has 85 million teachers worldwide: 9.4million in pre-primary, 30.3million in primary schools, 18.1in lower secondary, 14.0million in upper secondary and 14.5million in tertiary education (UNESCO2019). UNESCO Institute of Statistic states that: countries must recruit 69 million teachers to provide every child with primary and secondary education: 24.4 million primary school teachers and 44.4 million secondary school teachers by 2030” (UNESCO, 2019). According to UNICEP and African Union Report (2021) Africa need 17 million qualified teachers to achieve Sustainable Development Goals (SDGs) goal 4 in 2030. Statista (2022) reported that Nigeria has one million primary school teachers and 513,000 secondary school teachers among them Kano was also reported to have 65,173 primary school teachers and 21590 secondary school teachers.

Moreover, due to the significance importance recruitment process has on the teachers performance as well as lack of consensus from different research findings and insufficient studies that investigated effect of recruitment process on teachers Performance in the literature of human resources and the benefits of improving performance among teachers in both primary and secondary schools, this study, however, intends to investigate effect of recruitment process on teachers Performance in Kano state Nigeria. The issue of teacher’s performance in Nigeria has remains a burning issue over the years. This performance challenges cannot be unconnected with recruitment process of teachers. In Nigeria, the relationship between ethnic loyalty and public service speak volumes of absurdities and preponderance of collapsed institutions. Public bureaucracies are brazenly personalized and run against key features of public service such as strict adherence to competence, meritocracy, professionalism, accountability and impartiality in Nigeria.

The political heavy weights more often than not take advantage of their privileged positions to reward their political thugs who worked strenuously to see them emerge victorious during the electoral process with appointment into the state civil service. Similarly, there are cases where recruitment and selection into the state civil service are based on the concept of “god-fatherism”, which throws merit criteria to the wind (Dosun and Oyedele, 2021). The performance of teachers in public schools has been a nightmare on the educational development in Nigeria and Kano state in particular. This underperformance of teachers is directly affecting the performance of students/pupils which invariably affecting national development. Efforts has been made by the various governments and non-governmental organisations (NGOs) in the state to correct the anomaly. According to Abdulkadir (2018) revealed that training programs were conducted accordingly in order to improve teachers’ performance and the individual’s workers were given opportunities to partake in one type of training or another. However, all the efforts been made by the various state governments and NGOs but prove abortive, this is because the main issue that affects the performance of teachers is from the foundation level of every organisation: recruitment and selection, instead to address the issue from the root they end up scratching it at the top. The essence of any research study is its ability to enrich and add value to an existing body of knowledge and proffer solutions to perceived social problems (Yusuf, 2021). The significance of this study is categorized into theoretical, practical and empirical significance.

Theoretically, this study has the potential of contributing greatly to the growth of existing theories in social and management sciences particularly, in public administration by assisting to contribute the

wealth of knowledge through its reliable findings on the effects of recruitment and selection process on teachers' job performance in some selected states in Kano state. This is to say that this study would help in improving the frontiers of knowledge especially in the human resource management and administration in the examining the procedures of recruitment critically. Empirically, this study will serve as a foundation for future researchers who may in later time wish to embark on the assessment of recruitment and selection process on teacher's job performance. Practically, this study is considered significant because it will contribute in providing the policy makers and other key actors in the Nigerian civil service as well as other bodies responsible for hiring teachers in primary and secondary schools with the action plan that will necessitate prompt, responsive and efficient recruitment and selection of teachers which will perform efficiently and effectively. The scope of the study is to cover the effect of finding candidate in recruitment process on teacher's job performance in Kano state. The study is limited to teachers sourcing both internally and externally and how this sourcing affects their performance.

2.0 Literature Review

2.1 The Concept of Performance

Schools need highly performing teachers in order to meet their goals, to deliver the products and services they specialized in, and finally to achieve in imparting knowledge to their students. Performance is also important for the individual. Accomplishing tasks and performing at a high level can be a source of satisfaction, with feelings of mastery and pride. Low performance and not achieving the goals might be experienced as dissatisfying or even as a personal failure. Moreover, performance if it is recognized by others within the organization is often rewarded by financial and other benefits. Performance is a major although not the only prerequisite for future career development and success in the labor market. Although there might be exceptions, high performers get promoted more easily within an organization and generally have better career opportunities than low performers (VanScotter, Motowidlo, & Cross, 2000).

“Performance is what the organization hires one to do, and do well” (Campbell et al., 1993). Thus, performance is not defined by the action itself but by judgemental and evaluative processes. Moreover, only actions which can be scaled, i.e., measured, are considered to constitute performance (Campbell et al., 1993). Performance is a multi-dimensional concept (Sonentag and Frese, 2005). On the most basic level, Borman and Motowidlo (1993) distinguish between task performance and contextual performance. Task performance refers to an individual's proficiency with which he or she performs activities which contribute to the organization's 'technical core'. This contribution can be both direct (e.g., in the case of production workers), or indirect (e.g., in the case of managers or staff personnel). Contextual performance refers to activities which do not contribute to the technical core but which support the organizational, social, and psychological environment in which organizational goals are pursued. Contextual performance includes not only behaviors such as helping coworkers or being a reliable member of the organization, but also making suggestions about how to improve work procedures.

2.1.1. Job Performance

Job performance is simply defined as all behaviors in which employees engage at work (Jex & Britt, 2008) or as measurable actions, behaviors and outputs directly engaged in or indirectly caused by employees to serve organizational objectives (Viswesvaran & Ones, 2000). In another definition Motowidlo (2003) states that job performance is the expected total value of behavioral episodes displayed by the employee at a given period. According to Jamal (2007) job performance can be defined as the extent to which an employee can carry out the tasks successfully using the organizational

resources under regular conditions. As can be understood from the definitions, job performance can be conceptualized in terms of employee behavior or outcomes produced by the employee. However, in this study teachers' job performance is dealt with a behavioral perspective.

2.1.2 Teachers' Job Performance

The success of an educational system depends largely on the performance of teachers, who can be considered as the backbone of the system (Amin, Shah, Ayaz, & Atta, 2013; Hanif, 2004; Khan, Shah, Khan, & Gul, 2012).

In broader terms, teachers' job performance is defined as their contribution to the achievement of educational goals and objectives (Özdemir & Gören, 2017; Özdemir & Yirmibeş, 2016) while in some studies it is limited to teaching behavior (Bashir, Alias, Saleh, & Halizah, 2017; Okeniyi, 2013). However, teachers' job performance applies not only to the classroom or school, but to all settings where students are present (Shaikh, Saad, & Bhutto, 2012). So, teachers' job performance can be regarded as multidimensional (Adeyemi, 2008; Ali & Haider, 2017; Amin et al., 2013; Demir, 2008; Hanif & Pervez, 2004; Mehmood, Qasim, & Azam, 2013; Yusoff, Ali, & Khan, 2014). These dimensions are preparation for the lesson, instruction, student evaluation, commitment, extracurricular activities, effective monitoring and inspection, effective leadership, motivation and discipline (Adeyemi, 2008); instructional, professional and personal qualities (Ali & Haider, 2017); contextual and task performance (Yusoff, Ali, & Khan, 2014); classroom management, considering individual differences among students, using motivational tools continuously, teaching style and methods, finding solutions to students' problems and guidance (Mehmood, Qasim, & Azam, 2013).

Teachers are expected to carry out effective teaching, satisfy the students with his/her teaching quality and style, manage the time effectively in the classroom, discipline the class, carry out the tasks assigned to them by school administrators, motivate the students, be punctual and orderly and assure the students' academic achievement. Additionally, teachers are required to build positive relationships with the parents and their colleagues since these relationships have a direct or indirect effect on teachers' job performance.

2.2.1 Recruitment Process

Mathis and Jackson (1988), Mondy et al. (1996), and Cherrington (1995), a model of the idealized recruitment process, which basically includes the following activities. It should be noted that the sequence of the recruitment activities may vary from one organisation to another and from one country to another; and some of the activities may even be omitted depending on the employment policies, size, and structure of the organization, ownership pattern, and the sector of industry, etc.

2.2.2 Finding Candidate

Candidate finding is one of the most important task in the recruitment process where potential applicant are search with intention to hire him in to the organisation. Finding candidate are mainly through two main sources such as internal and external. Sources of recruitment comprised of internal and external sources.

(i) Sources of Internal Recruitment

Promotion from within is the policy of filling job openings above entry-level positions with current employees (Mondy et al., 1996). A major advantage of a promotion-from-within policy is its positive effect upon employee motivation. When employees see their colleagues being promoted, they may then

become more aware of their own opportunities. Availability provided by this practice thus may not only motivate employees to perform better and increase their satisfaction with the company, but also improve their morale and commitment which consequently improved employees performance in the organisation (which again are associated with the 'soft' models of HRM).

Employee transfers is another way to recruit internally is by transferring current employee from one location to another as a means of filling a vacant position. According to Schuler (1992) and Carrell et al. (1995), the advantage of this approach is that the employer is well aware of the employee's abilities and work record, therefore, once being relocated, the newly transferred employee may quickly become productive on the new job with a minimum of training and orientation.

Job rotation is a method that is usually temporary in nature and has been used effectively by some of the American and Japanese organizations. The main purpose of this approach is to expose management trainees to various aspects of organizational life (Schuler, 1992). In Nigeria job rotation is another source of internal recruitment in both public in private sector but is more frequent in banking sector. In our schools specifically in primary schools teachers are rotated from one subject to another especially those that specialized in primary education.

The organisation recalls former workers to fill vacancies. For example a retired worker is called to fill vacancies for a short period of time. This is normally done when the organisation is not able to get qualified persons suitable for the vacant position (Akrani, 2011). In our primary and secondary schools we call them contract teachers. Hiring employees for the second time until recently it was considered unusual to rehire former employees particular those who had left voluntarily 'for greener pastures'. It happens in many organisation be it private or public.

(ii) External Sources of Recruitment

Graduate recruitment involves attracting graduates is becoming an increasingly important issue across world. Targeting Schools and Colleges, many organisation recruit direct from schools, colleges or universities. Government Agencies in Nigeria or department in government ministries are shouldered with responsibility of recruiting potentials employees. For example office of the head of service at state or federal level, personnel or establishment departments or units of the ministry or agencies.

Private employment agencies are business organizations that specialize in helping employers find applicants to fill job vacancies. Recruitment consultants usually undertake the complete recruitment process and the initial stages of selection for managerial and professional vacancies in fields such as medicine, law, accountancy, and engineering, etc. The recruitment consultant analyzes the job, prepares job and personnel specifications, advertises, sends out application forms and interviews selected candidates, sometimes testing them as well.

Employee referrals is one of the good sources for individuals who may perform effectively on the job is a recommendation from a current employee. The employee often gives the applicant more realistic information about the job and this information thus may reduce unrealistic expectations and increase job survival. However, although employee referrals are a relatively inexpensive recruiting source and usually produce quick responses. Direct applications (Walk-ins or Write-ins) due to a organisation's favourable location or reputation, it may be able to obtain a large applicant pool from individuals who voluntarily submit applications for employment. Some organizations have a constant flow of applications for employment, and these voluntary work-ins and write-ins are usually considered by

companies as an inexpensive source of recruits. Direct applications also provide some companies with all the candidates they need for clerical or entry-level jobs (Cherrington, 1995).

Advertisements in the media is a popular method of external recruitment in most European countries (Sparrow and Hiltrop, 1994). National or local newspapers and magazines are common methods used by organizations all over the globe. Leasing: This method is often used by public sectors organizations. Under it personnel from civil services, defense services and private sector are employed for specific periods due to shortage of managerial personnel.

2.3 Theoretical Framework

The theory adopted as framework for this study is Resource Base View (RBV). The resource based view (RBV) theory founder was Wernerfelt (1984), the major contributor is Barney (1991) other contributors are (Wright, 19992, Miller and Shamsie, 1996 Mahoney, 2001 & Armstrong, 2010) the theory has become one of the most influential and cited theory in the history of management theorizing (Kraaijenbrink & Groen (2010). It aspires to explain the internal sources of a firm's sustained competitive advantage (SCA). Its central proposition is that if a firm is to achieve a state of SCA, it must acquire and control valuable, rare, inimitable, and non-substitutable (VRIN) resources and capabilities, the organization have in place that can absorb and apply them (Barney, 1991, 1994, 2002). These propositions are shared by several related analyses: core competences (Hamel & Prahalad, 1994), dynamic capabilities (Helfat & Peteraf, 2003; Teece, Pisano, & Shuen, 1997), and the knowledge-based view (Grant, 1996).

2.3.1 Relevance of Resource Base View Theory to the Study

Gujarati and Porter (2009) observes that the resource-based view theory has been an imperative step in human resource management since it has given a new point of view to explain an organisation's success. According to the focus on resources, an institution's success is due to joint resources and capabilities which an organization owns and makes it different from its competitors. The Resource Base View (RBV) theory believed that organisation must have valuable, rare, inimitable and non-substitutable resources (VRIN) to have sustainable competitive advantage (SCA). This theory helps in understanding this study where schools management can initiate recruitment and selection process with consideration of VRIN perspectives.

The resources in the theory as argued by Barney (1991) are tangible, intangible and human resources of the organisation. The theory viewed resources of the organisation as internal, where this study viewed recruitment and selection of employee as sole responsibility of the organisation. In effect, it is the organisation that will arrange, prepare and coordinate the recruitment and selection process of the employee for it to bring new breeds in the organisation to ensure improvement of employee's performance.

This theory guide this study on how to recruit and select best human resources (teachers) as the most important resources of any school. Human Resource (HR) are the pillars of achieving organizational competitive advantage (Better Performance). Teachers as the main human resources (HR) of any school and also most valuable, rare, inimitable and non-substitutable which schools objective cannot be accomplished without their inputs. The inputs of teachers in any school lead to better academic performance as an output of the schools, it is from the output you can measure performance. Without carefully recruiting and selecting teachers the better ones, that will perform well cannot be identified

which consequently will affect the teachers performance.

The relevant of the theory to this study is that, it is the management of the schools that will govern, monitor, coordinate and acquire the valuable, rare, inimitable and non-substitutable teachers in schools through the standard procedure of recruitment and selection process. Thus, the effects of corporate governance must be studied based on the firm's profile of resources and capabilities (Miller, Xu, and Mehrotra, 2015). The management must ensure the teachers to be recruited and selected must be knowledgeable and have the required skills that organisation needed for the effective performance in order to meet the required task ahead.

RBV theory assumed that organisations must have understand recruitment and selection process for organisation to link it with its objectives and make sure the teachers to hire will perform towards accomplishing school's objectives. RBV theory assumes that external resources can be used to achieve organizational objectives, in this context external consultant can be used to carryout recruitment and selection for the schools because of their expertise in the recruitment and selection process they can select qualified teachers on behalf of the management. The resource-based theory is relevant to this study because the theory emphasized on the importance of developing and enhancing the resources that are rare and distinctive for a competitive advantage. It relates to this study where teachers who are the human resources in the school should be properly recruited and selected whose performance is inimitable. RVB theory assumes that core competences are what is expected from organisational resources (teachers of primary and secondary schools) without adhering to proper recruitment and selection process teacher's competences cannot be discovered.

Knowledge utilization and knowledge internalization are part of the most important elements in theory. Knowledge utilization can occur at all levels of management activities in the schools: one of the popular forms of knowledge utilization is to adopt the best practice from other leading schools, uncover relevant knowledge, and apply it. Knowledge internalization may occur when individual teachers discover relevant knowledge, obtain it and then apply it. Therefore, internalization may give rise to new knowledge. In this way, it provides a basis for active knowledge creation. The crucial attributes of teachers are knowledge, skills and talent which can only be discover through proper recruitment and selection process. The theory also believed that Dynamic capability of the schools can only be achieved through effective recruitment and selection process. The resource-based perspective has an intra-organisational focus and argues that performance is a result of organisation-specific resources and capabilities (Barney, 1991; Wernerfelt, 1984).

3. 0 Methodology

The methodological choice of this paper is qualitative approach, using content relational analysis as research design. The researcher used secondary sources of collection data such as textbooks, newspapers, and organisational reports, and journal articles, online and unpublished materials. The researcher analysed secondary data using content relational analysis.

4.0 Major Findings on the Effect of improper recruitment process on Teachers' Performance

The under listed constitutes the effect of recruitment process on teachers' performance in Kano state.

- i. Poor teaching Delivery: when standard recruitment process was thrown overboard, the tendency of poor production of pupils and the half-baked pupils that cannot reads or write will be the order of the day among the school leavers. However, when unqualified and bunch of touts are recruited as teachers the performance of teacher will always be at its lowest ebb.

- ii. **Corruption:** The major implication of improper recruitment process is corruption. Corruption occurs when there is deviation from standard process of recruitment. Once recruitment process was flouted there is every tendency of corruption in the process whereby officials are engaged in distributing recruitment slots thereby selling the slots allocated to them, which the end result is to recruit teachers who cannot perform because they did not possess the minimum teaching requirements.
- iii. **Inefficiency:** The major factor that brings about inefficiency in the teaching profession is the lack of adherence of due process in the recruitment of teachers. Unqualified teacher breeds inefficiency in our schools system.
- iv. **Indiscipline and loyalty:** When teachers were recruited through improper recruitment process, the teachers will not perform well and they will not respect their superiors because they have no hands in their recruitment, they will not receive order rather implementing it which is tantamount to poor performance.
- v. **Politicization of recruitment process:** politicization of recruitment of teachers gives rise to appointment and placement of mediocre as teachers at the expense of the most qualified ones. Mediocre cannot carry out his responsibility as teacher.

5.0 Conclusion and Recommendations

It is known fact that failure to comply with standard of recruitment process, are the main reason behind the poor performance of teachers in our schools. This lacks compliance with recruitment process breeds poor teaching delivery, corruption, Indiscipline, disloyalty, politicization of recruitment, nepotism and absenteeism. The following are the recommendations made in order to address the challenges facing recruitment process and teachers performance:

- i. If challenges of teacher's performance want to be addressed, experts and officials in the recruitment process must be allowed and do away with the politicization in the recruitment process.
- ii. To address the issue of indiscipline and absenteeism teachers should be recruited through sources identified in this paper under finding of candidates not to through who you know or based on political patronage.
- iii. Qualification, merit, experience and good track records should form part of the requirements for the recruitment of potential teachers.
- iv. Recruitment should resultantly be performance and action based with the tendency of generating and sustaining the requisite skilled, knowledgeable and developed teachers that will be properly grounded and shun away nepotism and corruption in the recruitment process.

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ICT and Effective Human Resource Management Practice: A Study of Bayero University Kano

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Abstract

This study explored the correlation between Information and Communication Technology (ICT) and effective Human Resource Management (HRM) practices using Bayero University Kano as a study area. Descriptive survey method was employed and questionnaire was used to collect data from three hundred and fifty seven participants who were selected randomly from the population. Pearson Moment Correlation was used to examine the relationships between the hypotheses that were put forth. The study found that ICT had a substantial correlation with HRM. Additionally, significant positive correlation between ICT, employee performance and competency was also established. In light of the findings, the study conclude that employing ICT tools in HRM (i.e electronic-HRM) will effectively contribute towards achieving HRM goals, and staffing objectives. Therefore, it was suggested that incorporating electronic-HRM practices in the operational human resource plans of the university system will contribute immensely in promoting efficient and effective HRM.

Keywords: *ICT, Human Resources Management, Nigerian universities.*

1. 0 Introduction

In this age of globalization, there is a shift in global development of universities and the Nigerian government is introducing some reforms in our university system with a view to repositioning it in line with the vision of Information and Communication Technology (ICT) (Oladokun, 2012). Universities the world over, is being redesigned to fit more into the electronic age for the purpose of efficiency. Universities across the world have been adopting ICT in human resource management in an effort to create smooth employee-management relationship and to ensure better service delivery.

The need for technological innovation has led to change in the HRM in Nigerian universities through the use technological facilities that are applicable to record keeping and management of employees (Yusuf., Afolabi & Loto, 2013). Unlike in recent years, when the Nigerian universities used manual method of human resource management; by using manual means of employment, training and development, salaries and wages, health and safety, industrial relations as well as welfare of employees. In olden days, records of most Nigerian universities were kept manually and, with the passage of time, vital records and information may be lost due to the rise in the number of administrative activities. A lot of problems have been identified from manual record keeping in HRM practice. These problems include lack of skills in office management, lack of skills in records and preparation of reports and shortage of experts in HRM. For any organisation to engage in satisfactory human resource management activities, information and communication technology must be applied in its operational system. This is because

human beings can make mistakes. However, with the help of these modern electronic devices, the mistakes will either be eliminated or reduced to its barest minimum (Yusuf., Afolabi & Loto, 2013).

The contemporary method of making use of ICT for effective HRM practices of universities will go a long way in raising the standard of Nigerian universities anywhere in the world. Nigerian Universities in general and Bayero University in particular are fast realising the need for using Information and Communication Technology (ICT) for effective HRM. This would be convenient to the management, academic and non-academic staff in the University because records and record keeping constitute the life wire of organizations. It would be very difficult to plan and manage human resource of any organization such as the university effectively if records are not kept and managed properly (Tongkaw, 2013).

The proliferation of information and communication technology (ICT) in the 21st century has compelled organizations to adapt and influenced the way the organizations are managed. However, the development of e-HRM strategies and policies are challenged by different values, ethics and practices. Moreover, the use of ICT in human resource management have received significant attention in both public and private organisations. However, there is no agreement on the specific type of relationship. In addition, there is limited information on the specific nature and uniformity in the application of ICT in HRM practices in Nigerian universities. This study thereby fills in this gap by further investigating the application of ICT and effective human resource management in Nigerian universities with particular reference to Bayero University, Kano. The paper hypothesized as follows:

- i. There is a significant relationship between ICT use and effective human resources management practices.
- ii. There is a significant relationship between ICT facilities and employee competence and performance.

2.0 Literature Review

This section covers the concept of Information and Communication Technology (ICT), Human Resource Management (HRM) and Human Resource Management Practices.

2.1 The Concept of Information and Communication Technology (ICT)

Information and communication technology (ICT) is described as the gathering, processing, storing or retrieval of information. In a more general term, ICT emphasizes the role of communication in modern information technology, in the transmission or transfer of the information from place to place and over a distance. According to UNESCO (2006), ICT is a term used to describe a range of hardware equipment (personal computer, scanners, digital camera), computer software (database programs, multi-media programs) and the telecommunication infrastructure (phones, faxes, videoconferencing equipment and web cameras) that allow us to access, retrieve, store, organize, manipulate, present, send material and communicate locally and globally through digital media. In the opinion of Newhouse (2002), ICT typically refers to computer technologies, but strictly speaking should also include other technologies used for the collection, storage, manipulation and communication of information. Eadie (2000) stated that ICT is a diverse set of technological tools and resources used to communicate, and create, disseminate, store and manage information.

According to Garai (2006), ICTs cover internet service provision, telecommunications equipment and services, information technology equipment and services, media and broadcasting, libraries and

documentation centres, commercial information providers, network-based information services, and other related information and communication activities.

2.2 The Concept of Human Resource Management (HRM)

The term Human Resource Management (HRM) and Personnel Administration are used interchangeably to mean the same thing. Human resource management is used in an organisation as the technique of interaction between employee and management from recruitment to retirement. HRM is centred on employment, training and development, salaries and wages, health and safety, industrial relations as well as welfare of employees.

As Collings and Wood (2009) pointed out, HRM is principally concerned with how employees are managed across organisations, with a particular emphasis on policies and procedures. Employee recruitment, staff development, performance evaluation and rewarding (handling compensation and reward systems), industrial and employee relationships, as well as strategic initiatives like acquisitions and mergers, talent management, succession planning, and diversity and inclusion, are among the responsibilities of human resources departments and units in organisations (Pauwe & Boon, 2009).

2.3 Human Resource Management Practices

2.3.1 Recruitment and Selection

Recruitment is the process of announcing job vacancies with a view to attracting a pool of qualified applicants to fill up vacancies in an organisation. It is regarded as a positive process. Taylor (2008) posits that “recruitment involves actively soliciting applications from potential employees which is considered a positive activity that requires employers to sell themselves in the relevant labour markets so as to maximize the pool of well-qualified candidates from which future employees can be chosen”. According to Etomi (2002), recruitment is concerned with the process of attracting a sufficient number of individuals with the right profile in terms of qualifications, experience, skills and other relevant attributes to indicate their interest in working for the organisation. Recruitment is the process of generating a pool of qualified applicants for organisational jobs (Mathias & Jackson, 2004). Selection is the process of evaluating those who have been searched for and obtained through recruitment with a view to deciding whether they can be employed or not. It is also the process of choosing the individual or individuals who best meet the job-related criteria. “Selection is a decision-making activity: the psychological calculation of suitability” (Price, 2004). Taylor (2008) posits that “selection techniques are used to decide which of the applicants is best suited to the vacancy in question.” Etomi (2002) opines that selection is concerned with identifying the candidates from the recruitment pool who best meet organisational requirements for employment, it is also the process through which those who are recruited are downsized to the few who are hired. According to Yoder and Staudohar (1982) “selection is the process in which candidates for employment are divided into two classes those who will be offered employment and those who will not.” While recruitment is a positive activity, by contrast selection is viewed as a negative processor activity in so far as it involves picking out the best of the bunch and turning down the rest (Taylor, 2008).

2.3.2 Compensation and Reward Management

Staff remuneration or “pay affects the way people work in terms of how much and how well” (Yoder Staudohar, 1982). Most conflicts at work could be explained by poor pay and other pay-related issues. The outcome of pay dissatisfaction may include lower job performance, increase grievance, incessant absenteeism as well as labour turnover. On the other hand, excessive compensation costs can reduce an organization’s competitiveness and its ability to provide jobs (Pattanayak, 2010). Sound compensation

policy should create a balance between satisfaction and competitiveness. Pay is a contractual phenomenon, as the payment of salaries and wages is an indication of a relationship and transaction between the employees and employers. It is a consideration or quid pro quo which is extended to employees for services rendered. Staff remuneration otherwise called compensation refers to the totality of both the financial and non-financial rewards that an employee receives in return for his/her labour or services to an employer or organisation. It includes the basic pay, incentives and numerous financial and non-financial benefits (Banjoko, 2006). "Compensation is what employees receive in exchange for their contribution to the organisation" (Pattanayak, 2010). According to Flippo (1984) compensation connotes the adequate and equitable remuneration of personnel for their contribution to (organisation objectives). Flippo identified three components of compensation as: basic wage or salary (to attract qualified candidates); variable compensation (to motivate job performance); and supplementary fringe, benefits (to retain talented staff). The essence of sound remuneration policies therefore is to attract, motivate and retain skilled staff. The concept of total remuneration and total reward are well explained by Armstrong (2009).

2.3.3 Training and Development

The concept of training has been variously defined. According to Obisi (1996) training is viewed as a short term process utilizing a systematic and organized procedure by which non-managerial personnel learn technical knowledge and skills for a definite purpose. Thus, training is specific and directional. Fajana (2002) views training as the process that involves developing skills and learning concepts, rules or attitudes in order to increase effectiveness on a particular job. Armstrong (2001) defines training as the formal and systematic modification of behaviour through learning which occurs as a result of education, instruction, development and planned experience. The concept of development has been variously defined. According to Obisi (1996) development is a long term educational process utilizing a systematic and organized procedure by which managerial personnel learn conceptual and theoretical knowledge for general purpose. Thus, development is generic, non-directional and all encompassing. Armstrong (2001) development as being concerned with improving managers' performance in their present roles and preparing them for greater responsibilities in the future. Thus, from the above we can confidently conclude that while training is designed for non-managerial personnel, development is designed for managerial personnel.

2.3.4 Promotion, Transfer and Staff Separation

Promotion refers to a shift from a level of lesser responsibilities to that of higher responsibilities, oftentimes with increase in pay. Rao (2005) views promotion as an upward movement of an employee from current job to another that is higher in pay, responsibility and organisational level. Promotion is an advancement or upward movement of an employee within an organisation to a position of greater authority and responsibility, more prestige and status and increased pay. It is a vertical movement in rank, pay and responsibility (Ojo, 1998). Promotion confers on beneficiary's enhanced status, better pay, increase responsibilities and better working conditions.

There can of course be "dry promotion"; where an employee is moved to a higher-level job without increase in pay. According to Fajana (2002), dry promotions do not involve a higher remuneration. Higher remuneration when implemented as a result of general adjustment in wages/salaries does not imply a promotion. This could be termed up-gradation. Promotion is slightly different from up-gradation which implies minor enhancement in pay in tune with the limits imposed within a particular grade. Mamoria, Gankar & Pareek (2007) opine that dry promotions are those which are given in lieu of

increases in compensation. Promotion encourages employees to remain committed and loyal to their jobs and organization.

2.3.5 Performance Appraisal

Rao (2005) opines that “performance appraisal is a method of evaluating the behaviour of employees in the work spot, normally including both the quantitative and qualitative aspects of job performance”. Dessler (2008) views performance appraisal as any “procedure that entails setting work standards, assessing employee’s actual performance relative to those standards, and providing feedback to the employees with the aim of motivating him/her to eliminate performance deficiencies or to continue to perform above par”. The aims of appraisal according to Fajana (2002) are three folds: appraisal entails historical review of employees’ Performance; it is a means for distributing rewards as well as a means for determining training and development needs. Manoharan, Muralidharan and Deshmukh (2009) posit that performance appraisal (PA) is an important management tool to assess employees’ efficiency in the workplace, and may be defined as a structured formal interaction between a subordinate and supervisor that usually takes the form of a periodic review which could be annual or semiannual to evaluate work performance.

3.0 Methodology

The descriptive survey approach was employed as the research design for this study. A descriptive study approach was utilised to understand the features of organisations that adhere to certain standard procedures. Therefore, the purpose of descriptive research is to provide the researcher with a profile or to describe significant characteristics of the phenomenon of interest from the perspective of an individual organisation. The instruments used for data collection was questionnaire. Bayero University, Kano, Nigeria, was the area of study. The population of the study comprised the entire staff of Bayero University in Kano. The population of the University stood at 4,707 (Male = 3,901, Female = 806) as of December, 2021 (BUK Annual Report, 2021). Using the Krajcie and Morgan (1970) approach, the researchers used a simple random sample procedure to choose 357 respondents to participate in the study. Questionnaire was the tool used to get the information. The questionnaire had two sections, termed A and B. In Section A, there were questions about the respondent's data of age, sex, marital status, and educational qualification. In Section B, there were 20 questions about the variables of the hypotheses, with a 4-point Likert scale for Strongly Agree (SA), Agree (A), Disagree (D), and Strongly Disagree (SD). Two experts from the Department of Public Administration and School of Continuing Education at Bayero University, Kano, checked the instrument's accuracy. The test-retest method was used to check the instrument's internal consistency, and the Pearson Moment Correlation Coefficient was used to obtain a coefficient of 0.71. The items were scored as follows: positive items received SA=4 points, A=3 points, D=2 points, and SD=1 points, whereas negative items received the inverse values. As a result, it was determined that the instrument was suitable for the investigation.

4.0 Results and Discussions

Utilising Pearson's Product Moment Correlation, the data obtained by the instrument were analysed. The computation was performed with the aid of SPSS version 23.

Table 1 displays the findings from analysing the relationships between information and communications technology and human resource management.

Table 1: Correlation between the Use of ICT Facilities and Human Resources Management

Variables	<i>N</i>	<i>M</i>	<i>SD</i>	<i>Df</i>	<i>r</i>	<i>P</i>
Use of ICT Facilities	357	13.18	3.94	98	.89	<.05
Human resources management practices	357	31.33	6.61			

The results showed that ICT facilities' use was significantly related to enhanced human resources management practices in Nigerian universities, $r = .89$, $p < .05$. Hypothesis 1 was, therefore, supported. An investigation was conducted into the connection ICT facilities and employee performance and competency. Table 2 below illustrates the findings.

Table 2: Correlation between the Use of ICT Facilities and Employees' Performance and Competence

Variables	<i>N</i>	<i>M</i>	<i>SD</i>	<i>df</i>	<i>R</i>	<i>p</i>
Use of ICT Facilities	100	31.33	6.06	98	.75	<.05
Employees' performance and competence	357	13.61	3.49			

The results showed that ICT facilities were significantly linked to better employee performance and skills ($r = .75$, $p .05$). So, the second hypothesis was accepted.

This study showed that human resources management was related to using ICT facilities at Bayero University, Kano. This result agrees with Eisele (2006), who found that ICT facilities enhanced human resource staffing goals and objectives and matched quality which also backed up what Tong and Sivanand (2005) found: that e-HRM uses Information Technology (IT) to do human resource management, speed it up, or improve it. The present study shows that employees' improved performance and competence were related to using ICT facilities. This finding lends credence to the claims made by Sanayei and Mirzaei (2008). They stated that e-human resource management serves as a method to implement human resources strategies, policies, and practises in organisations through the utilisation of internet channels and takes full advantage of them by at least two actors, whether individual or collective, to carry out their joint responsibilities for activities about human resources. Additionally, the conclusion agrees with the findings obtained by Marques (2007). They discovered that the involvement of Human Resource Management in ICT helps develop knowledge of the workforce and essential abilities.

5.0 Conclusion and Recommendations

According to the study's findings, effective management of human resources is the essential component that enables universities to make the most of their other available resources. As a result, universities in Nigeria ought to adopt ICT for effective human resource management, which is a more efficient method, given that human resource managers may be able to carry out their responsibilities in a more effective manner and have a discernible impact on the administration as a whole. According to the study, Nigerian universities should implement e-HRM as an operational variable of their human resources strategies in

this fast-changing, technologically driven environment. Universities need ICT facilities to improve human resource management and human resource performance. Human resource management in Nigerian universities organisations will be made easier and faster with ICT tools.

Universities should use ICT tools like computers, the internet, email, and the like in HRM to maintain a secure and trustworthy database. Organisations that use ICT will benefit from the speed, accuracy and cost-effectiveness of this digital technology. The management of Nigerian universities should continue to improve an understanding of the technical issues that come up with e-HRM.

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Capacity Building and Local Government Service Delivery in Nigeria

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Abstract

Human Capital of any organization drives the realization of predetermined objectives; Local Government in Nigeria was established fundamentally to engineer and speed grass-root development, this includes socio-economic and human development. Capacity Building is the process of optimizing the production and utilization of the workforce. This paper essentially examines the contribution of capacity building to effective service delivery in Nigeria's local government system, the issues that impede this process and offers cogent solutions. Relevant data were drawn from secondary sources being scholarly literature, published researches, textbooks documented guidelines on local government administration, the constitution of the federal republic of Nigeria etc, while content analysis was used in finding out the issues around capacity development in Local government, its contribution to effective service delivery. Efficient service theory of Local government was relied on. The theory postulates that the essence of local government is to deliver services efficiently to the people at the grassroots. The study concluded that local government administration needs to rejuvenate the capabilities of its workforce as they are currently at a dead state of ineffectiveness in the discharge of services, owing to inadequate funding, visionless and weak political and administrative leadership. Therefore, the paper recommended that local government service commission majorly responsibly for staff training and development should be funded more as against the current 1% it gets from local government allocation in order to be more effective. That all training activities must be informed by a needs assessment and should be oriented towards attitudinal transformation as against the traditional task-based training, with use of modern ICT facilities.

Key Words: *Capacity Building, Human Resources, Local Government, Service Delivery*

1.0 Introduction

Organizations all over the world operate, survive and grow via human resources. The human Resource otherwise tagged as “human Capital” component of any and every organization is the most critical and relevant. It is the human capital that is responsible for outcome of such organization, public or private. They drive every other component to see the realization of the organizational objectives (Obeidat, et al., 2012, 2013, 2014; Masa'deh, et al., 2019). It is the human capital that manipulates the material resources, the machines using the right methodology to bring about effective and efficient organizational

performance. The quality of service delivery of any organization is tied to the capabilities of its workforce.

It is pertinent to mention that no institution, government or private exists without some clearly defined objectives with which they strive to realize. Without the existence of a well-equipped intellectual component, which undoubtedly constitutes the employees of the organization, achievement of organizational goals will remain more of a mirage than reality. However, this strategic component of an organization is the most neglected by organizations particularly public institutions in the developing countries of the world, Nigeria to be precise (Agbodike et.al, 2014). It is however noted that Human Resource (HR) plays a central role in the translation of input into output while recognizing the place of goals, resources, time and workplace policy. Capacity building is the process of optimizing the production and utilization of the workforce; it is a non-negotiable condition for improved organizational performance and ultimate attainment of organizational objectives (service delivery). Studies have shown that this condition to a large extent has been met by private institutions while the public institutions have failed to fulfill this condition of improved capacity for ultimate performance (Ndevu et al, 2020).

Nigeria is a federation with three constitutionally recognized levels of government; the federal, state, and the Local government. Each level having its distinct political and administrative structures comprising of a huge number of workers. These workers are responsible for the delivery of services to the public with a view of meeting the needs and aspirations of the citizens. Local government is established to deliver services effective and efficient to the people at the grass-root. However, several scholars have argued that this essence has not been achieved and they attributed this failure to the absence of quality and well-equipped human Capital, recruited at that level of government (Onah (2003), Ezeani (2004) and Orewa (1983).

It's pertinent to reiterate that no organization can ever achieve its goals without a well-equipped and functional manpower. Therefore, Local government as an institution with remarkable objectives in Nigeria is far from achieving its essence, without competent human capital with the capacity to deliver on their mandate. Arising from the above established premise, this paper examines the issues in the institution of Local Government in Nigeria with particular reference to the issues of capacity building and its contribution to effective service delivery or performance of Local government in Nigeria.

It is no exaggeration to say that Local Government in Nigeria is supposedly the most blessed level of Government; with abundant untapped human and material capital at its disposal, to truly justify the assertion that national development is consequent upon the grass-root development in Nigeria. Yet, this level of government in reality is the most backward, poorest and deserted. Service delivery is fundamentally the rationale behind the establishment of Local Government Administration in Nigeria; and despite several reforms aimed at restructuring and empowering Local government to be effective in the discharge of its mandate, little or nothing has been achieved in terms of improved condition of service delivery. Also, despite continuous monthly allocation to the Local government for several years, for instance, a review of FAAC documents published by the National Bureau of Statistics (NBS), shows that in 2021, a sum of N1.719 trillion naira was disbursed as Local government councils allocation from the federation account while 1.412 trillion was for the year 2022; shared among the 774 Local government in Nigeria; yet, Local government is far from achieving its core objective of rendering effective socio-economic services to the people within its purview. Issues of corruption, weak political and administrative leadership and even constitutional constraints; constitutes a great setback to effective service delivery at the Local Government level in Nigeria.

The provision of section 162 for instance, of the 1999 constitution as amended 2011, provided for State and Local government joint account, a provision that have allowed the state government undue advantage over the Local Government and out-rightly undermined the financial autonomy of the Local government in Nigeria; the Executive Order signed by the president in 2020 as well as the National Assemble vote in March 2022 in favour of Local government financial autonomy notwithstanding. In effect, local governments do receive monthly allocation as it were in theory but practically they transfer almost hundred percent back to the state governors and are left with nothing to embark on developmental projects at the grass-root.

Insufficient financial resources no doubt constitutes a great constrain to Local government's effective service delivery in Nigeria, it affect the quality of man-power recruited at the Local Government; they cannot handle the cost of hiring and retaining highly qualify man-powers with the capacity to deliver services effectively and efficiently at the local level. The available competent manpower prefer going to the State and Federal level where they perceive their worth will be fairly appreciated or rewarded. The absent of sufficient financial resources at the Local government also affect the quality of capacity building program for the existing man-power at that level, particularly those within the junior carder.

After several years of disappointing performance from the Local Government, many citizens especially those at the grass root level have come to believe that Local government services cannot be improved. The failure to provide basic social amenities at the Local government level account largely for Rural to Urban migration with it attendant socio-economic effect, in form of increased crime rate at urban centers, leaving the rural areas with absence of, educated and productive youthful population. The recent ugly issue of Urban to Rural migration of hoodlums, bandits and kidnappers has further rack havoc on rural dwellers, impeding to a great extent developmental efforts of the government at the grass root level particularly within the affected areas across the federation. Furthermore, several studies have acknowledged principally, lack of sufficient qualify manpower as the bane of Local government performance in Nigeria (Onah (2003), Ezeani (2004) and Orewa (1983).

However, scarcely you will find a study that have devoted much attention to how and in what core areas to build the much-needed capacity and capabilities of human Capital at the Local government level in Nigeria; particularly for staff at the junior carder. This informs why in this paper we are keen on shading light on these critical issues, to make relevant suggestion as to the remedies for the building of capacity for effective and efficient performance of Local government in Nigeria.

2.0 Literature Review

This section considered scholarly consideration on the concept of Local Government, Service Delivery and Capacity Development as well the discussion on the nexus between capacity development and Local government service delivery viz-a-viz the core areas of capacity development of the local government.

2.1 Concept of Local Government

The concept of Local government like several other concepts has several definitions from different Public administrators, political scientist and scholars. However, this concept unlike several other concepts in social sciences has not attracted much controversy as to its actual meaning. Local government can be defined basically as the government established by law to be responsive to the local needs and aspiration of the grass root dwellers within the local areas. Bello Iman in Akhakpe, (2011) defines local government as "that unit of administration with defined territory and powers as well as administrative authority with relative autonomy". In the words of Ogunna (1988), it is "a political authority, purposely created by the state government under a law by which local communities within

definite area are organized to manage their own affairs within the limit of the law under which the authority is created”.

According to 1976 Local Government Reforms, local government could be defined as: “Government at local level exercise through representative council established by law to exercise specific powers within defined areas. These powers should give the council substantial control over local affairs as well as the staff and institutional and financial powers to determine and direct the provision of services and to initiate and implement projects so as to compliment the activities of the state and federal government in their areas and to ensure, through devolution of functions to their councils and through the active participation of the people and traditional institutions, but that local initiative and response to local needs and condition are maximized” (FRN, 1976).

As agents of rural development, local governments are to use the funds made available to them by both the federal and state governments and their internally generated revenue(IGR) to improve on the lives of the people at the grass root level through initiating and attracting development projects to the local government such as provision of access roads, water and rural electricity; sustaining livelihoods through the provision of credit facilities for agriculture, arts, crafts and small scale business; and encouraging the formations of cooperative societies and other economic groupings (Akhakpe, Fatile & Igbokwe-Ibeto, 2012).

From the above definitions no doubt, one can conclude that the essence of local government administration is simply but most fundamentally, to provide services aim at meeting the needs of the people at the grassroots’ or rural areas.

2.2 Service Delivery

As already established earlier, local government exist fundamentally to render services effectively and efficient to the people at the grass-root level. These services cut across social-political and economic arenas; these services so provided by the local government are called public services. According to Lovelock and Wright (2002) in Balarable A. (2021), Service delivery refers to the actual delivery of a service and products to the customer or clients. When this service is rendered by government institution like the local government it is called public service and the citizens constitutes its clients or customers.

Service delivery refers to the distribution of basic services such as safe water supply, electricity, health services, roads, street lightening, traffic controls, refuse collection, sewage disposal and maintenance, viz-a-viz municipal parks and recreation etc within a given jurisdiction to target beneficiaries (Aborisade, 2021 in Balarable A. 2021). In the opinion of El-Rufai (2006), service delivery is the degree of an organization and/or employee performance, output and productivity in the discharge of their responsibilities within the available time, money and other resources, towards the achievement of overall goals of the organization. The degree to which an organization or employees performs its assigned duties and responsibilities towards the realization of organization’s predetermined goals, determines the quality-of-service delivery whether it is efficient or inefficient, effective or ineffective, economical or noneconomic, productive or non-productive (Ezekwesili, 2010).

Effective Public Service Delivery as opined by Ogunna (2004: 2) is the desire to satisfy the public through the implementation of public policies, enforcement of laws, and realization of public welfare. Service delivery is therefore, simply the extent to which an individual worker and/or department of an

organization carries out their duties and responsibilities effectively within a given period of time for the realization of set goals.

2.3 Capacity Building/Development

Human Capital Development rest on the beliefs that organizations are human-made entities that depends on human know-how in order to establish and achieve their goals (Hassan, 2007; 436).

Human Capital of an organization are considered the most valuable assets of an organization; out of the four main assets of an organization which are (i) physical assets such as land, buildings, equipment or machines etc; (ii) financial Capital such as stocks, securities etc; (iii) human Capital are competent individuals with capacity to render services to the organizations; and (iv) Intangible assets like patents, designs etc. The human Capital renders services to the organizations by manipulating every other assets of the organization. This human Capital does not just become capable; they are developed appropriately for the attainment of organizational goals effectively and efficiently. Capacity Building is the process of optimizing the production and utilization of the workforce. Human capital development is concerned with education and training which ensures coherence between competencies and needs of the services, programs and curricula, learning strategies, availability of competent teachers and trainers, maintenance and improvement of workmen capabilities for quality service delivery within available adequate infrastructures (Dussault, 1999).

In the words of Swanson & Holton (2001) Capacity Building is a process of developing and unleashing human expertise through organization development (OD) and personnel training and development (T&D) for the purpose of improving performance. The domains of performance include organizations, work processes, and groups and individuals. *Organizational Development* is the process of systematically implementing organizational change for the purpose of improving performance. *Training & Development* this is the process of systematically developing expertise in individuals for the purpose of improving performance. According to Vinesh (2014), Capacity Development is set of systematic tasks to enrichment employee's skills, knowledge, and experiences to meet what is needed currently and the in future to achieve set organizational goals.

From the forgoing therefore, capacity building is the enhancement of individual potentials and equipping of employees of an organization with lasting capabilities through a well-thought-out training and development programs for ultimate performance on the job for the purpose of achieving organizational goals.

2.4 Three Levels of Analysis

Van Wart et al (1993: 70) advanced three types of analysis considered indispensable in determining training and development needs of the workforce within an organization. Firstly, *organizational analysis*, this is considered necessary to determine where training is needed within the organization. Secondly, *operations analysis* is required to discover who needs training and what kind of training is needed. Thirdly, *an individual analysis* is vital to find out, from the employee's perspective, what training is considered relevant for their own development. Appropriate assessment of the training and development needs of the workmen is critical to the success of the capacity building program.

2.5 The Nexus between Capacity Building and Local Government Services Delivery

It is vital to reiterate that effective service delivery at the Local Government like any other institution of government is subject to the quality of the human Capital. Studies have shown that local government needs well equipped and experienced human Resources to enable it to effectively and efficiently execute its responsibilities (Onah 2003, Ezeani 2004 and Orewa 1983). Where such well-trained human Capital

are absent, it is necessary for the organization to initiate appropriate Training and Development programs to ensure that it is able to retain and develop its current workforce in sustaining effective and efficient service delivery. Training and Development help to empower all public servants, whether workers or administrators, with necessary knowledge, skill and competences to carry out their jobs effectively in pursuit of the organizational objective. If the government at the grass-root level wants to realize its aims of efficient, democratic, accountable and equitable service delivery as it is required of them by the law, building of capacity is indispensable (Kenny et al, 1990:78).

Specifically, Capacity development contributes to organization's effectiveness, it improves the work performance of existing employees and keeps them up to date with specialist skills; the quality-of-service delivery is directly related to the capacity of organization's workforce (Kenny et al, 1990:78). Capacity building helps in addressing employees' weakness, work satisfaction of employees, increased productivity and improved quality of services rendered (Vinesh, 2014). Given the relationship between capacity development with organizational performance, any organization desirous of improved performance and/or service delivery, in this case, Local government administration in Nigeria needs to ensure appropriate capacity building programs are initiated and implemented.

2.6 Relevant Areas of Capacity Building for Local Government Service Delivery

The capacity building training for the Local Government must be strategically designed to address specific areas considered to be germane in the 21st century organizational environment. Of course, a total overhaul of the institution of Local Government and its entire team of personnel in Nigeria is long overdue; it is sagacious to be strategic at this point because the job of getting Local government in Nigeria to the place of competence in the discharge of its constitutionally assigned responsibilities for the purpose of achieving grass root development; is not a once and for all thing. It requires a well coordinated and progressive effort towards its realization. The relevant authorities/institutions like the NULGE, Department of Personnel administration and Local Government Service Commission, should be strategic; focus on the following key areas will ensure a swift redemption of the system from total collapse and consequently reposition it for effective and efficient service delivery for the development of the grass root. Areas such as: *leadership, ICT, personal development, right attitudes*.

These areas are people centered because great people make great systems. Training programs that only or merely focus on how to prepare balance sheet, prepare and attend to memos as good and necessary as they are, have not yielded the much-desired result. As argued by Ndevu et al., (2020), job centered training should be deemphasized while attention should be directed towards individual development. This task centered training produced workmen that are good at their job roles but lack the personal development that has capacity to produce great and innovative developmental oriented workmen with sound attitudes informed of virtues like self-disciplined, honesty, integrity and a good sense of responsibility that drives societal transformation.

2.7 Leadership

Leadership is the process of providing direction, energizing others and obtaining their voluntary commitment to the leader's vision (Bennis & Nanus, 1985 in Cook & Hunsaker, 2001). Everything they say rises and falls on leadership; a leader therefore, must be someone who has vision and the capacity to influence others towards achieving the vision. Leadership abilities are both innate and learnable as such great leaders transform followers into leaders (Myles, 2003).

This noble virtue of leadership is greatly lacking at the local government level in Nigeria; hence the absent of sustainable development at the grass roots. While one can rightly acknowledge the fact that leadership challenge is a national phenomenon in Nigeria, local Governance has been severely criticized over the years for poor service delivery and bad governance. Both political and administrative leadership are in great short fall at this local government level due to the patronage system of politics that is prevalence in Nigeria. Most leaders at the local government level are visionless or void of ideas, fresh initiative and innovation. They are rather after doing the bidding of the state governors who are considered as mentors or as god-fathers as well as after the interest of donor agencies (Anazodo, Igbokwe-Ibeto, Osawe & Nkah, 2014).

Appropriate leadership training targeted at building capacity to be visionary, to initiate and drive development at the grass root level through effective utilization of both material and human Capital at their disposal. The beneficiaries of the training program should comprise all staff with unique sessions for those in position of leadership. When the human Capital are empowered to think and act like leaders in any giving capacity in an organization, such organization are guarantee ultimate performance (Myles Munroe, 2003). Leadership capacity building is a major current need of the local government administration in Nigeria.

2.8 Information and Communication Technology (ICT)

World all over, particularly the developing nations of which Nigeria is part, understand the enormous potential of ICT, not merely as an instrument for improving governance and creating employments, but also majorly as a channel to improve the living standard of the citizens by the way of application of ICT in public service delivery (Basu, 2004). However, the skill and culture of civil service in many of these developing countries, Nigeria in particular faces a serious challenge in the use of ICT to conduct governance operation, known as e-governance. This challenge is largely due to illiteracy on the use of ICT facilities. The world has become a global community, highly digitalized so much so that any individual or organization that is not IT compliant is gradually becoming obsolete. This is the case with most Local Government workers in Nigeria particularly those of the junior carder. Hence the need for adequate training of local government's human capital in the strategic area of ICT. They should be given the general computer appreciation knowledge as well as technical and engineering knowledge to enable them contributes meaningfully in this era of electronic governance. The adoption of electronic governance that is cheaper, faster, does more and transparent at the Local government in the conduct of its activities, will guarantee effectiveness and efficiency in service delivery at the grass root level. The staff on ground will need to be reoriented to appreciate the adoption and application of ICT as against the traditional way of administering the local affairs (Basu 2004). The objective of capacity building along ICT is to de-emphasis the traditional or manual way of doing things, what is called paper-based administration and to embrace the digital processes that are currently the global trend in Administration.

2.9 Personal Development

This a special kind of training where the workers are subjected to unique process of self-discovery, which is the discovery of one's unique abilities and gifting, through self reflection which will culminate into self awareness or self knowledge. After which they are guided through a well coordinated procedures of building capacity in alignment with those discovered individual unique abilities. Personal Development is the most powerful way to keep workers motivated; as they grow and expand personally, they begin to feel passionate about life, people and their job. In the opinion of Ndevu, et al., (2020), this kind of training is common within the private sector and that Local government workers need more of

this training and development practices with less emphasis on the traditional job centered training content.

However, the leadership through the instrument of control and coordination is expected to ensure that these individual unique abilities are harness and channel appropriately towards the achievement of organizational objectives. Personal development is a life time project as such the management has to ensure that the individual are given the right motivational incentives to keep them zealous towards getting better each day. The better the condition of a work man, the better his commitment to the job, he considers contributive to whom he or she is become, the greater the organizational productivity. This kind of training helps the management to discover also the public service motivation (PSM) of the human resources. It can also give rise to reconsideration of staff placement for ultimate performance in the organization. For instance, a staff who was hire and place in maintenance department having a unique ability to communicate and he or she fine fulfillment doing so; may be taken to the department of personnel management or made a public relation officer.

2.10 Attitudinal Based Training and Development

Local government staff both administrative, political and other non-administrative class in Nigeria, needs a well coordinated serious attitudinal reorientation; via training and retraining to shun ill-practices, indiscipline and dishonesty in form of issuance of fake receipts for the revenue collected to ease diversion of same into private purse, absenteeism and lateness to work, departure before official closing time without permission, among others. To further buttress the aforementioned, the level of growing economic crisis in Nigeria has made corruption a profitable enterprise and a way of life in the civil service. As applicable to other tiers of government, local government is highly afflicted by the evil of bureaucratic and political corruption which has eaten deep into fabric of the whole society and public service in particular. Corruption in local government has impeded rural development which is undoubtedly the rationale behind their creation and supposed to be the key to national development (Agbodike et al, 2014).

Most public administrators have the attitude of avoiding training where they are available; such persons need attitudinal reorientation and not just task-based training (Akhakpe, 2012). Rigorous training that are attitudinal based orientation and reorientation are needed for all the human resources of the Local government especially the junior staff, to bring about sanity and sanctity in the system and the feeling of public interest as against this self-centered attitude towards public offices. When this is achieved the question of grass root development will be a thing of the past and true national development will be realized.

2.11 Challenges of Local Government Human Resource Capacity Building

Despite all that is said about how crucial and fundamental the role of Local Government in achievement of national development, in developing countries, Nigeria in particular; Local Government is still bedeviled with numerous problems precisely in the area of capacity building for ultimate performance. The first and major challenge is the issue of limited allocation of financial resources for development programs; In spite, of the constitutional provisions of funding of local governments from the federation account, local governments in Nigeria operates a joint account with the state governments as mentioned earlier, thereby making it hard if not impossible to carry out their constitutional duties and responsibilities. State governments' releases money to local governments mainly to pay staff salaries and even at that in most cases Local government staff are owed salaries for months.

Take for instance, the Local government service commission, an institution saddle with the major responsibility of recruiting the right and competent persons for the right job at the right time into the local government service for the senior carder as well as checkmate that of junior staff, and also ensuring the periodic evaluation of the competences of these human Capital viz-a-viz drawing appropriate training and development program to up-skill these workers, is only given 1% out of the local government allocation to carry-out this enormous task with huge financial demand, with as little as 1% allocation. This no doubt affects the number of staff to be trained, the quality of the training the staff gets.

This challenge of poor funding owing to insufficient financial resources at the local government disposal could be blamed on lack of visionary leadership at local government level, characterized with absolute laziness to explore internal sources of revenue generation. Most local governments in Nigeria are satisfied with what they get from federal and state allocations, which barely adequately take care of their recurrent expenditure not to talk of the capital expenditure component of its budgets. Thereby serving as a mere dispersal outlet for federal and state generated revenues; this is exactly the situation rightly described by Suberu (2004) as the cost of distributive federalism.

Poor or lack modern training equipments: accounting for the lack of motivation on the part of employees to avail themselves for training, this can also be trace to absent of sufficient funds allocated for this purpose; the nature and objectives of the training program itself, also constitute a setback, as it discourages participation. Employee will respond more to a training program that aim to improve their person and not just their on the job skills.

The outcome of the training program: the aftermath of a training project suppose to lead to change in either ranks, salaries or bonuses/allowances of employees, other motivational incentives; this is hardly the situation with Local government workers in Nigeria; with or without training, salaries raise is not guaranteed, promotion will still take almost a life time to get to some individuals; hence the unwillingness to participate. The resultant effect is poor, ineffective and inadequate service delivery to the people; there by accounting for the failure of Local government to deliver on their constitutional mandates.

2.12 Theoretical Framework

The study adopted Efficiency Service Theory of Local Government to serve a basis for discussions on the essence of Local government. William Mackenzie (1954) is considered the leading advocate of this school of thought. The basic assumption of the theory is that the main justification and fundamental responsibility of local government is to efficiently carry out local responsibilities allocated to it at the highest efficiency rate. The theory further submitted that the quantity and quality of services provided represent rural development.

Mackenzie (1979), Ola (1984) and Odoh (1990) in Dalhatu, (2001); supported this argument when they asserted that local government exist essentially to bring government closer to the grassroot by way of provision of basic amenities and infrastructure of local nature and argued that it is when local government are living up to this obligation, that they can be said to be justifying the purpose of their existence.

This theory is relevance to this study by way of it core assumptions as mentioned above, it helps to explain the essence of local government existence which is provision of services efficiently; to achieve its purpose, the human resources of the local government in Nigeria need to be adequately and appropriately equip with relevant capabilities to deliver effectively and efficiently on their mandate. Of

course adequate finance and visionary leadership are also eminent in the pursuit of the assumptions of the efficiency service theory.

3.0 Methodology

The paper made use of content analysis to obtain relevant data from secondary sources being scholarly literature, published researches, textbooks, documented guidelines on Local government administration in Nigeria, among others. Content Analysis refers to a research tool used to determine the presence of certain words, themes, or concepts within some given qualitative data (i.e. text). Using content analysis, researchers can quantify and analyze the presence, meanings, and relationships of such words, themes, or concepts (Hsieh & Shannon, 2005).

4.0 Conclusion and Recommendations

It is a known fact, that no organization or institution, public or private anywhere in the world regardless of technological advancement, can organize, operate or pursue and achieve its objectives successfully without viable and competent human capital. That is to simply say, that the human capital of every organization are the most valuable assets of the organization, however, that these assets need to be cared for and their skills constantly sharpen for a continuous effective and efficient service delivery towards the realization of organizational set objectives. Local government administration in Nigeria, has to wake up to this responsibility; rejuvenate its workforce for ultimate performance as they are currently at a dead state of ineffectiveness in the discharge of services at the grass root level in Nigeria, owing to inadequate funding, incapacitated workforce, visionless and weak political and administrative leadership.

Having looked at various issues around Local Government capacity development in Nigeria, the following no doubt stand out as keys to building the much-needed capacity for the advancement of effective and efficient service delivery at the local government level.

That the issue of recruitment of the right size of man-power with capacity to deliver on the mandate of local government and the periodic training and retraining of both new and existing staff is crucial to effective and efficient Local Government administration in Nigeria; hence the need for local government service commission with the statutory mandate to produce this competent manpower, to be adequately funded with a percentage above the current one percent (1%), out of the local government allocation to become more effective in the discharge of its mandate of recruiting, training and development of man-power at the local government.

That the commission should be allowed to exercise their independence without interference from the state government in the process of recruitment, the principle of meritocracy should be the basis not political patronage or nepotism. This will guarantee quality man-power at Local level. That the Local Government Administration should focus on alternative sources of revenue at their disposal to complement the Federal and State Allocation, to be able to live up to its responsibility of building a competent human resource that are adequately equipped with modern gadgets like ICT facilities, for effective and efficient service delivery for rural development. That calculated leadership seminars, workshops or conferences and other personal/attitudinal transformation and capacity building training and development programs, alongside task-based training, should be organized by both internal and external relevant authorities and partners; this will go a long way in breeding a viable workforce for effective service delivery which is pivotal to the existence of Local government Administration in Nigeria.

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Local Government Administration, Democracy and Development in Nigeria's Federal System

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Abstract

Local Government is a critical tier of government in Nigeria's federal system. Irrespective of the power relations among different levels of government, Local Governments are always considered as the governments closest to the people. Indeed, local governments serve as a link between local communities and higher tiers of government either as a policy transmitter of the superior tiers or as a feedback institution that relays the opinions and demands of the grassroots to superior governments. Similarly, Local Governments in Nigeria are critical in the promotion of democratization at local level and mobilization of human resources for grassroots development which place it in a strategic position of political relevance. However, since Nigeria's return to democracy in 1999 which marked the beginning of fourth republic, there has been a sharp decline in the delivery of Social Services at the local government level largely due to overwhelming corruption, weak institutions, interference by states, lack of autonomy as well as erosion of democratic values, ideals and principles. This paper sets out to examine the relationship between local government and other levels of government under democratic system of government in Nigeria's fourth republic. The paper is situated within the Decentralization Theory which assumed that in federal arrangement the central government needs to devolve powers to states and local governments so that each would be more efficient and autonomous in discharging their roles and responsibilities. The methodology employed is essentially documentary approach and data is analyzed qualitatively. The Paper argued that despite the constitutional provisions and the strategic position of the local government as the government at the grassroots level, it remains incapacitated and relegated due to interferences by states and central governments since the inception of the fourth republic. Thus, the paper recommends that local governments should be strengthened and made more autonomous so that it can truly qualify as the third tier of government that is free from undue interference and control of the higher levels of governments but co-coordinately working together for the common good.

Key Words: *Local Government, Democracy, Development, Federalism, Devolution, Decentralization, Intergovernmental Relations*

1.0 Introduction

From 1950s, when federalism was introduced in Nigeria, local government administration has received scholarly attention. The evolution and development of Local Government System can be traced to the Native Ordinance of 1916 which was passed by the British colonial government ostensibly to leverage the existing traditional administrative systems in various regions of the area now called Nigeria. By 1954, some democratic values and principles begun to infiltrate the local government system in the hitherto three regions of West, East and Northern Nigeria with each of the regions exercising some control of local government. Although, the 1950 Ordinance begun to introduce some democratic ideals and norms in local government administration, it also marked the beginning of federal/regional dominance over local government administration (Chima and Ozohu, 2015). Each of the regions was grappling with ideas of reform on local government when the military took over power in 1966 and

started a shift toward decentralization of Nigeria's federalism. The distribution of legislative power between federal government and the regions was relatively balanced. In 1976, the federal government decided to carry out Local Government Reform to enhance decentralization as part of transition to civil rule program. The policy of decentralization assigned local functions to local governments on the principles of responsibilities for provision of services closest to the people (Gboyega, 2011). Local Governments in Nigeria were established with major aim of bringing government closer to the people at the grassroots and the reforms undertaken in the administration and structures of the local government aimed at accelerating development and to enable local people participate and hold those in authority accountable for their governance roles.

As a matter of fact, Local Governments underwent more autonomy-building reforms in the 1980s and 1990s at the behest of the Federal Government. These included the scrapping of State Ministry of Local Government and direct payment of statutory allocations to the local councils rather than through the states to reduce the high degree of state government control and interference, the extension of the 1988 Civil Service Reforms to Local Government which made the council chairman the chief executive and chief accounting officer, the increase of the local government share of the federation account from 10-15 and later to 20 per cent; the introduction of presidential system at the local level in 1991; and the phenomenal increase in the number of local governments from 301 in 1976 to 453 in 1989, 589 in 1991 and 774 in 1996. The experimentation continued in to the fourth republic, the legacy of military rule was entrenched to be redressed in a few years, but even if political class had a commitment to do this the absence of an underlying philosophy or tradition of local government meant that the old regime of open-ended experimentation would continue.

Furthermore, the ambiguities and contradictions in the provisions of the 1999 constitution on local government did not help matters and set the stage for the struggles between states and federal government over the control and dominance of the local authorities. In 2003, at the height of the struggles and controversy, the Federal Government set up a Technical Committee on the Review of the structure of local government councils to review and consider the desirability or otherwise of retaining local government as a third tier of government. One of the major recommendations of the committee was the reintroduction of the Parliamentary System at the local level in view of what is considered the expensive and wasteful nature of the presidential system at that level. This and the landmark of Supreme Court Ruling of 2001 which affirmed state responsibility for local governments were waiting to perform their own experiments. Taking their authority from section 7 (1) of the 1999 Constitution that guarantees democratically elected local councils and empowers state governments to enact laws for the 'establishment, structure, composition, finance and functions' of the councils several states have introduced different structures of local government thereby breaking the yoke of uniform local government practice that was established in 1976 (Osaghae, 2005, p.335-336). Indeed, the existence of local governments as a true tier of government in Nigeria's federal system over the decades has remained a mirage.

2.0 Literature Review

2.1 Conceptualizing Local Government

The concept of Local Government has multiple definitions and interpretations. Some of these meanings and definitions of local government are legal, administrative, political or theoretical. According to 1976 Local Government Reforms, local government could be defined as:

Government at local level exercise through representative council established by law to exercise specific powers within defined areas. These powers should give

the council substantial control over local affairs as well as the staff and institutional and financial powers to initiate and direct the provision of services and to determine and implement projects so as to compliment the activities of the state and federal governments their areas and to ensure through devolution of functions to their council through the active participation of the people and traditional institutions, but that local initiative and response to local needs and conditions are maximized (Federal Republic of Nigeria, 1976).

Similarly, Akhakpe (2011) conceptualizes Local Government as that unit of administration with defined territory and powers as well as administrative authority with relative autonomy. To Oni (1999), Local Government is that level of government exercised through representative councils established by law to exercise geographical area with common social and political ties. These powers should give the council substantial control over local affairs as well as the staff and institutional and financial powers to initiate and direct the provision of services and to determine and implement projects so as to complement the activities of the state and federal governments in their areas. Also, UN Report (1960, p.3) defined local government as a political division of a nation (in federal system) which is constituted by law and has substantial control of local affairs, including the powers to impose taxes or to exact labor for prescribed purpose. The governing body of such an entry is elected or otherwise locally selected. The common denominator in these definitions is that local government is a subordinate system of government and has the authority to undertake public activities and that this authority has structure and functions and is controlled by higher authorities thereby posing some challenges on its administration.

2.2 The Concept and Operations of Federalism in Nigeria

A federal state is one in which there is a central authority that represents the whole in external affairs and in such internal affairs as are held to be common interest; and in which there is also state or local administration within the sphere allotted to them by the constitution (Kura and Funtua, 2022). Derived from the latin word '*foedus*' which connotes covenant federalism is a political concept in which a group of people are bound together by covenant with a governing representative. The term also often describe a system of government in which governmental powers are constitutionally shared between and among central governing authority and constitutional component units like states and local governments (Majekodunmi, 2015). As a system, federalism often arises from the desire the people to establish a union without necessarily losing their identities. It therefore seems to provide an attractive system of government particularly in the context of ethnic diversity found in many countries like Nigeria. In some instances, federalism is regarded as a necessary tool for managing ethnic, religious and cultural pluralism in a heterogeneous and complex society such as Nigeria. In principles, federalism implies the construction of a system where consensus is reached between the current demands of the union and the territorial diversity within an emerging society by the creation of a single political system within which central and local governments are assigned coordinated authority in a manner that defining both legal and political limit of equality and subordinate functions (Agbu, 2004). Federalism is also viewed as an arrangement whereby power within a multidimensional country are divided between a federal or central authority and a number of localized governments in such a way that each unit, including the central authority exist as a government separately and independently from the others, operating directly on persons and property within its territorial area with a will of some matters exclusive of all others. In a federal system, each tier of government enjoys autonomy, a separate existence and independence of the control of any other tier of government. Each government exist as an autonomous entity in the sense of being able to exercise its own will on the conduct of its affairs free from direction by any government. Indeed, in any federal arrangement the rigid constitution that is usually adopted in such a system must be

supreme, so that it would not be possible for the federating units or federal government to change it whenever they please. Both of them must work within their allotted spheres. If they overlap limit, they are to be checked by the judiciary. In addition, there shall be division of power between the federal government and the units.

However, there is no uniformity of practice in the world with regards to the division of powers in a federal system. Likewise, the court must have authority to declare invalid any law passed by the legislature that is against the constitution (Mahajan, 2008). Conversely, in contemporary world many federations are bedeviled with several challenges arising primarily from the failure of the union to either satisfy the necessary conditions for establishing the federal system or uphold the essentials of federalism such as the supremacy of the constitution, division of powers and the constitutional role of the court to annul legislative and executive actions and Nigeria can without doubt be situated within these countries.

The evolution and operations of federalism in Nigeria can be historically traced as far back as 1914 when the Northern and Southern Protectorates were amalgamated though with a unitary form of administration. Since then, governmental power that exists in Nigeria has been shared between the central government headed by the Governor-General and the governments of Northern and Southern protectorates headed by the Lieutenant-Governors. Therefore, the existence and recognition of the two autonomous parts of Northern and Southern Provinces, the administrative system of Nigeria wore some outlooks of federalism (Daniel, 2017). Officially, the practice and operations of federalism was adopted through the Lyttleton Constitution of 1954, as it was the first genuine federal constitution of the country. The Constitution was introduced due to crisis generated by the Macpherson Constitution especially the motion of self-government and the Kano riots of 1953. These events convinced the colonialists that some considerable autonomy must be granted to regional governments and that only federalism could hold Nigeria together.

At independence, Nigerian federalism was consolidated and since then has been operating in both fiscal and political contexts, although not in full consonance with basic principles of federal practice. This is because historically federalism in Nigeria has oscillated between the excessive regionalism that marked the First Republic (1960-1966) and the excessive centralization of the military and relatively the post-military period (Adeyemi, 2010). But, the Nigeria's federal structure has over time undergone changes where the where the federation moved from its three regional structure by 1964 and its current thirty-six state structure including seven hundred and seventy four local governments. These changes were necessitated by the need for a balanced federation that would give all nationalities self-actualization and fulfillment which are yet to be achieved (Adeyemi, 2010). Indeed, two major events in Nigeria's political development in the 1960s had a profound consequence on the evolution and development of federalism: the incursion of military into politics in 1966 and the civil war of 1967. This position was corroborated by Tor and Asonjo (2013) as they argued that military incursion into Nigerian politics has no doubt affected the structure of Nigerian federation and weakened all integrative structures as well as dampened the very basis of democracy. In line with the military's command structures, Nigeria's federal system has been overcentralized to that extent that it reflects more of unitary arrangement than a federal one, notwithstanding, there is division of power between the federal and the component units.

Ironically, many scholars have contend that from 1954 when federalism was introduced in Nigeria, the country has been wallowing from one challenge to the other and that affected the practice of democracy and made all efforts of national integration unattainable. Hence, many believe that Nigeria practices federalism only in theory and not in practice. This is attributed to a highly centralized federal system in

all its ramifications that was a military legacy in Nigeria's Politics. Consequently, even after Nigeria's return to democracy in 1999 it has not been able to master the necessary political will to return to true federalism by allowing the three tiers of government; federal, states and local governments to operate as autonomous without undue interference, and this hampered democratization and democratic practice in Nigeria (Kura and Funtua, 2022).

2.3 Theoretical Underpinning

This paper uses the Decentralization Theory as its framework of analysis in the discussion of Local Government administration in Nigeria's federal system with a focus on local government autonomy as the panacea of incessant interference in the administration of local councils by higher tiers of government. Decentralization Theory originated from developments within the English Polity in the Seventeenth and Eighteenth centuries. The exponents of the theory among others include Rousseau, Locke, Paine, Montesquieu, Sidney, and Milton, Blackstones, Harrington, Madison and host of others. Decentralization Theorists assumed that in a federal system, the central government should devolve powers to states and the states to local governments in such a way that the component units would be more efficient and autonomous in the discharge of their functions and make the impact of government felt more easily by the citizenry either at local or state levels.

Hence, the theorists perceive the decentralization of power as a means of bringing government closer to the people. Also, the theory of decentralization has two central assumptions; first pertaining to divisions at national level separate powers and the other pertaining to divisions between national and subnational levels (Garring *et al*, 2004). The Theory aims at bringing decision-making closer to the people at the local level and as such deals with programs and services that address local needs better. Thus, it makes government through the devolution of power smaller and more efficient in promoting democratic practice and development as well as provides the opportunity for greater participation and representation of all people across all the tiers of government in taking decisions on issues affecting them and proffer solutions. These could aid in shifting paradigms to shift from the 'top-down to the bottom' up approach. The Theory is also important as it helps to grant more autonomy or freedom to the local government. Hence, when every local government does the work and decides on what is the best suited for their local needs, then efficiency and efficacy will be improved and assist to generate more revenue which could be used for the expansion of economic growth and development in the entire country. In addition, the Theory would assist in enhancing administrative and economic efficiency in the distribution of scarce resources from the national to the local governments as such the theory will help in promoting better understanding of local needs and expectations. Lastly, the Theory will also help in promoting the smooth sharing of powers between and among the federal, states and local governments, thereby reducing conflict among the tiers government as a large number of challenges and issues can be best tackled at the local level and citizens have better understanding and knowledge of their predicaments (Gambo and Ibrahim, 2022, p.401- 402).

3.0 Methodology

This paper is on Local Government Administration and Development in Nigeria's federalism under Democracy. It X-rays and analyses administration of local governments in Nigeria's federal system. The paper employs library research technique. The data used is derived from documentary sources which include text books, academic journals, official documents, conference proceedings, seminar papers, online documents and host of others. The data elicited is analyzed with the use of qualitative content analysis.

4.0 Discussion and Contextual Analysis

The 1999 Constitution, like the 1979 Constitution provides for the three tiers of government: Federal, State and Local, and each level of government is independent in sense that one level is not subordinate to the other in terms of legal authority. Specifically, it has been argued that local government councils are autonomous entities and therefore should be treated as such. However, the much-touted autonomy of local government councils, if that was the intention or intendment of the 'authors' of the '1976 Local Government Reforms' flies in the face of facts and the constitutional provisions as demonstrated below:

That the 'authors' of the 1999 Constitution like the 1979 Constitution paid little or scant attention to local government as the third tier of government is no longer doubt. Indeed, from all indications, the local government is the least important of all the three tiers of government just like the third world is the least important in the comity of nations. An examination of the distribution of powers among the three tiers of government under the 1999 Constitution and the practice of intergovernmental relations during the fourth republic show the complete subordination of the local government councils to the other two tiers of government. In fact, the 1999 Constitution does not make any explicit provisions for any legislative powers for local government councils although they presumably as is the practice in federal, states could enact bye-laws relating to the functions of the local government council as enumerated in the constitution (Akinsanya, 2005).

4.1 Local Government and Democracy in Nigeria

There is a linkage or nexus between local government and democracy in Nigeria within the context of local-central politics relations. The motives/purposes of introducing political/democratic decentralization in many political systems are to devolve power to local governments with a view of enhancing political participation. In Nigeria, the rationale for the existence of local government is not at variance with general objectives of devolution. However, our experience so far shows that political variables have the capacity of influencing the outcomes of decentralization in form of devolution since it involves the distribution of power and resources among different levels of government. The politics of local-central relations in Nigeria aptly explains how the intended goals of democratic devolution have been reshaped by the pattern of interaction between the local bodies and the higher levels of government. In examining the linkage between local government and democracy it is important to set parameters since democracy is a wide concept. Three democratic elements considered in this paper are the methods of recruiting the leaders i.e. methods of constituting the local councils, the level of participation of the citizens and degree of responsiveness of the councils to the citizens. Thus, local governments are expected to be managed by elected by local leaders who are very much familiar with the locality. This is aptly reflected in the pattern of administration that emerged at the local government level immediately after the 1976 Reforms. Consequent upon the major elements of the reforms, various states in the federation resorted to the newly created councils. Participation is central element of democracy, though it does not essentially mean direct involvement in policy making and involves two stages. The first stage is when citizens elect leaders to represent their interests and the second stage is starts when leaders consult with electorates so that the policies could reflect their views and preferences.

What the foregoing depicts is that in terms of participation in election, it has essentially been top-bottom phenomenon. The political leaders at the state and federal levels have been hijacking politics at the local government level. Another dimension to the analysis in the linkage between local government and democracy in Nigeria is the degree of responsiveness of elected leaders to the citizens. If institutional responsiveness is seen as mainly concerned with the achievement of congruence between

community preferences and public policies in Nigerian context there seems to be little evidence to show that policies at the local government are designed and tailored towards the needs of the people. This is understandable as most elected local government officials were imposed; hence they have no moral obligations to the community. Thus, the electorates in many local governments do not know their elected leaders neither such leaders themselves familiar with the locality. The non-involvement of the local people in running the affairs of the of the local councils has shifted the task of policy formulation to actors that are not the actual representatives of the locality. Apart from the lack of accountability of the leaders to the citizens resulting from this, the elite capture has fostered corrupt practices at the local government (Tobi, 2005, p.378-380).

4.2 Strengthening Local government for Autonomy: A Discourse on 1976 Reforms and Beyond

In 1976 the Federal Government undertook profound reforms in Nigeria's Local Government System and administration that truly marked a watershed in the history and practice of Local Government administration in Nigeria. The Reforms were the product of the widespread agitations by experts both academic and practitioners as well as the general public demanding that local governments be made an autonomous, effective and efficient level of government (Tobi, 2005, p.388).

The 1976 Local Government Reforms redefined local governments and changed their orientation from field of administration of state governments to being a simultaneous local government structures that were responsible to the electorate. The Reform introduced a most innovative and rather radical departure from the existing structured pattern of local government in the country. The major Highlights of the 1976 Local Government Reform include:

- i. Abolition of the old divisional administrative operating in most parts of the country
- ii. Provision of multi-purpose single-tier local authorities tagged 'Local Government with chief executive system of management
- iii. Provision of federal grants to be disbursed to local governments through the states
- iv. Introduction of Supervisory Councillorship with each of the supervisor in charge of one or more departments in the local council

However, the progress made in local government reforms in 1976 was virtually eroded in the 1980s when the authority vested by the 1979 constitution to the states to create local government led to the formation of several more local governments.

4.3 The Dasuki Local Government Review Committee of 1984

As a result of the inadequacies noticed it was felt that the 1976 nationwide local government reforms were not sufficiently able to generate the desired impact. This led to the setting up of the Dasuki Local Government Review Committee in 1984. In 1986 Dasuki's committee report made improvement on the state of local government. The government whitepaper subordinated the local governments to the states. External revenues to local governments were drastically reduced. States governments were now to make available just 10 per cent of their internal revenues to local governments which they failed to do. The subordination of the local governments to the states was completed with introduction of Sole Administrators who became agents of the states governments and the gains of the 1976 Reform were lost.

4.4 Local Government Reform of 1988

Following the recommendation of another Local Government Review Commission in 1988 the Federal Government adopted a number of measures to strengthen local governments. Some of the new measures were:

- i. Abolition of State ministries of local government
- ii. Paying federal allocations to Local Governments accounts directly
- iii. Strengthening local government financial administration by local government's authority
- iv. Transferring Primary Education and Primary Health Care and related personnel and facilities to local governments

4.5 The Local Government Review of 2004

This Review took place under the chairmanship of the late Etsu Nupe Alh. Umaru Sanda Ndayako and later replaced by Alh. Liman Chiroma. The Federal Government issued a white paper on the report and the National Council of States endorsed the report. The main contents of the Report were:

- i. It retained the existing 774 local government councils
- ii. All local governments must submit their annual budgets to their States Assemblies for Approval
- iii. That local governments should fund their various services and agencies including paying salaries of paramount traditional rulers and primary school teachers
- iv. Administration of local governments is purely the responsibility of State House of Assembly which will make appropriate legislation
- v. Establishment of inspectorate department to enforce compliance with the local government budget as approved by planning and legal units in the local government councils.

Recently, another provision has been enacted into law by the National Assembly in 2005, empowering Local Government Allocation to be paid directly to them instead of the previous arrangement having State-Local government Joint Account. This provision has received criticisms from the Conference of Assembly of Speakers who looked at that provision as unconstitutional and encouraging corruption in local government administration.

5.0 Conclusion and Recommendations

The Status of Local Governments in Nigeria over the decades is far from being satisfactory in spite of all efforts to reform, restructure and review them. It is therefore suggested that the status of the local government should be properly elevated to the level of the State and Federal governments with full autonomy to be a tier of government of its own without undue interferences by other tiers of government. The local government councils should not be under the control of states. The constitution should make the necessary provisions in matters of their establishment, structure, composition, finance and functions just as in the case with state and federal governments. The office of the chairman, vice chairman representing the executive and the councilors as legislators for local government should explicitly be spelt-out including the necessary procedure for checks and balances. The Local Government System and Administration must be allowed to develop by itself, if it is to meet up with its objectives of grass root development.

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Public Sector Reform in Nigeria: The Imperatives of E-Governance

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Abstract

The public sector being the machinery utilized by the state to formulate and execute plans, policies and programmes for government at the national, state and local level is a lynchpin for national development. Since independence in 1960, successive government in Nigeria embarked on series of public sector reforms with a view to reposition and strengthens the administrative capacity of the public sector to enact and implement development programmes to achieve national development goals. However, the success of these reforms in revitalizing the public sector as a veritable instrument for national development is, doubtful. Thus, this paper examines the imperatives of e-governance as a reform tool towards effective public service delivery as a precursor for national development. The paper relied on qualitative research method as data that formed major part of the study were generated from archival analysis of relevant literature on the subject matter and inferences drawn from it. Based on its findings, the paper concludes that effective e-governance implementation is one of the best means of reforming the Nigeria's public service towards effective service delivery, transparency and accountability in government business. However, there are lots of challenges militating against the effective implementation of e-governance in Nigerian public sector. The paper therefore, recommends among other things that, government at all levels should be more committed to the implementation of e-governance in the public sector and embarks on adequate enlightenment of public servants on the concept and practice of e-governance for effective and efficient service delivery.

Keywords: *Public Sector, Reform, E-Governance, Information and Communication Technologies (ICTs), Service Delivery.*

1.0 Introduction

The raise of digitalization of human activities in the 21st century on the global scale which brought about radical movements towards the increased use of Information and Communication Technologies (ICTs) in the business world as well as the personal lives of people prompted governments around the world to join the bandwagon. The high rate of efficiency, effectiveness and accountability which the use of ICTs brought into the private sector became a ray of hope for the public sector to redeem its tainted image of inefficiency, lack of transparency and accountability. Thus, the adoption of e-governance became an inevitable reform that is bound to be implemented in the provision of public goods and services. Information and Communication Technologies no doubt offers great opportunities for Nigeria and indeed all developing countries vis-à-vis public service delivery and citizen's satisfaction. This accounts for the link between e-governance, optimization of government operations and achievement of the cardinal principles of efficiency, effectiveness, transparency and accountability in the country's public service.

The institution of public service is one of the major legacies bequeathed to Nigeria by the colonial masters. The institution was described as one of the symbols of national independence primarily established to among other things facilitate the process of development. However, its performance over the years has left much to be desired and that partly explains why a series of reforms were carried out to reinvigorate the public sector towards efficient service delivery. Arguably, reforms were carried out, especially in the public service to promote organizational effectiveness, build the capacity of employees, promote fiscal stability and attain national development. Reform of the public sector is not new in Nigeria's public administration. In fact, one could argue without any fear of contradiction that public sector reform is as old as the country itself. The Nigerian public service reforms were aimed at strengthening the capacity of the institution to carry out its assigned functions (Sanusi, 2010).

Some of the public sector reforms in Nigeria include privatization and commercialization of public organizations, monetization policy, structural adjustment program (SAP), downsizing in the public sector, service compact (SERVCOM) to mention but a few. However, the success of these reforms in revitalizing the public sector as a veritable instrument for national development is, doubtful. The aim of this paper is to examine the imperatives of e-governance as a public sector reform tool towards effective public service delivery as a precursor for national development. After the introduction, the paper briefly reviews relevant literature on public sector, reform and public sector reform as well as e-governance in which attempt is made to presents the various conceptions of e-governance, its stages of implementation, historical background of e-governance implementation in Nigeria and thereafter, the methodology of the paper is presented after which it examine the imperatives of e-governance as a public sector reform tool in Nigeria, it then takes a look at the challenges to the adoption and effective implementation of e-governance in Nigeria and ends with conclusion and recommendations.

2.0 Literature Review

This section provides conceptual clarifications of public sector, reform and public sector reform. It also explains what public sector reforms entail and what factors necessitates it. The section also gives clarity on the meaning of e-governance, its models and explores the historical background of e-governance implementation in Nigeria.

2.1 Conceptualizing Public Sector, Reform and Public Sector Reform

The term 'public sector' is generally identified with the government or state. The public sector is generally owned and controlled by the state or government. Public sector organizations manage the public's business and are responsible for getting the work of government accomplished. In a sense, the public sector can be used as a synonym of public service as both terms relate to government or public administration (Ukwandu and Ijere, 2020).

Reform, in simple terms, implies the readjustment or repositioning of an organization in order to be able to effectively and efficiently meet the dynamism and challenges of its universe of operation. It often requires a trajectory of moving from a present but unfavorable state through series of strategic and institutional stages of change towards a future state marked by efficient and effective improvements leading to better performance (ECA, 2009).

Public sector reform on the other hand, could be seen as a total overhauling of the government administrative machinery with the aim of injecting real effectiveness, efficiency, hardcore competence and financial prudence in the running of the public sector (Omoyefa, 2008). This definition pre-supposes that public sector reform is undertaken when all is not well with the public sector and therefore, there is

the need to strengthen its institutional, operational and structural capacity for efficient performance. Similarly, Schacter (2000) sees public sector reform as strengthening the way the public sector is managed in a way that goals and objectives for which it was established are achieved within the specified rules and resources.

2.2 Factors That Necessitated Public Sector Reforms

The public sector in most third world countries signals the worst tendencies of the —dead hand of bureaucracy—corrupted, inefficient, poor services, cumbersome red tape—due to —accumulation of excessive power, lack of accountability and representation, indifference towards public needs and demands, official secrecy and inaccessibility, and role in depoliticizing the public sphere (ECA, 2009). This has led to a constantly declining level of efficiency and effectiveness in the delivery of public goods and services to the citizens. This assessment of the bureaucratic nature of the public sector in Africa coincided with the growing call, at the global level, for a redefinition of the state in the light of their functioning capacity to meet the growing needs of the citizens within a democratic dispensation. These are the issues that gave birth to the idea of the reform of the public sector.

In like manners, Nigeria's development efforts and government policies are threatened by the incompetency and ineffectiveness of the public sector. The public sector had begun to exhibit signs of progressive decay, as a result of the oil boom era, over centralization, growing conflict between cadres and hierarchy, low staff morale and productivity. As a result of these, successive governments in Nigeria (from post-independence era to the contemporary times), have embarked on series of reforms aimed at improving the efficiency and effectiveness of the public service. But still, the service remains inefficient and incapable of reforming itself (Salisu, 2001).

2.3 Conceptualizing E-governance

E-governance refers to the use of internet technology as a platform for exchanging information, providing services and transacting with citizens, businesses, and other arms of government (UN government survey, 2008). The World Bank (2010) defined e-governance as the use of information communication technology to transform government by making it more accessible, effective, and accountable to its citizenry. To Estevez & Janowski (2013), E-governance is the application of technology by government organizations to transform its activities and its interactions with the citizen so as to create an impactful society. Bannister and Walsh (2002) view e-governance as a concept that signifies the application of information and communication technology by a number of government agencies and civil society in stimulating the frequent participation of citizens in the governing and administrative process of political institutions. Sunday (2014) similarly opines that e-governance is the use of ICT by departments of government to promote accountability, awareness creation and further guarantee openness in the administration of government. Nkwe (2012) in his argument asserts that e-governance is a shift from the traditional model of public administration. The shift is in terms of the delivery of government services to the citizens through the use of ICT. In agreement with the foregoing, Ayo (2014) described e-governance as the governance of a nation through the use of Information Communication Technology.

According to Danfulani (2013), the scope of e-governance revolves around e-registration, e-participation, e-taxation, e-mobilization, e-education, e-service delivery, e-feedback, e-policing, e-debate, and the analysis of public financial statements. Thus, e-government is a network of organizations such as the government, non-profit organizations, and private institutions who work together to achieve a common goal. Adeyemo (2013) observed that the primary aim of ensuring the application of e-

governance in the affairs of the state is to promote good governance which is characterized by equality, partaking in the democratic process, transparency, and accountability in the various sector of the nations' economy.

E-governance implementation cannot be seen as a single-step process or executed as a solitary project. It is evolutionary in nature, involving multiple stages of implementation (Jayashree and Marthandan, 2010). There are various models developed to describe the stages of e-government implementation. These models have some stages in common but also have some differences as well. The UN's model has been the most popular and adapted in various e-government reports (UN e-government survey, 2008). The stages in the model are:

Stage 1 - Emerging presence: Here, a government makes its online presence with an official website which includes links to ministries or departments. Information is majorly inactive and there is little or no interaction with citizens.

Stage 2 - Enhanced presence: Governments provide more information on public policy and governance and makes them easily accessible to citizens. Links are made to record information such as newsletters, documents, reports, laws etc.

Stage 3 - Interactive presence: Governments provide online services like downloadable forms for applications and an interactive portal with services to ease their use by citizens

Stage 4 - Transactional presence: This stage enables a two-way contact between 'citizen and government'. It includes options for paying taxes, applying for ID cards or passports and other functions similar to Government to Citizens (G2C) interactions.

Stage 5 - Networked (or fully integrated) presence: This is the most sophisticated level of e-government implementation. It integrates all e-government service dimension Government to Government (G2G), Government to Citizens (G2C) and Government to Business (G2B). At this stage, government, through technology, becomes proactive in connecting with and answering citizens' needs.

2.4 Brief Historical Background of E-Governance Implementation in Nigeria

The Nigerian Government recognized the potential of Information Communication Technology to empower citizens especially youths, women and disables and the need of the country to participate in the race to becoming a digitized society (Awoleye et al., 2008). To this end, ICT was declared a national priority, resulting in the formulation of a policy for Information Technology in 2001. Nigeria laid foundation for e-government when it adopted the National Policy on Information Technology (IT) 'USE IT' policy document. The document spelt out the strategies and guideline for e-governance implementation in Nigeria. The enabling law of the National Assembly known as the National Information Technology Development Act of 2007 was later promulgated. This law formally set up the National Information Technology Development Agency (NITDA). NITDA was authorized to formulate, devise, develop and promote the use of Information Technology in Nigeria (Olatokun and Adebayo, 2012). E-Nigeria, an initiatives aimed at connecting communities, vital agencies, institutions of government and educational institutions at all levels with ICT was pursued by the government (Fatile and Olufemi, 2012). With the enabling act, various government agencies embarked on the implementation of ICTs in their operations. However, in 2011, the Federal Government created a new Ministry called the Ministry of Communications Technology which was saddled with the mandate of streamlining ICT development and progress in line with the nation's plan for e-governance (Omerie and Omeire, 2014). In 2012, a National ICT draft policy was presented by the ministerial committee on ICT

policy harmonization which included several policy recommendations and reports. The following are the policy thrust of the National ICT draft policy of 2012, as it pertains to e-governance:

- To facilitate the implementation of e-governance initiatives;
- To develop frameworks and guidelines, including interoperability and e-government framework for the enhanced development and use of ICT in the government;
- To develop and implement ICT training programs for public sector employees, in connection with introduction of e-governance and other digital functions within government offices;
- To coordinate the integration of national e-governance network infrastructure and services; and
- To promote e-governance and other e-services that would foster broadband usages (National ICT Policy, 2012).

The Nigerian legal framework covering the use of ICT in governance is not based on an integrated system but on various policies. They include: the Information Policy, which is supervised by the National Media Commission; the Telecommunications Policy, which is regulated by the National Communications Commission (NCC); and the ICT policy which is overseen by NITDA (Fraser-Moleketi, G. and Senghor, D. 2011). The private sector was not left out of the drive for implementing ICTs in the business of governance in Nigeria. In 2007, the National Information Technology Development Act also provided for the avenue of public-private partnership in the adoption and management of ICTs in Nigeria by establishing the National e-Governance Strategies limited (NeGST) (Fatile, 2012). Despite these government initiatives, Nigeria still struggles to have a notable improvement in its e-governance implementation.

2.5 The Imperatives of E-Governance as a Public Sector Reform Tool in Nigeria

Gupta and Jana (2003), rightly argued that the application of ICTs in government is no longer seen as an option but as a necessity for all countries aiming at having better and efficient governance. This shows that there is a strong nexus between ICTs application and efficient public service delivery. In a study carried out in 2003, the European Commission observed that ICTs application enables the public sector to maintain and strengthen good governance in the knowledge society, create a public sector that is open and transparent, governments that are understandable and accountable to the citizens and open to democratic involvement and scrutiny. It also ensures that the public sector is at the service of all, promotes a productive public sector that delivers maximum value for tax payers' money, less time is wasted standing in queues, errors are drastically reduced, more ties are available for professional face-to-face service and the jobs of the civil servants becomes rewarding in the process (Nweke, 2007).

Literature is filled with the immense benefits of e-governance as an efficient and effective means of public service delivery. In addition to the foregoing, Muchie (2011), posited that ICTs have opened a new e-governance space or route that has huge potential for improving opportunities for the participation of citizens in governmental affairs. This type of setting enhances equity, transparency, accountability, responsiveness, responsibility, effectiveness and efficiency in the manifold transactions that link service suppliers and service recipients. It has also been argued that the application of ICTs in the public service can lead to the following outcomes: saving costs while improving quality, response times and access to services (ADB, 2003); e-governance immensely contribute in improving the efficiency and effectiveness of public administration (Pacific Council, 2002); e-governance help increasing transparency in administration, reducing corruption and increasing political participation (Seifert and Bonham, 2003), and; making governments more competitive (OECD 2003). Below, we examine in some details some of the aforementioned imperatives of e-governance as a public sector reform tool in Nigeria:

2.5.1 It Reduced Cost of Administration

The implementation of ICTs in the public sector allows for a significant reduction in information generation and handling cost. This process enables faster sharing of information thereby reducing the frequency with which data is collected when it is handled manually. Obviously, data collected manually costs more due to travel costs and other allowances and expenses.

2.5.2 It Improved, Fast and Reliable Public Service Delivery

The traditional style of public service delivery in the public sector is time consuming because of the bureaucratic nature of the Nigerian civil service. ICTs application therefore, helps to reduce waiting time and red-tapism, thereby bringing about fast and accurate service delivery as reflected in public sector organizations in Nigeria like the National Youth Service Corps (NYSC), Joint Admissions and Matriculation Board (JAMB), Abuja Geographical Information System (AGIS), National Open University of Nigeria (NOUN) and a host of others that have made service delivery to the citizens more convenient, faster and accurate through the digitalization of their operations and services.

2.5.3 It Promote Access to Transparent, Accountable and Participatory Governance

E-governance initiatives have already demonstrated significant capacity for citizens to have greater access to information from public authorities in Nigeria. Public service delivery improves citizens' participation in public sector management, which is enhanced through ICTs. The opportunity generated in this regard helps to increase the transparency of decisions as citizens and the public servants interact through e-governance process. The citizens and other service recipients are allowed to contribute and exchange ideas and suggestions through electronic forum and websites. Thus e-governance, therefore, enhances transparency, accountability and participatory governance. It also reduces corrupt practices in the public sector.

2.5.4 It Enhances Networking and Inter Governmental Relations

ICTs provide and enhance networking of relationships among governments, customers, businesses, employees and other organizations. The successful use and diffusion of ICTs in the public sector involves a collective, multi-disciplinary and dynamic learning process (Mansell and Wehn, 1998). This is the case of such Nigerian public agencies like NYSC, JAMB, AGIS, NOUN, WAEC, NECO, etc, that have fully embraced e-initiatives in the delivery of public services.

2.5.5 It Boosts Competitive and Responsive Service Delivery

The digitalization of operations and services in the public sector in Nigeria means that the public sector is in a healthy competition with the private sector in delivering qualitative and productive services to the citizens as the private sector was the first to digitalize their operations and services delivery. Thus, ICTs application in the public sector therefore, boosts competitive and responsive service delivery in the country between public and private sector.

2.6 The Challenges to Effective Implementation of E-Governance in Nigeria's Public Sector

The challenges to e-governance implementation in Nigeria are similar to those of other developing nations. Scholars like Abasilim & Edet, (2015); Abasilim, Gberevbie & Ifaloye, (2017) agreed that one of the challenges to the effective implementation of e-governance in Nigeria is poor telecommunications and internet facilities. Fatile and Olufemi (2012) capture this issue by emphasizing that the enabling technological frameworks for the adoption and implementation of e-governance in Nigeria are substandard and insufficient. Olaopa (2014) succinctly itemized factors impeding the effective implementation of e-governance in Nigeria's public service which includes inadequate funds allocated to the e-governance projects, difficulty associated with streamlining various silos of e-Government

projects already existing or being implemented prior to the creation of the Ministry of Communication Technology, disparity between urban and rural dwellers or those with low literacy levels in accessing the internet, potential to erode the privacy of the citizenry, perceived lack of value for money when the huge cost of deploying e-Governance projects is compared to the actual value to the people, false sense of transparency as the challenges to the adoption and delivery of e-governance in Nigeria. Abdulrazaq (2015) highlighted the major obstacles to the implementation of e-governance in Nigeria to include the following:

2.6.1 Infrastructural Deficit: ICT facilities in Nigeria are urban based. Most of the telecommunication base stations are located in the urban areas, with little or no access to the rural areas. Although the tele-density rate of the nation is high at almost 90 percent now. The rate and level of internet usage in the country is not encouraging and this adds to the challenges facing the implementation of e-governance in Nigeria.

2.6.2 Digital Divide: This is the difference in the access and usage of technology between regions and areas that have the same identity. A proper explanation on the digital divide in Nigeria, chronicles the change in the accessibility, use of technological services between the rural and urban areas. Digital divide results from low literacy, infrastructural deficits and massive poverty.

2.6.3 Incessant Power Failure: This is one major problem affecting the successful implementation of e-governance in Nigeria. The power supply in the country is epileptic and unreliable. Power outage is a common occurrence in villages, towns and cities in Nigeria with negative influences on the robustness of the nation's ICT initiative. Most telecommunication stations are powered by constant generating sets and this affects the services rendered to the consumers, and the cost of running the base stations are transferred to consumers.

2.6.4 Low IT Professional Manpower: The level of ICT education in Nigeria is another problem facing the implementation of e-governance in Nigeria. During an interview with an official of the Nigerian Communication Commission (NCC), he gave detailed analysis on the deficiencies of staff performing e-services in many locations in Nigeria, and that the few skilled ones are overburdened (Nchuchuwe and Ojo, 2015).

2.6.5 Attitude or Resistance to Change: This is also a challenge in the public sector. Most of the public servants are still used to the old way of carrying out government activities. That is, they are still known to be working with a lot of papers, carrying of files from one desk to the other or from one office to the other. Their resistance to e-governance implementation in their services is what has culminated to the poor rating of the implementation of e-governance in the public service. Some of the reasons for this, is that most of the public servants are not computer literate, not qualified, have little or no training in the installation, maintenance, designing and implementation of ICT infrastructure.

3.0 Conclusion and Recommendations

This paper examined the imperatives of e-governance as a reform tool towards effective public service delivery as a precursor for national development in Nigeria. The paper concludes that effective e-governance implementation is one of the best means of reforming the Nigeria's public service towards effective service delivery, transparency and accountability in government business. The study also highlighted the major impediments to full and effective implementation of e-governance system in the Nigerian public sector. Based on the identified challenges militating against effective implementation of

e-governance in Nigerian public service, it is imperative to suggest what can be done to achieve an effective implementation of e-governance in Nigeria's public service. Thus the paper put forward the following recommendations:

- i. Government should provide the necessary infrastructure that will help in the effective implementation of e-governance in Nigeria's public service. For instance, availability of robust internet network and the availability of power supply, which has been identified as one of the major challenges to effective e-governance implementation in the Nigerian public service, should be addressed.
- ii. Nigeria's public sector (Ministries, Departments and Agencies) must show a high level of e-readiness in their operations. All that is needed should be put in place by the MDAs. For instance, all offices should be equipped with functional computers, employ highly skilled personnel in ICT, provision of continuous training of the personnel to keep them informed on how best to utilize e-governance in engendering effective service delivery among others.
- iii. A reliable and strategic framework for e-governance implementation is necessary. Government's Ministries, Departments and Agencies should set up e-governance implementation committees that will work out modalities for effective implementation, alongside performance evaluation units established to assess the successes and failures in its targets as well as feedback mechanism to report implementation effectiveness or otherwise.
- iv. Government should also enact Information and Communication Technology (ICT) laws that will make computer literacy a compulsory aspect for every public servant both at the local, state and federal levels. Such policies additionally should involve the adoption of effective ICT awareness with computer-related literacy training programmes introduced in our primary, secondary and tertiary institutions.

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Assessment of Community Power Structure on Decision Making in Likoro Community, Kudan Local Government Area of Kaduna State

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Abstract

This Paper assessed community power structures and decision making in Likoro community. Objectives were set to determine the actors and issue-areas in which power actors play roles in decision making in Likoro community. The researcher adopted both primary and secondary method in generating data for the study, the primary data were sourced through Questionnaire and interview, the secondary data were gathered from official publications such as Journals, report, textbooks and internet materials retrieved, mainly with simple percentage and Chi-square statistical tool for the analysis. The study has revealed that the major power actors are those with highest income earners and traditional leaders, the other actors are those with highest educational level and religious leaders. The study also reveals that power actors played significant role in decision making on security, health and education issues. The study suggests that to boost effective decision making, more groups should be involved and the role or their scope also should be enlarged to address many issues regarding the development of rural communities.

Keywords: *Community, Power, Power Structure, Power Actors. Decision- Making.*

1.1 Introduction

There is a growing scholarly and policy awareness of the fact that public authority is rarely exercised only by the state. In fact, a host of actors – some visible and recognized, others invisible and less obvious – exercise authority over and regulate everyday life within communities. Some evidence suggests that the authority exercised by such actors may be stronger within communities that lie further away from the centres of state power, Max Weber(1978) view power as ‘the chance of men to realize their own will in a communal actions even against the resistance of others who are participating in the action’ both in terms of distance (remote communities) and in terms of ideology and power structures (minority groups, militant groups, marginalized classes), though this is not always the case. These actors may play an important role in local governance, especially in strengthening citizen participation, encouraging inclusive decision-making and improving service delivery.

It is believed that local leaders or actors have a lot of influence on decision making of a community especially in rural areas. Decision making in rural communities always relate to the attitude and different levels of acceptance and participation or rejection of community development projects Clark (1968). Therefore, local leaders play a vital role in community development projects. By influencing decision-making process of the people, this affects acceptance or rejection of it. Local leaders hold a lot of power over the people they lead, especially in rural areas. A leader is the one who first perceives group needs far ahead others and thereafter plans and enlists the cooperation of others in its implementation. Most of the time, local leaders are traditional leaders e.g. kings, chief etc. who are born into a family or hereditary leadership position which custom and tradition recognize Ekong (1988). Other categories of

local leaders include: professional leaders, organizational leaders, social leaders and political leaders, this inform the idea of community power structures.

Usually, community power structure aim at creating awareness of rural possibilities; providing information on resources, inputs and infrastructure, deploying technical assistance; skills acquisition and development; increasing literacy levels; improving productivity and productive systems; adapting appropriate technology in agriculture; sensitizing potential volunteers and donors among other things. And other community development programmes, in developing nations focus on peoples' felt needs and basic amenities such as the provision of good roads, electricity, education, security, health clinics, markets, school buildings, and farm settlements among others. These goals can only be achieved through the combined and collective efforts of all those who share the conviction that rural community development must be accorded a high priority in our drive for poverty alleviation and national self-sufficiency. To help bring a rural community to action, it is necessary for individuals and groups to provide good leadership. When good leadership is provided, the people participate voluntarily in the accomplishment of stated objectives.

The approach to decision making on rural community development is always through local leaders who not only act as pioneers of projects but also help in influencing and motivating their people to action and local government officials. For any rural community development to be successful, influential local leaders must be involved else they might undermine the progress of such programmes. Therefore, any agency or organization coming up with a development programme for the community must initially "clear" with these influential local leaders, a process otherwise referred to as legitimization.

According to UNDP (2011) Nigeria has over 25 million families who are dwellers of rural communities supposed to be reached by infrastructures. This means that decision making have to be done in the rural communities. Unfortunately, Nigeria cannot boost its inclusion of community leaders in decision making and policy making processes specifically at rural community. According to Popoola (2016) maintained that lack of adequate consultations to relevant stakeholders (power actors) led to poor infrastructures at rural areas in Northern Nigeria. This leads to the decay of infrastructures on education and health related issues at Likoro rural community of Kudan local governments, this is because government at different levels did not always including local leaders or actors when making decisions, specifically on security, primary education and primary health related issues.

Research questions

The following questions form the focus of our research study.

- i. Who are the power actors involves in decision making in Likoro community, Kudan local government area?
- ii. In What issue-areas power actors play roles in decision making in Likoro community, Kudan local government of Kaduna State?

Objectives

The objectives of the study was to assess the community power structure on decision making in Likoro community, Kudan local government of Kaduna State. Specifically, the study aimed to:

- i. determine community power structure and power actors involve in decision making in Likoro community, Kudan local government of Kaduna State
- ii. examine the community power structures and the issue-areas in which power actors play roles in decision making in Likoro community, Kudan local government of Kaduna State.

Research Hypotheses

This work is based on two main hypotheses. These are:

Ho There is no significant relationship between the community power structure and Power actors in Likoro Community.

Ho There is no significant relationship between the community power structure and issue-areas in which power actors play roles in decision making in Likoro Community.

2.0 Literature Review and Theoretical Framework

This section covers the concept of community, power structures, community power structures, types of community power structures, methods of identifying community power, power actors, decision making as well as theory of elite as theoretical framework.

2.1 Concept of Community

The concept of community is can be view it as many ways. When looking for a widely accepted definition, one should look for an operational one which includes people who live in defined proximity to one another and are in interaction with each other. Sutton and Kolaja (1960) look at community as a number of families who live in a small area and who have developed a relatively complete socio-cultural system to solve local problems. Bates (1967) defines community as a social system which deals with conflict and competition in order to give the different interest groups an opportunity to exchange inputs and outputs and continue functioning. Freilich (1963) looks at community as a group of individuals who live in interrelated centers which are connected by their pooling of information. Hillery (1955) studied a list of 94 definitions of community and concluded that the most agreeable definition is a group of people in social interaction who live in a certain geographic location and who have one or more additional ties.

2.2 Power Structure

Both Hunter (1953) and Dahl (1961) referred to the great importance of participation as a means of sharing. power. Theodorson and Theodorson (1969) define power as the capability of an individual or group to carry out its policies or desires and to control, manipulate, or influence the actions of others with or without their cooperation. The actor who has power possesses resources to force his or her will on others. These resources come from social relationships and the actor's position in the community. In his study, Hunter (1953) mentioned that individuals with power have financial resources and occupy or control formal economic and governmental roles.

Bohlen et al. (1967) refer to power structure as a pattern of relationships which enables individuals possessing social power to act together to affect the decision-making of the social system on a given issue area. Therefore, actors who work separately to carry out a common target in the community without communication among themselves have a weak or no power structure. An alternative definition of power structure is given by Walton (1968). Walton defines power structure as the characteristic pattern within a social organization (community, state, or nation) through which resources are mobilized and sanctions used in a manner that affects the organization as a whole. Different methods have been employed in both rural and urban communities to identify community power actors and to achieve developmental programs. These methods include the positional, reputational and decision-making methods. Presthus (1964) mentioned that sociologists are more likely to find an "elitist", leadership structure, whereas political scientists are more likely to find a "pluralist" leadership structure in which power is shared among several competing groups.

2.3 Community Power Structure

Community power structure refers to the distribution of power at the local community level. There are numerous empirical studies to discover the nature of the distribution of power at community level. Lloyd Hunter's Community Power Structure based on the study of distribution of power in Atlantic is a prominent study in the elitist tradition. Hunter's study was based on reputational approach. He made a preliminary list of 175 leaders who held formal important positions in politics, business and civic organizations and have reputation for leadership. Then he selected the panel of 14 judges representing religious, business and professional interest and asked them to select those who in their eyes are the top leaders. The result showed that half of these leaders were upper-class businessmen. The empirical study confirms the elitist thesis that a clear defined group of decision makers can be identified who are highly organized and who decisively dominate the public life of the organized and who decisively dominate the public life of the city. According to Sociology Guide (2019) Community Power Structure is not an expose. It is a description and discussion of a social phenomenon as it occurred. It is based on sound field research, including personal observation and interviews by the author. This means that community power structure is a systematic study of pattern of relationship and decision making between and among different power actors in the community.

2.4 Types of Community Power Structure

There is little disagreement among researchers concerning the different types of community power structure. Walton (1968) categorizes power structures into four types (1) the pyramidal or monopolistic structure which includes a single cohesive group of leadership, (2) the factional structure which includes at least two leadership groups that compete with each other for advantage, (3) the coalitional structure in which the leadership group depends on the issue, and (4) the amorphous structure for which there is no special pattern of leadership or power exercised on the local level. Rossi (1968) also classifies power structures into four types. Two of these, pyramidal and amorphous, agree with Walton's categories. The other two kinds of power structures according to Rossi are caucus rule, in which the lines of power end in a relatively large group of decisional leaders, and polyolith structure in which separate power structures are definable for the main centers of activity in the community.

2.5 Methods of Identifying Community Power

Different methods have been used in both rural and urban communities to identify community power actors and implement developmental programs in the community. Bell, Hill, and Wright (1961) classified these methods into five main categories for identifying power actors by a particular leadership type. The five types are:

- (i) **positional leadership;** the positional method, leaders are identified as individuals who occupy key formal authority positions in formal organizations and are considered community power actors, e.g. elected political officials, officials of voluntary associations, leaders of religious groups, heads of labor unions.
- (ii) **Reputational leadership;** the reputational method tends to find pyramidal hierarchical structures, i.e., systems in which all important decisions are made by one group who have similar socio-economic status and political views, reputationalists tend to discover "monolithic" power structures, i.e., structures in which power is concentrated in the hands of a small, cohesive, consensual group of elites.
- (iii) **Social participation:** The social participation method involves listing participants in voluntary organizations in the community where power is acquired through participation degree of meeting attendance in associations, and involvement on committees.

- (iv) **Personal influence or opinion leadership;** and; the personal influence or opinion leadership method. This method assumes that in each community there are opinion leaders who influence the daily activities of others in the community.
- (v) **Event analysis or decisional-making leadership;** the key of the decisional method as the actual decision making in which the researcher tries to reconstruct the processes, e.g., "who initiates?" and "who vetoes?", by collecting information through extensive interviews, attending committees and organizational meetings, and using reports, speeches and newspaper accounts. Dahl (1961) looked at a series of concrete cases in which key decisions were made in order to identify individuals who were influential in community decisions. The decisionalists, a group dominated by of political scientists, argue that the only valid method to study power structure is to reconstruct actual decisions to determine the most influential actors in these decisions.

2.6 Characteristic of Power Actors

Studies of some communities indicate the following factors as bases for influence and, consequently, as bases for power: past achievements, source of ideas, human relations skills, contact with others (in and outside of community), access to needed resources, influence within community organisations, family background, past participation in community groups, length of residence in community, age, occupation, education and control of jobs, wealth, credit and mass media.

Based on the above therefore the characteristics of power actors include the following:-

- i. Persons 50 years old and over.
- ii. In the higher income group in the community.
- iii. In a position of having control of, or access to, the resources of their position in credit institution, firms employing several people, mass media and/or elective offices.
- iv. Above average in education for their age peers.
- v. In occupation described as self-employed, owner or executive residents of the community.
- vi. Long-time residents of the community.

2.7 Decision Making

Decision making refers to making choices among alternative courses of action—which may also include inaction. While it can be argued that management is decision making, half of the decisions made by managers within organizations ultimately fail. OER (2015) maintained that increasing effectiveness in decision making is an important part of maximizing your effectiveness at work. According to Trewartha and Newport (2011) decision making involves the selection of a courses of action from among or more possible alternative in order to arrive at a solution for a given problems Akrani G (2011). decision making is the process of identifying and selecting a courses of action to solve a specific problems.

Decision making is the study of identifying and choosing alternatives based on the values and preferences of the decision maker. Making a decision implies that there are alternative choices to be considered, and in such a case we want not only to identify as many of these alternatives as possible but to choose the one that best fits with our goals, objectives, desires, values, and so on. (Harris, 1980)

3.0 Methodology

The study was conducted in Likoro Community of Kudan LGA of Kaduna State which is one of the twenty-three LGAs. The study was employed survey design, the population of Likoro community was estimated at 27,000 in 2006,. Initially, the sample size for the study is Krejcie and Morgan, which gave

382 as sample size of the study. A multi stage sampling technique was used to select the respondents. The random sampling was used to those that were administered questionnaire, while the purposive judgmental is used to select those that were interviewed. It is a form of non-probability sampling where participants were not a selected randomly, but on the basis of the researcher’s knowledge of the population.

Based on the above therefore, this make total number of 375 questionnaires were administered to the inhabitants with the help of research assistance who interpreted the questionnaire to them. Seven (7) power actors were interviewed. This gave a total number of Three Hundred and Eighty Two (382) respondents that were administered questionnaire and interviewed to them in the study area. A nominal measurement was used to measure the respondents’ knowledge of community power structures, power actors and the issue-areas in which power actors play roles in decision making with simple percentage and Chi-Square statistical tool to analyze the responses

4.0 Data Presentation and Analysis

The data presentation will be done using table and the analysis will be done using simple parentage and Chi-square statistical tool to test the hypotheses.

4.1 Respondents’ socio-economic characteristics

Table 3.1 Frequency distribution of respondents’ socio-economic characteristics

Variable		Frequencies	Percentage
Sex	Male	303	80.8%
	Female	72	19.2%
	Total	375	100%
Years of residency	20-25	12	3.3%
	26-30	22	5.9%
	31-35	50	13.3%
	36-40	169	45%
	41-45	87	23.3%
	46 and Above	35	9.2%
	Total	375	100%
Marital	Married	231	61.6%
	Single	72	19.2%
	Windowed	35	9.2%
	Divorced	37	10.0%
	Total	375	100%
Religion	Islam	322	85.8%
	Christine	41	10.8%
	Traditional Religion	12	3.3%
	Total	375	100%

Education	Non Formal Education	103	27.5%
	Adultry Education	12	3.3%
	Primary	122	32.5%
	Secondary Education	110	29.2%
	Tertiary Education	28	7.5%
Occupation	Total	375	100%
	Farming	253	67.5%
	Fishing/Live Stock	28	7.5%
	Civil Servant	47	12.5%
	House Wife	22	5.8%
	Artisan	16	4.2%
	Retired Civil Servant	9	2.5%
Total	375	100%	

Source: - Researchers survey, 2019

Table 3.1 shows that the highest respondents were males (80.8%), married (61.6%) and were Muslim (85.8%). The large number of married men in this study is an indication of the quality of the findings because it is the fathers who take care of his family and he is the one who will be contacted if there is any issue related to the community, while the men go out in search for means of livelihood to run the home. As fathers, they discuss with their counterparts on child welfare issues. Information from this gender is valid for this reason, more so that the study did not target a particular gender which could have introduced bias. The table further also shows that 32.5% of the respondents had primary education, while 27.5% had no formal education. This means that majority of the people studied had a level of listening skill and could have heard when public announcements are made pertaining to any issue which affects the entire community. More than half (67.5%) of the respondents were farmers and about (12.5%) were civil servants. This shows the rural nature of the area and the caliber of people which suites the design of the study.

4.2 Community Power Structures and Power Actors in Likoro Community

Table 3.2 Community Power Structures and Power Actors in Likoro Community

S/no	Variables	Always		Occasional		Never	
		F	%	F	%	F	%
1	Long residency	150	40%	185	49.2%	40	10.8%
2	High level of education	91	24.2	247	65.8%	37	10.0%
3	High income	260	69.2%	87	23.3%	28	7.5%
4	Traditional Leaders	213	56.7%	128	34.2%	34	9.2%
5	Religious Leaders	67	18.3%	278	74.2%	28	7.5%
6	Devt. Associations/Committees	294	78.3%	65	17.4%	16	4.3%

Source: - Researchers survey, 2019

The table 3.2 above indicated that the high income earners (69.2%), traditional leaders (56.7%) and Development Associations/Committees (78.3%) were the most frequent responses of the respondents, which indicates that they are the power actors who are always influencing decision making process at Likoro community and Kudan Local Government. This means that the high income earners, traditional leaders and development associations/committees form the basis of community power structure in Likoro community, Kudan Local Government. It is interesting to note that the income is used for implements some projects in Likoro rural community. But there is just one traditional leader who serve as village head above him is district head in the entire LGA, which is peculiar to every community in rural settings in Nigeria and not everyone attends for participate in issues related to the general public. The development associations/ committees serves as basis of information and situation of a particular issue, e.g. vigilant group serve for security, Ward Development Committee serve for health and SBMC serve for education. This avenue could be employed in the northern parts through which most of the government decisions and policies were announced.. Again, as indicated in the table the long residency (40.%), educational level (24.2%) and Religious leaders (18.3%) were less frequent used as actors at Likoro community related to decision making, this becoming unpopular and enjoy less involvement in decision making, this is due to the fact that Likoro is a rural community with minimum level of western education.

4.3 Community Power Structures and Role of Power Actors in Likoro Community

Table 3.3 Community Power Structure and Issue-Areas in which Power Actors Play Roles in Decision Making at Likoro Community

Sno	Variables	Always		Occasional		Never	
		F	%	F	%	F	%
1	The actors played role on Security matters	278	74.2	63	16.7	34	9.2
2	The actors played role on on Education	222	59.2	116	30.8	37	10.0
3	The actors played role on health matters	278	73.3	84	22.5	16	4.2
4	The actors played role on roads	134	35.8	210	56.1	31	8.1
5	The actors played role electricity	66	17.5	303	80.8	6	1.7

Source: - Researchers survey, 2019.

From the table 3.3 as indicated that the security (74.2%) and education (59.2) and health issues (73.3%) have recorded the highest frequent indicators among the issues-areas in which power actors play roles in decision making in Likoro Community, this implies that power actors always play significant roles in decision making when it comes to security, education and health issues at Likoro community, this is because of their importance. The table also reveals that only 35.8% and 17.5% of the respondents have the opinion that the power actors always play roles in decision making on roads infrastructures electricity issues. This is because most of the power actors use personal cars for transportation, because most of the elite or power actors use generator as an alternative to electricity, this shows that it's not always the power actors play role on decision making on Roads and electricity at Likoro community which will make decision making less effective.

4.4 Interview Responses

The Director Administration and Finance (DAF) in Kudan local government in our interview with her, She informed us that the decision making process in Local Government council is considering the request forwarded by the councilors, traditional leaders, development associations report of committees eg WDC and SMBC etc, high income earners who are always forwarding to local government the public problems, public needs and public interests from their respective wards in terms of education, security,

health and other infrastructural facilities. Because the traditional leaders serves as a link between local government and people at the community and they are the leaders at the grass root level who are very close to the people, they can feel and see people needs and desire.

She also informed us that some influential people who are high income earners upon forward people's needs to local government council for consideration and sometimes local government council contacting them due to the fact that they are always contributing and participating in some projects regarding their communities, especially in terms of security, health and education, some of them built classrooms to their communities.

Finally, she informed us that the committees such as WDC and SBMC are the source of information of the impact government decisions and policies on health and education respectively. She also concluded that some time when it comes to process of decision making request from development associations were considered.

The Vice chairman of Kudan Local government has informed us that all the Ten (10) Councilors are forwarding their requests from their respective wards, this form the basis of decision making process at local government level. As you know we are democratically elected to serve as representative to our local people. Sometimes we receive request from high income earners from their various community, you know some of them contribute to their community in terms of security, health or education.

The Village Head of Likoro has informed us that when it comes to initiation of projects or perceived problems that needs government intervention, which form the basis of decision making process at local government level, some government officials are contacting us, especially on security, health and education, he also told us that most of the project executed by government, the government officials come to us and seeking our opinions beforehand through vigilante group, Ward Development Committee (WDC) and School Base Management Committee (SBMC). And when our Development Association initiated development project which require government intervention they always come to us first before forwarding it to the local government. In most cases our high income earners contribute to our community in terms of security, health or education. Sometimes they are the ones who took and forward our request to local government for consideration. And when our high income earners forwarded our request to local government the chances of considering it is very high, we have people like Alh. Abbass Likoro. Alh. Adamu Likoro who is one of the high-income earners in Likoro community, informed us that virtually every time when it comes for the decision making on the welfare of our community we will be in forefront, he also informed us that all the times we are liaison with government to secure our community in terms of security, health and education and other developmental process. We have our traditional leader and different development associations and committees who are always working hard to ensure our community is secure. We thank them all and the local government officials who are always listing to us and considering our request.

The Chairman of Vigilant Group informed us that always we are working hand in hand with security agencies specially police, and with traditional leaders, because it is the traditional leaders who informed us about what is happening in our community before we know and forward it to police. In terms of financial assistance that we are require to carry out our duty successfully. Our high income earners always contribute with necessary materials like weapons, torch light etc. this is the reason why when it comes to anything that has to do with finance we are facing them for assistance. Sometimes local

government do assist us, there was a time that local government is paying monthly allowances of #5,000.00 but that was then long back.

The Chairman WDC of Likoro informed us that we are working with health personnel in our community to ensure healthy community. Local government and NGOs involved us when it comes to decision on how to sensitize our people on diseases, immunizations exercises and so on, we are also reporting to health personnel the breakout of diseases for necessary actions. You know this committee involved different stakeholders including our traditional leaders, so whatever we are doing we are doing it under supervision and advice of traditional leaders as well as high income earners who are always contributes with financial assistance whenever need aroused.

The Chairman SBMC of one of the primary school at likoro who is a retired teacher informed us that our committee is based on the condition of school in our community; we are supervising the entire school condition and report it to local government through local government education committee. As you know our traditional leaders are part of this committee, so whatever we are doing, it is based desire standard and the interest of all to achieve quality education in our community. Our high income earners contribute with classrooms, funitures, and other instructional materials. So as I said earlier it's a term work and we are doing it for the benefit of all.

4.2 Data Analysis

Table 3.4 Chi-square tests of relationship between the community power structure and Power actors in Likoro Community. Chi-

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	130.007 ^a	4	.000
Likelihood Ratio	78.470	4	.000
Linear-by-Linear Association	45.814	1	.000
N of Valid Cases	120		

a. 3 cells (33.3%) have expected count less than 5. The minimum expected count is .68. Since chi-square significant value of 0.05 is greater than chi-square P value, we reject the null hypothesis (H_0) which says there is no significant relationship between the community power structure and Power actors in Likoro Community.

Table 3.4 Chi-square tests of relationship between the community power structure and issue-areas in which power actors play Role in decision making in Likoro Community

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	61.582 ^a	4	.000
Likelihood Ratio	42.522	4	.000
Linear-by-Linear Association	27.040	1	.000
N of Valid Cases	120		

a. 5 cells (55.6%) have expected count less than 5. The minimum expected count is .46. Since chi-square significant value of 0.05 is greater than chi-square P value, we reject the null hypothesis (H_0) which says there is no significant relationship between the community power structure and issue-areas in which power actors play roles in decision making in Likoro Community.

4.3 Discussion of Findings

Based on the data presented in this study, table 3.1 indicates that the most respondents were males (80.8%), married (61.6%) and were Muslim (85.8%). The large number of married men in this study is an indication of the quality of the findings because it is the fathers who take care of his family and he is the one who will be contacted if there is any issue related to the community. The table 3.2 also indicated that the high income earners, traditional leaders. And development associations/committees form the most influential power actors who dominate decision making in Likoro. It is interesting to note that the income is used for the implementation of community self-help projects in Likoro community. But the traditional leaders who serves as village head also serve as link between people at the community and government in particular local government, as indicate in the interview with different power actors shows that traditional leaders are involve in decisions making process at Likoro community and local government level specifically on security, primary healthcare services and primary education.

The development associations/committees serve as the basis of information and situational report of a particular issue, e.g. vigilant group serve for the security purpose of the entire community, they are always work hand in hand with security agencies and people of Likoro community to make sure their community is safe from any form of insecurity. Ward Development committee serve for the purpose of primary healthcare, every primary health care has WDC. This committee providesthe information regarding availability of health facilities and it servesas mediator between government and people at that community on health matters. It is also serve as awareness channel on immunization, and on how to prevent certain diseases. The SBMC serve for primary education purposes, every primary has its own committee which serves as school based committee as beneficiary of such primary school. This committee provides the needs and advice the local government on school infrastructural facilities, additional teachers, renovation of schools through local government education committee. Also the committee is supervising the government projects in the school including supervising the Bill of Quantity to ensure standard implementation of the projects.

The Table 3.3 which indicates the knowledge of the respondents on the issue-areas where power actors always play roles. The table shows that security constitute the highest responses with (74.2%) who opined that power actors always play roles on it, being that security is an everyone concerned, whenever issues of security comes, every member and actors of the community must response to it. Apart from security another issue which generate high responses in which power actors always play roles on it, it is primary healthcare which has recorded (73.3%) of the responses who opined that power actor always play role on it. This is clear indication that Likoro is a rural community, where its dwellers are farmers, business men and artisans, Likoro is well known as traditional medicines specialized in orthopedic (Ma daura), therefore, they are always concerning the issues of health. The education is also another area in which it generates high responses of the respondents with (59.2%) who opined that power actors are always playing significant role on primary education, the interview with relevant stakeholders shows that power actor play role on primary education by providing information and involve in certain projects in primary education and schools.

5.0 Conclusion and Recommendations

Most respondents are married female Muslims with low level of education. The study reveals that the high income earners, traditional leaders and association/committees constituted the most influential power actors in Likoro community. However, there are some power actors who are not influential eg religious leader, educational elite and those who stayed long in the community. Also this study reveals

that the power actors are always playing significant role in decision making on security, health and education issue-areas in sometimes on roads and electricity.

The following recommendations are to boost effective community power structure and decision and policy making process. Local government should always heed to request and suggestion from power actors. And involve them more on decision making process in security, health, education, roads network, electricity, also involving them on awareness and knowledge of both conventional and traditional sources of information should be deployed for information regarding their community

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Pay Determination and Arbitrary Pay Disparity in Nigerian Public Sector: A Study of Selected Sectors

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Abstract

In spite of numerous international conventions, affirmations, and other legal frameworks that promote equity in pay for work of equal value aimed and the abolishment of discriminatory reward system in all sectors of the economy, unreasonable pay persists in the Nigerian public service. Studies have shown that the pay regime in the public service aside of being a colonial legacy, is equally a product of industrial unrest rather than a framework that evolves to adapt with social and economic realities to ensure pay equity. The central argument of this paper is that the current pay structure in the Nigerian public service is unreasonable and requires an alternative legal regime for harmonization. The study adopted structural conflict theory for orientation of analysis. Secondary source of data on selected sectors of the public service were used to analyses disparity between wages of regulatory and other agencies of government. The study provided a number of recommendations.

Keywords: *Pay Determination, Pay Disparity, Public Sector, legal regimes, salaries and wages.*

1.0 Introduction

Conventional definitions on salaries and wages usually show the differences that exist between the two terms. Calvin, (2017), postulates basic salary as a fixed periodical payment for non-manual employees usually expressed in annual terms, paid per month with generally no additions for productivity. In contrast, wage refers to payment to manual workers, always calculated on hourly or piece rates. Ojo, (2015), also defined salary as a fixed amount paid to the employees at regular intervals for their performance and productivity whereas wages are the hourly- based payment given to the labor for work finished in a day. Justifying the difference between the two concepts links to a debate between bourgeoisie functionalist scholars that uphold pay differences as necessary and functional to improved productivity and critical theorist who dispute pay differences as unreasonable and biased, aimed towards perpetuating social inequality. Despite the Salary wage dichotomy debates, the purpose of work in modern capitalist society remains earning sufficient income to afford basic needs such as food, clothing and housing. (Kanzunnudin, 2007Agburu 2012). Importantly, the conventional means of payment for wages and salaries remains the money nexus as evident in the works of classical economist like Hypocrites, Plato and Herodotus (Salawu, 2013;Salawu, 1995). Thus, the main goal of work is the attainment of hedonistic goals. However, despite wages or salaries being highly critical for sustenance, lack of pay in sufficient quantities makes life extremely precarious for workers and members of their family. In Nigeria, wages and salaries structures in the public service tend to be widely disperse and grossly inadequate as far as principle of equity is concern.

Functionalist and Conflict theoretical positions have been applied in both justification and rejection of pay disparity. The functionalist perspective upholds that social stratification is necessary (Davis-Moore 1945 thesis) and argued that payment of wages should be in accordance with the functional importance of a job. As a bourgeoisie perspective, the functionalist theory further posits that social stratification

justifies the inherently unequal value of different work and hence the corresponding rewards (Burrell & Morgan, 2017). This implies that certain jobs in the public service are more valuable than others and the qualified people who fill those positions must therefore be rewarded higher than others. Thus, some agencies staff offer more jobs that are important and deserve reward with higher levels of income, prestige, and power. The orientation of this paper falls in line with the Conflict Perspective which maintains a view of pay disparity as arising from the systematic domination of some workers by others, which has given rise to a reality of wage structure that favor some agencies above others (Ritzer & Stepnisky, 2017). The Social inequalities resulting from such disparity has denied access and ability for other workers to control resources in a manner that enables the satisfaction of their needs. This is unreasonable and unacceptable. Further, differential access resulting from disparity of pay, results in conflict manifesting in strikes and labor disharmony. The conflict perspective provides satisfactory answers to the question of inequitable distribution of pay resources inherent in exploitative inter agency relationships within the public service. Clearly, the Nigerian comprador bourgeoisie use the wage gap to perpetuate an unequal system that keeps the working classes both divided and subjected to a politically neutralizing false consciousness. In Nigeria, some sectors of the public service are paid less so that the “prepared” dominant agencies can maintain a greater share of status and power. More still, in a comprador capitalist society like Nigeria, paying some workers less than others increase wealth for a segment and at the same time impoverish another segment of same workers. At the core of conflict theory, we can understand that workers survival depends on social justice in the work environment (Meigham, 1986). However, wage and salaries disparity remains the basic contradictions that make it difficult to obtain social justice. These contradictions (Arato, 1972; Haralambos and Holborn 2000) creates a fundamental conflict of interest, which must ultimately be resolved for industrial harmony and pay satisfaction.

2.0 Literature Review

2.1 Progression of Pay Structure in Nigeria

In Nigeria, it is clear that development of labor laws is practically linked to industrial conflicts for wage increase resulting in review rather policy development and adaptation through collective industrial machinery. Thus, legal regimes that determine pay in Nigeria are product of special commissions and tribunals (Yinka Calvin, n.d.). These tribunals merely manipulate workers with pay increments rather than address the problem of income inequality in the public service, an issue that still remains unresolved despite the establishment of a permanent wage commission in Nigeria. Importantly, in this regard ,the 1991 wage policy of Babangida’s administration deregulated and decentralized collective bargaining without solving the problem of unreasonable pay disparity between regulatory and other agencies. Thus, Nigeria’s pay structure predates her political independence and can best be described as a colonial legacy (Bryan & Ejumudo, 2014). Pay disparity and its impact on the civil was first evident as an offshoot of the economic difficulties created by the British government’s involvement in the prosecution of the Second World War, which resulted in the high cost-of living, and economic difficulty among Nigerian working class. Thus, the railway unions demanded a cost-of-living award in 1941, paving the way for other workers’ protests. Thereafter, a number of other trade unions emerged in the Nigeria industrial relations system to agitate for and get the COLA allowance (Adamu 2014). The general strike of 1945 is another wage agitation movement that brought the government face to face with the Nigerian workers and which again resulted in wage movement for the Nigerian workers Ubeku (1983) like the 1941 COLA agitation, existing unions regroup to form countrywide trade unions a situation that continued until the country gained her independence in 1960.(Gofwen, 2001). After the independence, the trade unions in Nigeria have continued to be at the center of wage agitation. Thus, since the 1963 general strike, which lasted until 13th June 1964, pent-up wage demands usually find

expression in strike action, which is more often than not followed by the establishment of wage tribunals. What this means is that the establishment of wage tribunals only after major workers’ protest still characterizes the post–independence industrial relation in Nigeria (Otobo, 1987;Salawu, 2013). Prominent among such post–independence wage tribunals are the Adebo commission in 1970-1972; the Udoji commission in 1974; the Onosode commission for Federal parastatals in 1981; the Cookey commission of universities in 1982 , Fatai Williams Committee (1990), The Commission on the Review of Higher Education in Nigeria (Longe Commission), The 1994 Review Panel on the Civil Service Reforms (Ayida Panel) (1994The Vision 2010 Committee Report (1997), and The Committee on Harmonization of Remuneration in the Public Service (1998).

Table 1: Wage Review Commissions in Nigeria, 1934 – 2010

Commission	Year
Hunts Commission	1934
Harragin Commission	1954
Phillipson-Adebo Commission	1948
Gorsuch Commission	1954
Mbanefo Commission	1959
Morgan Commission	1963
Eldwood Commission	1966
Adebo Commission	1971
Udoji Commission	1972
Dotun Phillips Panel	1985
Ayida Review Panel	1994
Philip Asiodu Committee	1998/1999
Ernest Shonekan Committee	2000
Justice Alfa Belgore Committee	2009/2010

2.2 Social And Psychological Effects of Pay Disparity

The current pay structure in the Nigerian public service is unreasonable and has negative social and psychological effects on numerous dimensions of workers social and economic livelihoods. The menace of income inequality among workers, more especially in the public sector in Nigerian is alarming and it must have been responsible for a significant number of Nigerians living in abject poverty. Moreover, it could be associated with Nigeria being considered one of the poorest nations worldwide (Omonijo et al., 2011).If individuals that constitute a nation are fearing well, it will definitely impact positively on the nation’s rating in term of developmental index. Previous studies have associated the long effect of the foregoing with criminal activities in work settings (Sampson 1985). Scholars such as (Blau and Blau 1982; Simpson, 1985) in particular argue that greater income inequality in some areas is associated with high criminal activities. Poor remuneration and working environment suffered by public servants has serious social implication for wellbeing of the workers and their families. Specifically, poor salaries could have negative implications on workers ability for clothing, feeding and housing well. Workers may not be able to afford decent accommodations ride better cars, may find it very difficult to properly cater for their households and live long. In addition, children of under paid workers find it difficult to access good educational institutions (Belo-Osagie and Olugbamila, 2013 cited in Oludayo, Uche, Omonijo, and Eche, 2014). Poor wages implied that workers concerned would be compelled to replace their loyalty for the organization with hatred, apathetic attitude to work and stealing of organizational

properties. Poor salaries of staff could equally prevent them from observing traditional or cultural responsibilities to family members, relations, friends and community. As a successful person in the family, Oloko, (1982) argues that it is expected that one takes care of relations in schools by paying their school fees, empowering others in form of one trade or the other, support friends who are in need and contribute significantly to society development, mostly in cash.

Poor remuneration because of pay disparity has Psychological Implications Previous studies have associated poor pay with emotional stress and anxiety. If a staff with the same qualifications and work experience realizes that his counterparts is earning twice of what he is earning in another institution in the same sector, his psychological state of mind could be negatively affected (Shirom, Westman and Melamed, 1999). Hence, pay systems have a unique impact on employees' emotional distress. This means administrative personnel involved could be subjected to psychological stress based on their poor remunerations that can never be compared with their counterparts in other institutions in Nigeria. Therefore, it is most possible for an employee to be free of emotional stress if he or she earns good salaries. In addition, Lawler, (1990) associates poor remunerations with employees' withdrawal of services in work settings. This has to do with voluntary turnover. The turnover intention of the administrative personnel in such institutions could be higher than institutions that pay good salaries.

The current pay structure in the Nigerian public service is unreasonable and violates labor convention. In Nigeria, despite being signatory to ILO conventions and the Nigerian constitution guarantee for equitable payment of wages and salaries stipulated in chapter 198 of the labor laws, there exists enormous pay disparity in the public sector between regulatory and other agencies. Thus, the persistence of pay disparity in Nigeria stems from governments lack of political will, poor commitment and insincerity of purpose for review and rigorous policy articulation concerning a labor policy that harmonizes the pay structure. The International Labour Organization (1951) convention on equal remuneration article 2 which was ratified by Nigeria on 8th May 1974, Stipulates that:

Each Member state shall, by means appropriate to the methods in operation for determining rates of remuneration, promote and ensure the application to all workers of the principle of equal remuneration for men and women workers for work of equal value. This principle may be applied by means of-- (a) national laws or regulations; (b) legally established or recognized machinery for wage determination; (c) collective agreements between employers and workers; or (d) a combination of these various means.

Further, the ILO (1958) convention on discrimination (employment and occupation) became operational in 1960. The convention was also ratified by Nigeria on 2nd October 2000. The emphasis was on each Member state for which this Convention is enforced to undertake and pursue a national policy designed to promote appropriate national conditions and practices for equality of opportunity and treatment in respect of employment and occupation. The aim is the elimination of discrimination in respect thereof. In principle, the institutional and regulatory framework existing in Nigeria is relatively in line with ILO and struggling to work within international standard, but a practical deviation from ILO standard is obvious, because the frameworks existing and their functioning are clearly below acceptable international standard. In this parlance the International Labor Organization, 2016 observed that wage disparity persists from differences in worker's skill and a combination of differences in legal statuses and wage categorization between institutions in a number of countries including Nigeria.

Earlier studies by FoKohn (1993), argues that failure of compensation system is due to inadequate assumption by the labor laws about human motivation, in addition to lack of a holistic reward and performance measurement model. Further, within the public service, the monopolistic power of governments in the provision of public services results in noncompetitive wage settlements and the tendency for wage gaps to be larger. Recent studies equally suggests that In Nigeria, the link between the monopolistic power of government's agencies and noncompetitive wage settlements is amplified by the fact that the objective functions of the government is nonprofit. More still, the politicians' use of public employment for directly recruitment of allies as political assistants results in the arbitrary pay regimes in conflict with ministerial staff. (Maria M. Campos¹, Domenico Depalo², Evangelia Papapetrou³, Javier J. Pérez^{4*} and Roberto Ramos).

2.3 Legal Determination of Wages, Pay Structure and Pay Disparity In Nigeria's Public Service

Pay structure of the Nigerian public service is unreasonable and determined by pay regimes that are discriminatory. Nigeria is often regarded as the giant of Africa due to its population, size, and abundance of human capital among others. With 36 states, the Federal Republic of Nigeria operates a Presidential system of government as obtainable in other countries such as the United States. Therefore, since Nigeria operates a federal system, each state has its laws which are enacted through the state house of assembly of each state. Issues such as salaries, taxation, real estate are vested on the states, sometimes in collaboration with the Federal Government. In most states, in Nigeria, the Civil Service is divided into about 17-grade levels. They range from Grade Level 1 which is the lowest to Grade Level 17 which is the highest. Most of the jobs at Grade level 01 to at least 06 are minor jobs. The entry-level for those with a Diploma or NCE is normally Grade level 07. Those with a University degree or master's degree start at grade level 08 and 09 respectively. The State Civil Service Commission that is under a Head of Service appointed by the state governor is the official regulator of the state civil service. This situation contradicts the principle pay equity and the objective of labour.

The two dominant objectives of labor laws are protection and economic regulations aimed at reducing in balance of power inherent in the employment relationships. Generally, the employer tends to have an upper hand over the employee due to ownership or control over the source of employment. Thus, the labour law is meant to protect the interest of both parties through an agreement that reduce tensions in labour relations. In Nigeria, the legal bases of fairness and equity in work compensation derive its legitimacy from the constitutional provision of chapter 2 section 16 (1 b -2 c-d and section 17 (1). All the provisions laid emphasis on State responsibility to ensure a social order founded on the ideal of freedom, equality and justice in the labour sector. Equally important is that the economic system should be operated in a manner that permits fair distribution of wealth or means of production and exchange among individuals and group. Further, access to suitable & adequate shelter, food, old age allowance, leave and pensions and unemployment benefits and importantly a reasonable national minimum wage are to provide for all citizens. (<https://law.unimelb.edu.au> Glenn Patmore). However, what obtains is contrary to these provisions.

Generally, the wage rate is determined by the applicable collective agreement or the agreement between the worker and the employer which exists in laws and pay regulation referred to as pay regimes. A legal regime is a system of principles and rules governing something created by the law. It is framework of legal rules. A pay regime comprises of three aspects: Labour laws are those that mediate the relationship between workers, employing entities, trade unions and the government. Collective labour law relates to the tripartite relationship between employee, employer and union. Individual labour law concerns employees' rights at work also through the contract for work. Wage determination involves payment to

employee direct and indirect, monetary and non-monetary rewards within legal regulations. In this regard, legislation is a very important criterion in the payment of wages. Ideally, in the public service, Pay is determined by government regulation and prevailing wage rates. However, in Nigeria, the government offers differential benefit of various incentives as wages for similar performances within the public service. Such unreasonable compensation policies that are conflicting and flexible only generate inequality, poor, and job satisfaction. Rather than the terms and conditions of service of civil servants to be determined through the legislative process, all improvements in pay determination in the public are always resulting from industrial disharmony. Further instead of the salaries and wages in the public sector to depend on the wealth of the country that is on the revenues derived from crude oil and taxes, Political considerations affect the workings of collective bargaining pay determination process in the public sector. About 80% of industrial actions (strikes) experienced in Nigeria are attributed to pay dissatisfaction.

2.4 State of Pay Structures and Disparity in Nigeria

There are many salary structures in the federal public service but they may be categorized into three broad areas. Salaries of core civil service; that is the ministries/extra-ministerial departments and those that belong to this structure; research and tertiary institutions and regulatory agencies. In spite of the recent increase in the minimum wage, the remuneration and conditions of work in the first category can only impoverish any unfortunate person that finds him/herself in this category. The remuneration of those in the last category is outrageously high to the extent that all other Nigerians slave to enrich those that enjoy this salary structure.

CONRETISS--A salary structure for Research, Training and Allied Institutions in the Federal Public Service.

- **CONTISS11**---Salary structure for Non-Academic Staff of Federal Universities
- **CONUASS**-----Salary structure for the academic staff of federal universities.
- **CONMESS**----Salary structure for Medical and Dental Officers in the Federal Public Service.
- **CONHESS**--- Salary Structure for pharmacists, medical laboratory, nurses and other health workers in the health sector of the Federal Public Service.
- **CONJUSS** ----Salary Structure for Judiciary workers in the Federal Public Service.
- **CONICSS** -- Consolidated Intelligent Community Salary Scale
- **CONPOSS**---- Consolidated Police Salary Structures
- **CONPASS**---- Consolidated Paramilitary Salary structure
- **CONTEDISS** -----Consolidated Tertiary Education Institution Salary Structure
- **COMPCASS**----Consolidated Polytechnic And Colleges of Education Salary Structure

Pay disparity in Nigerian public sector today glaringly reveals an imbalance in both pay policy and structure. Such disparity has serve as the root cause of disequilibrium and in-equalities in the sector, when we compare the pay of employees across the sectors based on skill, knowledge and performance. Evidence abound to show unreasonable pay as the basic salary of a Nigerian professor in the non-regulatory agency was not as much as the salary of a middle manager in regulatory agency like the CBN.

2.5 Pay Disparity Between Regulatory Agencies And Others In The Nigerian Public Service

The current pay disparity in the Nigerian public service is unreasonable and discriminatory between regulatory agencies and others. Pay equity means equal pay for work of equal value. It is the fundamental human right of workers to be paid wages that are free of the systemic discrimination. Pay

equity requires employers to provide equal pay for work of equal value, as measured by the skill, effort, responsibility, and working conditions needed to perform the jobs. Pay equity is the opposite of Pay disparity regarded as the difference between the average pay of two different groups of people. When applied to the public sector, it means the extent to which rates of pay vary in comparison across sectors.

Evidence abound on disparity of pay between regulatory and no regulatory agencies. In Nigeria, some government agencies or public organizations are set up with the aim of carrying out regulatory functions for some aspects of public service and administration. The regulatory agencies includes Central Bank Of Nigeria (CBN) concerned with finance and its regulation , managing debt, maintaining fiscal stability, providing credit, and balancing the increase in prices. Department of Petroleum Resources (DPR) The DPR ensures that citizens of Nigeria comply with the petroleum laws and features of the Oil and Gas industry in the country. Its primary aim is to coordinate the preparation of documents relating to the petroleum reserves and ensure they maintain the proper standards. Nigeria Communications Commission (NCC). This agency is concerned with businesses that revolve around telecommunications in the country. The NCC ensures that the services provided by the telecommunication companies are qualitative throughout the country. Federal Inland Revenue Service (FIRS) Taxes levied on businesses from the Federal and State government are assessed, taken, and accounted for by the FIRS. On the other hand ministries and inter-ministerial departments and agencies are ministries of education, health and the (Kelly Bryan Ovie Ejumudo). The Ministry of Health is one of Nigeria's Federal Ministries in charge of developing and implementing health-related policies. The ministry is home to numerous agencies and parastatals, including the Nigeria Centre for Disease Control (NCDC), a federal agency. The average salary for the Federal Ministry of Health is 207,143 Naira per month. The Ministry of Finance is the government body in charge of managing the Federal Government of Nigeria's finances, including managing, controlling, and monitoring federal revenues and expenditures. The Federal Ministry of Finance's average salary is N134,000. The Federal Ministry of Petroleum Resources is one of Nigeria's Federal Ministries in charge of petroleum resources and activities in the country. The Department of Petroleum Resources is department under the ministry. DPR, pays its entry-level employees a monthly basic salary of N133,33 amounting to approximately N1.6 million per year. The average net salary for a Scientific Officer at Nigeria's Federal Ministry of Science and Technology (FMST) is N84,000. Administrative officers in the Ministry of Power, Works, and Housing receives an average salary of seventy-five thousand naira (N75,000). The Ministry of Agriculture and Rural Development (FMARD) is a Nigerian government ministry in charge of agricultural research, agriculture and natural resources, forestry, and veterinary research throughout the country. Ministry of Agriculture and Rural Development employees earn an average of 75,199 Naira per month.

The lop-sidedness in salary structure manifested implies that only 10% of federal government staff consume more than 70% of wage the bill. Importantly, the staggering disparity indicates a high differential in the reward system within the public service. The Nigerian National Petroleum Corporation (NNPC) and the Central Bank of Nigeria (CBN) take humongous pay that is 10 times of compared to the person in the ministry of education. Thus, Pay disparity in Nigerian public sector today glaringly reveals an imbalance in both policy and structure. Such disparity has serve as the root cause of disequilibrium and in-equalities, when we compare the pay of employees across the sectors based on skill, knowledge and performance.

3.0 Conclusion and Recommendations

Previous attempts at public service reforms have tended to scratch only the surface and have not produced any tangible results. The government spending of 70% of annual budget on recurrent and 30%

on capital expenditures does not translate into equity of pay within the public service but rather promotes discrimination and unreasonable pay. Further, the lop-sidedness in salary structure manifest as only 10% of federal government staff consume more than 70% of wage the bill. Importantly, the staggering disparity in payment of salaries and wages indicates a high differential in the reward system of the public service. The Nigerian National Petroleum Corporation (NNPC) and the Central Bank of Nigeria (CBN) take humongous pay that is 10 times of compared to the person in the ministry of education . The 2020 budget cost, about one third is set aside for the running cost; we are talking of about two-third of the budget being consumed by what you call recurrent expenditure The following recommendations are made:

- i. The Federal Government should ensure the harmonization process of salaries for employees of ministries, departments and agencies (MDAs) to check disparity. A lot of work must done to support the National Salaries, Incomes and Wages Commission (NSIWC) in this regard. The main challenge to be addressed I the huge disparity in salary structure of the employees of agencies with high salary Grade Level and core civil servants whose salaries are abysmally low. As far as possible, there is the need to bring everybody to level play.
- ii. There is need for constructive debate on not only harmonization of public service salary structure but also a holistic, articulate and sustainable reform of the public service, but not the type of reforms witnessed in the past.
- iii. These previous reforms were too idealistic and not steeped in our realities as they were more of copy and paste of models from other countries. This is why most of the reforms were dead on arrival and we have not been able to have a public service that can take away the country from our present perilous development situation.
- iv. The harmonization of salary structure should not be a standalone policy but part of a public service reform strategy within the context of a sustainable development vision for our county.
- v. Remuneration should be based on an evaluation of the role of agencies and parastatals and ensure that they are structured to perform optimally, rather than piecemeal reform by the government.
- vi. Adoption of HRM principles in the management of the Nigerian workers
- vii. Adoption of job evaluation systems in fixing the salaries and wages of the Nigerian workers; and
- viii. Injection of welfare package into the motivation scheme for the Nigerian workers.

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Public Sector Leadership in the Digital Age: Issues, Challenges and Prospects

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Abstract

Digitalization in organizations and the phenomenon of digital transformation are now rapidly and fundamentally changing the existing businesses and organizations world over. In spite of the fact that these changes are considered to be a prime challenge for the leaders in organizations, yet research in the field of digitalization and leadership particularly within the public sector organizations still remain scarce. This paper looked at the issues, challenges and the prospect of Public Sector Leadership in the digital age. Though public service world over have been accused of poor service delivery in recent years when compared to private sector, still the public sector has the potentials to improve in terms of effectiveness, efficiency and productivity when fully digitalized. Thus, leadership within the public sector organizations need to be digital. Nevertheless, digital leaders in the public sector do faces on daily basis the same challenges that their counterparts in the private sector faces in managing the rapidly accelerating expectations of both customers (citizens) and clients for access to services and information online, anywhere, anytime. The paper conclude that for public sector leadership system to survive and thrive in the digital age, leaders must be willing and be able to challenge and change their own behaviors, methods and ways of thinking and more importantly they must inspire others to do the same. The paper recommended as a way forward the need to enhance interconnectedness, diminishing time lag and abundance of information, increasing transparency and lessening complexity, hierarchical removal and dissolvment of personal barriers and promotion of decision enabler and integrity enhancing.

Key words: *Digitalization, Digital age, Public Sector, Leadership.*

1.0 Introduction

Public sector organizations that were now popularly called public sector have an unparalleled objective of shaping the future of society or country. They do this by actively co-creating the directions within which the society moves towards the future, unlocking positive social change and development, global competitiveness, modernization, and increasing the quality of life for the citizens (Hvilsom, 2021). In contrast to its frequent perception in the eyes of the public, the public sector is far less rigid than quite often assumed. This affords public sector institutions an inherent purpose in their work that is quite unmatched by most private sector organizations. But this doesn't mean that there aren't substantial obstacles and challenges as well. Regulations, bureaucracy and budgets tend to restrain public sector work by shifting the focus from development and purpose to formalities – which can be a highly limiting factor, dampening the potential of public sector institutions. This calls for a kind of leadership that can master the delicate balancing act between optimizing operations within the framework of budgets and regulations on the one hand and driving development alongside the society's demands and new possibilities on the other. The goal is to answer to the citizens' needs as much in a fast-changing future as today. But this needs leaders with inspiring visions, able to translate the core task into captivating dreams. According to Naidoo, (2021) any body can have the potentials to become a leader, but yet not everybody has the ability to develop leadership potential. Thus, leadership in the digital age is considered an important ability that must be possessed by the right individuals so as to create or provide

important solutions to numerous political, social, economic and even technological problems in this digital age (Livari et al., 2020).

Though public service world over have been accused of poor service delivery in recent years when compared to private sector, still the public sector has the potentials to improve in terms of effectiveness, efficiency and productivity when fully digitalized. Thus, leadership within the public sector organizations need to be digital. Nevertheless, digital leaders in the public sector do faces on daily basis the same challenges that their counterparts in the private sector faces in managing the rapidly accelerating expectations of both customers (citizens) and clients for access to services and information online, anywhere, anytime. Adding to that, the rapidly evolving digital technologies such as AI and machine learning have made public sector leadership becomes more complex, difficult and challenging. Therefore, Public servants usually have some unique challenges in leading their organisations and teams through digital transformation. For instance, the need for balancing the internal risk culture coupled with the need to innovate and respond quickly to changing technologies is quite challenging. Similarly, the issue of change management within the public sector context is problematic. Again, managing staffing (employees), the annual budget cycle and procurement rules in a complex environment like public sector organizations is another challenge to public sector leaders. Moreover, managing the expectations of ministers and other political appointees and the election cycle all required leaders to fully adjust to new way of doing this in the digital era.

The main objective of this paper is to examine the issues and challenges surrounding the Public Sector Leadership in the digital age and provides some possible way forward toward addressing these issues and challenges. The remaining part of the paper is organized as follow. In the next section, relevant literature on the concept of digital age/era, leadership, digital leadership and the nexus between public sector leadership and digitalization were provided. Next, issues and challenges surrounding leadership in the public sector were discussed. Then, some possible way forward in addressing these issues and challenges were also highlighted. Lastly, the paper closes with concluding remarks.

2.0 Literature Review and Conceptual Clarifications

2.1 Digital Age/Digital Era

The term Digital Age and Digital Era are mostly used interchangeably in the literature. According to Cambridge dictionary, Digital Age simply refers to "*The present time, when most information is in a digital form, especially when compared to the time when computers were not used*". Similarly, the concept of digital age is also called the information age. This period, is seen by some scholars as the time period starting in the 1970s with the introduction of the personal computer with subsequent technology introduced providing the ability to transfer information freely and quickly.

2.2 Leadership

Leadership as a concept had over the years represents different things to different people world over. Although in many instances it depends on the prevailing specific situation. Therefore, leadership studies can best revolve on leadership within social groups. Leadership literally means the ability to influence others people behaviours. To some scholars, Leadership is used both as a field of research as well as a practical skill that includes the ability of a person or an organization to "lead" or guide other people, teams, or entire organizations. Bass (1990) defined leadership as a combination of character(s) and skills used to influence and induce other people to perform effectively, and according to expectations. This suggested that leadership is about behaviours that influences others towards effective and efficient achievements of desired goals. similarly, according to Drewniak and Karaszewski (2016) leadership is

encouraging action through creating new patterns of behavior and securing cues for behavioral change. Therefore, the basic components of good leadership include the ability toward successful and responsible use of power; the ability to understand that people in different times and different situations have different motives; the ability to inspire others; and the ability to act in a way that will develop a favorable climate for promoting motivation (Živković et al, 2016). In general, leadership is concerned with the act of influencing other people's actions or behaviors to induce desired and effective performance.

2.3 Digital Leadership

Digital leadership or e-leadership is the accomplishment of a goal that relies on ICT through the direction of human assistants and uses of ICT.” This type of leadership style combines both the goal(s) and the resources involved using ICT. Therefore, there is an additional demand on the capability and competencies of an effective digital leader. Scholars like Valentine and Stewart (2015) identified three required competencies as follows: (1) skills, knowledge and experience to govern technology for strategic advantage; (2) making technology decisions and governing risk; and (3) using technology to achieve returns and demonstrate value. Bennis (2013), added that digital leaders must also have an adaptive capacity, coupled with resilience and openness to the new. He further supported that these qualities need to be learned to become a digital leadership.

In another development, Toomey (2016) defined Digital Leadership as the capability of organizational leaders to identify and realise opportunity for (organizational) growth and value through effective, efficient and acceptable use of Digital Technologies (IT). This conceptualization, sees digital leadership as the paradigm shift of the digital era. Digital leadership seeks technology enabled opportunities to reinvent the business and expand and disrupt markets, it understands how different stakeholders are using technology to advance their own interest and it focuses the organization for change and activates all resources towards that change. Important in these descriptions and definitions is to emphasize the use and adoption of digital technology, and the ability to react on these technological opportunities. Before we present how this interplay between (digital) technologies and (human) agents occur, we discuss first some developments in digitalization.

2.4 Public Sector Leadership and Digitalization

To achieve their goals and objectives, public sector leaders have the responsibility to keep up with the continuous worldwide revolution. Today, leaders must appreciate technology, not just as a facilitator, but also for its innovative power (Sabau, 2016). The key of success is to understand the impact of advanced technologies. Managers and leaders must embrace and initiate change and innovation, because businesses don't have the time to change every year.

Innovation is represented as a range of processes rather than a singular event or entity (Runco, 2008). Therefore, being innovative requires success across a host of interconnected, and most of the time highly challenging processes (Hunter, Cushenbery, Ginther & Fairchild, 2013). Digital technologies suggest new customs to connect, cooperate, manner business and build connections between people. They have defied traditional business models and continue to do so.

The findings from Eurobarometer survey shows that majority of respondents (75 percent) think that digitalization has a positive impact on the economy, 67 percent think that digitalization affects the quality of life, while another 64 percent believed that digitalization has positive impact on the society (European Commission, 2017). Indeed, people's daily lives and business activities have been highly transformed by digital technologies in recent years. It is a known fact that Digitalization allowed to connect more than 8

billion devices worldwide (World Economic Forum, 2018), modified information value and management, and started to change the nature of organizations, their boundaries, work processes, and relationships (Davenport and Harris, 2007; Lorenz *et al.*, 2015; Vidgen *et al.*, 2017).

Study conducted by Weiner *et al.* (2015), illustrates how the effective achievement of operational goals relies on the fit between strategic planning and information technology, particularly in operationally complex organizations like public organizations. This empirical study shows that digital tools could highly contribute in the planning and monitoring of internal processes, increasing the transparency and accountability across all levels of management, and engaging customers' trust. For instance, the intelligent use of data through sophisticated digital tools, allowed administrators to lead improvements in decision-making processes and service quality by enhancing the usage of traditional management tools, such as key performance indicators (KPIs), and storage of critical data.

2.5 Issues

It is not disputable, that nowadays a new era has come in which economies and societies are being fundamentally transformed by digitalization, which essentially changes almost all aspects of modern lifestyle, including, but not limited by new models of business and work, public services, leisure and even democratic participation. Governments at all levels and all public sectors are facing a demand to tackle the risks imposed by digitalization. Research shows that digital immersion is faster and more profound than the wider public, and even professionals internalize or even reflect upon (Franko & Gundhus 2015). However, there is a lack of research on possible impacts and consequences of digitization particularly within the context of public sector. Digitization (digital transformation) is going faster than the reflection on its impacts on society and human privacy and security. This in itself represents a potential threat to the society.

A recent review from the study of Bhatta, (2021) reveals that digitalization particularly to leaders is a 'double-edged sword'. As some scholars (Capurro (2017; Entschew & Suchanek 2017; Royakkers 2018) noted that factors like the demand for permanent availability or default digital designs, efficiency at the expense of personal privacy, unfair monetization of personal data coupled with the growing public concerns regarding the 'spying eyes' of various digital technologies such as biometrics, IoTs, VR and AR technologies have now compounded the complications facing today's leaders in their search for a balance between traditional ways of managing organization(s) and the pressing need for the adoption of new technologies.

2.6 Challenges

It is now clear, that digitalization had imposes challenges on the governments across world. Some of the mainstreamed challenges that need to be addressed include the challenges of infrastructure and inadequate networks, cultural diversity in the digital environment, creativity and policy harmonization, among others. Thus, the role of government and public sector in particular is crucial for digital perspectives. Pūraitė, Adamonienė and Žemeckė, (2020), observed that, at the level of household, the digital transformations are unprecedented. Similarly, the International Telecommunications Union (2016) reported that large number of households in developing countries own a mobile phone compared to having access to electricity or clean water. Additionally, access to information and communication technologies is still not available to 3.9 billion people. Furthermore, on the public sector level the transformation is not as rapid as it could be expected, because the public sector has deep cultural, legacy and bureaucratic habits, and the most difficult to replace is the mentality, which makes it complex to succeed with digital transformation projects. Therefore, digitalization in the public sector is not only an

option but recently it is being seen as both a necessity and a possibility to improve public service. In this regard, countries have to develop digital strategies which will contain high ambitions for modernizing, simplifying and improving the public sector. However, there is a risk of those policies being only declarative instead of being a tool of good administration. Therefore, as observed by Ruud, (2017) public sector needs to transform into a future digitized state, and the goal of the digitalization is to deliver better outcomes getting more from less and making resources more productive.

Although digitalization in organization brings about several advantages, yet digitalisation as observed by Khan, (2016) also brought forward some challenges that are dualistic and contradictory from the perspectives of leadership standpoint. For example, he argued that digitalization do not only have (6) humanising effects, but it also had some *de-humanising effects*. These effects can be seen via the increasing use of the ICT and other digital communication technologies like the emailing and messaging (SMS). For instance, in most organizations, the traditional face-to-face communication (contacts), physical meetings and the other emotional connections between the employers or leaders and employees/subordinates were now diminishing as a result of more objectifying forms of communicating and the decision-making processes like the big data analysis, the employee-surveys brought about by digitalization had significantly increased the *disconnectedness* rather than the so called interconnectedness in the area of trust, motivation and individual consideration.

Another challenge is that the increasing complexity and the need for transparency in organizations also bring forward the question of personal and employee integrity. For instance, it is a known fact that the social media platform illuminates one's personal life. Therefore, the worker/co-workers and leaders alike, the border of work-life balance shifts, blurring the lines between what was regarded as private information and one's persona as an employee.

Again, with regards to the decision-making in organizations, digitalisation here also had provides yet another paralysing effects. For instance, as a result of the diminished time lag and vast amounts of data were now available, leading managers to make decisions on "gut-feeling" rather than balanced processing (Khan, 2016).

Moreover, leaders particularly those in public sector, are now continuously facing unprecedented challenges in the digital age. Therefore, developing and updating their digital skills within and outside their organization is required. Again, continuously adapting to new digital technologies with cutting-edge infrastructures and services is yet another challenge. Developing synergies of medium- to long-term and innovative technological solutions involving different stakeholders of the public and private industry is also needed.

2.7 Way forward

Based on the issues and challenges outlined, this paper suggested some way forward grounded on the six characteristics of digitalization.

First there is need to enhance *Interconnectedness*. Public leaders can address issues and challenges brought by digitalization in the public sector by interconnecting and integrating activities and effectively enhance communication and social interactions with employees and general public. For instance, Nachira et. al (2007) argued that Interconnectedness in organization enabled knowledge sharing practice coupled with modeling of micro & macroeconomic context which promote productivity, Quality & effectiveness, sustainability, creativity, innovation and dynamic networking.

Secondly, as digital age allowed what is considered as *Diminishing time lag and abundance of information*, there is need for public sector organizations and their management to enhance and enable the access to information. Studies have shown that abundance of free flow of information is important, as information was used by some digitalized organizations like smart phones, tablets and social media and resulted in shorter-time framework in decision making, increased speed of information and real time organizational management.

Thirdly, by *Increasing Transparency and Lessening Complexity* public sector leadership can compete with the private sector in many areas. Therefore, another possible way for addressing challenges in today's public sector leadership is to further increase the level of transparency and lessen the complexity. Scholars (Andervin and Jansson, 2016), observed that in the face of increased organizational activities and complexities more transparency is required to manage organizational transformation associated with the rapid changes in the digital age.

Additionally, it is argued here that the *hierarchical removal and dissolvment of personal barriers* is considered a way forward in addressing leadership challenges in the public sector. Removal of organizational hierarchical structures and the introductions of what Westerman, Bonnet, and McAfee, (2014) called reverse- mentoring program will allowed public sector leaders to learn from juniors or younger generations. This will also remove some artificial barriers that will allow the juniors or younger generations to develop greater say on how they perform. Thus, Leaders now need to recognised that citizens in the communities that they served and employees they worked with do increasingly wish to be not only merely consulted, but also be allowed to actively participants in the design and delivery of services.

Again, as digitalization allows for organizations to take strategic decisions quickly, thus, when fully digitalized public sector organizations can appropriately eliminate bureaucratic bottlenecks and became '*Decision Enabler and Integrity Enhancer*'. In this regard, redtapism and other administrative issues can be address.

As argued by Rogers (2016) that digitalization reshapes the five key domains of competition, customers, data, value and innovation. Digitalizing public sector will also enables leaders and followers (people within and outside public sector) to easier interact, communicate and interlink through virtual platforms and tools easily in a more authentic and intuitive ways. Accordingly, Vogelsang, (2010) as human beings are now becoming more interlinked with computers (including robots), the future of interactivity as observed by Berman and Marshall (2014), "will be *"symbiotic"* (a system in which virtually everyone and everything are mutually interdependent).

3.0 Conclusion

This paper examined issues and challenges that affect public sector leadership in the digital age and offered some possible way forward so as to enable this important sector to function effectively and efficiently in handling assigned responsibilities. In doing this, the paper conclude that for public sector leadership to achieve desired goals in this era applying the six basic characteristics of digitalization is considered a wayout. Therefore, in the digital age, leaders must take full advantage of available technologies, adopting new ways of working and encouraging the same from those around them. They must also make use of the vast amount of data now available to enable much deeper insight into the development needs and preferences of, and motivation triggers for staff.

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E-Governance and Administrative Fraud in Nigeria Public Service

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Abstract

This research examined E-governance as a vital tool in addressing the issues of Administrative Fraud in Nigeria Public Service. The failure of traditional governance model to provide solution to contemporary challenges in the public service has elicited the advent of sophisticated technological response that provide a placid environment for digitalizing public administration. Administrative fraud is a major vice militating against good governance and social development. The transition from governance to e-governance has been considered a veritable instrument in ensuring transparency, accountability and effective service delivery in public service. The potency of ICT as a supporting tool in curbing the pervasiveness of Administrative fraud is acknowledged. This study adopted a qualitative approach via in-depth interview for data collection and thematic analysis. The data generated for the study were analyzed using both content and phenomenological analysis to analyze data generated. It is discovered that ICT has played a significant role in combating administrative fraud by increasing revenue of government through government integrated financial management information system (GIFMIS) and Treasury Single Account (TSA) System. Public sector Fraud has significant effect on economic growth and development of Nigeria and the performance of the Nigeria public service. The research recommends that Administrative Fraud affect economic development and growth as such appropriate sanctions should be applied when fraud is discovered or detected and government should establish a public recovery fund where money recovered should be kept and used to enhance efficient and effective performance in the Nigeria public service.

Key words: *E-governance, Administrative Fraud, Public Service.*

1.0 Introduction

Fraud in the public service arises from the exposure of illegal financial activities perpetrated by executives and all cadres, such illegal activities involve to a large extent, missing or misdirecting funds, over stating expenses, understating revenue, embezzlement, illegal capital transfer, illegal currency manipulation and large financial bureaucratic fraud, which form the centre piece of fraud that have contributed in keeping investors away. Nigeria has remained underdeveloped, as it is certain that nation with high incidence of fraud cannot develop (Owojori and Asaolu, 2009). Fraud in developed economies is often reported in both private and public sectors. The problems in developing Third World nations particularly Nigeria is that fraud is common and affects a lot of citizen and in most cases perpetrators get away with the act. This is to say that, only in few instances are the nefarious act uncovered on time, investigated, prosecuted and adequate punishment given. Consequently, many involved are left free and hence, there is no deterrence for future fraudulent acts. Fraud has been cited as Nigeria's biggest single problem in public sectors. It has not only snapped public trust in government but

it has cost the government and people of Nigeria billions, due to corrupt management of public companies, unrealized public projects and deteriorated infrastructure caused by looted maintenance budget (Sabo, 2003).

According to Oboh (2012), the audit done for the ministry of finance by the renowned audit and advisory consultant, KPMG exposed the massive corruption in the NNPC between 2007 and 2009. The summary of the 41-page report is that NNPC is the biggest pot of sleaze in the country. The report detailed the corporation's sharp business practices, violation of laid down rules and regulations, illegal deduction of funds belonging to the state, and failure to account for several billions of naira that should go to the federation. Moreover, from 2009-2010, Nigeria lost N13.8 billion to various financial scams (Onyeje, 2009; EFCC media report, 2010 adopted from Oboh, 2012). What all these tend to expose is that there is a management or operational problem in the Nigeria public sector in the area of financial or accounting control. Thus, one needs no wonder much to see how devastatingly frauds have compromised the administrative competence, performance capacity and general credibility of the public sector.

The deployment of ICT in the public sector has been advanced as one of how developing countries like Nigeria plagued by corruption can use to control and combat Administrative fraud (Basyal, Poudyal, & Seo, 2018). For instance, the study of (Hassan, 2017) showed a positive correlation between e-government and corruption. (Similarly, Bertot, Jaeger, and Grimes, 2010) study acknowledged a positive indirect relationship between the deployment of ICT, openness, transparency and corruption. ICT is a phenomenon that is already widely used by government bodies, just as in business entities. However, ICT in government, i.e. electronic-government involves much more than just a tool; effective e-government involves rethinking and restructuring of public organisations and their processes (Kochanova, Hasnain, & Larson, 2017; Yildiz, 2007). Also, it involves changing the behaviour of public officers to deliver more efficiently and promptly to the people who need to use them (Archmann & Iglesias, 2010) without being corrupt. When e-government is implemented well, it enables all citizens to be accountable in the issue of finances.

The use of ICT in the combat against administrative fraud in the public service has generated a lot of interest in conceptual discussions and empirical enquiries. No doubt that the introduction of ICT is a prerequisite in this 21st century to deliver public services seamlessly and transparently. Studies have mentioned that e-government is playing a significant role in the promotion of transparency and accountability in government. The Nigerian government has also been investing mostly into ICT for governance since the last decade through the introduction of some programmes such as the Government Integrated Financial Management and Information Systems (GIFIMS), Treasury Single Account and Integrated Payroll and Personnel Information System, as well as some public reporting and checking mechanisms. However, studies in Nigeria have not generated considerable efforts in the examination of the length at which the government can use its enormous investment in ICT and e-government to tackle the menace of corruption in the country. Studies on corruption in Nigeria have mostly centered attention on its impact on economic growth, development, social values; also some studies have centred their focus on the effectiveness of anti-corruption institutions in the bid to suppress corruption (Bamidele, Olaniyan, & Ayodele, 2016; Nageri et al., 2013). Therefore, given rise to the research question of to what extent has e-government been able to eradicate the menace of bureaucratic fraud and corruption in Nigeria public service? It is against this backdrop that this study examined the impact of e-government and Administrative fraud in Nigeria Public service using a secondary source of data.

2.0: Literature Review

2.1 E-Government in Nigeria

The Nigerian government kick-started e-government in the early 2000s intending to improve the public service from excessive administrative bottlenecks, improve service delivery, create a culture of accountability, effectiveness and combat the menace of corruption (Abdulkareem & Ishola, 2016). In 2003, the National Information and Technology Development Agency (NITDA) was established to serve as the driving agency for the implementation. Since its implementation, scholars have predicted that Nigeria has a lot to gain from the potential of e-government; however, the implementation has not reached optimum capacity to generate that multiplier effect in the public sector reform (Nchuchuwe & David, 2016).

The aim of implementing e-government was to act as a panacea to the problems of excessive public service bureaucracy and provide the avenue for the government to increase its productivity, efficiency and transparency in the delivery of public services. Since its introduction, the government has endeavoured to provide services to citizens via web and mobile platforms (www.services.gov.ng and *347*48#), such as the issuance and renewal of international passports, electronic national identity cards, drivers license, business registration and online tax filing (Abdulkareem & Ishola, 2016).

2.2 Electronic governance

E-Governance or 'electronic governance' is the use of Information and Communications Technology in the discharge of government responsibilities so as to ensure 'Simple, Moral, Accountable, Responsive and Transparent' (SMART) governance (United Nations [UN], 2005). The application of ICT to disseminate information to the citizens, businesses and among sections, units or departments of government, faster and better delivery of public services, improving internal efficiency, cost reduction, boosting income, reorganising administrative processes for improved quality of services (UN, 2005). Similarly, e-governance is the process of enhancing governance system through the application of ICT within and without the various levels of government (Okot-Uma, 2000).

In a similar vein, Backus (2001), views e-governance as the use of electronic means in the network of relationship between government and the public, government and businesses, as well as in operations within governmental systems to simplify and improve democracy, government and business aspects of governance. Gil-Garcia and Luna-Reyes (2006) aligned their perception of e-governance to the foregoing.

2.3 E-Governance as tool for fighting administrative fraud in Nigeria public service

The nexus between e-governance as a panacea for combating administrative fraud and corruption has been globally pronounced by a number of scholars. Information communication technology is considered as a fundamental instrument that can be employed to tame the ugly trend of fraud. ICT is capable of mitigating corruption by promoting good governance, monitoring the activities of government and the governed. The use of electronic measure in the daily governmental business has a great impact in the fight against administrative fraud among other measures put in place by the government in many developing nations of the world such as Nigeria. Several efforts have been put forward to prevent corruption by different regimes. The creation of Independent Corrupt Practices Commission (ICPC), Economic and Financial Crimes Commission (EFCC) and Code of Conduct Bureau among others. Despite the creation of different institutions to checkmate the spreading wave of Administrative fraud and corruption in public service of the country, it appears that these measures were not absolutely capable of reducing corrupt practices in Nigerian society. The ineptitude of the above-

mentioned measures triggered the development of e-governance scheme which was strengthened to foster transparency in the conduct of public affairs. The implementation of e-governance approach was made possible with the adoption of Information Communication technologies (ICTs) revolution. The implementation process was initiated as a pilot scheme initiated in some ministries and federal parastatals. Following this event, other levels of governments began to adopt this policy to tackle the high level of corruption in the country. The adoption of this policy aimed at blocking the manifold sources by which public payment of contracts and ghost workers. A huge amount of public funds has been saved by the three tiers of government due to implementation of e-governance project. The philosophy behind this policy is to reduce corruption and increase the level of transparency and accountability in the public service. It is a by-product of ICT, which is an efficient and effective strategy to tackle corruption idiosyncrasy. Even though e-governance is not the first and last method to curb corruption in the public sector, it is being practiced very efficiently in the developed countries and in a few developing countries as well. In general, developing countries have succeeded much in implementing e-governance. Their efforts to apply the tools and strategies have been discernible since the last couple of decades. The services delivered through electronic means such as tax payment, rate, license are capable of mitigating human error and corruption in the public arena. In an environment where public administration is digitalized, physical contact which has the potential of promoting corrupt practices is mitigated.

E-Governance serves the purpose of bringing transparency, accountability and openness to the public service. Nigeria has embarked on numerous strategies in reducing corruption especially through e-governance within the public sector. The public sector reform includes Treasury Single Account (TSA), Biometric Time and Attendance, Integrated Payroll and Personnel Information System (IPPIS), Prepaid Meter. Other initiatives include e-passport, online registration of Joint Admission Matriculation Board (JAMB) by candidates, introduction of computer based examination to reduce exam malpractice, the use of card reader during election, e-reporting of human rights abuse, monthly publishing of local and state governments allocation by the ministry of finance which allows citizens to be aware of how the government use their public resources.

2.4 The government integrated financial management information system (GIFMIS)

This is an integral component of the ERGP initiative targeted toward tackling corruption through information technology. It was implemented to provide support to public resource management by employing integrated and automated mechanism to ensure effective and efficient economic system. The implementation of this policy is aimed to enhance transparency, accountability and cost-effective public service delivery. The primary objective of the GIFMIS is to key into computerized financial information system for the federal government to increase:

- i. Federal government capacity to effectively control and monitor the general expenditure and receipts of MDAs
- ii. The capability to understand the general costs of collections of activities
- iii. The ability to exhibit transparency and accountability to the public and partners
- iv. The ability to access information on government's economic performance and cash flow
- v. Medium term planning through a medium term expenditure framework (MTEF).
- vi. Internal controls to identify and prevent possible fraudulent actions.

Ultimately, the focus of the GIFMIS is to support and improve the federal government public financial management performance. The financial management obligations constitutes the overall financial management cycle of government which includes budget preparation, budget execution and financial

reporting. GIFMIS aimed to be used in all areas of government budget preparation, execution and general management of financial resources. Additionally, GIFMIS enables effective revenue collection through integrated system of revenue collection especially in some agencies like Federal Inland Revenue Service (FIRS), Customs, Nigerian National Petroleum Corporation (NNPC) and providing effective revenue remittance and transfer to the TSA

2.5 Treasury Single Accounts (TSA)

The TSA policy was initiated as part of Economic Reform and Governance program in 2004 by the Federal government in Nigeria. TSA is an integrated national bank account in which all the federal government ministries, departments and agencies (MDAs) remit daily government revenue. The implementation of this policy by the national government aimed to block all leakages in Nigerian revenue generating agencies as well as to guarantee judicious use of government resources for the benefit of the citizens. The TSA is one of the components of public financial management (PFM) reforms which was under the third pillar of National Strategy for public service reforms geared toward achieving vision 20:20:20 aimed to address the challenge of ineffective and inefficient cash management in the country. The implementation of this policy necessitates adoption of e-payment system for every single financial transaction, and it came into full force in January 2009 effectiveness, transparency, openness and accountability in the management of the country's financial resources. Although, before the implementation of TSA, the country was moribund with challenge of monitoring all government accounts by the Office of the Accountant General of the Federation (AOGF). The TSA was guided by three fundamental principles: the unification and synchronization of government treasury accounts; only the chief financial agents of the government are saddled with the oversight responsibility in managing cash resources of the government; and there should be comprehensive coverage of both the budgetary and extra-budgetary as well as consolidation government's cash resource. The objective of E-governance:

- i. To improve Government processes;
- ii. To connect the citizens;
- iii. To build external relations
- iv. To ensure service delivery and transform governance;
- v. To ensure transparency in governance;
- vi. To provide qualitative cost-effective service;
- vii. To ensure greater efficiency, productivity, accountability and speed in providing information;
- viii. To build an informed society;
- ix. To encourage citizen participation;
- x. To provide friendly, speedier and efficient interface;
- xi. To eliminate the middleman (Amujiri, 2021).

The Goals of E-governance

- i. Development of policy framework for managing information;
- ii. Enhancing public services delivery;
- iii. Improving the quality and cost-effectiveness of government operations;
- iv. Engaging citizens in a democratic process;
- v. Creating administrative and institutional reforms, standards, best practices in accounting, auditing, etc.

2.6 Transparency in the Conduct of Government Business:

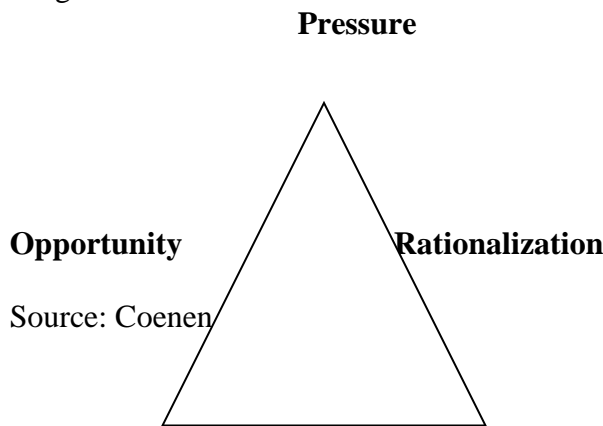
As indicated above, one of the objectives of e-governance is the entrenchment of transparency in the administrative processes and service delivery. This will plug the holes through which Administrative fraud practices are perpetrated. It would eliminate the manual process which allowed much room for manipulation. The system would throw up any error(s) whether deliberate or accidental, and trigger investigation and corrective action. E-governance would stem the denials by government officials of receipts of monies. For example, local government officials used to deny receipt of allocations from the Federal Government. When Mrs Ngozi Okonjo-Iwuala assumed office as Nigeria’s Finance Minister, she began to publish allocations to Local Governments in both print and electronic media. That denial stopped. That is one of the ways e-governance can help check Administrative practices. Public officials divert monies received on behalf of government into their private pockets and falsify documents to cover it up. E-governance provides systems of collection and accountability, as well as platforms which assist in tracking malpractices. Davies and Fumega, cited in (Ojo, 2019) gave the following recipe for fighting corruption through e-governance:

2.7 Theoretical Framework

The theories that guide this work are the fraud triangle and fraud diamond as discussed below: The Fraud Triangle Cressey (1919-1987) was a student of Sutherland who builds on the initial works of the latter, to set forth the Theory of the Fraud Triangle, Cressey’s work focuses on embezzlers whom he called “trust violators”. His hypothesis states that:

Trusted persons become trust violators when they conceive of themselves as having a financial problem which is non-shareable, are aware this problem can be secretly resolved by violation of the position of financial trust, and are able to apply their own conduct in situation verbalizations themselves as trusted persons with their conceptions of themselves as users of the entrusted funds or property (Cressey, 1973 cited by Coenen, 2005).

Figure 1: The Fraud Triangle



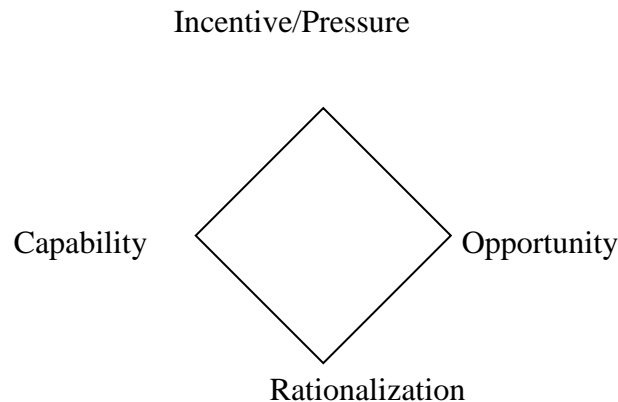
This hypothesis widely called the Fraud Triangle has three postulations:

- (i) **Unshakable needs or Pressure:**-the individual has a need which could not be shared with persons who from a more objective point of view, probably could have aided in the solution of the problem. Cressey (1973) cited by Coenen (2005) divide these non-shareable problems into six basic sub types: Voilation of ascribed obligations, Problems resulting from personal failure, Business reversals, Physical isolation, Status gaining, Employer-employee relationship.

- (ii) **Opportunity:** -An opportunity affords itself for the individual to solve his financial problem by violating the position of financial trust he holds with his organization. The opportunity could be in the form of inefficient control and supervision in the organization.
- (iii) **Rationalization:** -he makes attempts at self-justification to rationalize and explain his actions and silence his conscience.

2. 8 Theory of the Fraud Diamond

Wolf and Hermanson (2004) proffer the Theory of the Fraud Diamond, in place of the triangle. They argue that the diamond offers a better view of the factors leading to fraud. They add a fourth variables, capacity, to the three-factor theory of Cressey. Capabilities mean that, the fraud perpetrator must have the necessary traits, abilities, or positional authority to pull off his crime.



Theory of fraud Diamond offers a better view of the factors to fraud. The theory adds fourth variable, capabilities, to the three-factor theory of fraud triangle. Wolf and Hermanson believed many frauds would not have occurred without the right person with the right capabilities implementing the details of the fraud. They also suggested four observation traits for committing fraud; First, authoritative position or function within the organization, Second capacity to understand and exploit accounting systems and internal control weakness, Third, confidence that he/she will not be detected or if caught he/she will get out of it easily, Fourth, capability to deal with the stress created within and otherwise good person when he or she commits bad acts. Reviewing the literature shows that researchers classified the motive side of the fraud diamond differently. Some researchers classified them as personal, employment or external pressure, while other classified it as financial and non-financial pressure. However, it can be noticed that both classifications are interrelated. For instance, personal pressure can come from both financial and non-financial. person's financial pressure in this case could be gambling addiction or a sudden financial need, while a personal non-financial pressure can be lack of personal discipline or greed. By the same token, employment pressure and external pressure can come from either financial or non-financial pressure. Thus, Forensic Accountants have to keep in mind that pressure/motive to commit fraud can be either a personal pressure, employment pressure, or external pressure, and each of these types of pressure can also happen because of financial and non-financial pressure. Forensic Accountants also need to understand the opportunity for fraud to help them in identifying which fraud schemes an individual can commit and how fraud virus occurs when there is an ineffective or missing internal control.

However, it can be criticized that even though the fraud diamond added the fourth variable capability to the fraud triangle and filled the gap in other theories, the model alone is an inadequate tool for deterring, preventing or detecting fraud. This situation can only change when the public sector achieves a positive change in the character and orientation of their government leadership. The leaders can bring this desired change by promoting good corporate governance in the public sector through Integrity, Accountability and Transparency, which would lead to attainment of strong internal control system in the public sector and thus the likelihood of an individual committing fraud.

3.0: Methodology

The study applied qualitative research due to its usefulness in providing insights, uncovering trends in opinions and its usefulness in delving deeper into a phenomenon. Data for this research were collected mainly from secondary sources. The secondary data were sourced from articles, publications of previously acknowledged works of others such as journals, textbooks, media and the internet.

4.0 The Challenges & Recommendations

4.1 High Cost of ICT Infrastructure

In spite of the apparent necessity and benefits of e-governance, the high cost of ICT infrastructure poses a huge challenge to its procurement, maintenance and sustenance. This is partly due to the fact that all ICT items are imported and the exchange rate of the Nigerian currency (Naira) is so weak. Government is faced with infrastructural deficit in critical areas like health, education, road, power and environment. Procurement of ICT infrastructure is therefore an added responsibility which government is grappling with. It is therefore, recommended that government may consider Public Private Partnership (PPP) arrangement to provide the needed financial, technical and professional intervention required to procure, manage and sustain ICT infrastructure, which is critical in the fight against administrative fraud and corruption.

4.2 Non-coverage of Remote Areas

E-governance faces another severe challenge in the area of internet coverage of remote areas in Nigeria. Most remote areas do not have internet access. It is impossible for e-governance to work in such areas. The citizens or those living in such areas are cut off their participation in anything ICT is ruled out. For the objectives of e-governance to be realised, the entire spectrum of the society should be provided with internet accessibility and empowered to procure the needed gadgets and internet access. This would help in the fight against corruption.

4.3 Inadequate Computer Literacy

There is a huge gap between computer literates and illiterates amongst the citizens. The number of ICT professionals in the public-sector is grossly inadequate. This poses a great challenge to e-governance and ICT penetration in the country. Knowledge of computer and ICT is non-existent in most rural communities in the country. Attainment of the objectives of e-governance in such areas is therefore, unrealistic. The Nigerian government is tackling this challenge through the establishment of Digital Bridge Institute (DBI) in the six geo-political zones of the country. The DBI is mandated to bridge the gap as much as possible to deepen computer literacy in the respective zones. Computer literacy is essential among the citizens to understand the issues of e-governance, participate in, and be able to check and provide information that could assist in fighting corruption in the system.

4.4 Insufficient Electricity Power

Insufficiency of power supply is a problem bedeviling development in Nigeria. Epileptic power supply is a daily occurrence in the country. ICT equipment are powered by electricity power, they therefore, depend on electricity power for optimal performance. There is a huge gap between power requirement in the country and power supply. If power infrastructure is not adequately addressed, government's efforts towards transition to e-governance would not be achievable, and by extension, the fight against corruption may not succeed. It is therefore, essential for power infrastructure to be put in place to power the fight against corruption.

5.0 Conclusion

E-governance as an effective mechanism in tackling administrative fraud in Nigeria public service cannot be overemphasized. Although, there have been several efforts by the past political regimes in fighting corruption in the public sector, it appears that some of the efforts put in place were able to yield minimal outcomes. The recent initiative regarding application of information communication technologies (ICTs) in the general management of public affairs has been considered as effective mechanism to complement the effort in curbing corrupt practices in the public sector. This research demonstrates that e-governance as a modern technological tool is capable of reducing high level of administrative fraud in Nigeria public service. The current initiative to reduce the level of corruption in Nigeria necessitates the implementation of e-governance strategy which revolves around the Treasury Single Account (TSA), the Government Integrated Financial Management Information System, and the current cashless policy among others. These numerous strategies have been utilized to minimize Administrative fraud and corruption practices in Nigeria public service.

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Local Government and Challenges Impeding Effective Primary Healthcare Services Delivery in Zamfara State, Nigeria

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Abstract

The study examines the challenges impeding the effective service delivery in Primary healthcare in Zamfara State, Northwestern Nigeria. A cross-sectional approach was adopted with Multistage random sampling selection of 72 health workers in 12 Primary Healthcare facilities (PHC) as a sampling frame. Data were collected using pre-tested questionnaire administered face-to-face interview technique. Descriptive statistics such as frequency, percentage and 5point Likert rating scale was used to analyze the data. Results revealed that the major identified challenge impeding effective service delivery is inadequate medical personnel and understaffing of the PHC (n=52; 72.2%), which has led to the low utilization of PHC facilities in Zamfara State. Other challenges include: inadequate funding; lack of motivation and low salary; lack of essential drugs and consumables; deteriorating buildings and facilities and inadequate monitoring and supervision. The study concludes that there is need to recruit and boost the training of health workers; there is need to increase the budgetary allocation to the health sector by all tiers of government; there is the need for adequate supervision and evaluation of programmes in order to ensure that wastage, abuse and misappropriation of funds are avoided.

Key words: *local government, primary healthcare, health services, delivery, medical personnel, health funding.*

1.0 Introduction

Primary Healthcare as conceptualized by the Alma Ata Declaration of 1978 is a grass-root approach towards universal and equitable healthcare for All (WHO-UNICEF, 1978). Primary Healthcare (PHC) addresses the main health problems in the community which covers healthcare services such as maternal care, child care, family planning, immunization, communicable and infectious diseases such as tuberculosis, HIV/AIDS, Malaria and other essential healthcare (WHO, 1978).

Globally, Primary Healthcare is accepted as a decentralized medical service at the local community area to improve efficiency and responsiveness of the health system. Each country adopts and implements the primary healthcare policy differently. Most developed countries in Europe started implementing this policy after the Second World War while most developing countries started later in the 1990s (Onyekpere,2019). It is not surprising therefore that, the huge successes recorded in some countries such as Indonesia, Philippine, Thailand, China, Cuba, Mexico, Honduras among others can be attributed to political, administrative and fiscal decentralization adopted for empowering primary healthcare service delivery to their populace (Liwanag and Wyss (2018), Miharty, et al (2016), Jongudomsuk and Srisasalux(2012), Bailey (2016)).

In Nigeria, the phenomenon of decentralization as contained in 1979 and 1999 constitutions recognized Local Government Council as the lowest tier of government. According to the 1999 constitution of the Federal Republic of Nigeria, the three – tiers of government are vested with the responsibilities to promote and support health in coordinated manner as three – tier system of healthcare: Primary

Healthcare – Local Governments; Secondary Healthcare – State Governments and Tertiary Healthcare – Federal Government (Adeyemi, 2005).

The provision of healthcare at the Primary Healthcare level is largely the responsibility of Local Governments with the support of States' Ministries of Health and within the national health policies. The fundamental health services expected to be provided by the primary healthcare are preventive, promotion, curative and rehabilitative nature to the communities as the entry point of the healthcare system (Awofeso and Ogunne, 2020). The establishment of primary healthcare centers in both rural and urban areas in Nigeria with the intention of equity and easy access was a strategy meant to address the main health problems in the community. Primary healthcare therefore, serve as the first level contact of individual, the family and community with the national health system bringing healthcare as close as possible to where people live, workplace and constituting the first element of a healthcare process (Akinsola, 2003 and Azuh, 2019). Healthcare delivery at the primary level in Nigeria is strategically established to achieve health for all through cost – effective interventions (Adepoju et al, 2017). However, this level of healthcare in Nigeria has enjoyed commendable attention with recognition across the globe by government of various nations both in the developed and developing countries (Rasak, 2013).

Several studies had revealed that the PHC has collapsed in Nigeria, leading to very poor and less than desirable National health system (Rasak,2016; Adepoju, 2017 and Azuh et al, 2019). Among identified factors that hinder its effectiveness and delivery of quality service are: lack of political will; inadequate funding; ill-motivated workforce; inadequate inter-sectoral collaboration; poor infrastructural facilities; insufficient medical personnel and heavy dependence on foreign donors (Abdulraheem et al,(2012); Alenoghena et al, (2014); Adeyemo (2005); Azuh et al, (2019). According to Obembe et al (2014); O'Neil et al (2014) and Abimbola et al (2015), health workers are the major problem in the PHCs service delivery. They perceive rural life as difficult and lack the desire to work in PHCs located in rural communities because of lack of basic amenities in rural areas; poor facilities and equipment, leading to difficult working conditions and dissatisfaction; poor quality care and performance, which are considerable constraint to service delivery. Adeyemo (2005) stated that insufficient number of medical personnel, inadequate transportation for them to the rural areas, inadequate funding and misuse and abuse of scarce resources allocated to Primary Healthcare in Nigeria. Similarly, Ojeifo (2008) concluded that, only very few Primary healthcare centers in Owan east and Owan west Local Government areas of Edo States were adequately equipped thereby causing many individuals to suffer from different diseases. Poor service delivery at the Primary healthcare centers in Nigeria was acknowledged, among other causes (Rasak (2013); Abimbola (2012); Alenoghena, et al (2014)). Many studies conducted on National healthcare system revealed that the quality of healthcare in Nigeria, especially at the primary healthcare level still remains less than desirable (Ikeji (2013); Olusimbo and Nwachukwu (2010)).

Despite the collaborative efforts of National Government, Donor Agencies and Non – Government Organizations to provide an efficient and effective primary healthcare delivery at the grassroots level, the PHC has collapsed. This has led to the overall health outcome indicators in Nigeria to be unacceptably high. Average Life expectancy at birth is 61.33. Maternal mortality ratio is 814 per 1000 live births. Mortality rate for infants and children under five years is 70 and 104 per 1000 live births respectively (WHO.2022).

With the introduction of primary healthcare in Nigeria, Zamfara state government had adopted several measures to enhance efficient and effective primary healthcare service delivery. Among these are: the construction and equipping of 678 PHCs across the 14 LGAs, which include 14 Women and Children Welfare Clinics (WCWC) in each LGA (ZSMOH, Data base, 2022). Despite these efforts, the maternal mortality rate of 1,100 per 100,000, under five children mortality rate is 210 per 1,000 and infant mortality rate of 104 per 1,000 live births are been recorded in Zamfara state (UNICEF, 2020). This showed that Zamfara state is one of the states in Nigeria with highest rate of mortality (Onwuzoo, 2020).

In view of the present state of the primary healthcare in Nigeria, this paper examines the challenges impeding the effective service delivery in Primary Healthcare facilities in Zamfara state, Northwest Nigeria.

2.0 Materials and Methods

Study Design: A descriptive cross-sectional study design was employed.

Area of Study: Zamfara is a state in Northwestern Nigeria, with its capital in Gusau. It was created on 1st October 1996 from Sokoto state with an area of 38,418sq kilometers and contains fourteen (14) Local Government Areas (LGAs). It has a population of 9,279 Million (NPC, 2021 Census). It is boarded to the North by the Republic of the Niger, to the East by Katsina state and to the West by the states of Sokoto and Niger. Agriculture and gold mining are the state’s main occupations and the central source of income. Islam is the principal and major religion of the state. Zamfara state Government constructed 147 Primary Healthcare centers in the 14 LGAs. Three LGAs were selected as the area of study based on the senatorial zoning of the state, these are: Anka Local Government Area; Gusau Local Government Area and Kaura- Namoda Local Government Area.

Population of the Study: The study population comprises of Community Health Extension Workers (CHEW), (the majority of health workers in PHC facilities across all the states are Community Health Workers (CHEWs). Doctors, Nurses and Midwives are more available in non – Primary Healthcare centers (FMOH, 2007)), Community Health Officers (CHO), pharmacist technicians, laboratory technicians and medical records officers.

Sampling Technique and Sample size determination:

A sample size of seventy two (72) respondents was selected based on Cochran’s formula of sample size determination. This will be calculated using the formula for minimum sample size.

$$n = \frac{Z^2pq}{d^2} - - - - - eq 1$$

Where n = Minimum sample size; Z = Standard Normal deviation corresponding to 95% confidence interval on the Normal Distribution Curve = 1.96; p = Prevalence obtain from previous similar study = 5% = 0.05; q = Complementary Probability of p = 1 – p; d = Degree of precision or margin of error allowed at 95% confidence limit = 5% = 0.05

Therefore,

$$n = \frac{Z^2pq}{d^2} = \frac{(1.96)^2 \times 0.05 \times 0.95}{(0.05)^2} = 72.$$

The sample size determined yield a representative sample for proportions of large sample.

This suggests the administration of 6 questionnaires (respondents) in each selected PHCs, to make a total of 72 respondents.

Sampling Procedure

A multistage random sampling technique was adopted for the selection of sample.

The first stage involved the division of the state into the known three senatorial zones of the state.

At the second stage, 3 LGAs were selected from each senatorial zone:- Anka; Gusau and Kaura – Namoda Local Government Areas.

Stage three was the random selection of 4 Primary Healthcare facilities from each of the selected 3 LGAs, which gave a total of 12 PHCs as a sampling frame.

Instrument for Data Collection: Questionnaire and in-depth interview were used for collection of data. The instrument was divided into two sections as outlined below:

Section A: The socio-demographic data of the respondents

Section B: The challenges impeding effective services delivery of the PHCs

The response mode was organized in a likert five point scale of:

Strongly Agree (SA); Agreed (A); Disagreed (D); Strongly Disagree (SD) and Undecided (U).

A pilot testing of instrument was done by the field team. This involved the distribution of questionnaire to health workers in a non- selected PHCs and feedback were incorporated into the final questionnaire.

Data were collected from June 2022 to August, 2022.

Method of Data Analysis

Descriptive statistics such as frequency, percentage and 5point Likert rating scale was used to analyze the data.

3.0 Data Presentation and Analysis

The retrieved questionnaire (72) were analysed and the outcome presented in tables 1 and 2 below.

Table 1: Socio Demographic Characteristics of the Respondents

Questionnaire items	Response mode	Frequency	Percentage
Gender	Male	37	51.3
	Female	35	48.6
	Total	72	100
Age Range	Below 25years	2	2.77
	26 – 40years	12	16.6
	41 -- 55years	41	56.9
	56years and above	17	23.6
	Total	72	100
Marital Status	Single	None	00
	Married	64	88.88
	Divorced	2	2.77
	Widowed	6	8.33
	Total	72	100
Work Experience in Years	Less than 1year	None	00
	1—3years	4	5.5
	4 – 6years	15	20.83
	7 – 9years	24	33.33
	10years and above	29	40.27
	Total	72	100

Job descriptions	CHEW/CHO	30	41.66
	Pharmacists	6	8.33
	Lab technicians	18	25
	Medical Records Officers	18	25
	Total	72	100

Source: Field survey, 2022

Table 1 shows the socio- demographic data of the respondents. The proportion of the respondents based on gender, showed 37 were male (51.3%) and 35 were female (48.6%), with majority (56.9%) within the age range of 41-55years while only (3%) were below the age of 25years. Also 88.8% of respondents were married, 2.7% were divorced while 8.3% were widow. The table further revealed that majority of the respondents (40.2%) has more than 10years working experience as PHC staff and (5.5%) has between 13years working experience. Subsequently, their job descriptions showed that, majority of the respondents (41.6%) were community health workers (CHEW/CHO). This is inconsonance with the Federal Ministry of Health that, majority of health workers in PHC facilities across all the states are Community Health Workers (CHEWs). Doctors, Nurses and Midwives are more available in non – Primary Healthcare centers (FMOH, 2007).

Table 2: Challenges facing PHC Service Delivery in Zamfara State

Questionnaire items	SA Strongly Agreed	A Agreed	D Disagreed	SD Strongly Disagreed	U Undecided	Ranking
Inadequate Funding, over and heavy dependence on donors and NGOs	36.1% (26)	20.8% (15)	27.7% (20)	11.11% (8)	4.16% (3)	3 rd
Lack of Community participation	2.77% (2)	4.16% (3)	27.7% (20)	63.8% (46)	1.4% (1)	8 th
Lack of Motivation in workplace and poor Salaries to workers	27.7% (20)	63.8% (46)	4.16% (3)	4.16% (3)	00 (00)	6 th
Lack of equipment needed to offer basic services	40.27% (29)	18.05% (13)	20.83% (15)	16.66% (12)	4.16% (3)	2 nd
Lack of essential drugs and consumables	34.7% (25)	33.33% (24)	12.5% (9)	13.88% (10)	5.5% (4)	5 th
Inadequate medical personnel and understaffing of PHC	72.2% (52)	19.4% (14)	1.4% (1)	00 (00)	6.4% (5)	1 st
Deteriorating Buildings and Infrastructural facilities	31.94% (23)	30.5% (22)	18.05% (13)	15.2% (11)	4.16% (3)	4 th
Inadequate monitoring, supervision and evaluation of PHC activities by LGA Authorities	13.88% (10)	52.77% (38)	13.88% (10)	8.3% (6)	11.11% (8)	7 th

Source: Field survey, 2022

Table 2 shows the responses on the identified Challenges impeding services delivery in PHCs in Zamfara State. Response mode were arranged using the 5 Likert rating scale.

- i. 36.1% (26) of the respondents strongly agreed that inadequate funding affects effective service delivery at the PHC level; 20.8% (15) agreed; 27.7% (20) disagreed; 11.11% (8) strongly disagreed; 4.16% (3) undecided.
- ii. 2.77% (2) of the respondents strongly agreed that lack of community participation impedes effective service delivery at the PHC level; 4.16% (3) agreed; 27.7% (20) disagreed; 63.8% (46) strongly disagreed; 1.4% (1) undecided.
- iii. 27.7% (20) of the respondents strongly agreed that lack of motivation in workplace and low salaries to workers affects effective service delivery at the PHC level; 63.8% (46) agreed; 4.16% (3) disagreed; 4.16% (3) strongly disagreed; 00% undecided.
- iv. 40.27% (29) of the respondents strongly agreed that lack of equipment needed for basic medical services affects effective service delivery at the PHC level; 18.05% (13) agreed; 20.83% (15) disagreed; 16.66% (12) strongly disagreed; 4.16% (3) undecided.
- v. 34.7% (25) of the respondents strongly agreed that lack of essential drugs and consumables affects effective service delivery at the PHC level; 33.33% (24) agreed; 12.5% (9) disagreed; 13.88% (10) strongly disagreed; 5.5% (4) undecided.
- vi. 72.2% (52) of the respondents strongly agreed that inadequate medical personnel and understaffing of PHC affects effective service delivery; 19.4% (14) agreed; 1.4% (1) disagreed; 00 % strongly disagreed; 6.4% (5) undecided.
- vii. 31.94% (23) of the respondents strongly agreed that deteriorating buildings and infrastructural facilities affects effective service delivery at the PHC level; 30.5% (22) agreed; 18.05% (13) disagreed; 15.2% (11) strongly disagreed; 4.16% (3) undecided.
- viii. 13.88% (10) of the respondents strongly agreed that inadequate monitoring, supervision and evaluation of PHC activities by LGA affects effective service delivery; 52.77% (38) agreed; 13.88% (10) disagreed; 8.3% (6) strongly disagreed; 11.11% (8) undecided.

4.0 Discussion of Findings

The data showed that majority of respondents were Community Health Extension Workers (CHEW) with more than 10years working experience within the age range of 41-55years.

The major challenge impeding the effective service delivery at the Primary Healthcare (PHC) level was identified as the inadequate medical personnel and understaffing of the PHC (n=52 : 72.2%). This is in line with Adepoju et al (2017), which reported that the health workers employed in the healthcare facilities were not adequate to attend to the numbers of patients that visit healthcare facilities. This is inconsonance with the Federal Ministry of Health that, majority of health workers in PHC facilities across all the states is Community Health Extension Workers (CHEWs). Doctors, Nurses and Midwives are more available in non – Primary Healthcare centers (FMOH, 2007). Usaini et al (2020), concluded their study on Assessment of Health service Delivery Parameter in Kano and Zamfara States in Nigeria that, at health posts in Zamfara State, 409 (46%) of the staff are CHEW and 270 (30%) were health assistants. Abdulraheem et al (2012); Alenoghena et al (2014) and Udentia and Udentia (2018), also established this as a major problem facing service delivery in PHC in Nigeria.

Lack of equipment needed to offer basic services (n=29; 40.27%). This indicated that some medical and non-medical equipment considered basic and important are lacking which hindered effective service delivery in the PHC. From Medical equipment such as : suction machine (mucus extractor); sterilization equipment; weighing scale (for both adult and baby); clinical thermometers; ambubag; stethoscope etc to Furniture : benches; wheelchair; delivery bed; observation beds; screen; curtains etc. This outcome is in line with Adepoju et al (2017); Adeyemo (2005); Udentia and Udentia (2018) and World Bank (2010)

that, communities were not satisfied with the services of PHC due to lack of basic medical equipment. Ojeifo (2008) equally identified inadequacy of basic medical equipment as one of the effects why there is low patronage especially in rural health centers.

Furthermore, the study showed that, inadequate funding and heavy dependence on donor organizations is a challenge to healthcare delivery at the community level. PHC relied heavily on donor agencies (both local and international), for maintenance and sustainability of service delivery across the state. Among such donors are: United Nation Children's Fund (UNICEF); Management Sciences for Health (MSH) through USAID; Society for Family Health (SFH); Presidential Malaria Initiative (PMI); Sight Savers etc. These donor organizations contribute more to the sustainability of PHC in Zamfara State when compared to local government funding. This outcome is in line with studies conducted by Abdulraheem et al (2012); Adepoju et al (2017); Adeyemo (2005) and Azeez (2011), concluded that Primary healthcare in Nigeria relied greatly on donor's agencies for their maintenance and sustainability.

In addition, the fourth ranked identified challenge impeding effective service delivery at the PHC is the deteriorating buildings and infrastructural facilities. The poor condition of buildings and infrastructural facilities can be seen from their physical deterioration as result of normal wear and tear that buildings experience as they age. This finding is in consonance with the Azuh et al (2019) and World Bank Group (2008) that infrastructure of PHC facilities are in very poor condition leading to many constraints in the delivery of PHC services in Nigeria. Also of significant in the facilities management of PHC is transportation. The study observed that there are not enough means of transportation for workers to perform their task especially in the rural areas. Existing means of transportation (vehicles and motorcycles) are in poor condition due to bad maintenance while functioning vehicles are used for other purposes other than health related activities. Eguagie and Okosun (2010) and Adeyemo (2005) confirmed the problem of transportation in their studies, that workers have not enough vehicles to perform their task especially in the rural areas.

On the availability of drugs and consumables, it was found that some drugs that are considered essential are not available in the PHC across the state. The study revealed that, the supply of drugs and consumables are mostly through the donor agencies to sustain the PHC. The donors finance the procurement and distribution of essential medical and non-medical supplies to PHC in the state. Among the supplies are: Anti-Malarial drugs (ACT); Seasonal Malaria Chemoprevention (SMC); Insecticide Treated Mosquito Net (ITN); Ready-to-Use therapeutic Food (RUTF); COVID-19 response commodity supplies etc. this finding is in line with the study conducted by WHO (2010) in four states in Nigeria (Lagos, Kaduna, Bauchi and Kogi) that unavailability of drugs leads to low satisfaction of services provided by Primary Healthcare. Similarly, Adepoju et al (2017) and Azuh et al (2019) revealed that, the supply of essential (drugs and vaccines) is poor in their area of study.

However, the study revealed that, lack of motivation in workplace and poor salaries to workers also hinder service delivery at the Primary Healthcare. The effects of poor motivation in workplace are well attested to have led to the lower levels of engagement by health personnel; diminishing productivity as well as making their workplace to become a toxic environment. This finding corroborates with WHO (2010) that, low satisfaction with primary healthcare services in local government areas is as a results of lack of adequate motivation of the health personnel which include no incentives to respond to community's demands, delay in payment and non-payment of salaries, thereby pushing the workers to engage in other form of livelihood.

Monitoring, supervision and evaluation of PHC activities by LGA in terms of allocated human and material resources, is also considered as a challenge to effective service delivery at the community level. This is in line with the study conducted by Eguagie and Okosun (2010), on the problems and prospects of Primary Healthcare in Nigeria, which revealed that the general misuse and abuse of the scarce resources inform of human, material and finance is as result of inadequate supervision, monitoring and evaluation of programmes and interventions at the PHC level.

On community participation and involvement, (n=46; 63.8%) respondents strongly disagreed that is a challenge to PHC service delivery at the community level. This shows that community participation is one of the key to the successful continuity in PHC services delivery in the state. Individuals and families assume responsibility for their own health and welfare and for those of the community and develop the capacity to contribute to their community's development (WHO, 1978). The importance of community involvement in PHC activities has also been observed by earlier studies (Hilary et al (2014); Azuh et al (2017); Abdulraheem et al (2019).

5.0 Conclusion and Recommendations

Despite the collaborative efforts of Nigerian Government, Donor Agencies and Non- Governmental Organizations (NGOs) to provide efficient and effective primary healthcare service delivery in Zamfara state, several challenges render these efforts much less than desired. These challenges constrain the health workers' effectiveness in the discharge of their duties. The major identified challenge is the inadequate medical personnel and understaffing of PHC, which has led to the low utilization of PHC facilities in Zamfara state. While other identified challenges are: inadequate funding and heavy dependence on donor agencies; lack of basic medical equipment; deteriorating buildings and infrastructural facilities; lack of essential drugs and consumables; inadequate monitoring and evaluation of PHC activities and lack of motivation and poor salaries.

Based on the study findings, the following recommendations are made:

- i. There is need for increase in budgetary allocation to the health sector by all tiers of government in Nigeria. The local government should reduce the dependence culture on federation account, by generating more inward finance in the area of internally – generated revenue. This will go a long way to boost the health sector within their jurisdiction.
- ii. There is need to recruit and boost the training and re-training of health workers as well as to improve their deployment and retention. This will discourage the growing migration of health workers trained in Nigeria to developed nations. Also Priority should be given to the training of rural health workers, to prevent rural to urban drift.
- iii. Adequate and continuous monitoring, supervision and evaluation of interventions and programmes at the PHC level of health systems would facilitate change to improve service delivery and reach the desired outcomes unlike the traditional supervisory visit focused on inspection and fault finding.
- iv. There is need for Political will to provide enabling environment for implementation of government policies and programmes on healthcare delivery. This is to reduce unsuccessful and abandoned projects in the PHC.

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Assessing the Infrastructure Delivery in Internally Displaced Person's Camp in Abuja and Borno State

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Abstract

The plights of displaced persons across the world have become a formidable global challenge with overwhelming disastrous implications for human development, including hunger, insecurity, and death, among other growing humanitarian crises. In this vein, this paper is aim to assess the level of infrastructure delivery in Internally Displaced Person's camps in Abuja and Borno State. The study employed literature review and cross-sectional descriptive research design approach in conducting the study. The result of the study revealed high population of female in both studied camps who are majorly married and less educated especially in Muna and fall within youthful age of 30 – 50 which placed them to be with active age group that can proved for themselves the basic needs. The people in Durumi camp were assed to have lived more than 6years compare to Muna that barely spent more than 3 years and Boko haram activities was the major driven force of the people to the camp except in few cases where herders and banditry causes the migration in Durumi. Overall, on the infrastructure needs, the study shows the general camps infrastructure provision are within average and inadequate with Muna having mean score of 2.51 and Daruma having average score of 2.46. Therefore, recommended adequate provision of the basic infrastructure and other basic needs that are in tandem with the obligations under the Kampala Convention. Also, provision of enabling environment to the host community of the displaced individuals is required since most of the camp member are willing to return to their home town.

Key words: IDPs, Infrastructure, Delivery, Abuja, Borno State

1.0 Introduction

The United Nations Guiding Principles on Internal Displacement defines Internally Displaced Persons (IDPs) as: "Persons or groups of persons who have been forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of or in order to avoid the effects of armed conflict, situations of generalized violence, violations of human rights or natural or human-made disasters, and who have not crossed an internationally recognized state border" (Guiding Principles on Internal Displacement, 1998). The term Internally Displaced Person(s) is considered merely descriptive of an individual's actual circumstance. Also, the term does not convey any special legal status since the displaced persons remain within the confines and jurisdiction of their country and are entitled to all the rights and privileges of a citizen and customary residents of that country (United Nations High Commissioner for Refugees, UNHCR, 2013).

In Nigeria Since 2014, millions of persons affected by the Boko Haram, communal clashes and farmers/ herders' violence have been forced to move out of the affected areas to other parts of the country due to the severity of the challenges. While the focus of the international humanitarian

community is placed on the centre of the violence in the northeast, an alarming number of IDPs have been harbouring in various IDP settlements especially in Abuja as a federal capital which was once affected by insurgency. The total number of Internally Displacement Persons in North East and North Central Nigeria is estimated at over 2 million people, making Nigeria host to the six largest IDP population in the world (Internal Displacement Monitoring Centre, 2016).

Also, in other to provide homes and ensure safety for the IDPs, IDP settlements were established as temporary living solutions. These settlements have inadequately sheltered victims of the crisis as they are in extremely poor shape, leaving the displaced with no alternatives other than to endure inhumane conditions and vulnerabilities in the camp settlements (Owoaje et al., 2016). Displaced persons living in these conditions contend with a range of environmental and social factors including overcrowding, poor shelter and sanitary facilities, gender- based violence, insecurity, health risks and a range of other things (Adewale, 2016).

However, despite several treaties and initiatives across the globe to ensure provision of the adequate infrastructure for IDPs, the response to the plight of IDPs has remained largely fragmented and uncoordinated; and the response to the root causes of internal displacement has been very poor and ineffective (Ladan, 2012). Living conditions in the camps and in the informal settlements are difficult and, in most cases, deplorable, mostly due to the lack of adequate infrastructure to cater to the populations' needs (Olanrewaju et al., 2019). There are also security challenges in addition to a limited supply of basic food and non-food items, health facilities, education, and livelihood opportunities.

Thus, several studies have been conducted in Nigeria on the safety and living conditions of IDPs such as Jelili and Olanrewaju, 2016; Mirth (2014), Owoaje et al., (2016) and Adewale, (2016). But most of these previous studies have not thoroughly examine the basic infrastructural needs of by the IDPs. Therefore, based on the gap identified in the literature, the study seeks to assessing the situation of IDPs in Abuja and Borno States, through the framework of UNHCR guidelines with the emphasis on highlighting the current gaps on infrastructure delivery within the camps.

The aim of the study is to assess the level of infrastructure delivery in Internally Displaced Person's camps in Abuja and Borno State. This would be achieved by examining the demographic characteristics of the selected IDPs camp in Abuja and Borno State, evaluating the factors that driven people to the selected camps, and assessing the basic infrastructural required by the IDPs in the selected camps

2.0 Literature Review

This section covers Concept of Sustainable Infrastructure Development and Infrastructure Delivery in Internally Displaced Person's Camp in Nigeria.

2.1 The Concept of Successful Infrastructure Development

Sustainable infrastructure delivery is a broad concept and it embraces the design, building, and operation of constructed facilities in such a way that promote sustainable development (SD). Due to contemporary issues in construction industry in developing countries (DC) (Du-Plessi, 2007, Kaming et al., 1994), the United Nations (UN) identified the need for global partnership for development in the strive towards eradication of poverty in DC (Du-Plessis 2007). At the top of the millenium declarations by the UN, in September 2000, was the eradication of extreme poverty and hunger in DC. According to Omotola (2008), "poverty connotes a condition of human deprivation or denial with respect to the basic

necessities of life: food, shelter, and clothing”. Another school of thought describes poverty as a development problem (Moyo, 2002).

This is case of omission of essential element during a development programme. Despite numerous studies on construction activities in DC (Babatunde and Low, 2013; Ofori, 2001), conceptual framework of the implementation of social procurement in DC is not substantial. The ideology of social procurement is the use of procurement to foster social benefits and values for the communities beyond the purchase and consumption of goods and services. Construction sector is globally recognised as a sector of the economy that promotes social development through procurement programme (Babatunde and Low, 2013). Meanwhile, Ofori (2001) argued that construction industry development programmes in DC are merely ‘shopping list’ where coordinated series of planned activities, which optimise systemic value delivery, are missing. The worldviews on poverty by Omotola (2008) and Moyo (2002) could well depict level of social progress (FGN, 2012; Omotola, 2008), and challenges of sustainable infrastructure delivery in Nigeria (Opawole and Jagboro, 2016a).

While global partnership for development is advocated for poverty eradication, Moyo (2002) rebuffed the claim that poverty is endemic to DC; rather it is embroiled in economic engagement between developed and developing worlds. Poverty in Nigeria, and DC at large, could be discussed in its richness, based on its drivers. Moyo (2002) and Ofori (2001) believed that development problem is the bedrock of poverty in DC. While the solution to poverty eradication in DC relies upon internal development programmes and global collaboration, capitalism has urge economic and political influences in procurement decision.

Multinationals could exercise their political strength and economic leverage to cripple economic, social, community, and technical sustainability of the host nation (Taylor, 2007). Taylor further asserts that the grant of the ‘right of first refusal’ to Multinational Construction Corporations (MCC) sanctions absolute control being exercise by the multinationals contract formation. Hence, responsive poverty eradication goes beyond mere collaboration for infrastructure delivery. There is a need for coordinated activities that can measure and review social progress and capability building in construction supply chain. Despite growing knowledge of sustainable development in Nigeria (Oduyemi et al., 2018; Akadiri, 2015), selection of contractors that promote sustainable infrastructure delivery has not been well explored.

2.2 Infrastructure Delivery in Internally Displaced Person’s Camp in Nigeria

The internally displaced persons camp has become synonymous to discomfort, suffering and pain despite the huge amount invested by the government and other individuals that are expected to be able to cater for the displaced during the period of their displacement. In this regards, Atata and Charles (2020), examined the challenges in the provision and management of facilities in selected Internally Displaced Persons Camp in Abuja using UNHCR checklist as a guide in understanding the necessary facilities in every IDP camp. The data collected were analyzed using arithmetic mean, simple percentage, relative important index and the hypothesis was tested using one-way analysis of variance (ANOVA) and Z – test. The findings revealed that IDP camps in Abuja are not living up to the standard required of it by the UNHCR. The researcher's findings shows that these essential facilities were not provided before the conception of the camps, that the camps still lack major essential facilities such as health, educational and shelter, also there is a mismanagement of the make shift structures serving as accommodation and school facilities. Thus, the researcher concluded that the provision of facilities to the camps are not in accordance with the UNHCR checklist and the available facilities are not adequate

and cannot satisfy the displaced persons. The researcher recommends among others that the government should adopt a planned technique in the establishment of IDP camps, such that camps are built in area less prone to hazards in the 36 states of the federation with all the essential facilities provided in them.

Obiefuna and Adams (2021) investigated Christian Charities in attending to the humanitarian crises faced by female IDPs in the selected camps. The study made use of observer as participant ethnographic method. The study made use of two data collection techniques which were qualitative and quantitative in nature in order to arrive at a conclusion. The data generated from the survey were analyzed using Statistical Package for the Social Science (SPSS). The study leaned on the human needs theory. The research results revealed that Christian Association of Nigeria (CAN) and other Christian charity organizations have done commendably well. This is indicated by 98.1% response. The study concludes that since female IDPs face various forms of humanitarian challenges in the selected IDP camps, the response of CAN is timely and should be intensified and that if the basic tenets of the human needs theory are identified and applied, their crises would be reduce drastically.

Anthony et al. (2016) carried out a study on Nigerian State and Responses to Plights of Persons Internally Displaced by Boko Haram Insurgents: Implications for Socio-Economic and Political Development. The study adopts qualitative methods in carrying out its investigation. As such the study employs documentary data for its investigation while content analysis is utilized for data analysis. The theoretical framework that anchors the study is the social exclusion theory. The study discovered that the IDPs in the north east suffer challenges of starvation, accommodation, unemployment, school dropouts, sexual harassment, child labour, early marriage, poor health and sanitation. The implication of the findings is that the situation constitutes a setback to Nigeria development as it further compounds and complicates the already existing challenge of poor living standard in the region and invariably account for Nigeria's low development index. The study recommends among others; that government should make more concerted efforts to provide the needs of the displaced persons while it expedites actions to end up the insurgency. The study equally recommended for the interventions of the international humanitarian agencies, philanthropic organizations and public spirited individuals to ameliorate the plights of the IDPs.

Rotimi (2015), in the paradigm identified welfare, security and rehabilitation as problems faced by IDPs in their camps. With particular reference to Malkohi IDP camp in Yola, it was accounted that the camp has 215 households, 777 children excluding men and women, has no security, no electricity and health care facilities.

Mirth (2014), indicated that adequate housing, public infrastructure, and services have not expanded to keep pace with population growth of the IDPs leading to large informal settlements and concentrating poverty with large variations, and deficiencies. In the same vein, the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) (2020) reported that about 123,704 Households (HH) in IDP camps were in need of Shelter and Non-food items (NFIs) assistance across north-eastern Nigeria, especially Borno, Adamawa and Yobe states. Even though collectively, the sector and its partners continue to provide lifesaving and life-sustaining assistance in a flexible and targeted approach while adhering to appropriate standards of humanitarian support. Almost 75,104 of household remained in substandard shelter, including unfinished and abandoned buildings and makeshift, partially damaged or shared shelters and overcrowded camps. Shelter solutions, including reinforcement and rehabilitation, are expensive and therefore remain a challenge for most IDPs (OCHA 2020).

Ali (2020), identify the challenges facing the Internally Displaced Persons (IDPs) and evaluate the effect of the humanitarian response projects in alleviating these challenges. The study was carried out in sixteen local governments of Borno, Adamawa and Yobe states using mixed methods. The quantitative data were obtained by the administration of a structured questionnaire and complemented with the qualitative data from Focus Group Discussions (FGDs). The study shows that the major challenges facing the IPDs were hunger (26.2%), lack of clothing (19.9%), regularsickness (18.5%) and lack of drugs (9.8%). Rape cases constituted (4.3%) of the total responses. The major sicknesses were Malaria (53.1%) and skin infections (34.4%). The items received from the NGOs include foodstuff (27.9%), soap and detergents (19.0%), clothing (14.0%), and drugs (9.4%). The majority (46.5%) rated their situation since they arrived in the camp very good, 52.1% affirmed great improvement in their situations, and 9 (1.4%) stated that their situations were deteriorating. The majority (33.3%) were trained on tailoring, 21.4% on creammaking, 17.0% knitting and bead making (15.2%). The study concluded that humanitarian services positively impacted the IDPs, yet there is need for government and the humanitarian services providers put more efforts the alleviate the suffering of the IDPs in Nigeria.

3.0 Methodology

The research design for the study are cross sectional descriptive research design. The study adopted both quantitative data (number of available infrastructures) and qualitative data (sustainable management of the infrastructure) to provide a comprehensive analysis of the research problem. The primary data were sourced using questionnaire and oral interview directly from the field while the secondary data were sourced direct from the camp managements archive. Both data were analyze using descriptive statistics The population size of the study included all (IDPs), living in Durumi located in Abuja Municipal Area Council (AMAC) with population of 2650 and Muna camp located in Borno state with total population of 1800 respectively (NEMA/IOM Displacement Traffic Matrix, 2020). This selection is carried out based on government recognized IDPs Camps, in order to avoid sampling illegal, unapproved or government non recognized IDP Camps. The distribution of population across the selected IDPs camps are presented in Table 3.1 The representative sample size for the study was determined using the Taro Yammane (1963) sample size equation, which is expressed mathematically as:

$$n = \frac{N}{1+N(e^2)} \text{-----3.1}$$

Where n is the sample size

N is the total number of people in camp

e is the allowed error = (0.05)²

Table 3.1: Population Size of IDPs Selected for the Study (NEMA/IOM Displacement Traffic Matrix, 2020)

Location	IDP Camps	Population	Sample size
Abuja	Durumi Area 1	2650	349
Borno	Muna camp Kundiga	1800	327

4.0 Results and Discussions

4.1 Demographic Studies of the IDPs

Table 4.1: Population Size of IDPs Selected for the Study

Demographic Characteristics	Durumi		Muna	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Sex				
Male	146	42	128	39
Female	203	58	199	61
Age				
20-30	26	7	43	13
31-40	121	35	141	43
41-50	142	41	89	27
51-60	43	12	31	9
61 and above	17	5	24	8
Marital status				
Married	194	56	171	52
Single	78	22	86	26
Widowed	52	15	55	17
Divorced	17	5	12	4
Education level				
None	69	20	199	61
Primary	112	32	73	22
Secondary	138	40	52	16
Tertiary institutions	26	7	3	1
Occupation				
Traders	151	43	52	16
Farming	60	17	147	45
Artisan	26	7	37	12
Civil servant	13	4	15	5
others	121	35	76	23
Number of children				
None	43	12	6	2
1-3,	151	43	18	6
4-8,	99	28	193	59
9-12,	43	12	67	21
12 and above	13	4	43	13

Table 4.1 shows the demographic characteristics of the studied IDPs where the female has the largest population in both studied camp at 58% in Durumi and 61% in Muna. Also, this population who was observed to be majorly married as 56% indicated in Durumi and 52 in Muna are also majorly within the youthful age of 30 – 50 years. This placed them to be within the active age group and strong enough in providing for themselves the basic needs. The level of illiteracy was as well assessed to be high especially in Muna where 61% has no formal education. From the both camps, while the major sources of income for Muna camp is farming (45%) the people in Durumi camp are engage in different

activities like trading, artisan, Okada and others. And finally on the number children within the camp, it was observed that their more children in Muna as majority of the respondent (59) had more than 4 children while in Durumi, the majority 43% had 3 maximum.

4.2 Factors that drive IDPs to the camp

Table 4.2: Factors that Drive IDPs to the Camp

Number of years spent in IDPs	Durumi	Muna
1-2,	13	266
2-4.	43	46
4-6.	108	12
6 and above	241	3
State migrated from		
Borno	164	327
Yobe	56	0
Adamawa	69	0
others	60	0
Factors that driven you to IDPs		
Bokoharam	203	327
Herders	60	0
Banditry	78	0
Communal	9	0

Table 4.2 shows the factors that driven the respondents to IDPs camp. In Durumi while majority (108) had lived in the camp for more than 6years in the camp, the IDPs in Muna camp barely spent more than 3 years as indicated by the majority (266) of the respondent. The people in both camps who are majorly from Borno state were driven to the camp as a result of Bokoharam activities except in few cases where herdere and banditry had contributed to the numbers in Durumi camp.

4.3 Basic Infrastructures need by the IDPs

Table 4.3: Basic Infrastructures need by the IDPs

Basic infrastructure	Durumi		Basic infrastructure	Muna	
	Mean	Position		Mean	Position
Electricity supply	3.21	1st	Shelter	3.07	1st
Water supply	3.02	2nd	Farm yard	3.01	2nd
Shelter	2.99	3rd	Hospital	3.00	3rd
Hospital	2.81	4th	Electricity supply	2.86	4th
School	2.67	5th	Water supply	2.72	5th
Market	2.53	6th	Market	2.66	6th
Farm yard	2.07	7th	School	2.22	7th
Toilet facilities	1.98	8th	Churches/mosques	2.10	8th
Churches/mosques	1.78	9th	Toilet facilities	1.86	9th
Entertainment ground	1.53	10th	Entertainment ground	1.59	10th
	2.46			2.51	

On the order of needs, the basic infrastructure required by the IDPs is shown in table 4.3 as been drawn from the respondents. In Durumi, it is assessed that the most required infrastructures clamored for by the respondent is electricity supply with mean score of 3.21 follow by water supply and shelter with total mean score 3.02 and 2.99. Others like hospital, school and market were moderately in need with total mean score of 2.81, 2.67 and 2.53. Farmyard, toilet facilities, churches/mosques and entertainment ground were assessed not to be in dire need by the respondent with total mean score of 2.07, 1.98, 1.78 and 1.53 respectively.



Plate I and II: Typical Shelter in Durumi

While in Muna, shelter was discovered to be the major basic infrastructure required by the respondent with mean score of 3.07 together with farmyard, and hospital with mean score of 3.01 and 3.00

respectively. Unlike in Daruma, Kundiga was assessed to be moderately in need of electricity supply, water and market with a mean score of 2.86, 2.72 and 2.66 respectively. And religious house, toilet facilities and entertainment ground were assessed to be less in requirement with mean score of 2.10, 1.86 and 1.59 respectively. Overall, the study shows the general camps infrastructure camp provision are within the average with Kundiga having mean score of 2.51 and Daruma with an average score of 2.46.



Plate II: Water point in Muna

The demographic characteristics of the studied IDPs indicated high population of female in both studied camp. This could be ascribed to the general cultural believe of the northern where women stay at home and men are majorly responsible of sourcing for foods. The people in the studied camp who are at youthful age and majorly married are found to be less educated especially in Muna where majority has no formal education. This level of education was as well deduced to have also contributed to the high number of children found in Muna.

On the factors that predisposed the people to the studied camps, it was observed that the people in Durumi camp had lived more than 6years compare to Muna that barely spent more than 3 years. Just as reported by Dada, (2006), Bokoharam activities was assessed to be the major driven force of the people to the both camp except in few cases where herders and banditry had causes the migration in Durumi camp.

And on the order of needs, the study shows electricity supply, water supply and shelter as high basic infrastructure clamored for by the people in Durumi camp. This was observed through physical inspection where there is no sources of electricity within the camp and temporal shelter (trampoline) provided by the government earlier are worn out on which people resulted in using sacks and dried plants as sources of shelters that do not only properly shade them against rainfall but could easily triggered any fire incidence. Also, the borehole provided by the government is malfunctioned and in some cases the people have no electricity to power the borehole and resolve in fetching water from the nearby stream. Others like Farmacyard, toilet facilities, churches/mosques and entertainment ground assess to be less in need. This is because the people who are majorly initial farmers have learned other basic skills as means of survival and also the present of toilet structures with no the required facilities has led the inhabitant to be practicing open defecating. While in Muna, shelter together with farmyard

were assessed to be the basic needs of the people and religious house, toilet facilities and entertainment ground were assessed to be less in requirement.

Overall, the study shows the general camps infrastructure provision are within average with Muna having mean score of 2.51 and Daruma with an average score of 2.46. This translate to the little effort made by the various stakeholders in ensuring a good standard of living in the camps as further probing from the field indicated the present of latrin, shelter and water points among others that are inadequately provided by the government and NGO.

5.0 Conclusion and Recommendations

In conclusion, the demographic characteristics of the studied IDPs indicated high population of female in both Durumi and Muna camp. The people in the both studied camp who are majorly married and less educated are found to be within youthful age of 30 – 50 that can provide their basic needs irrespective of external support. And on the overall of infrastructure needs, the study shows the general camps provision are within average and inadequate enough to create a habitable environment for the IDPs. Therefore, recommended adequate provision of the basic infrastructure and other basic needs that are in tandem with the obligations under the Kampala Convention.

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Chairman-Locals Administration: The Magic Bullet to the Imbroglia on Local Government Autonomy in Nigeria

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Abstract

Of course one of the leading topical issues in Nigeria's political discourses is the conventional wisdom behind the question of granting autonomy to Nigerian local governments. While the populists support the idea of amending the constitution to give room for autonomous status to Nigerian Local councils, the paternalists stick to their gun that the councils are hitherto not ripe to withstand the hurdles of local administration. Despite series of advocacy by the Nigerian Literati and Civil Rights Activists to aid the course of the populists in their struggle for redemption, such moves have always been frustrated and thwarted. Through the guiding lights of the Efficiency-service and Democratic-Participatory theses, our face-to-face interviews, documentary analysis and internet searches have discovered that besides being the safest avenue to plunder public wealth, the substantial control of local councils could be an added advantage to vaulting politicians in their bid to sustain their relevance in the political arena. Informed by the practical impossibility or uneasiness attached to the idea of freeing the local governments from the tutelages of their respective governorates, the paper advocates paradigm shift by substituting the conventionality of the local councils with a novel Chairman-Locals administration.

Key words: *Administrative Retrogression, Chairman-Locals Administration, Governorate, Local Government Autonomy, People Person Democracy.*

1.0 Introduction

Of course one of the major gray areas in the 1999 constitution that Nigerians have been yearning for their amendments is the area of state-local government relation. The relation is undoubtedly characterized by lopsidedness in favour of the state governments. In fact the relation could best be described as a master-servant relationship. Despite all efforts to free the local councils from the shackles of state paternalism, all such efforts have always met with fierce resistance by the benefitting elite, especially the state Governors. It is against this background, this paper attempts to demythologize the crux with a view to unearthing a viable formulae for a win-win relationship between the states and the local governments. The first section of the paper introduces the subject-matter, the second clarifies the key terms and rationalizes the guiding theory, the third assays the bone of contention by contemplating the viewpoints of the opposite poles, the fourth discusses the research findings; while, the final section concludes the intellection by making sound recommendations on how the state-local governments relations could be beneficial to all and sundry.

2.0 Clarification of Key Terms

Administrative retrogression: this simply refers to the backward movement of local governance to erstwhile status. In other words, despite series of reforms to improve the administration of local councils it seems they only move a step forward and two steps backward. Significant improvements are hardly seen in virtually all local governments.

Chairman-locals administration: according to this study, Chairman-locals administration is a style of administration that ensures the active involvement of the prominent natives of the local government in running its affairs.

Local government autonomy: the term local government autonomy as perceived by this paper, is the permission formally given to the local council by the central authority to be discharging all roles and responsibilities expected of it as stated in the constitution without external interferences. Moreover, the autonomy could be financial, Administrative, Judicial, Democratic, Partial or Total.

People person democracy: is a special type of democracy that prioritizes entrusting the affairs of local governments in the hands of very sociable and communicative persons. This type of democracy emphasizes sociability rather than affluence in deciding the right candidates for contesting in democratic elections.

2.1 Theoretical Framework

2.1.1 Efficiency service theory

This study was carried out through the combined guidance of the efficiency service theory and the democratic theory. First, the progenitors of Efficiency-service theory assume that, since local governments are closer to the local people than the higher authorities (federal and states); they are most likely to know best, the most pressing needs and problems of the local people, as well as the most efficient way (s) to address such needs and problems. It is the best knowledge of the imperatives and priorities of their respective localities that gives them the leverage to handle such essentialities in the most efficient manner. In fact, some renowned advocates of efficient local administration such as Mackenzie (1979), Amaechi (2012) and Adeyemi (2013) maintain that local governments are only deemed justifying the basis of their existence when they are satisfying the basic needs of their respective localities.

2.1.2 Democratic-Participatory theory

The theory suggests that local governments are established to promote political education and to ensure active participation of the local people in all community affairs, especially community development projects. By getting the locals participating actively in all affairs pertaining to them; the government is said to be being brought closer to the people. Another conventional wisdom behind the creation of local government, as the Democratic-Participatory School of Thought suggests, is that local governments serve as essentials for practical administrative purposes like responsiveness, accountability and control (Gboyega, 1987).

3.0 The Methodology

The paper employed qualitative method of data collection and analysis. The paper relied primarily on secondary data sources comprising government documentations, scholarly journals, magazines, news paper reports and other media outlets.

4.0 The Bone of Contention

Two antithetical

empowers the state governments to regulate the affairs of the local governments under their ideas inform the longevity of local government autonomy saga in Nigerian Public Administration. The two antitheses are: Paternalism and Populism. Paternalism as Bello-Imam (2007) avers, "refers to the view that Local Governments have to be regularly controlled, supervised, guided and occasionally punished to get them

to work. On the other hand, populism entails unbridled local democracy opposed to any form of external interference (p.137).”

The position of the paternalists has some constitutional imprimatur, for instance, Sec 7 (1) of the 1999 constitution clearly jurisdiction, including financial matters hence the establishment of the legendary State-Local Governments Joint Account. Furthermore, the constitution empowers the states to constitute electoral bodies that will be charged with the responsibility of conducting local government elections. Notwithstanding, most of the reasons advanced by the paternalists in the pursuance of their conviction go *pari passu* with the major challenges of the local councils such as:

Corruption: local councils are equally charged with corruption as it obtains in the higher authorities. For instance, “the local government councilors who are supposed to check the excesses of the local government chairpersons have become their accomplices in lubricating the engine of corruption (Olopin 2001, p. 7)”.

Living at the mercy of the Federal Government because of very weak internal revenue base: if one takes away the local councils of Lagos state, with very few in some other states such as Kano and Cross Rivers almost all others cannot generate enough revenue to even pay the salaries of its workers.

Very weak political leadership: most of the political leaders at the local government level are mere puppets of the leaders of their political parties. Consequently, they only dance to their tunes.

Lack of political legitimacy: most of the political leaders at local level are either Sole Administrators or those who won the seats though massively rigged elections.

Insufficient administrative and professional skills: most of the staff at the local level are neither well educated nor sufficiently trained; hence, the reason why they heavily rely on their respective state governments for professional guidance and advices.

Meanwhile, the position of the populists has supporters as well, for instance:

The resolution of the conference of Local Authorities held in 1979 at Hague suggests that: “it is desirable that local communities preserve their independent personality and existence to the extent that they wish to do so Gboyega (1999)”. Supporting the position of the Hague, Bello-Imam (2007) avers that:

Certain services by nature are local; to deprive local governments their freedom to discuss and decide on them is to override the localness inherent in such services; for example, the citing of cemeteries and the collection and disposal of refuse. Local freedom is non-existent when local governments are deprived of initiative in the provision of such assigned local services. (p. 138)

4.1 State-Local Government Relations

From 1999, local governments in the country began to enjoy, for the first time, transfer of money into their accounts directly from the federation account. Each state shall maintain a special account to be called State-Local Governments Joint Account into which shall be paid allocations to the local government councils of the states from both the state and the federation account.

Fiscal relation: this is the most critical area of relations between the two. The 1999 constitution of the Federal Republic of Nigeria made it abundantly clear that a joint account must exist between state and local government councils of each state.

Creation of new local government councils: the state governments are empowered by the 1999 constitution to create new local governments. The development created a lot of crises e.g. non-release of the funds of Lagos state local government councils by Olisegun Obasanjo following governor Tinubu's exercise of his constitutional right of creating new local councils.

Administration of local council elections by the State: The state governments are mandated to constitute State Independent Electoral Commission with the sole powers of conducting elections at the local government levels.

Management of local government personnel: the state governments are empowered to establish local government service commission to be saddled with wide range of responsibilities including appointments, promotions and discipline of council staff from Grade Level 07 upwards.

5.0 Presentation and Interpretation of Data

X-raying the objectives for establishing local governments in Nigeria, as derived from the 1976 Local Government Reform, lays bare that the relationship between states and local governments is lopsided in favor of the states. A careful observation of the relationship reveals that the 1999 constitution has made local governments merely subservient to state governments. More precisely, one can even confidently assert that the so-called third tier status of local governments in Nigeria is nominal rather than actual. However, the aforesaid conviction becomes clearer in the following scenarios:

One of the four major objectives of the 1976 Local Governments Reform is to bring the exercise of democratic self-governance close to the local levels and to encourage initiatives and leadership potentialities. Going by the provision of the 1999 constitution on the subject-matter, as stated in Part B of the 3rd schedule, which says: "each state will maintain a state independent electoral commission" and Sec 4 (a) of the 3rd schedule says: "the commission shall have a power to organize, undertake and supervise all elections to local government councils within the state". Here, the implication of the above constitutional provisions is crystal clear taken into cognizance their management by states authorities. Undoubtedly, the power of organizing local elections, as we are all witnessing, is grossly abused by our state governments to the extent that, in most cases, the whole electoral process is rigged up to pave way for the victories of government favored candidates in virtually all available seats. Here, one can confidently argue that democracy itself is being abused and the political futures of the local governments as well as the nation are greatly at risk.

Another major objective of establishing local governments, as stated in the Reform, is to make appropriate services and development activities responsive to local wishes and initiatives by developing or delegating such services to local representative bodies. This objective is also neglected and or grossly abused by many state governors. Thus, instead of implementing projects that would promote the socio-economic conditions of the local populace; the state governors are, in most cases, more interested in using such grants to finance projects that promote their personal interests or more precisely their future political ambitions. This scenario is promoted by the 1999 constitutions as stated in sec. 7 (1) which empowers the state governments to establish the local governments, determine their structure and composition, and control their finance and functions. Likewise, sec 162 (6) instructs each state to maintain a special account to be called "State Local Government Joint Account".

The third major objective says: To mobilize human and material resources through the involvement of members of the public in the development of their local communities. It is evidently clear that by

reducing the roles of traditional institutions to mere advisory in running the affairs of their jurisdiction reduced significantly the quantum of participation of the locals in community development activities. The local government councilors who are in most cases not duly elected do not have the required charisma to mobilize the people to partake in such activities as the traditional rulers used to do.

Finally, the objective of providing two-way channel of communication is also not duly respected by the Nigerian politicians. Many empirical examples can be sighted of the incidences of abusing that objective especially where a Local Government is being run by the opposition party. The demands and grievances of the Local Government may not be rightly and promptly channeled to receive the attention of the Federal Government.

6.0 Conclusion and Recommendations

This paper assumes that any scholar who genuinely has faith in efficient service provisioning at the grassroots level, is most likely to support the idea of granting autonomy to the local councils. Contrary to the aforesaid, the paper assumes that most of such advocates of unrestrained autonomous status be granted to local governments are merely blind to reality. Part of the reasons is that the exigencies of our time suggest clearly that such autonomy may not be the best answer to the plights of our local governments. It is still on record that some regimes, such as the Shekarau's administration in Kano, that experimented granting such autonomy witnessed the proliferation of grafts and laundering experiences in most of their respective local governments. Many senior local government officials became mansion owners at GRA^s. Likewise, transfer of service from state and federal governments to local government services became the order of the day because the local service was seen as a window of opportunity for Kleptomaniacs who had been scouting for opportunities to enrich themselves. Part of the reason as Jalingo (1999) observed is because, "the political leaders are limited in intelligence and bankrupt in ideas. For them, political career is not motivated by service to the people but for personal graft and self-enrichment (p.24)".

To bail out the local governments from the aforesaid predicaments, the locals should join hands to exert much pressure on the Federal Government to establish an **ADMINISTRATIVE COLLEGE** in each local council to be charged with the responsibilities of supervision and approvals of all financial transactions of the councils as well as serving as the clearance house for aspiring candidates to all political offices (local/states/federal governments).

Most importantly, the Administrative College should comprise the most prominent natives of the local government such as Professors, Generals, Senior Police Officers, Technocrats, Retired and Serving Public Servants, Business tycoons, Media moguls, etc. Moreover, the nomination of the members of the college should be strictly apolitical. Here, the whole indigenes of each local government should be charged with the responsibility of nominating the members of the local government Administrative College. The Federal Government should treat the membership of such Administrative Colleges with utmost respect. For instance, the government should make it a necessary requirement for a person to be admitted into the Nigerian Institute of Policy and Strategic Studies (NIPSS). Likewise, all other awards of excellence of the Federal Government should only be awarded to either the serving or ex-member of such colleges.

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Impact of Intergovernmental Fiscal Relations on Local Government Service Delivery in Nigeria

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Abstract

This paper focus on Impact of intergovernmental fiscal relations on local government service delivery in Nigeria. Local government in Nigeria failed to provide the required services as demanded by the people at grassroots level. The fiscal relationships that exists among the three ties of government shows clear imbalance especially at the lowest tier which is local government. This study aims to find out how intergovernmental fiscal relations in Nigeria deterred local government to provide their constitutional mandates more especially on services like education, health and youth empowerment. The methodological choice of the study is qualitative approach using content relational analysis as research design. The paper used secondary sources of data in collection information and analysis. The sources are journal articles, text books, newspapers, online publications, unpublished materials, and researcher's observation. This paper discovered that local governments in Nigeria are not independent and they are under the mercy of their respective state's government, the federation account is not shared directly to individual local government account in Nigeria and ministries for local government are used by state government to undermine local government fiscal relations. The study recommended among the following that local government should be independent tier of government, the federation account should be shared directly to the individual local government account without using joint account, and all ministry of local government should be abolished.

Key words: *intergovernmental fiscal relation, service Delivery, Local Government, federation account, and Federalism.*

1.0 Introduction

1.1 Background to the study

The impact of service delivery at any at any level of government cannot be over emphasize. The main social contract that exists between governments and governed is to provide essential services to its citizens. These services can either be providing education, heathcare, agriculture, maintenance of law and order, youth empowerment etc. Local government as government at grass root level has this social contracts with its populace. The main issue that is countering local government to fulfill its social contract in providing these services is financial handcuff which is rooted with its inter-governmental fiscal relations in Nigeria.

Service delivery is the government's key task. Government exists among other reasons because it is the only structure that can properly provide the guidance of certain critical services such as health, education, public order, safety, infrastructure, management and maintenance of public roads (Usman,

2018). The government must provide citizens with guarantees on the continuity of service delivery: equal access to all irrespective of social and cultural background, and affordable prices. The requirement and concern for such provisions gives legitimacy to government activities (Zaken, 2007). According to WHO (2008), Service provision or delivery is an immediate output of the inputs into the health system, such as health workforce, procurement and supplies and finances. Increased inputs should lead to improved service delivery and enhanced access to services. Ensuring availability and access to health services is one of the main functions of a health system. Such services should meet a minimum quality standard.

Evolution of Fiscal Federalism in Nigeria can be properly situated within the different political, constitutional, social, cultural and economic developments which have in turn influenced the nature and character as well as the pattern of intergovernmental relations in Nigeria before and after independence (Oluwole, 2013). The pattern of Intergovernmental Relations in Nigeria, from inception till date differs fundamentally because of the mode of engagement between the central or federal government and other tiers of government in the country. During the colonial era for instance, intergovernmental relations in Nigeria were more like that of a father and his son in which the father gives out what he feels is good to the son . The colonial government was the father who determined the existence, structure, functions and financing of local administration in the country. In the immediate post independent period, this behavior remained unchanged as most regional governments replaced the colonial government in this father/son relationship by beginning to dictate, as usual, the existence, structure, functions and financing of local governments in their respective jurisdictions (Okechukwu, et al, 2019). Revenue sharing and allocation between the federal and other tiers of government have become the most contentious issues in Nigeria's fiscal federalism.

However, notwithstanding these prescriptions and the numerous panels created to straighten fiscal relations among the three tiers of government in the country, what prevailed still remained unsatisfactory to the third tier of government and to all keen observers of the system. Creating the State/Local Government Joint Account System, the 1999 Constitution made matters worse for Local Governments as it left the room for State governments to continue to suppress, cheat and manipulate Local governments in their respective jurisdictions. Stories are told of how some state governments have not only failed to remit the statutory ten percent (10%) of their internally generated revenue to local governments within their jurisdictions but have also continued to hijack statutory allocations meant for their local governments (Okoli, 2005).

There is the problem of tax jurisdiction, which refers to the problem of which aspect of government should collect what revenue over a particular area. These have been serious problems between the Federal, State and Local Governments. Their share of tax revenue seriously affects local governments. The local government which is the lowest level of government is undoubtedly subjected to fiscal strangulation. The primarily and statutory responsibility of the local government to transform the rural communities but this has been truncated due to a number of factors. The factors range from corruption, siphoning the meagre resources of the local government by the politicians to private coffers, local government financial autonomy question, care taker committee system undue influence and interference of the local government by the state government.

There is occasional drop in amount and delays in remittances of federal allocations which left some strains in the financial capacity of the local government to prosecute critical infrastructural development programmes (Okechukwu, et al, 2019).

This paper attempted an in-depth analysis of the issues on intergovernmental fiscal relations and how it negatively affects local government on service delivery in Nigeria.

2.0 Literature Review

2.1 Concept of Service Delivery

Service delivery is a common phrase used to describe the distribution of basic resources that can make the lives of the citizens better like health care facilities and access to education. Service delivery in this work means those services that can be provided by the local government such as health care facilities, free education in the community, portable drinking water, construction of good roads for easy movement of transportation, electrification and other services that are very essential and critical for rapid socio-economic development of the local communities (Usman, 2018). Indications of service delivery are service availability, service capacity, service utilization and service quality. It is laid down in the fourth schedule of the Nigerian constitution that local government is responsible for basic services in many social areas including primary education and healthcare services.

2.2 Primary Healthcare Centres (PHCs)

Health in Nigeria is a joint responsibility of all tiers of government. The federal, state and LGA levels are all semi-autonomous in the governance, funding and management of the level of care they are responsible for. The Federal has responsibility for tertiary level care, the state for secondary level care and the LGAs for primary level care. PHC is provided by local government authority through health centers and health posts and they are staffed by nurses, midwives, community health officers, health technicians, community health extension workers and by physicians (doctors). The services provided at these PHCs include: prevention and treatment of communicable diseases, immunization, maternal and child health services, family planning, public health education, environmental health and the collection of statistical data on health and health related events. The health care delivery at the LGA is headed politically by a supervisory councilor and technically and administratively by a PHC coordinator and assisted by a deputy coordinator. The PHC coordinator reports to the supervisory councilor who in turn reports to the LGA chairman (Adeyemo, 2005; Federal Ministry of Health, 2004). The different components of the LGAPHC are manned by personnel of diverse specialty. The LGA is running her primary health care services delivery in compliance with the principles or framework of the National Health Policy (Nigerian National Health Bill, 1987). The LGA is divided into various health districts/wards so as to enhance maximum benefit of the principle of decentralization of the health sector whereby people are involved, participate and mobilized in the PHC processes.

The effective delivery of primary healthcare services lies heavily on the availability of health facilities, adequate medical personnel and sufficient supply of essential drugs.

Primary Education is also among the shared responsibility between state government and local government. Local government has sole responsibility of employing teachers, their training and the welfare. In addition to their constitutional responsibilities local government construct and renovate classrooms in primary schools, as well as providing instructional materials. Youth Empowerment is also one of the local government responsibility. Local government as government at grass root level has responsibility to uplift the youth in their locality. This upliftment can be economic empowerment, educational and social empowerment.

2.3 Concept of Intergovernmental Fiscal Relations

Before going in to details on intergovernmental fiscal relation, let's define what is federalism, because it is federal system of government in Nigeria that brought intergovernmental fiscal relation. Federalism

could be seen as a constitutional principle of dividing powers between the national government and other level(s) of government, where each level is within a sphere, co-ordinate and independent (Wheare, 1963).

Akindele and Olaopa (2002) refer to as, "a system of government where revenue and expenditure functions are divided among the tiers/levels of government". Thus, the sharing of resources among the component units of government in a state gives rise to intergovernmental fiscal relations (Ukwueze, 2011). Intergovernmental Fiscal Relations which is also known as Fiscal Decentralization refers to the public financial aspect of intergovernmental relations. It specifically addresses the system of expenditure functions and revenue sources, including transfers from the central to the sub national governments in a country. It deals with the structuring of governmental functions and finances between or among the various levels of government in a state with two or more levels of government and with such arrangement being either horizontal or vertical (Okechukwu, Ndidi & Njedika, 2019). According to Ojugbeli and Ojoh (2014), the Joint Account System was reintroduced into the Constitution of the Federal Republic of Nigeria, 1999 after it was given birth to in the 1979 Constitution from the 1976 local government reforms.

Section 162 (6 and 7) of the 1999 Constitution provided for an account to be known as the State Joint Local Government Account, into which shall be paid all allocations to the Local government councils of a State from the Federation Account and from the government of the State. Subsection 8 of the same Section provided that any amount standing to the credit of Local government councils of a State shall be distributed among the Local government councils of that State on such terms and in such manner as may be prescribed by the House of Assembly of the State. These sections of the constitution proscribed direct allocation to the councils but put the disbursements under the supervision of every State Government. Due to this provision, direct allocation to the councils was no longer possible.

Following this constitutional provision, the federal government of Nigeria, in 2004, enacted an Act of the National Assembly which is cited as The Monitoring of Revenue Allocation to Local Governments Act, (2005), which among other things, made provision for the:

- i. Establishment and membership of the State Joint Local Government Account Allocation Committee for each State.
- ii. Functions of the Committee.
- iii. Rendering of account.
- iv. Establishment of Joint Area Councils Account Allocation Committee for the Federal Capital Territory.
- v. Functions of the Joint Local Government and Area Councils Allocation Committee.
- vi. Limit on powers of State Governments or Federal Capital Territory for borrowing money.
- vii. Limits on powers to deduct or re-allocate any amount standing to the credit of State Joint Local Government Accounts, etc.
- viii. Report by the Accountant-General of the Federation.
- ix. Report by the Auditor-General for the Federation

2.4 Concept of Local Government

According to Local Government Reform Handbook (1976), "local government is the government at the local level exercised through representative councils established by law to exercise specific powers within defined areas".. These powers should give the Councils substantial control over local affairs as well as the staff and institutional and financial powers to initiate and direct the provision of services to

determine and implement projects so as to complement the activities of the state and Federal government in their Areas and to ensure, through devolution of functions to these Councils and through the active participation of the people and their traditional institutions, that local initiative and response to local needs and conditions are maximized (Olaiya, 2016). According to Agbani and Ugwoke (2014), a local government simply is the government that is responsible for the management of public affairs of the people of a locality.

Akpan (2008) defined local government as “a separate tier of government that enjoys some reasonable measures of autonomy, with elected representatives as officials especially in a democracy”. This definition may not be justifiable. Though it is agreed that local government enjoys some level of autonomy, most of the representatives of the councils in Nigeria are the impositions of the state governments through care-taker committee. Okoli (2003) also sees local government as a unit of government that oversees the welfare of the local dwellers. Abada (2007) in his own view argued that “local government is not established merely to provide essential services which is centred on maintenance system but is judged by the development in the area that actually contributes to the satisfaction of local citizens within the area”

Ugwu (1998) acknowledging these facts believe that the argument over the fiscal policy in Nigeria has been hinged on the thorny issues of revenue allocations and the criteria upon which distribution of revenue should be based. There have been conflicts and disagreements over the most acceptable formular or principle which should determine allocation and the relative weight to be attached to each criterion. The disagreement of the subsequent revenue allocation formulae hindered inter-governmental relations in Nigeria.

A Revenue Allocation Revenue Committee was set up in 1968. The Revenue Committee was known as Dina Committee and it submitted its report in 1965, but the report was rejected for lack of objectivity and for exceeding its mandate and ignoring its terms of reference (Ugwu, 1998).

Other revenue allocation formulae according to Gboyega (1988), include the one by Aboyade in 1978 and other by Okigbo in 1980 which identified areas of rivalry between the various tiers of government over resources. The Aboyade Commission proposed the ratio of 60:30:10 percent as a basis for sharing revenue among the Federal, State and Local Government tiers. This was rejected for its high technicality and insufficiency. The Okigbo Commission in trying to remedy the situation came with the following formular:

Federal Government	-	53 percent
State Government	-	30 percent
Local Government	-	10 percent
Special Fund	-	7 percent

Through this recommendation created a considerable conflict in the National Assembly, it was accepted with a little modification thus:

Federal Government	-	50 percent
State Government	-	30 percent
Local Government	-	13 percent
Special Fund	-	7 percent

The current revenue sharing formulae (2022) recommend that federal government should collect 45.17, 29.79 for the state government while local government should collect 21.04 percent. From the foregoing you can simply understand that said that local government areas in Nigeria are 768 and six area councils are to share 21.04, right from proceeds from the federation account, it is difficult for the local government to deliver its services.

2.5 Local- Dependency on Federation Account and Development Problems

The fact that nearly all the local governments in Nigeria depend solely on revenue allocation from the federation account is undisputable. For this reason, governmental functions in most local-levels have ceased, not only this, some local governments are still battling with regular payment of salaries, despite the bailout fund given to them by the federal government.

Although many reasons have been advanced for the introduction of the “State Joint Local Government Account” system by the state government. However, heavily reliant on monthly allocation from the federation account by the state government is perhaps one of the reasons for its introduction. The idea of “State Joint Local Government Account” is to manipulate local government monthly allocation from the federation account by the state government. Most of the state governments have insisted that the monthly allocation of the local governments within their states must first be paid into the “State Joint Local Government Account”. The decision to use ‘joint account’ is although enshrined in the constitution but the sole operator of the joint account is the state who decides the percentage of the monthly allocation to be given to local governments in most cases. In case the local government intends to embark on any project for the development, approval must be sought first from the state government. As a consequence, most of the local governments cannot stand on their own financially. Many local governments in some states are empty financially; they could not pay the salaries of their workers not to talk of embarking on developmental projects. Thus, most of the local government in contemporary Nigeria only exist in name without performing any meaningful activity.

Sole dependent on the federation account will eventually put the states and its local government counterpart in perpetual debt. The debt profiles of many states in Nigeria have shown that their debts are more than the allocation they receive. It will be difficult for them to come out of the debts, especially, that the monies borrowed including the bailout are not interest-free. There is a likelihood that the interest will be compounding and mounting up and the debts continue to rise.

Another effect of relying on monthly allocation, in the long run, is that those constitutional functions in the concurrent and residual list which the states and local governments are finding difficult to perform will eventually be taken over by the federal government. For this reason, the states and local governments will be left with nothing in terms of functions and responsibilities. When this happens, it will defeat the purpose of federalism, as federalism emphasise coordination and independence of the component units of the federation (Wheare, 1963). Thus, the states and local governments who are already playing second fiddle to the federal government in Nigeria will become irrelevant levels of government and consequently be relegated to background in the nation’s governance activities. In their own submission, Ojugbeli and Ojoh (2014) listed the problems of the joint account system to include:

- i. Illegal deductions from Local Government statutory allocations
- ii. Delay in the release of Council statutory allocations.
- iii. Diversion of Local Government statutory allocations.

Models of Intergovernmental Fiscal Relations

Models Of Inter-Governmental Relations

Designation/Model	Relationship	Authority Pattern
Coordinate	Independent	Autonomy
Overlapping	Interdependent	Bargaining/Negotiation
Inclusive	Dependent	Hierarchical

Source: Adapted from Ikeanyebe, Chukwu and Ibetan (2019).

The models are coordinate, overlapping and inclusive. The model designated as coordinate equates with the early form of US federalism known as dual federalism and is largely determined by emphasis on constitutionalism and power separation as the basis of relationship. Here, IGR is likely to be minimal as each level of government tries to confine to its defined powers. Hence, Wright (1999) posits that the federal and states are “separated by a boundary and are tangential. Each government has its own authority, its own territory and its own limitations. No interferences between both levels of governments are allowed.” The overlapping IGR model manifests interdependent relationship and the authority pattern is characterized by bargaining or negotiation, not essentially legal. Often considered as the best form of IGR, this model requires that each level of government or units within a level have something to bring to the table, which promotes negotiation and bargaining. It requires balance of power between central and sub national governments. While the constitution can assign such powers, capacity to exercise them reflects the degree of autonomy of sub-national governments and the nature of their role in IGR. The model is strongly enhanced by fiscal, personnel, economic and organizational capacities and the imperatives of joint policy and programmes. Wright (1999) describes it as a “complicated form of IGR where there is interaction, interconnection and overlapping between the three levels of governments. There is no exact limitation of sphere or span of influence. The central government influences the state and local governments and vice versa.” The model is not likely to exist in a polity where the federal structure is skewed in favour of one level of government and the capacity of other levels of government highly constrained. Finally, the inclusive model exhibits a dependent relationship and the authority model is hierarchical. Wright (1999) describes it as the model in which “the state and the local governments lack significant role. The national or federal government has the power to lead, dictate and do everything for state and local governments.” He sees the model as being common in many countries of Africa where lower tiers of government depend enormously on the central government and power is largely centralized. Within these broad models, IGR can manifest vertically or horizontally between or among various levels or tiers of government in the following forms:

- i. Federal/National – State Relations
- ii. Federal/National – State- Local Relations
- iii. Federal/National – Local Relations
- iv. State – State Relations
- iv. State – Local Relations, and
- v. Local – Local Relations.

Intergovernmental fiscal relations in Nigeria has negatively affected because of the nature, type and the way and manner our federalism is practiced, where the upper level of government dominate and control the lower ones. Instead each level of government to coordinate one another but rather dominate one another.

3.0 Conclusion and Recommendations

Intergovernmental fiscal relation has been found significant that will enable local government to provide essential services. Local government has only three statutory sources finances, these sources are statutory allocation, 10 percent from state internal revenue and local government internal revenues. These three main sources need to be revisited because of the encroachment by the state government through denying them their statutory allocation and encroaching their internal revenue as well as refusal to release their 10 percent from state internal revenue.

The following recommendations are made:

- i. Sharing national resources must be equitable for the local government to provide essential services at the grassroots levels.
- ii. As development gets entrenched at the grassroots levels, the state government should invariably relinquish some of the sources of revenue to the local government.
- iii. Statutory allocation should be credited directly to local government account.
- iv. Joint project should be at the willing of local government not imposed by state and central government.
- v. The Revenue Mobilization Allocation and Fiscal Commission (RMAFC) should involve the local government while formulating allocation formula, this is in order for the local government to know how much resources is attributed to them.
- vi. In order to put a stop to the causes of conflicts among the levels of government in Nigeria, government should provide a strategy for resource distribution, allocation formula, jurisdictional control and administrative control.
- vii. The government of Nigeria, through the Revenue Mobilization, Allocation and Fiscal Commission (RMAFC), should come up with a more realistic revenue formula that will increase the percentage of statutory revenue going to local governments in the country to 29% from the present 21.4%.
- viii. State government should be releasing 10 % of its internal revenue to local government constantly, regularly and promptly.

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State Joint Local Government Account and the Financial Autonomy of Local Government in Nigeria: A Thematic Review

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Abstract

Drawing upon the efficiency of service theory which posits that the responsibility of local government is to efficiently carryout local duties allocated to it at the highest efficiency rate with good and adequate financial management, this paper addresses the statutory financial relations and financial autonomy of local government in Nigeria, and the freedom of local government to generate revenue from its assigned sources without external interference. It focuses particularly on a financial instrument called the State Joint Local Government Account (SJLGA) and how its operations have positively or negatively affected the financial autonomy of local government councils in Nigeria. Data for the study were generated from secondary sources and their contents were analyzed using a thematic review approach. The findings reveal that the Constitutional powers of the state over local government area led to mismanagement of finance thereby impeding the effort and performance of the council. The study recommends among others that that, via a constitutional amendment, the sub-sections on SJLGA should be replaced with direct allocations to local government councils and the establishment of an independent audit agency comprising federal, state, local government and private representatives. These members must have a proven track record of financial management to supervise, inspect and audit the use of statutory allocations by local government councils. This would provide 'checks and balances' on local government officials' administration of finance matters to ensure accountability and transparency in the use of local government funds.

Keywords: *State Joint Local Government Account, Financial Autonomy, Local Government, Nigeria*

1.0 Introduction

Local government in Nigeria is a product of decentralization and is established by law. As a federal state, Nigeria has three tiers of government (federal, state and local) whose intergovernmental relations (which include political, financial, judicial and administrative) are mainly established by the constitution (Amah, 2018). Each tier is required to operate within its area of jurisdiction, and any action to the contrary is null and void to the extent of its inconsistency with the law (Obisanya & Hassan, 2022). This is meant to guarantee the autonomy of each tier. Consequently, Local governments generate their finance from both internal and external sources (Adeyemi, 2019). The funds are meant to help in the development of the council and provision of service delivery. In spite of these sources and defined revenue sharing where local government were part, finance in the local government is inadequate both in terms of management, utilization and sourcing (Tobi & Oikhala, 2021). Also, funds coming through the statutory grants are reasonably unrealistic and there is little effort on the parts of the local government to tap from the available internally generated revenue sources (Ikeanyibe, Chukwu, & Ibietan, 2020).

As a result of the problem mentioned above, significant numbers of local governments in Nigeria are unable to ensure the provision of service delivery at the local level (Sule, & Sambo, 2020). The needs of the rural populace have been neglected, they do not have good portable water for consumption (Onuoha, Ufomba, & Bassey, 2021). The people of most local government council lack the ability to access good

water. This problem has been overlooked by the many local governments where the people are forced to resort to buying water and using unhealthy water for domestic activities which has an adverse effect on their health too (Tobi, & Oikhala, 2021). The health care systems in most local government areas are poor where there are inadequate facilities to treat the rural dwellers, in most cases they will have to travel to the state capital for better treatment (Olatunji, 2021). Poor educational system which has led to not having a good and educated administrator who will be able to manage and control the activities of the local government which paved way for mismanagement of finance. The construction of roads at most of the Nigerian local government council areas are very bad and retarded which entails high accidental rate there by risking the lives of the people (Eze-Michael, 2021). These are some of the service delivery gaps in Nigerian Local Government which is an upshot of a poor financial management. The fundamental objective of this paper is therefore to find out the implication of the State Joint Local Government Account (SLGJA) on the financial autonomy of Local Government Councils in Nigeria and in order to achieve this objective, the following key thematic areas were subjected to content analysis:

- i. The constitutional powers of the state over the local government council and financial management
- ii. Desirability of state control over the local government area
- iii. Impact of state powers over the council area and finally
- iv. The performance of Local Government based on relationship with the State Government

2.0 Conceptual Exposition

2.1 Local Government Financial Autonomy

Local government autonomy can be defined as “the freedom of the local government to recruit and manage its own staff, raise and manage its own finances, make by-laws and policies, and discharge its functions as provided by law without interference from the higher governments” (Jamo, 2021). This includes political, financial and administrative autonomy. Financial autonomy of local government is the “freedom to impose local taxation, generate revenue within its assigned sources, allocate its financial and material resources, determine and authorize its annual budget without external interference (Eyitayo, & Alani, 2019). It must be noted that local government autonomy is not absolute; the third tier of government retains functional and fiscal relations with the higher tiers of government, however, the relationship must function within the relevant law.

2.2 The State Joint Local Government Account

Under the Constitution of Nigeria, the SJLGA is a special account maintained by each state government “into which shall be paid allocations to the local government councils of the state from the Federation Account and from the Government of the State” (Section 162 [6], 1999 Constitution of Nigeria). The Account is meant to be a mechanism that can implement the notion of ‘fiscal federalism’ at the local government level in Nigeria. Section 162 of the Constitution also provides for how public revenue shall be collected and distributed among the three tiers of government in the country (Ogbaji, Nwankwo, & Ananti, 2021). The following extract outlines the key elements of section 162:

Any amount standing to the credit of the Federation Account shall be distributed among the Federal and State Governments and the local government councils in each state on such terms and in such manner as may be prescribed by the National Assembly. The amount standing to the credit of local government councils in the Federation Account shall also be allocated to the States for the benefit of their local government councils on such terms and in such manner as may be prescribed by the National Assembly.

Each State shall maintain a special account to be called “State Joint Local Government Account” into which shall be paid all allocations to the local government councils of the state from the Federation Account and from the Government of the state. Each state shall pay to local government councils in its

area of jurisdiction such proportion of its total revenue on such terms and in such manner as may be prescribed by the National Assembly. The amount standing to the credit of local government councils of a state shall be distributed among the local government councils of that state on such terms and in such manner as may be prescribed by the House of Assembly of the state (Anayochukwu, Ani, & Nsah, 2022).

2.3 Operation of the State Joint Local Government Account

To distribute the amount standing in the SJLGA to the local government councils in each state, section 162 (8) of the Constitution directs that: The amount standing to the credit of local government councils of a state shall be distributed among the local government councils of that state on such terms and in such manner as may be prescribed by the House of Assembly of the state (Onuoha, Ufomba, & Bassey, 2021).

State Houses of Assembly have passed SJLGA laws to give effect to the above constitutional provisions, however, evidence has shown that such laws are usually tend to further compound the already distressed financial position of local government councils. This results from various forms of deductions and diversions of funds intended for local government (Eze-Michael, 2021). State governments that are constitutionally required to fund local government councils have instead used the SJLGA mechanism (or Account) to hold local governments hostage and make them appendages of the state. In practice, the operation of the SJLGA has denied local government councils their financial autonomy. It should be noted that the state government is not intended to be a beneficiary of the SJLGA, rather, it is a trustee of the Account (Akinrinde, & Adebisi, 2021). It is required to maintain the Account for the benefit of the local governments by ensuring that the amount allocated for this third tier of government is equitably and fairly shared among the councils, adhering strictly to constitutionally stipulated criteria. However, reports across the country indicate that most state governments are using SJLGA laws contrary to this intention (Shola & Jijoho, 2021).

To this end, that under the SJLGA Distribution and Fiscal Committee Law 2002, a committee was set up to administer the Account. It comprised:

- i. The Commissioner of the Ministry of Local Government and Chieftaincy Affairs (Chairman)
- ii. Permanent Secretary, Ministry of Local Government and Chieftaincy Affairs
- iii. Accountant-General of the State
- iv. All Local Government Councils' Chairmen in the State
- v. A representative of the State Primary Education Board
- vi. A representative of the Board of Internal Revenue, and
- vii. The Director of Local Government and Chieftaincy Affairs (Secretary) (Olatunji, 2021).

It should be observed that the key officers of the committee are state government officials and, in the view of this author, the committee was structured from the outset to disadvantage the Local Government Councils (LGCs). Moreover, the SJLGA Law 2002 empowers the committee to effect the following deductions before distributing funds from the Account to LGCs: 1. 3% of the fund of each council due to the emirate councils 2. 15% of the total personnel emolument of those retired in each council 3. 1% as a training fund 4. 5% of the total allocation of each council as a stabilization account 5. 2% of the total allocation of each council as an administrative charge 6. 1.5% of the allocation of each council to the department of local government 7. 0.5% of the allocation to the local government audit department (Sule, & Sambo, 2020). Thus the state government effectively deducted and diverted funds meant for development of local areas, contributing significantly to the abysmal performance of local governments in providing good governance for the community.

2.4 Theoretical Framework

Theory deals with a body of knowledge which has been developed to explain a given phenomenon. The theory which serve as a basis for this study is Efficiency Service Theory. William Mackenzie (1964) is the leading advocate of this theory. The basic assumption of the Efficiency Service theory is that the main justification and functional responsibility of local governments is to efficiently carry out local duties allocated to it at the highest efficiency rate. The theory further posits that the quantity and quality of the provision of these services represent local or rural development.

Although, Afonso and Fernandes (2008) supported this argument when they asserted that local governments exist essentially to bring government closer to the grassroots by way of provision of basic amenities and infrastructure of local nature and that it is when local governments are seen to be doing this, that they can be said to be justifying the purpose of their existence. Mackenzie's view on local government is primarily as means of providing certain basic services to the people at the grass roots level of the society. His followers and school of thought are of the opinion that local government and democracy, rather than being synonymous are not just at par, but that the former (i.e. local government) is more of the concern for welfare of the citizenry than a means of political democratic expression or education (Asgarkhani, 2005). The relevance of this theory to the study is that in other to carry out the basic assumptions stated by the theory, the local government needs to have a high degree of financial autonomy with prudent financial management and less interference by the state government, this way the council will be able to attain efficient service delivery in the council.

3.0 Methodology

This study adopts A thematic review research method, which is a qualitatively designed approach which seeks to identify patterns in secondary data to help achieve a research objective or answer a research questions by showing links between the identified patterns and reality. It involves aggregating information from many diverse sources, aggregating findings from such multiple source, developing themes from such findings, summarizing and presenting the themes.

4.0 Discussion of Findings

4.1 The Constitutional Powers of the State Over the Local Government Council and Financial Management

The Constitution is supreme. This means that any law or action which is inconsistent or incompatible with any of the provisions contained in the Constitution is null, void and of not effect. The Constitution sets out the powers of the 3 arms of government- the Executive, the Legislature and the Judiciary. It also states the procedure for boundary adjustment of an existing state (and local government as well). Awareness of local government provisions is important to the council in the sense that it will help the area to know its boundary/jurisdiction and where it stand as unit of government. The Constitution states the right which the local government have based on finance and other activities and area of legislation as well. The provision state the rights and benefits which the council derive from both the Federal and State government. The findings from the review of literature shows that majority of people living in local government areas are not aware of the Constitutional provisions of the Local Government therefore cannot protect the council from the state government over interference (Amah, 2018, Eyitayo, & Alani, 2019, Ikeanyibe, Chukwu, & Ibieta, 2020). The reason why some of the respondents do not have knowledge of local government constitutional provision could be as a result of lack orientation on it (Jamo, 2021).

4.2 Desirability of State Control Over the Local Government Area

Local government autonomy ensures the freedom by local government to exercise authority within the confines of the law or Constitution. This is to enable them to discharge legally or constitutionally assigned responsibilities satisfactorily, but without undue interference or restraint from within or higher authority. This detailed background of local government autonomy argues for adequate autonomy to LGs within the law for the purpose of performance, which actually guarantees it. The reason for such control over the local government is to monitor activities of the area and ensure that funds given to the council are spent on projects meant for such finance and to avoid frauds, but the reverse is the case where the funds are diverted on some deductions are made in the joint account.

This is why the people of the council do not desire to be controlled by the state government as such they are agitating for freedom which is why the issue of autonomy is discussed above. The fourth schedule of the 1999 Constitution as amended spelt out the Constitutional provisions and functions to be carried out by the local government areas. Majority of this functions are not carried out by the LGs but by the State government which is why judging from the results of the thematic review the state governments are in absolute control of the Local government area and that the constitutional provisions are not applied as stipulated in the act (Sule, & Sambo, 2020, Shola, & Jijoho 2021).

The powers of state over the local government have been spelt out in the 1999 Constitution. Section 7(3 and 4) states that "it shall be the duty of a local government council within the State to participate in economic planning and development of the area referred to in subsection (2) of this section and to this end an economic planning board shall be established by a Law enacted by the House of Assembly of the State" and "The Government of a State shall ensure that every person who is entitled to vote or be voted for at an election to House of Assembly shall have the right to vote or be voted for at an election to a local government council". This first section stated here gives the council the right to plan for economic development in the local government area, while the second section empowers the council right to vote any eligible candidate in council as chairman, to recruit, select, staffing, and monitoring of their workers as they sole wish.

But due to the powers state have and from the table above, it has impacted negatively such as undue interference in the activities of the council in terms of finance, recruitment, employment and placement of staffs, election of chairman not based on merit just for political interest to mention a few. Irrespective of how the State impact negatively on the local government, some of the respondents believe that the state has impacted positively as well in terms provision of security to the council area and ensuring that revenues are used on projects accrued for. But the negative impact of the State government takes a high turn in the real sense. Based on the result obtained from thematic review of literature the state governments have impacted negatively on the performance of local governments in Nigeria (Ibietan, 2020, Jamo, 2021).

4.3 The performance of Local Government based on relationship with the State Government

Following the emergence of the 1999 constitution of the federal republic of Nigeria; the position and functions of the third tier government has been clearly spelt to reflect the local government reforms of 1976. Critics had observed the abysmal space occupied by local government in Nigeria. Accordingly, the 1999 constitution was systematically designed and bequeathed to the people by the then military oligarchy. This implies that the 1999 constitution is not a true reflection of the demands, yearnings and aspirations of the people. This is not only restricted to the needs of people but extends to the position of local government in discharging its numerous functions as were contained in the constitution. However, with the designed gap created by the constitution on local government in Nigeria has been construed as a mere appendage of former at the mercies of the state government and national government. Many state

governments had in the recent past, reduced the tenure of the local council to suit their selfish aggrandizement. This is not limited to total sack of council chairmen as witness in Ondo State, Nigeria under the watch of the then governor, Chief Olusegun Mimiko.

To this SJLGA has so many negative implications on the performance of Nigerian local government councils among which are:

- a. The laws made by the State houses of Assembly to bring the State Joint Local government Account (SJLGA) into force are usually tilted to favor ends thereby compounding the already distressed financial positions of the councils.
- b. The key officers of the Joint Account Committee set up by the State governor are state government representatives who function on the directive of the State Chief Executives with little or no control from the Council Chairmen who are the statutory owners of the fund as the chief accounting officers of their Local Governments.
- c. Most of the Local Government councils were not even represented in the Joint Account Allocation Committee (JAAC).
- d. The Council who are the chief accounting officers of their respective Local Governments were never briefed as to how much accrued to their councils monthly from the Federation Account before sharing. e. Substantial amounts of the allocations from FAAC to each of the Local Government Councils were deducted at source in the name of Joint projects or any other contrived reasons.
- e. The council chairmen who picked up the courage to protest over the unwarranted deductions from their councils' statutory allocation were threatened and some were even sacked from their positions for daring to query the activities of the joint Account Allocation Committee (JAAC) by the State Governors. g. State governments that are constitutionally required to fund local government councils have instead used the SJLGA provisions to hold local government's hostage and make them mere appendages of the stat thereby practically denying the local government councils their financial autonomy (Amah, 2018, Eyitayo, & Alani, 2019, Ikeanyibe, Chukwu, & Ibietan, 2020, Jmo, 2021).

5.0 Conclusion

Intergovernmental relations are supposed to play a 'bridge building' role to bring a degree of coordination and cooperation to divided powers (Okafor 2007:16). Following from this, the operation of the SJLGA as provided for in the constitution should contribute to cooperative administration, accountability and transparency in local governance within the principle of separation of powers and the rule of law. However, the reality in Nigerian local government indicates the opposite. As evident from the data generated from empirical sources in this thematic review, state governments interfere with the financial autonomy of local governments through the instrument of the SJLGA. This has greatly hampered the developmental efforts of local government councils. As a remedy to this most unsatisfactory situation, Sections 162(6) and (8) should be expunged from the 1999 Constitution of Nigeria. It is also suggested that, via a constitutional amendment, the sub-sections on SJLGA should be replaced with (a) direct allocations to local government councils and (b) the establishment of an independent audit agency comprising federal, state, local government and private representatives. These members must have a proven track record of financial management to supervise, inspect and audit the use of statutory allocations by local government councils. This would provide 'checks and balances' on local government officials' administration of finance matters to ensure accountability and transparency in the use of local government funds.

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Community Participation in Constituency Projects: Mainstreaming Gender Equality and Social Inclusion (GESI) in Kano State

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Abstract

The universal consensus on the need for good governance is linked to the growing demand for an improved and qualitative living standard and a secured environment. These growing demands on governance bring to fore a mandatory appeal for a participatory governance to allow for a proper articulation of social needs and problems to guide policy formulation, implementation and evaluation. It is expected that democratic institutions provide equal opportunities of access for all to participate in decision making processes for the implementation of developmental projects that would improve the welfare of citizens. A critical examination of initiating and implementing public policies in the forms of constituency projects as new venture to extend democratic dividends to the grassroots levels create a confusion on whether good governance in Nigeria is attainable or not. The paper is aimed at improving service delivery of developmental projects through enhancing community participation and the inclusion of all social groups in implementing constituency projects. The questions raised are: Who initiates Constituency Projects? Do Constituency Projects fulfill the objectives of their invention? How participatory are the processes of implementing Constituency Projects? What are the challenges to Gender Equality and Social Inclusion in constituency Projects? The paper adopts a document review methodology in assessing the policy processes of constituency projects service delivery in Kano State. Findings reveal the unconstitutional base of constituency projects. The paper recommends the enactment of a Law to guide processes and practices of constituency projects.

Key words: *Community Participation, Constituency Projects, Gender Equality and Social Inclusion (GESI)*

1.0 Introduction

The universal consensus on the need for good governance is linked to the growing demand for an improved and qualitative living standard and a secured environment. These growing demands on governance bring to fore a mandatory appeal for a participatory governance to allow for a proper articulation of social needs and problems to guide policy formulation, implementation and evaluation. Democratic governance however, is popularly viewed as means to acquire the requisite ingredients to serve effectively not only people-oriented governance but a sure way of ensuring result-oriented governance that would foster the wellbeing of the citizenry through welfare programs (Hassan and Ahmed 2015).

Clinging to this perception of democracy as a platform for the delivery of transformational and improved services, it is expected that Nigeria's return to democracy in 1999 would fulfill the euphoria of hopes generated decades ago and would also be a major phase for celebrating a landmark of economic maturity, improved living condition and social transformation especially with the introduction of constituency projects at grass root levels to cater for the needs of people. Democratic institutions are expected to provide equal opportunities of access for all to participate in decision making processes for the implementation of developmental policies and programs that would improve the welfare of citizens.

Considering the primary function of government to be provision of public goods and services for the wellbeing of its people particularly by viewing governance as the manner in which power is exercised by governments in the management and distribution of a country's social and economic resources. The nature and manner of this distribution makes governance a good or bad one.

The Organization for Economic Cooperation and Development (OECD) has identified eight basic characteristics of good governance, arguing that it is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making (UNESCO, 2005). However, a critical examination of the manner by which public policies in the forms of constituency projects are initiated and implemented especially as a new venture to extend democratic dividends to the grass root levels create a confusion on whether good governance in Nigeria is attainable or not. The paper is aimed at improving service delivery of developmental projects through enhancing community participation and the inclusion of all social groups in implementing constituency projects that are compatible to the needs of all. The paper is first concerned with the questions: Who initiates Constituency Projects? Do Constituency Projects fulfill the objectives of their invention? How participatory are the processes of implementing Constituency Projects? What are the challenges to Gender Equality and Social Inclusion in constituency Projects? Therefore, the paper adopts a document review methodology alongside a snap survey of especially educational projects to provide answers to these questions while assessing the policy processes of constituency projects service delivery particularly in terms of inclusiveness and participation of all social groups in the communities.

2.0 Conceptual Clarifications

This section covers the concept of constituency project, community participation, gender mainstreaming, gender equality and social inclusion:

2.1 Constituency Project: By way of definition, it encompasses any form of project that is conceived, designed or executed within a legislative constituency through the collaboration, input or influence of the legislator(s) representing that particular constituency in the legislature ((Micah, 2015). Even though, constituency project as a response of the challenges and expectations posed by the populace on the electorates in their various constituencies.

2.2 Community Participation: The concept is defined as the active involvement of a community in a collective undertaking for mutual benefits. Community participation is considered as a problem-solving mechanism devised to achieve collective goals. In the context of this paper, community participation can be defined within the broader concept of popular participation which implies the involvement of people in a community in a project to solve their own problems and in the provision of goods and services which benefits them (Mohammed, 2022). This is held to be a basic human right and a fundamental principle of democracy. However, Policy making can either be rooted from a top-down or a bottom-up approach. When it originates from the top ladder of society, a policy is said to be a top-down; a give and take approach with no input from the beneficiary community. Similarly, a policy is said to be a bottom-up when a particular community benefit from a project initiated locally by its members or participated in the design and implementation of the project. Put differently, the success of community participation is guaranteed when consultation with a beneficiary community is made before any project is executed. The idea is for the community in question to have ownership and play a key role in the design and implementation of a project or its

willingness to support and participate in it. Thus, determining the priority needs of a community before the execution of any project provides a safety mechanism for its success.

2.3 Gender Mainstreaming: is the process of ensuring that all women and men have equal access and control over resources, decision making and benefits at all stages of organizational processes, practices and policies. The United Nations Economic and Social Council Agreed Conclusion 1997/2 defines, gender mainstreaming as "...the process of assessing the implications for women and men of any planned action, including legislation, policies or programs, in all areas and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programs in all political, economic and social spheres so that women and men benefit equally and inequality is not perpetuated. This ultimate goal is to achieve gender equality." Gender mainstreaming seeks to produce transformatory process and practices that will concern, engage and benefit women and men equally by systematically integrating explicit attention to issues of gender into all aspects of the organization's work (United Nation, 2002).

2.4 Gender Equality: Implies women and men of all ages regardless of sexual orientation, have equal conditions for realizing their full human rights and for contributing to and benefiting from economic, social, cultural and political development and decision making. Gender equality is the equal valuing by society of the similarities and differences of men, women, girls and boys and the roles they play. It is based on women and men being full partners in their home, their community and their society. The definition has three aspects: equal opportunities, equal treatment and equal entitlements. It is directly linked to human development, designing initiatives that respond to and take account of the different needs and roles of women and men makes communities more effective and sustainable. Gender equity on the other hand is about providing additional support to women to allow them to access the same opportunities as men. It often requires programs and policies to end existing inequalities, which may include additional training or education for women (as many miss out on this earlier in their life or career) or support in developing and displaying leadership qualities and skills that may have not been developed earlier in life. Equity leads to equality which implies that all people enjoy the same status.

2.5 Social Inclusion: Refers to the process by which efforts are made to ensure opportunities and access of services for all. The multidimensional process aimed at creating conditions which enable full and active participation, including inclusive accessible services of every member of society in all aspects of life, whether civic, social, economic and political activities as well as participation in decision making (RET International, 2010). It also refers to the process of improving the terms of participation in society for people who are disadvantaged on the basis of age, sex, disability, race, ethnicity, origin, religion, or economic or other status, through enhanced opportunities, access to resources, voice and respect for rights. The ultimate goal of Gender Equality and Social Inclusion (GESI) is to ensure the ability, opportunity and dignity of all people in any society. Thus, social inclusion is both a process and a goal.

3.0 Theoretical Perspective

The paper utilizes the Public Participation theory to illustrate the relevance of GESI as a cardinal principle of good governance and a requisite to for better service delivery in all projects. The basic assumption is that Public Participation in governance involves the direct involvement – or indirect involvement through representatives – of concerned stakeholders in decision-making about policies,

plans or programs in which they have an interest. Stakeholders are persons, groups or organizations that may influence or be affected by policy decisions or place a claim on an organization or other entity's attention, resources or outputs (Freeman 2010 and Bryson 2004).

Through public participation, stakeholders may interact with government agencies, political leaders, nonprofit organizations and business organizations that create or implement public policies and programs. While participation may be limited to discrete acts (e.g., a town hall meeting or citizen survey) or described by a set of practices (e.g., convening public hearings or other types of consultation processes), participation more generally is the process of engagement in governance. In democracies, citizens are presumed to be important stakeholders in that they are able to participate either directly or indirectly through elected representatives in the formation, adoption and implementation of the laws and policies that affect them. Public participation thus is a fundamental part of the public–government relationship in democracies (Roberts 2004; Jacobs et al. 2009; Bryson et al. 2013). The context of public participation in governance is broader than this relationship, however. Governance encompasses formal and informal processes of decision-making and management of domains of collective community interest or concern (Kooiman 2003; Bevir 2013). It occurs through broad networks that often include public agencies but are not exclusive to them. The traditional responsibilities, efforts and effects of government are increasingly diffused across constantly changing, networked assemblages of government agencies, nonprofits, businesses and other entities (Goldsmith and Eggers 2004; Agranoff 2007; Provan and Kenis 2008).

Despite a widespread expectation for public participation in governance, practical and theoretical debates surround its implementation. Key concerns include the following: what constitutes legitimate and useful public participation; the relationships of diversity with representation and inclusion; the nature and appropriate role of different kinds of knowledge and expertise in participation; and the challenge of designing participation processes that are well adapted to their context. The relationship of public participation with other key concepts in governance is established in many ways. Public participation intersects with numerous other key concepts in governance. For instance, Ensuring the accountability and transparency of government is a common motivation for public participation. Representation, power and authority – who is represented, how much influence they have (legitimate or otherwise) and what tactics can be used to address exclusion – are central, abiding concerns in the quality and legitimacy of public participation processes (Young 2000).

4.0 A Brief Assessment of Constituency Projects Service Delivery in Kano State

At the dawn of the Fourth Republic in Nigeria there was the quest by legislators to provide visible evidence of “dividends of democracy” to their constituents. The quest has resulted in the implementation of constituency projects in one form or the other sponsored by the legislators (Senators, Members House of Representatives and Members State House of Assemblies). Such projects are however funded from the national or state budgets as the case may be from the Constituency Development Funds (CDFs).

Legislative constituency projects service delivery is credited with some advantages or benefits, such as:

- a) The provision of infrastructure, promptly, without prolonged bureaucratic red-tape formality;
- b) The active involvement of the constituents in the identification of developmental projects for implementation in their constituencies;
- c) Better articulation and utmost satisfaction of the pressing needs of the constituency;
- d) The creation of opportunity for elected representatives to directly participate in the alleviation of the challenges or problems faced by their constituents.

Gender equality and social inclusion are key to creating the conditions for people across both genders to live a life they value, where their needs are met, their human rights are protected, and they are able to participate equally in society, as promised in the UN Sustainable Development Goals (SDGs) Agenda 2030. The Gender Equality and Social Inclusion Mainstreaming in Constituency Projects Service Delivery in Kano will promote equal rights and opportunities for people to live full lives, supported by sustainable, resilient, and inclusive infrastructure, and by the efficient and transparent use of public resources in procurement, management and projects service delivery.

In Kano State, a careful assessment of the nature and dimensions of constituency projects service delivery in the current democratic dispensation (1999-to date) will reveal the tendencies of gender inequality and social exclusion in the projects service delivery as most of the constituency projects are not gender equal, diverse and socially inclusive. While reviewing the recurrent constituency projects service delivery in Kano State from 1999-to date, it is evident that they are mostly:

- i. Provision of hand pump-boreholes
- ii. Construction and rehabilitation of roads
- iii. Granting educational supports/grants to students
- iv. Construction and rehabilitation of classrooms
- v. Supporting poverty eradication through economic empowerment and skills acquisition
- vi. Provision and installation of electric transformers
- vii. Installation of streets solar light
- viii. Construction and rehabilitation of bridges
- ix. Empowerment and training of youth
- x. Agricultural supports programs e.g supply of fertilizer, agro chemicals, sprayers etc

The above-mentioned constituency projects undertaken by various legislators across Kano State are not mostly gender inclusive; hence the urgent need to advocate for gender equality and social inclusion in constituency projects service delivery. Most of the aforementioned projects executed are embedded in a web of limitations that are unhealthy to the maximization of citizen's welfare in most communities. These problems are not limited to but include issues such as:

- i. Poor knowledge of constituency projects among citizens: the execution of most constituency projects lacks popularity among citizens from the onset of its initiation/formulation. This failure limits the inclusion of many social groups in the community to participate widely in the decisions of programmes that affect their lives directly and also cripples the projects in terms of reasonable ideas and other vital contributions from members. The exclusion of social groups in most communities occurs more on the parity gender; in which the women folk are more exclusively exempted from the knowledge of most constituency projects in their communities alongside other secluded classes like the disabled.
- ii. Absence of needs Assessment: some of the executed projects are not based on the needs of community members but the interest of a few especially close associates to representatives who are in charge of initiating and executing the projects. Some communities may be bedeviled by some peculiar problems needing immediate attention but the constituency project implemented may not be the priority of the community. This happens because the views of community members concerned was not consulted, therefore did not participate in the decision of selecting the dear need that would maximize their welfare.
- iii. The dominance of Top-down approach: the absence of needs assessment automatically paves way for the implementation of projects that are only the concerns of those at the top echelon of

- power. This negates the principle of social inclusion and denies a reasonable percentage of community members from participating in decisions that affect their lives.
- iv. Pervasive corruption: constituency projects in a number of circumstances are embedded in gross corruption which has its root from absence of popular participation from community members in both formulation and implementation of the projects. Since most projects are based on the whims and caprices public officials who initiate the projects, alongside the interest of few intermediaries from the community, constituency projects have in some cases become the platter of gold to siphon public funds for personal aggrandizement. The implication is distrust and lack of transparency and accountability in the management of public funds and resources.
 - v. Exclusion of groups with special needs: as mentioned earlier, some social groups are underrepresented in decisions to execute projects in some constituents. For instance, the interests of the physically challenged persons are neglected while executing some projects which deny them the benefits others enjoy. Such instances are visible in manner some structures, path-ways and facilities like school toilets are put in place in the course of constituency projects that are not friendly to the utilization of groups with special needs.
 - vi. Poor Gender sensitivity: gender parity as discussed earlier constitutes a barrier in the implementation of some constituency projects. Even though some projects target specifically women especially empowerment programs, little attention is paid to strike a balance with the opposite sex among whom there are also great number needing such initiatives. The scenario is also vice versa in some communities and has continued to limit the inclusion of many groups on the basis of gender.
 - vii. Widen the gaps of inequality: as community participation in constituency projects is affected by the failure to ensure social inclusion of all groups either on the basis of sex and other characteristics, most of the projects there only serve as tools to widen the gaps of inequality between included and excluded groups in the community. This affects healthy relations among members and only leads to suspicion, distrust and hatred among members.
 - viii. Absence of reliable monitoring mechanism: constituency projects executed are not adequately monitored as mechanisms to do so are not readily available. Even though there is a concerted effort by some civil society organizations to monitor or track the activities involved in constituency projects, there is often a power tussle in doing so which has continued to lay fertile foundation for the thriving of corruption in constituency projects.
 - ix. Political inclination and interferences: by and large, constituency projects observed are influenced by political affinity of some community members to serving public officials. While some projects are undertaken to satisfy party supporters in the community without taking into cognizance the needs and aspirations of other community members irrespective of their political affiliation, political interferences therefore undermine the potency of some constituency projects.
 - x. Lack of sustainability: change in administrations is understood as a barrier in the sustainability of some constituency projects, programs and policies. As it well known, public officials execute projects in order to gain popularity and acceptance among community members, therefore each administration tries to initiate new projects to record their presence and relevance while abandoning other ongoing projects of previous public officials no matter how much beneficial they are to community members. Such practices end up affecting sustainable development at large.
 - xi. Poor involvement of Civil Society Organizations and the Media: the duo is integral in promoting the impact of developmental projects by virtue of their expertise and influence exerted through many strategies. However, both also constitute a mechanism advocating for the maximization of citizens' welfare at different levels in various communities but unfortunately they are viewed

with suspicion and negative perception of serving as agents of criticism to governmental actions. Therefore, affecting their involvement constituency projects to mobilize community members to actively participate in decisions that affect them.

5.0 The Imperatives of Synergizing GESI and Public Participation

Mainstreaming Gender Equality and Social Inclusion provides a framework that ensures public participation in public policies which creates potential benefits to government. Some of the benefits are indulging:

- a. Legitimacy for government: Participation's potential benefits are realized when the process goes well. Legitimacy is one of the most contested features of public participation, typically expressed in terms of the adequacy of participation or representation, the technical or political workability of the decision outcomes and the procedural fairness of the process. When public participation is not seen as legitimate, it can alienate the public from government and disrupt the implementation of policy decisions. (Innes and Booher 2004; Ozawa 2012).
- b. Legitimacy of the policy outcomes, meaning whether the decisions fulfill criteria for good policy, such as equity, efficiency or technical implementability. Indeed, one of the compelling reasons for public participation is to ensure that government policy and program choices are legitimate in terms of being acceptable to and addressing the needs of the public (Fung 2006).
- c. Legitimacy also relates to the quality of the process. Procedurally just and procedurally rational processes are likely to be high in quality. Procedural justice refers to whether, or not the extent to which, the process embodies democratic values such as fairness, transparency, attentiveness to stakeholders' concerns and openness to public input.
- d. Process legitimacy is also connected to trust. Trust is problematic in any process involving people with diverse interests and levels of power but, when diverse voices are included and power is managed so that potentially marginalized groups do influence outcomes, there are strong payoffs for the legitimacy of the process, the quality of decisions and effective decision implementation. Stakeholders are more likely to accept a decision that they believe was produced in a procedurally just manner, even when it is not their individually preferred outcome.
- e. The acceptability of decisions can limit delays, mistakes and lawsuits during project and policy implementation.
- f. Public hearings are the most ubiquitous form of public participation and serve an important purpose of transparency and accountability in governance. Yet they are also very commonly considered illegitimate "window dressing" because decisions have effectively already been made.
- g. Diversity and Inclusion Leaving the public out of decision-making is an example of tensions regarding inclusion in and exclusion from governance. A key challenge in participation is ensuring an appropriate range of interests is engaged in the process, including those normally excluded from decision making by institutionalized inequities.
- h. Stakeholder analysis and the active management of conflict and power are thus needed to ensure that under-represented and marginalized groups are at least considered.
- i. Participation may enhance marginalized groups' influence and provide a robust container for negotiation among differences.
- j. Inclusion and exclusion are often used in reference to the ethnic, gender or socioeconomic diversity of the people taking part in public participation. This locates the focus of diversity on the status of the people taking part in a participation process. It may also be associated with concerns about the representativeness of the people participating, for example in terms of their socioeconomic diversity, relative to the people who have a stake in the policy decision.

- k. Inclusion as practices of engaging a diversity of perspectives helps to discover new understandings of problems, resources and options.
- l. Expertise in policy and decision making. Variety of perspectives in decision-making through public participation often agitates concerns about whether substantively rational outcomes can be attained and legitimated.
- m. Public participation may also provide a platform for well-resourced advocates who oppose policies or programs that do not fulfill the greater public needs.

6.0 The challenges of Mainstreaming Gender Equality and Social Inclusion in Constituency Projects

This is not an easy task as societal attitudes in Nigeria, as elsewhere, are pervasive and they influence the nature of projects and their ability to achieve their objectives. There is always a strong possibility for them to recreate and reproduce the gender hierarchies and inequalities dominant in the wider world. The gender dimensions of social exclusions are, therefore, complex given the way poverty impacts on women's and other disadvantaged group's livelihood. Thus, most challenges to mainstreaming GESI identified in projects include:

- a. Lack of political will on the part of the government even though a policy on social inclusion exists but with little enforcement.
- b. Systemic problems of corruption as there are too many beneficiaries enriched negatively from the implementation of constituency projects.
- c. Structural functioning of political institutions.
- d. The dominant social norms and value of our cultural societies that guaranteed gender inequity as a norm.
- e. Long standing divides between rural and urban areas, which have widened the gaps of inequality because of undue disadvantages to the latter.
- f. Nonchalant attitude of the populace to follow up with constituency projects and happenings around them.
- g. Inability of the populace to act collectively in opposing any form of injustice or corruption identified in the implementation of constituency projects.
- h. Poor involvement of Civil Society Organizations and the media in sensitizing activities related to constituency projects.

7.0 Conclusion and Recommendations

Mainstreaming Gender equality and social inclusion in constituency projects will contribute to the establishment of a transformatory process that is holistic in delivering better services to the populace. In addition, it eliminates inequalities, eliminates barriers to public participation and creates more access to opportunities for all social groups irrespective of sex and other characteristics. This requires understanding the root causes of the inequalities and taking actions to target them. It also requires understanding the interconnected nature of issues that often lead to discrimination or disadvantage, such as gender and class among other things so as to be able to deal with the problems and enhance mainstreaming gender equality and social inclusion in constituency projects services for sustainable development. Thus, that will serve as a mechanism in promoting transparency, equity popular participation in decisions that affects the lives of the people and apparently good governance. The following recommendations are offered:

The Government Should,

- a. Strengthen the legal base of constituency projects constitutionally to ensure transparency and accountability.
- b. Ensure enforcement of social inclusion policy in order to reduce exclusion of social groups in constituency projects to the barest minimum.
- c. Put in place strong monitoring and evaluation mechanisms to track all activities involved in constituency projects.

Communities Should

- a. Imbibe the culture of tracking constituency projects.
- b. Collectively challenge implementation of projects without their involvement.
- c. Report cases of suspected corruption in constituency projects.
- d. Utilize constituency projects as yard sticks for the election of representatives into public offices.

Civil Society Organizations and the Media should

- a. Ensure wider sensitization on constituency projects for increased popular participation.
- b. Mobilize the community to stand up against corruption in the implementation of constituency projects.
- c. Thus, public participation, Gender equality and social inclusion should be the watch word in service delivery of all sectors and spheres of human life.

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Assessment of E-Governance Implementation on Service Delivery in Nasarawa State University, Keffi (2017-2021)

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Abstract

The study entitled assessment of e-governance implementation in Nasarawa State University keffi. The study attempted to establish the relationship that exist between service delivery e-governance which include: electronic registration and admission process; result dissemination; application and online school fees payment. The study adopted survey methodology with the use of purposive sampling technique to have 180 sample size to determine the questionnaire for the data collection. Using linear regression analysis the finding of the study states that out of the four objectives stated, only online school fees payment service had a significant effect on service delivery in Nasarawa state university keffi. The study recommends that predictors such as electronic registration, electronic result dissemination; that perform poorly should be improved upon by way of introducing tech experts recruitment to head the various e-governance departments and rigorous training should be given to the administrators of e-governance administration in Nasarawa state university, keffi.

Keywords: E-Governance, Service Delivery, University, Keffi

1.0 Introduction

The application of Information Technology (IT) is fairly widespread by now in India in the private sector. However, when it comes to public governance, India has been a laggard in the utilisation of IT. The common man has benefited from the e-governance measures implemented so far. Perhaps the best example in India of how e-governance can lead to order out of chaos and put paid to the machinations of the ungodly is the replacement of the old ballot system by electronic voting in elections.. Despite these advantages, e-governance has not yet made much headway in government in Nigeria. E-governance may be understood as the performance of this governance via the electronic medium in order to facilitate an efficient, speedy and transparent process of disseminating information to the public, and other agencies, and for performing government administration activities. E-governance can bring forth new concepts of citizenship, both in terms of citizen needs and responsibilities. Its objective is to engage, enable and empower the citizen.

Governance requires a bottom-up participation flow in the governing process since citizens became the main actors using e-governance applications. Citizens are needed for accountability and they are supposed to be planners, practitioners, and users of e-governance platforms. Researches about e-governance have primarily focused on the capacities of information and service delivery of governments, organizations, or institutions and their capacities to realize the citizens' participation (Fan, 2011; Melitski, Carrizales, Manoharan, &Holzer, 2011; West, 2004). The main topic in these studies is related to the questions, "Which level of institutions can achieve interaction with her stakeholders?" and "Do they provide adequate tools or channels contacting and interacting with citizens?".

However, in terms of the interactive understanding of the governing process, citizens' Internet usage in governing processes is as important as Internet usage capacities of organizations or governments. In addition, studies about e-governance indicate that most studies focused on the experiences in the United States, United Kingdom, and European Union countries. There is a need for e-governance experiences in different countries to deeply understand the issue and the extent of different experiences (Pina, Torres, & Acerete, 2007). Regarding these gaps in the literature, we focus on the e-governance process in terms of the citizen-centric perspective, and this study also provides information about the e-governance process in Nasarawa State University, Keffi which can contribute to comparative studies by means of data and perspective outside the Western World.

E-governance, meaning 'electronic governance' is using information and communication technologies (ICTs) at various levels of the government and the public sector and beyond, for the purpose of enhancing governance. E-Governance solutions in educational sector incorporates the latest technology to bring a system that combines administrative and university management functions that are necessary for successful handling of all issues relating to the academic affairs and the challenges for smooth functioning of an educational institution. Through implementation of e-Governance solution in every unit of an academic institution, the real time information processing and knowledge management of the institution is made possible. E-Governance solution is an integrated solution that facilitates the processing and maintenance of large volumes of information - including student, faculty, inventory, asset management, facility management, transport, library, staff details, and payroll and student fees among various departments in an academic institution.

According to Steve (2010). This includes transactions between government and business, government and citizen, government and employee, and among different units and levels of government. E-Government presents a tremendous impetus to move forward in the 21st century with higher quality, cost-effective, government services and a better relationship between citizens and government. At the same time, public organizations have to devote more time and resources to create and sustain an environment of learning in view of the quantum increases in knowledge and changes in information and communication technology. The inability and lack of will on the part of public organizations to create and sustain organizational goals to deal with the consequences of e-government in their business/service environment is a strong militating factor. The lack of frequent training and retraining programs for employees in the area of ICT by public organizations hamper their efficiency and productivity. Without frequent ICT update in the ever-changing world of knowledge no worker would be able to function efficiently through e-government. (Adeyemo, 2014)

At Nasarawa state University, Keffi, there is the indication that service delivery is optimally low partly due to the unavailability of modern infrastructure such as ICT compliant infrastructure. According to Byars & Rue (2006) this can be attributed to among other things the failure of public organizations to key into e-Government with the attendant gains. Efficient and improved service delivery through the use of electronic means known as e-Government is what is required at a time where the public deserves better service as a dividend of being a citizen of a country. Government providing services to its citizens is a mandate they must fulfil, to this end, improved, efficient and effective service is the only solution. This is the reason why e-Governance has been proposed as a way to improve and increase efficiency of service in public organizations such as Nasarawa state university Keffi.

The objective of this study is to assess the implementation of e-Governance on service delivery in Nasarawa State University, Keffi. Other specific objectives of the study include the followings:

- i. To examine how online registration service enhance Registration process in Nasarawa State University, Keffi.
- ii. To find out how online dissemination of results ensure prompt access of results in Nasarawa State University, Keffi.
- iii. To determine how online application and admission removes bureaucracy in application and admission processes in Nasarawa State University, Keffi.
- iv. To a certain the extent at which online school fees payment impact service delivery in Nasarawa State University, Keffi.

The Scope of this research work centers on Nasarawa State University, Keffi. It focused on the e-Governance, the services that the university practices such as online registration, student application and Wi-Fi services in and around The University within the period of (2017-2021). The significance of the study states that the study on e-Governance and its effect in Nasarawa state university service delivery has opened a new dimension to understand more efficient and effective ways service delivery in the public service in general terms can be achieved. Its significance is that studying about methods that creates improved service is a stepping stone to more innovative ideas in the public sector. It serves as a secondary data for further study; and it opens a path to new ideas to better service delivery in Nasarawa state university. It also open a new perspective and idea for policymakers and stakeholders in the public sector to consider and key into e-Governance to achieve the mandate of ensuring efficient and effective service delivery to the public.

The study hypothesis states that:

- H₀: Online registration services has no significant effect on enhanced service delivery in Nasarawa State University, Keffi.
- H₀ Online dissemination of results has no significant effect on effective service delivery in Nasarawa State University, Keffi.
- H₀: Online application and admission processes has no significant effect on service delivery in Nasarawa State University, Keffi.
- H₀: Online school fees payment has no significant effect on service delivery in Nasarawa State University, Keffi.

2.0 Literature Review

2.1 E-Governance

E-Governance is a broader topic that deals with the whole spectrum of the relationship and networks within government regarding the usage and application of ICTs. It is a group of norms, processes and behaviours that have an influence on the exercise of power, especially from the point of view of openness, participation, responsibility, effectiveness and consistency. e-Government is actually a narrower discipline dealing with the development of online services to the citizen, more the e on any particular government service - such as e-tax, e-transportation or e-health (Riley, 2012) e-Governance is a wider concept that defines and assesses the impacts technologies are having on the practice and administration of governments and the relationships between public servants and the wider society, such as dealings with the elected bodies or outside groups such as not for profits organizations, NGOs or private sector corporate entities. It encompasses a series of necessary steps for government agencies to develop and administer to ensure successful implementation of e-Government services to the public at large. E-Democracy refers to the processes and structures that encompass all forms of electronic interaction between the Government (elected) and the citizen (electorate).

2.2 E-Service Delivery

There has been notable progress recently in e-services aimed at disadvantaged and vulnerable groups. According to the Survey, the number of country websites with information about specific programmes and initiatives to benefit women, children, youth, persons with disabilities, older persons, indigenous peoples, people living in poverty, or other vulnerable groups and communities, has been increasing steadily since 2012. According to the United Nations Member State Questionnaire, 80 countries out of 100 indicated that they provide specific measures to ensure e-Government use by the most vulnerable segments of their population in 2018, up from less than 30 per cent in 2012. To track progress, 64 of those respondents said they collect usage statistics in this area. Great emphasis is being placed on m-government services in delivering remote education, health and other social services, which impact positively on people's everyday lives. This is particularly true for those in rural areas who have been previously at a disadvantage compared to their urban counterparts. Notably, e-government provides the same opportunity in interacting with public authorities and possibly limiting corruption in the process. (Gorla & Somers, 2012)

Emerging technologies are also enabling governments to improve e-service delivery and to adapt to shifting needs. Drones, for example, are being used to deliver services to remote areas at a lower cost and faster pace. In Africa, that potential is being applied across a wide range of areas, from agriculture to health care. (Lam, 2005) Artificial intelligence (AI) is also improving the efficiency of service delivery to marginalized groups. In the Middle East, the United Arab Emirates is on a path to make the country a leader in AI. In October 2017, the country created a strategy for AI and appointed the world's first Minister of State for AI. Civil society is also increasingly looking to emerging technologies to provide greater assistance to the public. (Waller & Genius, 2015).

2.3 Service Delivery

Service delivery simply means the extent to which an individual, unit or department of an organization discharge their assigned or statutory responsibilities. It is also a means by which an organization evaluates an individual employee or unit input and output level especially in the area of attaining set goals or task assigned. In the view of Byars & Rue (Drucker, 1999) service delivery is the degree to which an employee accomplished the tasks that made his or her job. Byars (2006) summarizes service delivery as the degree of an organization and/or employee performance, output and productivity in the discharge of their responsibilities within the available time, money and other resources, towards the achievement of overall goals of the organization. The spate of service delivery is determined by the performance of employees in achieving organizational goals and satisfying the public. However, for purpose of this study, the researcher views service delivery as the achievement of targets (performance/output/productivity) of the tasks assigned to organizations or employees' within particular period of time. It involves the execution of duties and responsibilities assigned by constituted authorities which one have promised to do, so as to achieve set goals of an organization.

Therefore, the degree to which an organization or employees performs its duties and functions towards achieving set goals determines the spate of service delivery-whether it is efficient or inefficient, effective or ineffective, economical or not economical, productive or not productive Danowski (2015). To ensure that the Nigerian Universities perform their cardinal functions of teaching, research and community service efficiently and cost-effectively, the e-Government platform must not only be accepted but also implemented in their activities, and this could only be done through building the capacities of staff and students in the use of ICT and other e-Government tools. Conclusively, Richardo (Cha, 2001) contends that employee performance is the successful completion of tasks by a selected individual or individual,

as set and measured by a supervisor or organization, to pre-defined acceptable standards while efficiently and effectively utilizing available resources within changing objectives. Thus, ensuring high employee job performance will lead to achieving organizational goals and objectives, which is organizational performance.

2.4 Digital Literacy

It is widely recognized that digital skills can help improve social inclusion. Thus, these skills should be taught to schoolchildren and enhanced among civil servants, the private and public sectors. Additionally, digital assistance initiatives should be spearheaded to support members of society who are unable to access online services themselves. Underpinning these efforts is the aspiration to meet the evolving needs of citizens and businesses. In Singapore, the Government has established programmes, such as the Silver Info-comm Initiative (SII), bridging the connectivity divide for older people by addressing their lack of education or digital skills, where it exists. (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014) The European Union Commission has noted that improving digital skills among public-sector servants is vital to reaping the benefits of e-government.

The need to raise skill levels across different population groups is increasingly evident around the world, in response to the so-called fourth industrial revolution. A United Nations' study warned that about 56 per cent of those employed in Southeast Asian outsourcing hubs, such as in Viet Nam as well as Cambodia, Indonesia, the Philippines, and Thailand are at elevated risk of losing their jobs to automation, especially in those textile and manufacturing industries. In response, Viet Nam, for example, is seeking to revise its education and training systems to develop higher-end skills.

2.5 E-Resilience and its linkages to ICT and E-Governance

Resilience is “ability of a system, community or society exposed to hazards to resist, absorb, accommodate to and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions”. (Lau, 2004) E-resilience is ICT contributions to resilience, particularly at the community level.²⁰ In other words, e-resilience is the use of ICTs during all phases of disaster risk management —prevention, reduction, preparedness, response and recovery — towards reducing risk and impact and maintaining the gains made towards sustainable development, including through e-government. E-resilience entails two main dimensions ICTs for disaster risk prevention, risk reduction and preparedness, as well as for disaster response and recovery, including the rapid restoration of ICT infrastructure and services. (Lau, 2004)

2.6 Emerging uses of artificial intelligence, social media, space technology applications and geospatial information for e-resilience

Many innovative disaster and crisis management tools are designed to consolidate structured and unstructured data for quick and effective decision-making. Some of these tools include Artificial Intelligence, social media, space technology applications and geospatial data. (Lau, 2004) These technologies along with enhanced data availability, analytics and functionalities hold much promise for advancing e-resilience initiatives towards the achievement of sustainable development. Artificial Intelligence refers to “a set of computer science techniques that enable systems to perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision making and language translation” It includes, inter alia, the Internet of Things (IoT), fixed and mobile broadband, cloud computing, and big data. IoT collects and exchanges biometric data, behavioural information and unstructured information using network-connected sensors and devices. Big data are large data sets of voice, administrative records, electronic transactions, online activities and data

transmissions collected mostly through mobile and broadband cloud computing technologies (Chen, 2010)

AI technology does not necessarily involve pre-defined behavioural algorithms since it can build on past iterations, characterized as machine learning or deep learning. Many examples illustrate the innovative applications of Artificial Intelligence on e-resilience. For instance, kinetic sensors are installed at the bottom of the Indian Ocean and are detecting waves and water flows, and transmitting data via sonic buoys and satellite links to emergency agencies. Drones are being used in effectively assessing damage after disasters, such as the series of earthquakes in Nepal in 2015. In the south of Thailand, a network of cameras is providing real-time monitoring of water flows and using closed-circuit television to aid with warnings of potential flooding. AI-based methods, including the IoT technologies, are being applied successfully on a range of hydrological problems in Australia (Chen, 2010).

While most practical applications of big data in disaster scenarios are still experimental, useful cases have emerged, such as in connection with the Haitian earthquake of 2010. A recent survey conducted by the Ministry of Internal Affairs and Communications of Japan has concluded that big data is expected to make significant contributions to disaster risk reduction in the country. Mobile network big data has an immense potential in that regard. Mobility data collected in the aftermath of a disaster can help relief operations by locating affected populations and potential disease outbreaks. Space technology applications and geographic information systems also play important roles in disaster risk management. By comparing satellite images before and after disasters, disaster management authorities can estimate the type and magnitude of the potential or actual damage.

2.7 E-Governance Status in Africa

According to the above the recent United Nations e-Governance Survey 2012, there has been improvement in most sub-regions of Africa except Northern Africa and Middle Africa improvement is minimal. However, most African countries remain at the tail end of the digital divide. Table1 displays the top 10 ranked countries in Africa. Overall at world level Seychelles is ranked 84th, which is 20 places up compared to 2010. Major improvements in government information systems, infrastructure, and integration of thematic services in finance, health, and many other sectors have improved its world ranking. To become globally competitive with a modern ICT enabled economy and a knowledge-based information society; Government of Seychelles used an integrated and interdependent strategic approach in order to enhance its e-Government services. Seychelles focused on ICT infrastructure, legal and regulatory framework, and human resource development. It hosts its integrated portal through its SeyGo Connect for residents, citizens and businesses, which provides a one stop-shop services ranging from thematic, sectoral life cycle services to single sign-on tailored for the individual user (United Nations e-Government Survey, 2012).

2.8 Benefits of e-Government

According to the World Bank (2002) e-Governance has the following benefits;

- a. It greatly simplifies the process of information accumulation for citizens and businesses.
- b. It empowers people to gather information regarding any department of government and get involved in the process of decision making.
- c. e-Governance strengthens the very fabric of democracy by ensuring greater citizen participation at all levels of governance
- d. e-Governance leads to automation of services, ensuring that information regarding every work of public welfare is easily available to all citizens, eliminating corruption.

- e. This revolutionizes the way governments function, ensuring much more transparency in the functioning, thereby eliminating corruption.
- f. Since the information regarding every activity of government is easily available, it would make every government department responsible as they know that every action of theirs is closely monitored.
- g. Proper implementation of e-Governance practices make it possible for people to get their work done online thereby sparing themselves of unnecessary hassles of traveling to the respective offices.
- h. Successful implementation of e-Governance practices offer better delivery of services to citizens, improved interactions with business and industry, citizen empowerment through access to information, better management, greater convenience, revenue growth, cost reductions etc.
- i. Furthermore, introduction of e-Governance brings governments closer to citizens. So much so that today it becomes extremely convenient to get in touch with a government agency. Indeed, citizen service centers are located closer to the citizens now. Such centers may consist of an unattended kiosk in the government agency, a service kiosk located close to the client, or the use of a personal computer in the home or office.
- j. E-Governance practices help business access information that might be important for them at a click. Seifert & Bonham (2003) provides the following benefits of e-Government;

2.8.1 Quicker: web publishing is immediate, and this enables agencies to introduce changes to their public literature easily and relatively quicker than with traditional and more costly methods depending on print. The immediacy of web publishing also allows the fast release of news and other information items to the public, which an agency may find useful to, say, respond to promptings from the media, or act in moments of crisis. In addition to this, if maintained properly a website provides information 24 hours a day, 7 days a week, and can therefore cater for the parts of the population either that find it hard to visit the agency in person (including, for instance, the disabled) or to contact it during working hours. This can extend to providing the possibility to conduct transactions (e.g. requesting a licence) outside working hours and/or without visiting government offices, which can be useful in countries or regions where travel is slow, costly or generally not easy. Conducting transactions online is also generally faster, as data can be recorded and transferred very quickly, as opposed to what happens with other, more traditional ways of handling bureaucratic procedures (e.g. paper-based forms, manual input by officials, etc.).

2.8.2 Cheaper: a website can be a very cost-effective way to exchange information, both for its owner and its users. From the agency's point of view, for instance, a website can reduce the number of enquiries agency staff has to deal with, by providing answers to the most common questions or queries (also known as FAQs, Frequently Asked Questions) it normally receives, and therefore reduce the amount of staff effort and cost needed to respond to them. In general, a website makes it possible to publish extensive information on regulations, procedures and other aspects of an organisation's work, which would otherwise need to be disseminated through direct human intervention: this means an agency can dedicate less staff time to dissemination activities, allowing either for a reduction in staff numbers, or for their employment elsewhere in the agency. Websites also represent a cheaper alternative to the production and dissemination of printed materials, like leaflets, letters and so on. This said, it should always be considered that building and maintaining a website also has its costs (see Disadvantages below), so agencies planning to use a website to try to cut staff costs should always make sure that the savings obtained do offset the cost in terms of staff and money necessary to build and maintain a web application. A website can also represent a cheaper communication alternative from the

users' point of view, especially if they are located in remote regions or abroad, as a phone call to an internet provider is often cheaper than a long-distance call, or a physical visit to the agency.

Atkinson (2010) conducted a research on e-Government and services delivery concludes that e-Government refers to the use by government agencies of information technologies, such as web-based Networks, the Internet, and mobile computing, that have the ability to transform relations with citizens, businesses, and other arms of government. These technologies can serve a variety of different ends: better delivery of government services to citizens, improved interactions with business and industry, citizen empowerment through access to information, or more efficient government management. The resulting benefits can be less corruption, increased transparency and productivity, greater convenience, revenue growth, and/or cost reductions. Buttressing this point, Fang (2009) stated that e-Government is the processes and structures that define the relationship between governments and citizens; the processes and structures that define the relationship between government service delivery and citizens' needs. The import of this submission is that the essence of e-Government is to meet the needs of the citizens by improving service delivery. Therefore, given the scale, scope, multi-portfolio nature, and transformational potential of e- government in delivering efficient, cost-effective and timely service, Roy advocates that it should be treated as a holistic system adjunct to the area of e-commerce in the e-society.

Yu (2013) and Norris (2011) in their separate research on the relationship between e-Government and service delivery carried out in Delhi and UK argue that the quality or level of e-Government determines the efficiency of service delivery, and this depends on the level of ICT tools and Internet access (digital divide) among citizens and employees of an organization. The implication of their finding on Federal University Ndufu-Alike Ikwo and other public organizations in Nigeria is that it should ensure consistent, functional and affordable internet access for its staff and students, by providing the needed ICT infrastructure on campus, in other to enhance the performance of its workforce and thereby improve service delivery for its publics. Further in its study on the Imperativeness of e-Government for Service Delivery, the Organization for Economic Co-operation and Development (Ricardo, 2001), contends that the model offers the most effective way to improving service delivery in the public service. OECD suggests that e-Government offers an adaptable framework that can be used to assess tangible and intangible output of government services.

Tenimu (2017) conducted a study on e-Government and service delivery in Nasarawa state university (2007-2011). This study examines the assessment of e-Government and service delivery in Nasarawa State University, Keffi. A look at Nasarawa state University indicates that service delivery is optimally low. According to Byars & Rue (2006) this can be attributed to among other things the failure of public organizations to key into e-Government with the attendant gains. The study adopts survey research methodology with the use of Taro Yamani sampling technique, about 399 sample size was captured, out of which 315 questionnaires were duely completed and used in data analysis. Descriptive analysis was conducted to establish the effect of e-government on service delivery in the University. The result observed that online fees payment; registration and checking of results have a negative impact on service delivery in Nasarawa state University, Keffi. Meanwhile, other variables not categorically stated in the research questions presented a positive significant effect on service delivery in Nasarawa State University, Keffi. Finally the model specified that in a general note, there is 97 percent variation on the dependent variable (service delivery) which is explained by the estimators (independent variables). The study recommends that the authority in the institution should upgrade the ICT system to allow effective online registration, and in turn it will ensure effective service delivery; posting of result at due time;

accurate entering of correct result before submission and being careful while entering the result to avoid mistakes; Further collaboration with NITDA should be sustained; The need for upgrade of the ICT unit to prevent cyber-attack should be encouraged and immediately put in place to prevent cyber-attack..

2.9 Gaps Established

Previous studies have been conducted on similar topics, with some focused on time period between 2007 and 2011; while others focused on the particular electronic services carried out by Nasarawa state university, Keffi. These are the gaps established by this current study and intends to bridge it by focusing on e-governance in Nasarawa state university between 2017 and 2021.

3.0 Methodology

The study adopts survey research design. The use of questionnaire is designed to collect data from the target respondents is structured for easy data collection. The study considers the population of the staff and students of the institution as at 2020 academic session is 54,537. Employing a purposive sampling technique, a total of 180 sample size is determined for the data collection and analysis. The study adopts regression analysis where the dependent variable (service delivery) is regressed against the four independent variables stated in the research question (predictors) to establish the significant effect the pose with one and other. Using five-point Likert scaling system, the questionnaire response is scaled from 5 to 1 as responded by the target respondents. 5 represents strongly agree, 4 stands for Agree; 3 stands for undecided; 2 stands for Disagree and 1 stands for strongly disagree.

4.0 Results and Discussions

Analyse data; discuss the results; explain findings with prior findings explaining variations (if any); appropriate subheading created for the discussion of the paper.

Model Summary^b

Mode 1	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.974 ^a	.949	.947	.32053	.306

a. Predictors: (Constant), Online School Fees Payment, Online Application and Admission Process, Online Dissemination of Results, Online Registration Service

b. Dependent Variable: Service Delivery

The result above shows the regression coefficient known as coefficient of determination (R^2). It describes the rate of change that occur in the dependent variable as a result of change in the predictors. The result shows the coefficient of determination at 0.949 (94%). It means that a change in the predictors leads to a 94% change in the dependent variable. This is an indication that the model has a good fit along the regression line.

**Coefficient of the Predictors
Coefficients^a**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.160	.089		1.806	.073
1 Online Registration Service	.339	.085	.404	3.971	.000
Online Dissemination of Results	.145	.074	.133	1.961	.052
Online Application and Admission Process	-.208	.073	-.259	-2.848	.005
Online School Fees Payment	.713	.080	.701	8.906	.000

a. Dependent Variable: Service Delivery

The table shows the individual coefficients for each predictor as they affect the dependent variable. The a priori expectation is that the standardized (regression) coefficient should be above 0.5. The result above shows online registration service with a standardized (regression) coefficient at 0.404 (40%), the value is less than the a priori expectation hence it can be deduced that online registration has no significant effect on service delivery in Nasarawa state university keffi.

Secondly, the standardized (regression) coefficient for online dissemination of results shows 0.133 (13%), this value is also less than the a priori expectation of 0.5 hence it can also be deduced that there is no significant relationship between online dissemination of results and service delivery. Thirdly, the standardized coefficient value for online application and admission process shows a value of negative 0.250 (-25%), this is less than the a priori expectation, this means that there is no significant relationship between online application and admission process and service delivery in the University.

Finally, the standardized coefficient (regression value) for online school fees payment shows a value at 0.701 (70%) which is above the apriori expectation of 0.5, hence it can be deduced that online school fees payment has a strong significant relation with service delivery in Nasarawa state university keffi.

5.0 Conclusion

This study entitled Assessment of e-government implementation in Nasarawa state university, keffi (2017-2021) is conducted to establish the relationship between service delivery and the e-governance components stated in the objectives of the study. The study revealed that most of the e-governance components have no significant effect on service delivery except online school fees payment services which significantly affect service delivery in Nasarawa state university keffi. This could be as a result of poor handling of the e-governance in those areas. Lack of expertise in the general running of the e-governance system in the institution. The study recommends that those predictors who perform poorly should be improved upon and experts should be recruited to head the various e-governance departments and rigorous training should be given to the administrators of e-governance sectors in Nasarawa state university, keffi.

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Bureaucracy and Moral Values in Nigeria Public Service: The Search of Effective Service Delivery

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Abstract

This study is aimed at examining “bureaucracy and moral values in Nigeria Public Service with a kin interest on how service delivery in public institution can be effective and efficient. It is no longer a news that government bureaucracy, especially the implementation of local public services into the public spotlight lack of good ethical and moral values and thereby hampered effective service deliveries in most public institutions in Nigeria. In fact, the performance of the public service is still low, especially the attitude and behavior of the Ministry apparatus less attentive to the moral principles in the conduct of their work. Government officials as civil servants and the Royal Society still looked at the issue of the ethics of bureaucracy, i.e. morality as an element that is less important to the world of public service. The purpose of this study was to assess the public service. To this end this study seek to expose how moral values and decadence hampered the bureaucratic principles and poor service delivery. In so doing the study resort to content analysis as its methodology. Similarly, the study adopt bureaucratic theory as the lens that guide the work. The theory explain how ethical values and how adherence to bureaucratic principles determine the conduct and behavior of individuals in an organization. As such through the application of bureaucratic principles and ethical values based on local wisdom, which include; honesty, scholarship, adherence, and persistence. Assessing the problem with a phenomenological approach, namely, the researchers describe the behavior and experienced of public services both in terms of appointment and recruitment nomination processes, The results showed that the attitude and behavior of a bureaucratic apparatus in the public service remain low because there is still a bureaucratic practice of pathology seen from indicators of application of the values of honesty, scholarship, adherence and persistence. Finally the study recommends that there is a need for orientation and awareness to public service to uphold good ethical moral values in the dispensation of their duties while in office.

Keywords: Bureaucracy, ethical values, Moral values, Public service, Effectiveness, public service delivery

1.0 Introduction

The standard of service delivery in the Public/government sector, no doubt; plays an increasingly significant role in the economy of many countries, Nigeria inclusive. In today’s global competitive environment, delivering quality service in all sectors is considered as an essential strategy for success and survival. The essential elements of the New Public Management [NPM] as explained by Pollitt (1995) are budget cutting, disintegrating traditional bureaucratic organizations into separate agencies, decentralization within the agencies, separating the function of public service delivery from purchasing, introducing market mechanisms, working to performance targets, indices and output objectives, flexibility in public employment, and laying more emphasis on service quality and customer responsiveness.

Hence, it has become expedient to rethink public service delivery in order to improve their quality (Roy and Seguin, 2000) to satisfy public needs, please people and firms as much as possible, favour good governance and national economic competitiveness (Carvalho, 2010). In Nigeria, the main objective of the public sector is to provide and serve as catalyst for affordable and quality service delivery to the citizens. Basic needs of life, such as, food, shelter, education, power and energy, health and water supply, but above all, peace and security are needed to live a decent and productive life. This cannot be possible without the provision/delivery of services that are capable of ensuring and enhancing human security and welfare by government.

One of the challenges of government and of course the legitimate expectation of the citizens of a developing country such as Nigeria is the ability of the public service to properly direct its aspirations towards improving the general welfare of the citizens. This is because the primary responsibility of government is to deliver services through its public service effectively and promptly to citizens at affordable prices, particularly now that the country is under civil rule following the wind of democracy which has blown over countries of the world.

However, the ability of the Nigerian public service to effectively and efficiently manage public affairs and ensure prompt and quality service delivery had always been called into questioning over the years (Mimiko, 1999). Consequently, this has been attributed to moral decadence and unethical conduct by public servant as well as lack of adherence to bureaucratic principles to mention few.

Indeed, the Nigerian public service as the most critical instrument of the modern state its efficiency has been put to test and it has undergone series of socio-economic, structural and political transformation, courtesy of the political leaderships of this country at one time or the other. Under the present civilian government, a number of strategies have also been adopted to improve the delivery of services to the citizens. It is however, doubtful if these reform efforts have changed the public service for the better.

Furthermore, Onah (2003) contended that the general inefficiency, ineffectiveness and poor service delivery in the Nigerian public service result from inadequate recruitment and selection procedures and practices in the employment of manpower and lack of clear human resource objectives. Also, issues such as excessive bureaucracy, political interference, corruption, poor working conditions, poor work ethics, outdated and outmoded systems, procedures and practices among others, conspire to impact adversely on service delivery by public sector organizations (Ezeani, 2004). The poor performance of public bureaucracy is sometimes blamed on its principle of impersonality, which often creates a gap between the bureaucrats and the citizens.

It is therefore against this backdrop that this study intends to examine bureaucracy and moral values in Nigeria Public Service with a kin interest on how service delivery in public institution can be effective and efficient.

2.0 Literature Review

2.1 Concept of Bureaucracy

Bureaucracy as a term is derived from two words; “bureau” and “Kratos.” The word “bureau” refers to the office, while the Greek suffix “Kratos” means power or rule. Thus the word “bureaucracy” is used to refer to the power of the office (Hummel, 1998 in Wasim 2011). “Bureaucracy” is rule conducted from a table or office, that is, preparation and dispatch of written documents and electronic one. Bureaucracy is borrowed into the field of public administration from sociology (Akume, 2012). It was borrowed by

public administration in a similar way that practices of business were borrowed from Business Administration and Economics. The term is used by Sociologists in designating a certain type of structure, a specific organisation with unequally coordinated rationality, and rejects bureaucracy as a term which equates red tape, inefficiency and other derogatory synonyms.

Bureaucracy as a concept is subjected to repetitive criticisms among various scholars (Stillman, 1980; Okafor, 2005; Osawe, 2015). Notwithstanding the above, Akindele, Olaopa and Obiyan (2002) perceived that bureaucracy is an ambivalent term that can be taken to mean different things. For instance, it could be taken to mean different organisations used by contemporary governments in conducting its functions and encapsulated in the administrative system of the civil service. He added that bureaucracy could also mean a mechanistic and formal approach used in carrying out the functions of government to the point of indifference towards the effects achieved.

Gerth and Wright (1979) in Nwankwo, Ananti and Madubueze (2015) conceives bureaucracy as a hierarchical management that exist in organisations based on a line of authority and division of labour embedded on this arrangement. Gbenga and Ariyo (2006), in their work portrayed the concept as the apparatus which consist of the professionals, workers who are subjected to hierarchical supervision and carrying out their duties in an organized manner backed by rules and regulations from their superiors. In the light of this, bureaucrats are identified by their activities in formal and public organisations. Bureaucracy also denotes the system of authority relationships that exist between men, offices and methods that government uses to implement its programmes. It does not cover political appointee such as Ministers and Advisers or members of the judiciary at the federal, state and local government tiers of government (Eme and Onwuka, 2010). Wallis, (1993) in Eme and Ugwu (2011) sees bureaucracy as a word in which its ordinary use conjures bad images in the mind of the people. Bureaucracy can suggest a slow moving organisation, associated with government which serves the populace with a mixture of intentional obstruction, arrogance and incompetence. The term is sometimes employed as an insult, whilst bureaucrats are most time seen as figures of laughter. Bureaucracy widely defined, refers to the machinery of government created to execute the decisions and policies of government. Political office holders make policies, while the public bureaucracy implements it.

Bureaucracy is a structure with highly routinised operating tasks that can be achieved through formalised rules, regulations and specialisations of tasks grouped into functional departments, centralised authority, narrow spans of control and decision making that are in line with chain of command (Robbins and Judge, 2007). Coser and Rosenberg (1976) affirm that bureaucracy is a type of hierarchical arrangement that exists in an organization and it is designed rationally to coordinate the work of employees in the pursuit of large-scale administrative tasks, administrative organization based on a hierarchical structure and governed by written rules and established procedures. The authority attached to an official and the position of an official within the hierarchy depends on the office held, rather than the personal attributes and status of the incumbent.

2.2 Concept of Service Delivery

Service delivery is another concept central to this paper. Service delivery according to Lovelock (1983) encompasses a number of economic sectors that are not concerned with the production of manufactured goods and are therefore placed under a generic service umbrella. The service industry as a whole in turn comprises distinct segments such as financial services or telecommunications, which are all different. Professional services are delivered to clients through on-going relationships in which professionals and their clients interact to develop a shared history of the clients' needs in order to solve their problems

(Jaakkola and Halinen, 2006). Service delivery is a complex term within the public sector. The term does not just focus on meeting expressed needs, but looking out for the needs that are not expressed, setting priorities, resource allocation, publicly justifying and been able to account for what has been done (Gowan, Seymour, Ibarreche, and Lackey, 2001).

Parasuraman, Zeithaml, and Berry (2006) see service delivery as the extent to which an organization meets or exceeds the expectation of customers. Parasuraman et.al (2006) corroborated further that expectations are what beneficiaries think service should deliver rather than what would be offered. Carlson, Davis and Leach, (2005) in their work conceptualized the term service delivery as the relationship that exists between policy makers, service providers and the populace. To them, it consist services and its supporting systems which are generally referred to as state responsibility. These services include infrastructure, social service and service that enhances personal security. Public service delivery can be regarded as providing citizens with services of public interest. Examples of these services of public interest include: security, education, energy, water, public transport and healthcare. There are requirements placed on public services which are quite different from products and services that are provided by the market. To Steenhuisen (2009), public service delivery/quality is an all-round perception. In this view, it is challenging to evaluate quality (De Bruijn, 2007).

Service delivery according to Yayale (2004:12), is the concept that presupposes that in public service, there is a contractual relationship between the public and the service provider (government agency) which obliges the latter to render service to the former in the most satisfactory way, be it in terms of utility, quality, convenience, timeliness, cost, courtesy, communication or otherwise. He posits further that, the following are the Nigerian public's expectation of the public service in terms of efficient and effective service delivery:

Acceptable service delivery can be seen as one of the core responsibilities for the establishment of public organizations. It is identified as "one of the key functions of the public sector." (Mitel, 2007:2). Okafor, Fatile & Ejalonibu (2014:49) comprehend public service delivery as "the result of the intentions, decision of government and government institutions, and the actions undertaken and decision made by people employed in government institutions." They opine that it is "the provision of public goods or social (education, health), economic (grants) or infrastructural (water, electricity) services to those who need (or demand) them" (p. 49).

Underscoring the opinion above, Ohemeng (2010:115) views public service delivery from the light of its key features as "doing more with less, empowering citizens, enhancing transparency and holding public servants accountable." Corroborating this further, Coopers (2014:9) itemises seven core objectives for public service delivery, namely:

- i. **Speed:** The time taken to deliver a service should be the shortest possible for both the customer and the organization delivering the service, right first time.
- ii. **Engagement:** The manner in which services are delivered should be seen as customercentric (i.e. participatory and trustworthy with the customer's needs at the core).
- iii. **Responsiveness:** There should be an 'intelligent' mechanism in place to address any variation in meeting service levels and to drive changes in the service delivery organization.
- iv. **Value:** The customer needs to believe that the service delivery mechanism is cost effective, and value is driven by customer outcomes, not organizational processes.
- v. **Integration:** The service delivery mechanism should be integrated. There should be no 'wrong door' policy for the customer.
- vi. **Choice:** There should be multiple channels for

service delivery, so that customers can have ‘channels of choice’, depending on specific needs at specific times.

- vi. Experience: Personalization of service is necessary to ensure that customers’ experiences are on a par with what they are used to receiving from the private sector. Consequent upon the above, it can be deduced that there is a relationship between e-governance adoption and enhanced public service delivery in a country.

2.3 Moral Values In Nigeria Public Service

Most administrative systems in African states have to undergo one reform or the other especially when such reform is expected to transform the administrative system from a mere service delivery mentality and orientation of the colonial period to a more dynamic, virile and developmental one. To achieve this, the various reforms aimed at professionalizing the service. Professionalism is an overarching value that determines how the activities of the public service will be carried out. It encompasses other values such as loyalty, neutrality, transparency, diligence, effectiveness, impartiality and such values as may be peculiar to individual countries. Every member of the public service are expected to accept and imbibe these Moral values in the institutions they found themselves. These shared Moral values are what is collectively referred to as public service ethics. Ethics, therefore, is at the core of professionalism and efficiency of the public service.

Davis, (1990) has defined Moral Values as “those morally permissible standards of conduct that each member of a group wants every other to follow even if their following them would mean he or she has to follow them too”. Thus, the concept “ethics” is reserved for the morally permitted standards that apply only to particular groups. Professional ethics would therefore refer to those special standards governing the conducts of members of a particular professional group basically because they are members of that profession. Professional ethics can only be learnt as part of the training for that profession. Thus, members of the administrative system are expected to learn the ethics of their profession either during formal training or on the job.

Thompson (1985) has defined administrative ethics as involving the application of moral principles to the conduct of official responsibilities and duties. Chapman (1988) on the other hand has defined civil service ethics as the application of moral standards in the course of official work. So it is expected of civil servants to apply and exercise certain ethical considerations when carrying out orders of political bosses and when they are faced with a situation where they have to make value judgment that have implications for their professional standing.

Moral values in the public service are therefore the broad norms that stipulate how public servants should behave and exercise judgment and discretion in carrying out their official duties. Central to administrative ethics are attitudes, standards, and systems of values which have been internalized in the civil servant. Its foundation is the belief that what public officials and employees do has a central and inescapable normative component involving values, morality and ethics (York, 1984).

Even the members of the society expect the civil servant and devotion to the public interest and the state (Rohr, 1976). This becomes important because the public service is often seen as an extension of the government and the logic of modern government depends increasingly on the acceptability of those who govern to those they govern, acceptability which is further enhanced if those who are governed have confidence in the moral uprightness of those who govern (Baker, 1971). The failure or the jettison of

every ethical standard will inevitably lead to corruption and corrupt practices in the public service as well as the lowering of efficiency and effectiveness of service delivery.

Concerning corruption, the distinction must be made from the onset between political and bureaucratic corruption. This distinction is more than a mere academic exercise as the failure to delineate between both has led to mystification and the inability to find solution or to systematically address the issue. Hope (1985) has attempted to trace the genesis of bureaucratic corruption by stating that; With the politicization of the bureaucracy in the third world has come bureaucratic corruption. Political corruption has laid down the ground rules for bureaucratic corruption in the third world.

The maximization of corrupt receipts. Most writers on corruption have either assumed a moralistic posture or stressed the behavioral aspect of the act. They are all agreed that it alludes to a psychological state of putrefaction of a society and its citizens. Its controversial nature is due to its relativity in that what passes for corrupt act in one locale may not be so in another. This in turn has led to a variety of definitions and meanings, nearly obfuscating the phenomenon.

2.4 A Review of Bureaucracy and Public Service Delivery in Nigeria

Obasi (1988:23) views Nigerian civil service as a colonial creation and a replica of the British public bureaucracy in terms of its structural characteristics. Due to the fact that Nigeria could not figure out her own system like the ancient Greece and China, she adopted the British model. Adebayo (2001:212) documented the initial objectives of the Colonial bureaucracy in Nigeria as follows:

- iii. Maintenance of law and order.
- iv. Ensuring that the Nations pay taxes as when necessary, and express full allegiance to the British monarchy.
- v. Ensuring that raw materials needed for production in the British industries were supplied as at when due while finish products are brought back to the colonies for consumption.

The Nigerian civil service was established as a career structured organization based on the Weberian orthodoxy. The civil service possesses the following qualities as postulated by Weber: impartially, hierarchy of authority, meritocracy, career development and permanence (Nwankwo, 1986:74). The Nigerian civil service at the end of colonialism witnessed a mixture of meritocracy and ecological model to the practice of bureaucracy (Olowu; Otobo and Okotoni, 1997). Civil service in Nigeria functioned more effectively at the time of colonial administration, and its internal efficiency was patterned along the lines of merit. In 1960 when the country gained independence, the roles and functions of the Nigerian civil service moved away from the imperialist interest of maintenance of law and order, to that of facilitating the realization of the country's developmental aspirations. The Civil Service represents the machinery through which the government formulate and implement its public policies. The public service performs these roles by translating the programmes and actions of government into solid public goods and service for citizens' use. No matter the type of system of government a country practices, the public service is designed to drive both economic and social development of the nation. Among the problems of government in a country like Nigeria is the inability of the civil service to direct its aspirations, goal and objectives properly towards improving the welfare of the populace. The efficiency of the Nigerian civil service has been put to test and it has experienced series of economic, political and structural transformations by various regimes and administrations in the country at one time or the other. The Nigerian public has faced numerous challenges with service delivery since her independence in 1960. Nigeria like any other developing nation of the world has reviewed its service delivery procedures and processes with a view to having better performance and

productivity in the public service. The Nigerian government introduced several reforms and strategies to mitigate ineffective service delivery in the public bureaucracy.

One of the problems confronting public service is that there are too many policies that lack political will for its implementation. The history of the public service reforms in Nigeria is dated back to the colonial era, and there have been several reforms targeted at improving the quality of service delivery in the public sector. But the most worrisome part is the fact that many of these reforms did not achieve their purpose and intentions as the country still battles with very high rates of poverty, poor power supply, unemployment, bad rail system, poor road connections and insecurity to mention but a few. President Olusegun Obasanjo's administration of 1999-2007 and the President Yar'dua/Goodluck Jonathan administration introduced wide ranging reforms programmes targeted at making the public service deliver goods and services effectively and efficiently but the results have been dismal (Omisore, 2013). Among the reforms introduced by the Nigerian government in the last one decade are: Public Private Partnership, Banking reforms, Pension, Electoral and Service Compact with Nigerians (Servicom). One notable strategy designed by the federal government of Nigeria to enhance service delivery is SERVICOM (Oyedele, 2015). Servicom was geared towards effective and efficient delivery of public service. Servicom as an acronym for service compact with Nigerians is a policy initiative geared towards achieving excellent service in the public sector in Nigeria. Olaopa (2008) noted that Servicom reform emanated from a technical assistance provided by the British Government through the DFID to the Federal Government. The strategy was conceived against the backdrop of declining quality of public goods and services. The Servicom office in its publication, emphasised the charter on the need for the Nigerian public service to deliver its mandate and handle challenges, issues and criticisms that may arise in the process of carrying out its promises. Servicom does not only pay attention on the type of services provided, but how the services are delivered to the citizens. The bottom-line of the Servicom strategy is to provide value for money spent by public sector institutions (Omisore, 2013). Although the Servicom initiative was an attempt at tackling inefficient and ineffective delivery of services in the public sector, it seeks to address the attitudinal issues of Nigerian public service, geared towards service delivery with a focus on customer/ citizen's satisfaction. The Servicom charter has a number of inherent challenges and lapses. Among the lapses of the Servicom initiative is that there was no baseline data that could bring out the public interpretation of the conditions in the Nigerian Civil Service as at 2003, thus there was no benchmark for measuring the impact of the reform programmes being implemented on service delivery in Nigeria (Olaopa, 2008). Low level publicity is also one of the lapses that the Servicom strategy encountered.

Indeed, the civil service has been rightly described by the former head of the Nigerian civil service, Mr. Stephen Oronsaye as the bridge between the government and the governed, stressing that an inefficient public service, therefore, constitutes a barrier between the government and the people (The Nation September, 28, 2010). The importance of the public service can be seen in the fact that it gives effect to the policies and decisions of the government of the day whose responsibility it is to administer the affairs of the state. As the machinery of government, it has the traditional duties to collaborate with any political party that wins the election or is on power, whether or not it agrees with the tendency and views of government as they relate to policies for the effective identification, formulation and implementation of public policies and legislation designed for the good of the citizenry. To a large extent therefore, the efficient and effective performance of the public service determine greatly, the level of development and stability of a nation's administration system (Naidu, 2005). This is why every government in developed and developing countries of the world acknowledge that the achievement of its social and economic development objectives depends on effective public services (Nti, 1996).

The public service of any country, including Nigeria performs certain distinct and crucial functions. It provides a number of social services to the people of a country. Such services include transportation, communications, supply of water, roads, education, health, housing, power, public enterprises and other public utilities in the interests, of socio-economic justice. It also formulates and implements laws and policies of government. By so doing, it remains the essential instrument for translating laws into reality. The public service provides continuity when governments change in a country. It survives even revolutions and coup d'états (Naidu, 2005). It is in the light of the crucial role of the public service to deliver social services to the citizenry that we need to examine the critical importance of effective service delivery in Nigeria. As noted above, the public service is the main machinery of government for the implementation of public policies and decisions.

It, therefore, follows that the primary responsibility of government is to deliver, promptly and efficiently, quality services to its citizens at affordable prices. Indeed, service delivery is the "raison d'être" of the public service. Fundamentally, the ability of a government to legitimately tax and govern people is premised on its capacity to deliver a range of services required by its population which no other player will provide. In other words, government owes its existence and its legitimacy to the fact that there are services in which the possibility of market failure is great (Olowu, 2008).

2.5 Theoretical Framework: The Neo-Weberian Model

The term Neo-Weberian usually refers to the application of Weberian principles to a modern state or organization. The concept of the Neo-Weberian State (NWS) was first introduced by Pollitt and Bouckaert in their book *Public Management Reform: A Comparative Analysis* (2004) and later advanced by Drechsler (2005), Drechsler and Kattel (2008), Pollitt (2008), Randma-Liiv (2008) and others.

According to Pollitt and Bouckaert (2004), the NWS can be considered a variant of public-management reform. Drechsler and Kattel (2008) maintained that NWS encompasses the ideas of political power and modernization thus:

First, the state remains a strong steering and regulating presence within society. Thus the objective is not the minimal state ... The state is ... the guarantor and partner of both a strong economy and a civilized, socially cohesive society. It is the initiator or facilitator of a whole range of additional democratic mechanisms, central and local, both representative and direct ... Second, the state is steadily modernizing, professionalizing and seeking improved efficiency. But there is no assumption that aping the private sector is the only way to achieve efficiency and professionalism. Private sector methods may be chosen on some occasions and for some policies, but they have no automatic priority or superiority (Pollitt, 2008:14) Additionally, as Pollitt (2008) underlines, the NWS is not just a mix of traditional Weberian bureaucracy with some NPM efficiency tools; rather, it seeks to modernize the state and includes both "Weberian" and "Neo" elements. The latter preserve the main part of the traditional Weberian model and modernize it (which can take various contexts - and country-specific forms) (Drechsler and Kattel, 2008). This comes in accordance with Larbi's (1999) claim that a careful and selective adaptation of some NPM elements to certain sectors may be beneficial for societies.

The "Weberian Elements" of the NWS model describe the strong Weberian basis on which reforms should take place in order to ensure that they work well. Pollitt and Bouckaert (2004) summarise their description of the Weberian basis of the model in the following four points:

- I. Reaffirmation of the role of the state as the main facilitator of solutions to the new problems of globalization, technological change, shifting demographics and environmental threat;
- II. Reaffirmation of the role of representative democracy (central, regional and local) as the legitimating element within the state apparatus;
- III. Reaffirmation of the role of administrative law – suitably modernized – in preserving the basic principles pertaining to the citizen-state relationship, including equality before the law, legal security and the availability of specialized legal scrutiny of state actions;
- IV. Preservation of the idea of a public service with a distinctive status, culture and terms and conditions

The Neo-Weberian theory is relevant and applicable to this study, because it enables us to establish the basis for assessing Bureaucracy and Moral Values in Nigerian public Service. It provided the much needed framework for interrogation and analyses of issues and the dysfunctions inherent in the operational modalities of the Nigerian public service. The Neo-Weberian theory also illuminates our understanding on the possible causes of poor and ineffective service delivery in the Nigerian public sector. The theory applies to this study based on the fact that the quality of the bureaucracy determines the quality of service delivery and the capacity of the State and its institutions as platforms and agencies of development.

3.0 Methodology

This paper adopts the ex-post facto research design. This research design is descriptive in nature and relies on secondary sources of data obtained from relevant books, journals, and Internet materials to examine Bureaucracy and Moral Values in Nigerian public service: a search for effective and efficient service Delivery. The justification for this research design is based on the fact that it allows the “investigator starts with the observation of dependent variables, and then, studies the independent variables in retrospect, for their possible relationship to have any effect on the dependent variables” (Chukwuemeka, 2006:19).

When assessing perceived quality of service delivery, reliable information is difficult to obtain, and this has remained one of the major difficulties over the years in Nigeria. Basic statistics on performance released by public institutions are neither generally correct, nor comprehensive enough. Thus, service quality can be measured by tangible assessment, reliability, responsiveness, assurance and empathy. These factors were taken into cognizance in designing the questionnaires. The Basic Services considered were health, electricity, water, safety, security and sanitation. The effort is the continued tracking of citizens’ opinion on salient issues affecting human wellbeing.

4.0 Discussion of Results

The Political Bureau recommended to the Federal Military Government in 1988 the need for strengthening of existing machineries for monitory the actions and Moral Values of public officers, to ensure that they conform to the highest standards of public morality and accountability. The Bureau observed that corruption and indiscipline were bane of ineffectiveness and inefficiency of service delivery in Nigerian public service. The recommendation of the Public Bureau resulted in the establishment of Code of Conduct Bureau and Code of Conduct Tribunal with powers to enforce the code of conduct for public officers as enshrined in the 1979 Constitution of the Federal Republic of Nigeria. These provisions have been retained in the Third and Fifth Schedules of the 1999 Constitution of the Federal Republic of Nigeria (as amended) respectively and Code of Conduct Bureau and Tribunal Act (Cap 15 laws of the Federation of Nigeria, 2004).

Most literature holds the view that bureaucratic institution and democratic institution are poles apart. Reasons given are simply convincing, though. The core argument of this section is that Nigerian bureaucracy should conform with the moral values and good ethical conduct which will in turn result to a more efficient and effective in delivering services to the citizen in the fourth republic on two important grounds: first, bureaucracy, as persuasively argued below, performs much better in a democratic setting. The second reason derives from the first. Consequent upon being the longest republic since the history of the country, higher productivity by bureaucrats than performed in the first, second, and third republics would be expected. But the woeful performance raises a disturbing contradiction and the question of explainable variable. Why has Nigerian bureaucracy underperformed in the fourth republic? What is the way forward? Effective performance of public services is underpinned by certain Moral values, which include, integrity, meritocracy, discipline, professionalism, patriotism, impartiality, and secrecy of government information,

Unless declassifying such information falls within the breadth of the Freedom of Information Act. The philosophical premise derives from studies' finding that "no nation can attain sustainable development for the enhancement of the living standard of the people without a properly organized public service to implement government policies" (Osawe 2015 p. 45). In this democratic age, bureaucracy is widely seen as an inevitable complement to democracy (Olaopa 2018). However, for a good deal of selfless discretion in decision-making and administrative processes, there shall be disciplinary mechanisms for compromised professional ethics. Interestingly, evidence from Nigeria reveals unhealthy practices for effective and efficient bureaucratic performance. The condition and disillusionment outcome explain what Olaopa (2018, p.) presents as "...in a place like Nigeria, the public service as a bureaucracy, is not a complement to democracy but a patently pathetic manifestation of bad governance." There is a structurally jaundiced Nigerian bureaucracy, which has an adverse effect on recruitment/ appointment processes. For instance, a recent study shows that motives many had joining the civil service account for two broad perspectives on the professional ethics: self versus public. Responses from a sample of Nigerian civil servants highlighted income prospect, the prestige, the stable career path, the opportunity to serve Nigeria, job availability, and educational opportunities as reasons for taking a job in the Nigeria's civil service. Inferred from these is that while some are intrinsically motivated, others are extrinsically motivated. Despite Perry and Hondogheim observation that intrinsic motivation of public servants affects overall productivity and Grindle's submission that intrinsic motivation operates as a safeguard against shirking (as cited in Pepinsky et al. 2017), it constituted only one thirds of the participants (Phiri 2018). In the hope of becoming rich, professionalism was of no value to civil servants who engaged in the cashgate scandal upon joining the civil service (Phiri 2018). The above submission is consistent with Osawe (2015) findings that failure to adhere strictly to the core values was due to adverse environmental factors such as corruption, favoritism, nepotism, constant political interference, and other primordial factors such as geographical, ethnic, cultural, linguistic, and religious affiliations. It should not appear strange that a certain percentage of the one-thirds may encounter reality shock to divert the entry behavior to a dominant self-serving mindset. In the face of the challenges, impact-free reforms, and vulnerability of the Nigerian bureaucracy to excessive politicization and external interference, commitment to, and application of, operating rules, including bureaucratic values such as competent neutrality, depersonalization, anonymity, and professionalism, need not be compromised.

5.0 Conclusion and Recommendations

Public service is the vehicle for public service delivery and governance. The quality of the public service largely determines the pace of development of any nation. This is because of the crucial role public servants play in the formulation and implementation of programs of governments. The public officers

who are meant to propel the engine of societal growth through the bureaucracy must as matter of principle set good examples to other members of the society by having a good moral values while discharging their duties in public institutions. The Constitution of the Federal Republic of Nigeria 1999 (as amended) has therefore provided the template for the kind of behavior expected of public service in terms of probity. Despite the enormous impotence of the code of conduct, many public servants are not fully aware of the provisions therein. Even those that are aware of it hardly put its provisions into implementation. There are scanty of cases at the code of conduct tribunal, and its performance has been very poor albeit the enormous powers under the Constitution. In fact the tribunal hardly passes judgment against violators of the code of conduct of the law. This paper recommends that there is need for desire and willingness on the part of the public to adhere to the public service laws and regulations and not to violate the law. It also recommends that corruption and other vices in all sectors of the economy must be tackle by the government for effective public service in the country. It finally recommends that penal sanctions and punishment alone are not enough to curb public misconduct, there has to be patriotism, honesty, integrity, commitment, dedication and above all fear of God on the part of the general public and public officers in particular.

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Human Resource Management as a Panacea for Effective Development of Public Institutions in Nigeria

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Abstract

Success in public institutions is a product of several elements, this include the quality of human resources and infrastructure available to the public institutions. For Nigeria to achieve and sustain socio-economic development in public institutions, it really needs to wake up and focus on total training and management of her human resource base. It is against this backdrop that this paper intends to examine human resource management as a panacea for effective development of public institutions in Nigeria. In so doing, the study applied secondary source of data and content analysis on gathering and analyzing its information that gave these substantial proves on the significance of human resource development for the effective development of public institutions in Nigeria. The paper opined that no institution be it public or private can experience growth without first putting priorities on human resource training and development. Because humans are the mother of other resources like finance, materials and so on. It is a known fact that for other resources to be meaningful and proactive, humans who are properly trained and managed must be available to utilize and execute them. And it is on these premises that the paper recommends among others; that federal government should as matter of urgency, establish human resource training centers at various levels of government in Nigeria that should be result oriented. Also that Human Resource Management should be made a compulsory course in all departments in the higher institutions in Nigeria, irrespective of the discipline.

Keywords: *Human Resource Management, Public Institutions, Development, Training*

1.0 Introduction

Human resources include all the experience, skill, judgment, abilities, knowledge, contacts, risk-taking and wisdom of individuals and associates with an organization (Barney, 1995:50). Without an adequate, skilled and well-motivated workforce operating within a sound human resource management program, sustainable development is not possible.

According to Ogbuanya (2016), public institutions growth, development and success are determined by its human resources (human capital). Other human resources (physical, material and financial) are to be mobilized and utilized by the available human resources to accomplish the set goals. In fact, it is people that set objectives, determine the resources for use, manage the resources appropriately, and coordinate the activities of an organization to achieve the desired goals.

Public institutions goal cannot be met without human resources (human capital) who are effectively trained and developed. An institution be it public or private is nothing without effective human resource management. Olaitan et al., (1999) describe human resources as those acquired functional knowledge and skills which individual can supply and gainfully utilize for purpose of achieving optimum productivity. Stewart et al., (1978), explain that human resources exist within people and consist of a

person's potential ability as well as critical knowledge, skill and other personal characteristics which include personality factors (altitudes), aptitudes, physical and mental traits need to perform the job.

According to Armstrong (2005), as cited in Njoku (2013:9), human capital is the most important element in an organization's intellectual capital. Njoku (2013: 11) emphasizes that collective attitudes, skills and abilities of people contribute to organizational performance and productivity. Njoku((2013) further believes that any expenditure in training, development, health and support of employees is an investment not just an expense, and he maintains that people should be treated as assets rather than an expense item. He opined that every efforts should be made, whether formally or informally to develop skills and abilities and to provide opportunities for people to maximize their contributions to the attainment of organizational goals.

The development of any public institution, therefore, depends to a very large extent on the caliber, organization and motivation of its human resources (Onah and Anikwe 2013). Therefore, this paper focuses on finding solutions that would cushion the Development problems in Nigerian public institutions. And which at its end, has duly recommends among others that an effective human resource training and development would catapult Nigeria out from her current development downturn.

1.1 Statement of Research Problem

One of the basic problem bedeviling pubic institutions in Nigeria has been attributed to issue of human resource management. Even though some institutions have been established to bring this menace to an end. Nonetheless, the question of how successful these so-called institutionalized training centers are needs to be addressed with the utmost care. According to (Nwankwo1988) referenced in (Onah 2014), the bureaucracy, the socioeconomic environment, and the technological environment of public administration in Nigeria are what cause the challenges with training. They link the issues with institutional framework and management education. The duo further maintain that even though several public service review commissions and government sponsored manpower studies in Nigeria have placed emphasis on the need for public management training there is still poor awareness of the significance of training among the political leadership and civil servants. Based on this backdrop this paper will raised issues on how to tackle Developmental problems in Nigeria public institution through applying effective human resource Management.

2.0 Literature Review

2.1 Concept of Human Resource Management

There are numerous definitions of the term human resource management as there are many experts in the field and it is called by different names for example, in certain public enterprises it may be called personnel administration, employee relations or manpower. Human resource management is concerned with the proper use of human factors in business. Byers and Rue (2000:75) are of the opinion that human resource management is that part of management that is designed to provide for and coordinate the employees in the organization. Plants, equipment and all others that a modern firm uses are unproductive except for the effort and direction by human resource.

According to Obikoya (2002:6), "human resource management process is that part of mangement process that specializes in the management of people in the work organization". To Randal S Schuler and Landra L. Hummer (1993: 48), human resource management can be defined as the use of several activities to ensure that human resources are managed effectively for the benefit of the individual, society and the business. According to (Cole, 2002:44) human resource management is that part of

management which is concerned with people at work and with their relationship within an enterprises and it seeks to achieve both efficiency and justice.

Human resource management has to do with various operative functions of recruiting, maintaining and utilizing a labour force in such a way that objectives for which the company was established are attained economically and effectively. In sum, human resource management can simply be defined as an effective and efficient utilization of human element at work.

Human resource development is a systematic process of training and growth, by which employees gain and apply knowledgeable insight and attitude to work effectively (Ogbuanya 2016). He further said that human resources development is the key competencies that enable individuals in organization to perform current and future jobs through planned learning activities. Human resources development can also be classified as a platform/framework for helping employees develop their personal and organizational skills, knowledge and abilities. While training on the other hand is an institutional effort aimed at helping an employee to acquire basic skills required for the effective and efficient execution of the functions for which he or she is hired. Human resources, easily recognized as the most important of the resources required for the production of goods and services, are the key to rapid socio-economic development and efficient service delivery (Onah 2014:3). Onah (2014) further said that the efficiency with which an organization can perform will depend, to a large extent, on how its human resources can be managed and utilized. The main objectives of human resource development is to improve the potentials of the employees and identifying the different training needs of each individual worker (Odunayo, 2014). According to (Odunayo, 2014) the importance of training and development to employees and managers cannot be quantified following the changing pattern in technology. He emphasized that adequate provision of training needs for employees will go a long way in reducing their intention to leave, absenteeism, industrial hazard, etc.

2.2 Concept of Development

Development on its part is more of a gradual process tended towards the future. The three factors of performance improvement are very well inclusive in both. Employee development is usually one of the result of a 'top down' appraisal system. In case of development, an employee may be identified as possessing some qualities that will better position him/her for a responsibility, and he or she is discovered and groomed or mentored in anticipation of him/her filling the post, sometime in the future. For example, the head of a department is due for retirement in two years; one of the three subordinates has been identified to be the best performer amongst the lot. This employee has to be prepared in advance for the potential vacancy. Consequently, he will be groomed in readiness for the future and stated/sponsored to attend a number of managerial, in-house and external courses. Finally, note that in both training and development examples given above, there is a commonality, which is the acquisition of needed skills, knowledge and right attitude for efficiency in performance and service delivery.

2.3 Nigeria Public Institutions

The concept and structure of what is today known and operated as the Nigeria public organization or public sector of the entire economy has been premised on the nation's public administration system based on its colonial exposure. Thus, what constitutes the public organization in Nigeria is one of the land mark legacies bequeathed to our country at its independence. The sector has largely remained a semblance of what obtains in the context of colonial master's home politico-economic model of running public undertakings. The public organization is that sector of the economy owned and controlled by the

governments of the federation, state and their agencies. It is a sector which is expected to serve all the citizens and it is funded and administered from and by the public resources.

Abassi (2000), mention that public organization is divided into three categorizations: (1) The civil service: This category can be identified as the federal, state, state ministries as well as the local government councils (2) The institutions of learning, research institute and other allied systems (3) The parastatals: These are federal and state corporations like the Nigerian Railway Corporation, Housing Corporation, Port Authorities, Air and Sea, Crude Oil and Solid Mineral Ventures and Transportation undertaken. Others include the Power Holding Company of Nigeria, Water Corporation, Nigerian Television Authority (NTA), Federal and state Radio Corporations, the Nigerian Postal Service (NIPOST), federal and state Waste Management Board, and the Banking Industry, among others.

These parastatals are supposed to provide certain essential services to members of the public even if they are unable to make profits or at least break even. As opined by Otobo (2000), the Nigeria public organizations when compared to the private organizations, constitute various categories of employees requiring vary skills in level and content as regards their job holding. Again, the employees in these categories form the largest number of those employed in the country, but the public organizations has the highest number. As would be expected, they should constitute area of interest in the field of organizational study of discourse of what happens in the workplace.

Put differently, the emergence of the crude oil industry into Nigeria economy, after the civil war in the 1970s, with the associated boom intensified governmental involvement in production and in control of the Nigeria economy. One major aim of government at that period was to convert as much as possible of the growing oil revenue into social, physical, and economic infrastructural investments. The Nigeria Enterprises Promotion Decree of 1972, which took effect on 1st April, 1974 with its subsequent amendment in 1976, provided a concrete basis for government's extensive participation in the ownership and management of organizations. Given these developments, public organizations at the federal level had exceeded 100 in number by 1985, and these had spread over agriculture, energy, mining, banking, and insurance, among others.

The development and the acquisition of skills at the required levels by all workers in the public organization or sector become a study target as it is obtain in this paper. It should be noted, however, that the public organization is growing in nature and scope by the day, in response to the immediate and external socio-political and economic developments, especially in the content and context of the technological explosive and globalization. For these public organizations to meet their increasing tasks, they require responsive and well equipped workers in terms of necessary knowledge, attitude, and adequate skills to enhance their on-the-job behavior for effective and efficient service delivery on the parts of their employing public sector units (Obikeze, 2004). This responsibility rests squarely on the shoulder of public organization human resource management (HRM) departments and their outdoor professional counterparts (consultants).

2.4 THEORY FEMEWORK

Theoretical framework of this study is the resource- Based view (RBV). The Resource Based View was propounded by Selznick (1957) and Penrose (1959) that is according to Bratton and Gold (2007) and developed into a more robust theory by Barney (1991). The basic assumption of this theory is that, organization can gain competitive advantages by concentrating on their internal resources (abilities, skills knowledge, capabilities, competencies etc). The Resource based theory suggests that firms should

develop and maintain those resources that can be fully developed in order to create the needed value and capabilities for achieving public institutions efficiency.

The impact and influence human resource management over the past twenty six years of the Resource Based Perspective (RBP), otherwise known as the Resource Based View (RBV) within strategic management has been considerable.

The Resource Based Theory has so many significant justifications to the problem under study. The theory emphasized the role of human resource management is to achieve public institution efficiency. So, in order to explicate the variables that form the basis of this study, one need to state that human resources are the most valuable assets of any organization or society. The Resource Based View (RBV) advocates that an organization can gain competitive competent human resources and as well identify relevant training for them that will keep improving their capacity for optimal performance.

2.5 HUMAN RESOURCE MANAMENT IN NIGERIA PUBLIC INSTITUTIONS

HRM policies and practices are carried out within an economic, social, political and legal environment. Thus, there is a need for considerable historical and cultural insight into local conditions to understand the processes, philosophies and problems of national models of HRM (Hofstede, 1993). Nigeria is the most populous country in Africa with an estimated population of 180 million people. The Nigeria's population and human resource base make it one of the most attractive countries for foreign investment in Africa. As foreign and local firms increase their involvement in Nigeria, they will need to build capabilities and utilise local competencies. The knowledge of human resource management (HRM) and more importantly perhaps, knowledge of the factors that impact on HRM in Nigeria will become increasingly critical to the way we do businesses in Nigeria and ultimately their success. Hence, the way to get things done cannot be divorced from local values, customs, and the overall external cultural environment.

HRM as a concept got introduced into the Nigeria literature in 1940 during the colonial era; with industrialisation and commercializstion, which later became wage employment. Ever since then, there has been a tremendous growth of HR in Nigeria, which in recent years has been characterised by lack of professionalism and specialisation. Different reasons have been accounted for as the challenges facing HRM practices in Nigeria. Some of which are discussed in this paper. The socio-cultural diversity of Nigeria has influenced the HRM practices in Nigeria. Nigeria is characterised by over reliance on culture, language, religion, gender and educational qualifications as a basis for determining who get employed. What this means is that, the opportunity for an average Nigeria to get employed is a factor of the aforementioned variables.

Nigeria according to Fajana (2009) is one of the African countries troubled by abundant labour and scare talent. Attracting, developing, deploying and retaining best talents had become a challenge. That is why Fajana and Ige (2007) argued that the desire for top performance has driven the need for effective management. HRM in Nigeria can be said to be 'still in Infancy' and lot of academic research is still required in this area. Lack of indigenou and comprehensive HRM models is one of the challenges facing HRM practices in Nigeria, which is why the majority of principles and practices evidence in workplaces in Nigeria are all adopted from other countries. HRM practices in Nigerian are a convergence with western-inspired approaches, with the evidence of cultural and institutional influences on it. That is, there is a blend of transplanted and indigenou HRM practices. The sensitivity to individuals' socialization as well as economic, historical, political, and social contexts according to

Azolukwam and Perkins (2009) may enable organisations to capitalise on the potential to transplant forms of HRM from parent country cultures to developing countries such as Nigeria.

Nevertheless, most organizations are characterized by lack of funding for human resource management research and development. Nigeria's democracy has enhanced the practice of HRM, determining the quota of expatriates it permits. Nigeria's economy allows the importation of new technologies to enhance HRM, but training is still a bit slow, thus employment of expatriates to handle such is still encouraged. In Nigeria, there is application of new management techniques and skills used in the running of organizations, all aimed at running a cost-effective system. HRM practices in Nigeria cannot be totally diffused from what is evidence in other countries. However, due the peculiarity of the social-cultural characteristic of Nigeria, HRM in Nigeria is an area open for further research. Good employer-employee relations are therefore critical to the stable and sustainable development of the Nigerian economy, as well as the world economy as a whole. Several other factors have affected HRM practices in Nigeria namely; first, lack the internal manpower to complete all necessary tasks. Second, the complexity of today's business climate as a result of deregulation, globalization, and technology advancements has outpaced many companies' level for companies to get special projects done without adding employees to the payroll (Olofin & Folawewo, 2006).

Most organizations in Nigeria now offer a continued education and training to help its people cultivate the right skills and expand their career within a truly global/collaborative workplace. However, in recent time, Nigerian workplaces are introducing different HR ideologies adopted from foreign organizations. For instance, there has been a tremendous increase in level of contract or temporary employment and most of these activities are contracted out to consultants, via outsourcing thereby reducing the number of personnel in its payroll. The implication of this is that organizations are paying lesser for more work, and at the same are losing the psychological attachment, commitment, loyalty of their employees.

In Nigeria, organizational control is firmly in the hands of management and the management's role is to effectively manage the number of employees and match them closely with desired goals and objectives. Both the management and the Nigerian government strive to make coherent HR policies that fit closely with overall business strategy. For example, in the oil industry (which is the most organized and highly paid employment sector) the government of Nigeria has made concerted efforts over the last 50 years to promote the participation of indigenous workers in the oil industry. Regulation 26 of the 1969 Petroleum and Drilling Act represents one of government's early efforts to increase Nigerian national oil workers' participation in the industry. Recruitment is selectively done in Nigeria, and employees are trained to perform required skills. However, due to the complexities involved in the activities of the oil industries, a lot of skilled expatriate services are required leading to a high level of expatriate employment till date. This is also because most of the oil companies are multinationals, with parent companies in well-developed and advanced countries.

In recent years, most organizations in Nigeria are now re-emphasizing the need to train their employees. Training is expected to generate enthusiasm for creating new ideas, and is mutually beneficial to employers and employees. Managers, supervisors and HR departments are responsible for ensuring that workers are effectively trained. Some organizations in Nigeria now provide workers with education and subsidies for job-related training; while some other organizations have changed their wage structures to include education and training subsidy allowance in workers' wages. The challenge here is that such training is expected to be job-related and proven to be of mutual benefit to both employers and employees. This can limit the employees from acquiring others skills that are not related to the job

description. Nevertheless, most organisations in Nigeria are constantly aware of the need and relevance of training and they equally design the right training to meet identified needs. This will ensure that they have the right crop of qualified, competent and valuable professionals to make the right input and be knowledgeable in diverse fields.

Another area of HRM practices that need further development and enhancement is the occupational health and safety. There has not been reliable official statistics on the number of fatalities and non-fatalities in organizations in Nigeria. This is because most organizations are not willing to share their experiences with other because of the fear or being accused of not handling health safety issues properly and compensating the victims adequately. There is also the challenge of employees in Nigeria not knowing their right to work in a safe environment free of occupational hazards and appropriate compensation in the case of accidents or hazards that can affect them both psychologically and physically.

Most organizations in Nigeria are highly unionized, especially the public sector organizations. Employees unite to protect and promote their interest, so also do the employers. Until March 2005, the Government of Nigeria promoted compulsory union membership at the workplace, which has resulted in almost 60 per cent unionization rate. For instance, oil the workers are unionized by occupational category: white-collar workers belong to the Petroleum and Natural Gas Senior Staff Association (PENGASSAN) and production workers to the National Union of Petroleum and Natural Gas Workers (NUPENG). Some of industry-wide trade unions affiliate with different national unions, such as the Trade Union Congress of Nigeria (TUC) and the Nigeria Labour Congress (NLC), respectively. It is only the private organizations that there has not been a high participation in union. Rather what we have in some of these private organizations is employers and employees forming and meeting at common forums to discuss issues, identified problems and map out strategies for a better working relationship.

2.6 Human Resource Management as a Panacea for effective Development of Public Institutions in Nigeria

The goals of human resource management are to develop the workers in the public institutions in Nigeria to contribute to goal achievement in any public institution, improve productivity, and quality service.

The role of the human resource management is not 'neat' and clear-cut. His roles seem to be multi-dimensional. It is believed that the dominance of any particular role is underscored or dictated by economic, political, social and technological changes prevailing at a particular point in time. Human resource management can be seen as a panacea for effective development of public institutions in Nigeria. As such we can therefore note that since Human resource management role comprises the strategic and operational roles. Therefore this paper going to discuss the strategic role of Human Resource in the effective development of Public institution in Nigeria.

2.7 The Strategic Role of Human Resource Management for the Effective Development of Public Institution In Nigeria

Human resources are critical for effective public institutions functioning in Nigeria. Human resource was once relegated to second-class status in many public institutions in Nigeria. However, its importance has increase dramatically in recent times. Its new importance stems from increased legal complexities, industrial related matters, and the recognition that human resource is a valuable means for improving productivity and the awareness today of the cost associated with poor human resource

management (Wright and McMahan, 1992). Strategically, human resource management must be viewed in the same context as the financial, technological, and other resources that are managed in organizations.

Strategically, Human Resource management if practice in Nigeria public institution has a role in increasing productivity by increasing employees' skills and motivation which in turn result to the development of public institution and also translate to National development. Moreover, Human resource management contribute to the achievement of Public Institutions objectives through strategic innovation or technical competence. Empirical studies on larger companies supported the basic assumptions of HRM theory (Arthur, 1994; Huselid, 1995; Huselid et al., 1997). Does this theory apply to small-scale enterprises as well? HRM also carries costs and they might neutralize the positive effects of HRM in small-scale enterprises. HRM is an investment, and thus, it costs time and/or money. The current performance of employees may even be decreasing because of the time spent on training. Moreover, HRM can only have effects when employees stay in the company for a certain period of time. Otherwise, the company suffers a loss because of the investments in HRM. Thus, the benefits of HRM must exceed costs invested in HRM. Since small-scale enterprises have limited financial resources it is very well possible that large investments in HRM do not pay off.

More so, human resource management is recognised as being critical to the survival and success of Public Institutions Development in Nigeria. For example In 1991, IBM and the internationally recognised consulting firm of towers Perrin jointly conducted a worldwide study of nearly three thousand senior personnel and human resource management leaders and chief executive officers. Results indicate that about seventy percent of human resource managers see the human resource function as critical to the success of organisations. By the year 2000, more than ninety percent expect the human resource department to be active while the human resource respondents here perhaps a bit more positive about this trend. The Chief executive officers were very close behind. While serving the very success of the business can certainly be regarded as an important goal of personnel and human resource management.

2.8 Operational Role of Human Resource management for the Effective Development of Public Institutions in Nigeria

Operational activities are both tactical and administrative in nature. Griffin (1997), sees this aspect from the legal perceptive because some have regulated various aspects of employee/employer relations. Human resource management is interested in compliance with observation of labor laws to ensure proper procedure and policy are taken to pay compensations in accordance with establish laws. That is, new and old workers must be oriented and protected in the public institutions of Nigeria, supervisors must be trained, unsafe conditions must be avoided, and salaries and wages matters must be resolved. In short, a wide variety of activities closely associated to the day-to-day management of the people in public institutions of Nigeria are provided by laws and regulations, must be performed efficiently and appropriately. Above all, the human resource perform the welfare role in public institutions, this makes the human resource person an employee-oriented individual, for them to come to grips with this role, they must be very familiar with the behavior of individuals and groups in the public institutions. But this role is gradually not recognizing in recent times, because government of the day is not complying with human resource practitioners in public institutions in Nigeria. As a result, the welfare of the employees is kept in the hands of God almighty, government impunity all over public system and industrial related dispute has taken over public institutions in Nigeria today.

For most organizations in Nigeria, performance appraisal is a dialogue process and serves as a mentor to generally mould the individual to perform at an optimal level. The employees are allowed to carry out a self-evaluation based on engagements and projects they were involved in during the assessment period. It is expected that performance appraisal system should be a fair process involving assessments on skills, technical knowledge and how well the employee can offer quality service delivery. However, the lack of skill and know-how of the appraiser have made some of the tools and parameters for appraising employees' performance to be faulty. Such appraisal system and process might not capture what it is expected to. The concern to develop the right performance appraiser system have pushed indigenous companies in Nigeria to employ expatriate services, as trainers, in positions requiring special skills and expertise, with which Nigerian workers cannot compete. These supervisors assess the performance and recommend for promotions as the case may be.

Wages and other fringe benefits in organizations in Nigeria are by collective bargaining between unions and employers or employees' association. In some private organizations, the basic wages are generally higher than the public sector organization. What is evidence in Nigeria is that wage scales are based on job analysis and evaluation to ensure equity and increases are based on merit or performance. The higher the risk, time allocation, skills requirement, experience required, the higher the wage. That is why jobs that are high in occupational hazards are the highest paid job in Nigeria. In the case of public sector organizations owned by Government, salary adjustments may result from annual merit reviews, promotions, individual special adjustment or general adjustments. General adjustments are made when the Government decrees a general wage increase in both the public and private sectors.

3.0 Conclusion

From the study, it has been established beyond doubt that human resource management can be a panacea for effective development of public institutions in Nigeria. Since the human resources are the foundation upon which every organization is built and sustained. Therefore, human resource management is pivotal in the organization as water is important to human existence. There is need to train, retrain and develop this all-important resource for greater productivity and service delivery. By this one would believe that it is on this premise that Nwankwo (2007) observed that manpower without skill and competence is as good as a machine without operator.

Therefore, the relevance of effective training and development of human resource in an organization has to be applauded and promoted if Nigeria is determined to experience socio-economic development. And when Nigeria falls behind in the development of their human resources, they are prone to fall behind development, because any organization that fails to plan its workforce for effective and efficient service delivery is planning to fail.

4.0 Recommendations

1. Nigeria government should establish human resource Management offices in all Public Institutions.
2. It also recommends that federal government should make a law that would sustain effective human resource Management and development policy.
3. There is need to institutionalize the established human resource training centres across the country, which would aid in bringing socio-economic problems of Nigeria to a halt.
4. Human resources management should be made as a compulsory course to all departments in the higher institutions in Nigeria because on many occasions even engineers are placed in positions

where they are assigned to control and manage humans. Therefore on such situations, success becomes a hard nut to crack.

5. When applicants have been recruited, there is need to subject them into thorough intensive and extensive training before assigning responsibilities to them. Because many a times applicants are been employed and placed in positions where they are novice of their assigned duties.
6. Furthermore, the paper recommends that the process of selecting staff for training and development programs should be open and strictly on merit rather than on parochial interest.
7. The study at the same time urge federal government to create disciplinary measures that would be applied to any organization that fails to prioritize human resource training and development to its human assets.

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SECTION THREE

SUSTAINABLE DIGITAL TRANSFORMATION FOR SOCIO-ECONOMIC DEVELOPMENT

Impact of Stock Market Developments on Economic Growth in Nigeria (1985Q₁ – 2019Q₄)

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Abstract

The study examines the impact of stock market developments on economic growth in Nigeria. The study used quarterly time series data from 1985q₁-2019q₄. Johansen co integration approach was used to ascertain the long run relationship among the variables which shows the existence of three co integration equation at 0.05% level of significance for max-eigen value. Thus the null hypothesis of co integration is rejected using trace statistics as they are greater than their critical value at 0.05% level of significance. It implies the existence of long run relationship between GDPC, MCAP and MPI and there is no long runs relationship with trade openness. Moreover, the causality tests reveal that MPI, GDPC and OPN have unidirectional with MCAP. Lastly, no causal relationship between MPI and OPN with MCAP and OPN with MPI. The study concludes that effective distribution of MCAP to liable and reliable investors or investments with capacity to make use of the equal opportunity when they fall due will improve GDPC and boost market OPN which have impact and stimulated economic growth in Nigeria.

Keyword: *Economic Growth, Stock Market, Trade Openness & Granger causality*

1.1 Introduction

The capital market is a market which deals in long-term securities. It supplies industry with fixed and working capital and finances medium-term and long-term borrowings of the central, state and local governments (Jhingan 2004). The capital market deals in ordinary stocks, shares and debentures of corporations, and bonds and securities of governments. Therefore, capital market functions through the stock exchange market. A stock exchange is a market which facilitates buying and selling of shares, stocks, bonds, securities and debentures. It is not only a market for old securities and shares but also for new issues shares and securities. In fact, the capital market is related to the supply and demand for new capital, and the stock exchange facilitates such transactions. Thus, the capital market comprises the complex institutions and mechanisms through which medium-term funds and long-term funds are pooled and made available to individuals, businesses and governments (Jhingan 2004). There is individual, business organizations and governments of different level that are in need of huge capital to finances their activities but due to undeveloped stock market remain with small capital for their activities.

The stock market, which is the very hub of the capital market, the pivot around which the capital market revolves, is not only crucial to the entire capital mobilization but also to economic development. However, African stock markets are just emerging in the global financial system. With the establishment of stock markets in developing countries is expected to boost domestic savings and increase the quantity

and quality of investment. More generally, stock markets are seen as enhancing the operations of the domestic financial system in general and the capital market in particular (Kenny and Moss, 1998).

For some developing economies, the stock exchanges are relatively large. For example, the market capitalization of exchanges in Malaysia and Jordan represents a higher share of GDP than in France or Germany, while India's stock exchanges list more companies than the stock markets of all other countries except the USA. But on the other hand, for many other developing countries, the equity markets until the mid-1980s generally suffered from the classical defects of bank dominated economies, that is, shortage of equity capital, lack of liquidity, absence of foreign institutional investors, and lack of investor confidence in the stock market (Agarwal, 1997). According to the International Finance Corporation (IFC, 1996), it is ironical that in many countries where there are investment opportunities, there is inadequate access to finance, particularly risk capital and this underlines the need to accelerate the development of local stock markets and other elements of the financial market in developing countries.

This paper seeks to investigate the relationship between stock market development and economic growth in Nigeria; taking economic growth as the dependent variable while the components of stock market development are the predictor variables. This paper is unique because it enhanced the current understanding of the existing body of knowledge between globalization and economic growth in Nigeria.

2.1 Conceptual Frameworks

2.1.1 Concept of Gross domestic product per capita (GDPC)

Gross domestic product per capita (GDPC) is a measure of total output of a country at the current US dollar price that takes gross domestic product (GDP) and divides the number of people in the country. The per capita GDP is especially useful when comparing one country to another, because it shows the relative performance of countries. A rise in per capita GDP signals growth in the economy and tends to reflect an increase in productivity. It is calculated by either adding up the annual incomes of all working-age citizens by dividing the total population of a country during the year. Per capita GDP is sometimes used as an indicator of standard of living, with higher per capita GDP equating to a higher standard of living. (Akinlo, 2004 and Oladipo, 2010).

2.1.2 Concept of Market Capitalization Ratio (MCAP)

Market capitalization is the total value of all equity securities listed on a stock exchange. It is a function of the prevailing market price of quoted equities and the size of their issued and paid up capital. Market capitalization is the most important measure for assessing the size of a capital market. The market capitalization ratio equals the value of listed shares divided by GDP. The assumption behind the measure is that overall market size is positively correlated with the ability to mobilize capital and diversify risk on an economy wide basis (Agarwal 1997).

2.1.3 Concept of Market Price Index (MPI)

Market Price Index (MPI) is an aggregate of the market capitalization of all the industry equities listed in the market with 1984 as its base. Aggregate price changes tend to reflect general changes in the state of the economy or shifts in investors' expectations. The market index is an important tool for explaining economic performance. The index computed by the stock exchange is based on the average changes in the individual stock prices. It is essentially a compilation depicting the average current market value of common stock at a particular date, relative to their average market value at an earlier base period.

2.1.4 Concept of Trade Openness (OPNS)

Trade Openness (OPNS) is the ratio of trade at current US dollar (imports and export) to GDP is used to capture this variable as is standard in this literature. In the growth accounting literature experts have been considered as an explanatory variable. FDI inflows are expected to result in improved competitiveness of host countries exports. As exports and investments may additional investment embodies natural/ labor intensive techniques, employment will rise (Gastanga, et al, 1998).

2.2 Theoretical Literature

2.2.1 The Harrod-Domar Growth Model

Harrod and Domar developed their models independently, but the assumptions and results are, nevertheless, basically the same. They built their theory in the late 1930's and mid 1940's, when the memory of industrialized countries being plunged into deep recessions, with a high unemployment rate and a sharp decline of gross domestic product due to the recession in 1929 and 1930, was still present. Harrod and Domar based their theorizing on the famous work by Keynes who offered an explanation of why markets may fail to bring about full employment. The early classical writers, mentioned in the Introduction, fully believed in Say's law, stating that supply creates its own demand. This belief was based on the assumption that efficient working of markets, especially factor markets, and on the speedy adjustment of prices to their equilibrium levels at which demand equals supply. Keynes denied the frictionless functioning of this process and asserted that unemployment of factors is even more probable in an economy than full employment. But his emphasis was on short run implications of his theory underlining the income effect resulting from additional investment, for example. The capacity effect, resulting from increases in the capital stock, however, was neglected by Keynes. It is this latter effect that Harrod and Domar integrated in their work, thus forming a Keynesian theory of economic growth. The Harrod-Domar model considers a closed economy in which one homogenous good Y is produced. This good may be either used as an investment good, I or as a consumption good, C . The use of it depends on the economic agent. Households consume and save whereas firms produce and invest. All variables are real and the money market is absent.

The GDP which equals national income at time t , then, is given by;

$$Y(t) = C(t) + I(t) \dots \dots \dots 2.1$$

2.3 Empirical Literature

Several attempts have been made by previous researchers to link the growth of stock market with the economy empirically. Some of the early studies which relate to the impact of stock market developments on economic growth in both Nigeria and other countries. According to Olabisi and Ago (2014) studies the nexus between financial sector development and economic growth in Nigeria accounted for over the period 1981-2011 within a multivariate framework which applies Autoregressive Distribution Lags (ARDL) co-integration techniques. Four alternative measures of financial sector development were used - total liquid liabilities to GDP, total stock market capitalization to GDP, interest rate spread and credit to the private sector to GDP- were employed to capture various financial issues such as financial depth, size, efficiency and activity of the financial sector. Indeed, the long run relationship reveal that one percent increase in credit to private sector to gross domestic product, foreign direct investment, gross fixed capital formation, stock market capitalization to gross domestic product and liquid liabilities to gross domestic product results into 0.0247, 0.084, 0.328, 0.0092 and 0.2491 percent increase in the gross domestic product respectively which was in line with the earlier study carried out by Liang and Reichert (2007), while an inverse relationship exist in relations to interest rate spread. Our results support the view that the extent of financial sector sophistication matters for the benefits of private sector development to translate into more economic growth in Nigeria. In sum, the extents to which the financial sector development ought to have developed have not been accentuated to the best optimum level.

Ahungwa et al (2014) considers the pattern and contribution of agriculture to the Gross Domestic Product (GDP) of Nigeria within a time frame of 53 years (1960-2012). Time-series data emanating from National Bureau of Statistic (NBS), Central Bank of Nigeria, National Planning Commission (NPC) and CIA Fact book were used and analyzed using trend and regression analysis. The results showed that the share of agriculture to the total GDP had a downward trend, yet maintaining a clear dominance over other sectors from 1960-1975. Further analysis depicted an undulating trend, intertwining with the industrial sector from 1976-1989. The regression results showed that agriculture has a positive relationship with GDP and contributes significantly with a coefficient of 0.664, implying that a percentage increase in the contribution of agriculture can increase the GDP by 66.4 percent higher than any other sector. This cumulative effect of agriculture on GDP clearly affirmed the dominance of the sector's contribution to the GDP of Nigeria.

Omoruyi and Ahmed (2014) identify the short-run and long-run relationships between financial system development and economic growth in Nigeria. The study adopted a multivariate OLS analysis for the estimation process, co integration analysis for long-run equilibrium relationship and the associated error correction model to determine the short-run impact of the variables. The Granger causality test was used to determine the direction of causality among the variables. The findings of the study showed that financial development (measured by banking system and stock market development) positively influenced economic growth in Nigeria; that causality runs from finance to growth in the finance-growth nexus.

Osamwonyi and Michael (2014) investigates the impact of macroeconomic variables on profitability of banks in Nigeria from 1990-2013. Pooled Ordinary least method is used to determine the effect of three major factors; gross domestic product (GDP), interest rate (INTR) and inflation (INFR) on return on equity (ROE) which proxies' profitability. The findings from the empirical point of view show a positive relationship of gross domestic product (GDP) with return on equity (ROE). Interest rate and inflation rate have a negative relationship with return on equity (ROE). Gross domestic product have a significant positive effect on Return on equity (ROE) while interest rate have a significant negative effect on return on equity(ROE) but inflation is not significant at all levels of significance.

Emeh and Chigbu (2014) examine the impact of capital market on economic growth in Nigeria. The study adopts a time-series research design relying extensively on secondary data covering 1985 -2012. The study utilizes regression analysis as data analysis method incorporating multivariate co-integration and error correction to examine characteristics of time series data adopting disaggregate the capital market indices approach. Observation across studies on this subject is the heterogeneity in empirical findings over what may be termed a considerably uniform theoretical framework at least with regards to causality. Our finding suggests that two exhibit positive while two exhibit inverse and statistically significant relationship with economic growth.

Osho and Augustine (2014) assess the role of stock market on Nigeria's economic development from 1980 to 2010 which cover the market performance and economic growth in Nigeria. Data were sourced from statistical bulletin. This research study made use of annual time series data covering the period between 1980 – 2010. The study also made use of ordinary least square of multiple regression estimates. From the study, stock market development is positively correlated with the development of financial intermediaries and consequently economic growth.

Peter and Lyndon (2014) consider the determinants of stock market development for the period of 1977-2010. The study further investigated the long run and short run relationship between the variables, using ex-post facto research design and the utilization of Johansen Co-integration and Error Correction Model

(ECM) approach. The empirical result indicates that market capitalization, credit to private sector and exchange rates are all important determinants of stock market development both in the long run and short run in Nigeria as these variables have positive effect and thus stimulate economic growth in Nigeria while inflation and saving rate had negative impact on stock market development in Nigeria. These results as they stand have some policy implications and it therefore follows that to achieve accelerated stock market development and economic growth in Nigeria, monetary authorities should effectively moderate and control the inflation and savings rate so as to sustain macroeconomic stability.

With reference to Popoola (2014) evaluates whether the stock market promotes economic growth and development in Nigeria. The stock market is a common feature of a modern economy and it is reputed to perform some necessary functions, which promote the growth and development of the economy. To achieve this objective, Ordinary Least Squares regression (OLS) was employed using the data from 1984 to 2008. The results indicated that there is a positive relationship between economic growth and the stock market development variables used. With almost 95.77 percent R-squared and 94.92 percent adjusted R-squared, the result showed that economic growth in Nigeria is adequately explained by the model for the periods of 25 years (i.e. from 1984 to 2008). By implications 95.77 percent of the variation in the growth of economic activities is explained by the independent variables. The results of the research, established positive links between the stock market development and economic growth, suggests the pursuit of policies geared towards rapid development of the stock market.

Osmond et al (2014) determine the role and contributions of the Nigerian stock market to national income in Nigeria from 1981 – 2012. This is necessitated by the concern as to whether a lean stock market like we have in Nigeria with an average of 240 quoted companies (within the period of study) with an average market capitalization of N4 billion can significantly exact the much expected positive impact on total output. Four explanatory variables were specified for this study based on theoretical underpinning. Stationary test were conducted using Augmented Dickey Fuller unit root test, while Johansen Co integration test was used to estimate the long-run equilibrium relationship among the variables. The Granger causality test was conducted in order to establish causal relationship, while the model was estimated using the error correction model (ECM).

Osazevaru and Henry (2014) test for the presence or otherwise of volatility clustering in the Nigerian stock market. Using time series data of share prices for the period 1995 to 2009, the Autoregressive Conditional Heteroscedasticity (ARCH) model and Generalized Autoregressive Conditional Heteroscedasticity (GARCH) model were estimated. The estimates indicate that the market exhibits volatility clustering. The rate at which the response function decays is found to be 1.1783 and quite high. It is suggested that aggressive trading on a wide range of securities been courage as this will increase market depth and hence reduce volatility.

Igbodika and Maryann (2014) study the relationship between stock market and economic growth of Nigeria, using time series data from 1999 to 2011. The study employed ordinary least square (OLS) techniques. GDP was used as proxy for economic growth. Stock market development was measured for size and liquidity, the size was measured with market capitalization while liquidity was measured using total value of stock traded and stock market turnover. The findings show that both liquidity and market size have no significant individual effect on the economy but when combined, it has overall significant effect on the economic growth of Nigeria.

Satope (2014) analyzes some of the reasons for low economic growth/development in Nigeria using secondary data from World Bank, and Central Bank (CBN). Using analytical technique and descriptive

statistics. A deepening poverty; corruption, unemployment, poor infrastructures, inadequate capacity for socio-economic management; poor leadership, a low per capita income and others were found existing as obstacles to growth. The steps already taken by the country for development were identified as banking reform, poverty alleviation programmers and others.

Oluwole (2014) looked at the interrelationship that exists between globalization and stock market growth has been an issue of both theoretical and empirical investigations. The a priori expectation is that globalization will impact positively on stock market growth in Nigeria. This work therefore, attempts to find out if there is any impact globalization has on stock market growth in Nigeria. Data for this work were obtained mainly from secondary sources and analyzed with the use of ordinary least square simple regression model. The study shows that globalization through trade liberalization and financial integration had a significant impact on the growth of Nigerian stock market. Also, the study equally shows that globalization promotes regional and global integration of Nigerian stock market. However, the study did not overlook the volatility inherent in globalization.

Osmond et al (2014) aims at determining the role and contributions of the Nigerian stock market to national income in Nigeria from 1981 – 2012. This is necessitated by the concern as to whether a lean stock market like we have in Nigeria with an average of 240 quoted companies (within the period of study) with an average market capitalization of N4 billion can significantly exact the much-expected positive impact on total output. Four explanatory variables were specified for this study based on theoretical underpinning. Stationary test were conducted using Augmented Dickey Fuller unit root test, while Johansen Co integration test was used to estimate the long-run equilibrium relationship among the variables. The Granger causality test was conducted in order to establish causal relationship, while the model was estimated using the error correction model (ECM).

Manasseh (2014) considers the efficient market hypothesis and Nigerian capital market in relation to information contained in dividend and bonus issues announcement to ascertain the speed at which the market adjusts to all the relevant available information on share prices of the listed firms in the main board market. To estimate the speed of adjustment of daily share prices of 33 sampled firms listed in the market in semi-strong form, market model developed by Fama (1969) is employed. From the findings, the study reveals positive and significant abnormal returns (ARs) for most of the days around the 41-days event window (-20, 0, +20). The evidence shows that share prices of main board market do not adjust quickly to dividend and bonus issues announcements thus, suggesting that the market is not efficient in semi-strong form. The study also investigated if the market anticipated the information contained in the event by examining the share price movement of the sampled firms around the estimation window. The results revealed that the abnormal returns (ARs) and average abnormal returns (AARs) of most of the days in the estimation window tend to stay significantly negative at 5% and 1% level. The significant and negative ARs and AARs which surround the estimation window implies that event actually do convey information to the market, but the market was unable to adjust quickly to the conveyed information due to the continuous drift in average abnormal returns (AARs) over the estimation window, suggesting serious anticipation of the information. The estimation of cumulative average abnormal returns (CAARs) around the event window to ascertain the effect of the event announcement on the firm's values appears to be positive and statistically significant at 5% and 1% level for almost all the days. Hence, since the CAARs are different from zero, the information contained in event has no effect on the firm's value. Further investigations were conducted to ascertain the speed of adjustment of share prices of those firms that declared simultaneously a minimum of N1.25k dividend and 1:10 bonus issues (i.e. blue-chips stock "A"), and those firms whose dividend and bonus issues declaration are less than N1.25k and 1:10 (i.e. blue-chips stock "B"). The findings suggest that share

prices of blue-chips stock “A” respond to the announcements faster than share prices of blue-chips stock “B”. Hence the market remains informational inefficient. Based on the findings, share prices of main board market do not adjust speedily to incorporate both past and publicly available information contained in simultaneous dividend and bonus issues announcement. Consequently, this could increase the height of massive speculations of share prices of the firms in the main board market, information asymmetry and insider abuse, which is found to be predominant in the market. This has caused imbalance of power in transactions and sometimes makes transaction to go awry due to investor’s loss of confidence and feeling of insecurity. Therefore, the regulatory authorities should strengthen their efforts to ensure compliance to insider trading laws by setting a viable and efficient monitoring team for proper surveillance of market activities and prosecution of offenders. This could facilitate the restoration of the investors’ confidence and the stabilization of the business environment.

Mohamed Jalloh, (2015) investigate whether stock markets play a significantly positive role in influencing the rate at which economies grow has been seriously debated by economists as well as policymakers. The bone of contention, however, is the fact that the prevailing empirical evidences on the nexus between stock market capitalization and economic growth is still mixed. Hence this study, therefore, aims at providing further evidence on the relationship between stock market capitalization and economic growth using recent data from a sample of African countries with well-functioning stock markets. A dynamic panel estimation approach is employed with a view to assessing the relative impact of stock market capitalization on economic growth in Africa. The results from the study reveal that raising stock market capitalization by a marginal average of 10% induces growth on average by 5.4% in countries studied. The positive and significant relationship between stock market capitalization and economic growth as found in this study provides encouraging signals for African countries to explore stock markets as a potential avenue for expediting economic growth.

Murtala (2015) surveys the theoretical as well as the empirical literature review of the stock-market based financial development and economic growth in Nigeria. To the authors’ best knowledge, this is the first comprehensive empirical literature review on the relationship between stock market development and economic growth in Nigeria. The study analyzes the empirical work from 1997 to 2014. Within this time frame, the authors reviewed over 50 articles from different academic journals. Most of the empirical studies employ ordinary least square and vector error correction regression model in their methodology. However, Nigerian macroeconomic environment experiences some structural changes. Nearly all of the reviewed works did not use an econometric method that employed structural breaks or dummy variables, in considering the structural changes in the financial time series data. This omission may lead to spurious or biased results. For further study the paper, therefore, suggests the use of a structural break or dummy variables in the econometric analysis.

Aigbovo (2015) reinvestigates Finance-growth nexus via time series econometric techniques (unit root test, co-integration, error correction mechanism and granger causality) over the period of 1980-2011 for Nigeria. Economic growth was proxy by Real Gross Domestic Product (RGDP) while stock market development measures considered include; Market Capitalization (MCAP), Turn Over Ratio (TR), Total Value of Share Traded (VLT), and All Share Index (ASI). The study reveals that turnover ratio (TR) positively and significantly influences economic growth both in the short-run and long-run while total value of share traded (VLT) and all share index (ASI) were significant in the short-run. Also, all share indexes was observed to have a negative slope coefficient while value of share traded has a positive slope coefficient. Market capitalization positively and significantly influences economic growth in the long-run. The Granger causality test showed that economic growth promotes stock market development, but there is evidence of causality running from stock market development to economic growth. This

result is consistent with theoretical postulation which suggests that stock market development have a key role to play in the economic growth of developing countries.

Eyisi (2015) evaluates the impact of Nigerian stock exchange as a tool for sustainable economic development. This paper outlines the functions of the Nigerian Stock Exchange, reviews its contributions to economic development process and draws some useful lessons. These lessons include the need to strengthen private enterprise sector through structural reforms, infrastructural development, the importance of strong government commitment and the need for a professional and highly development securities industry.

Rabi'u et al (2015) investigates the effect of Nigerian stock exchange market development on economic growth using a 20 year time series data from 1990-2010. The method of analysis is ordinary least square techniques. The study measures the relationship between stock market development indices and economic growth. The stock market capitalization ratio was adopted as a proxy for market size while value traded ratio and turnover ratio were used as proxy for market liquidity. The study revealed that market capitalization and value traded ratio have a negative correlation with economic growth while turnover ratio has a strong positive correlation with economic growth.

Adigwe et al (2015) examines the effect of stock market development on Nigeria's economic growth. The objective of the study was to determine if stock market development significantly impact on the country's economic growth. Secondary data were employed for the study covering 1985 to 2014. Ordinary Least Square (OLS) econometric technique was used for the time series analysis in which variations in economic growth was regressed on market capitalization ratio to GDP, value of stock traded ratio to GDP, trade openness and inflation rate. The analysis revealed that stock market has the potentials of growth inducing, but has not contributed meaningfully to Nigerian economic growth, since only 26.5% of variations in economic growth were explained by the stock market development variables.

3.1 Methodology

3.1.1 Model Specification

In order to achieve the objective of this study, the paper is built on the existing model below:

$$GDPC = F(X_1, X_2 \text{ and } X_3).$$

Where;

X_1 is market capitalization.

X_2 is market price index or all share index.

X_3 is market openness. And

GDPC is Gross domestic product per capita the proxy of economic growth.

$$GDPC = \beta_0 + \beta_1 MCAP + \beta_2 MPI + \beta_3 OPN + U_t$$

Where,

$\beta_0, \beta_1, \beta_2$ and β_3 are the constant parameters and U is the error term.

The researchers have provided the ground for the examination of the impact of stock market development on the economic growth in Nigeria. For instance, in establishing, Igbodika et al, (2014) examines the relationship between stock market and economic growth of Nigeria, using time series data from 1999 to 2011. The study employed ordinary least square (OLS) techniques. GDP was used as proxy for economic growth. Stock market development was measured for size and liquidity, the size was measured with market capitalization while liquidity was measured using total value of stock traded and stock market turnover.

3.2 Granger Causality Test

The granger causality test for the case of two stationary variables y_t and x_t involves as a first step the estimation of the following VAR model:

$$Y_t = a_1 + \sum_{i=1}^n \beta_1 x_{t-1} + \sum_{j=1}^m Y_j Y_{t-j} + e_{1t} \dots \dots \dots 3.1$$

$$X_t = a_2 + \sum_{i=1}^n \phi_1 x_{t-1} + \sum_{j=1}^m \delta_j Y_{t-j} + e_{1t} \dots \dots \dots 3.2$$

$y_t = a_1 +$ where it is assumed that both e_{y_t} and e_{x_t} are uncorrelated white noise error term.

In order to determine the mutual interdependence between Market capitalization, Market index, Trade Openness, and GDPC growth, we use the Granger causality test. Causality is a kind of statistical feedback concept which is widely used in the building of forecasting models. Historically, Granger (1969) and Sim (1972) were the ones who formalized the application of causality in economics.

The granger causality test is a technique for determining whether one time series is significant in forecasting another (Granger, 1969). The standard Granger causality test (Granger, 1988) seeks to determine whether past values of a variable help to predict changes in another variable. The definition state that in the conditional distribution lagged value of Y_t adds no information to the explanation of movements of X_t beyond that provided by lagged values of X_t itself (Green, 2003). We should take note of the fact that the Granger causality technique measures the information given by one variable in explaining the latest value of another variable.

The study used quarterly time series data from 1985q₁ – 2015q₄. The data was obtained from secondary sources which involve Central Bank of Nigeria (CBN), Security and Exchange Commission (SEC), National Bureau of Statistics (NBS) and World Bank (WB).

4.1 Results and Discussion

4.2 Unit Root Test Result

The study explores the non-Stationarity among the variables. The aim was to confirm whether the series had a stationary trend, and, if not stationary, to establish order of integration. Employing the Augmented Dickey Fuller (ADF) unit root test, the empirical estimates provide strong evidence that all the time series at levels are not stationary; all variables had a unit root at levels and are stationary in their first difference. They are all integrated of order one denoted I(1). The results are summarized in table 4.1.

TABLE 4.1 ADF and PP UNIT ROOT TEST RESULT

VARIABLES	ADF AND PP AT LEVEL		ADF AND PP AT FIRST DIFFERENCE	
	Statistics ADF	Statistics PP	Statistics ADF	Statistics PP
GDPC	-1.3168	-0.2346	-4.2317*	-5.0414*
MCAP	0.1403	0.9676	-4.5731*	-5.1692*
MPI	-2.6601	-1.9493	-4.2972*	-5.2835*
OPN	1.2124	-1.4917	-2.1218*	-3.4541*

Source: Researcher’s computation using Eviews-9* indicates significance at 1%.

Table 4.1, reports the results of the ADF and PP Unit root test. All the variables GDPC, MCAP, MPI, and OPN are found to be integrated and stationary at their first difference at 0.05% level of significance. Thus, the variables are not stationary at level, but stationary in their first difference and integrated of same order, i.e., 1(1). Each variable is said to be stationary if the null hypotheses, which signifies presence of a unit root, is rejected when the ADF test static is greater than the critical value in absolute terms. Given that all the variables in the model are I (1) series, we used Johansen approach to determine any cointegrating relationship between the dependent and independent variables.

4.2 Cointegration Test Results

The result of the Johansen cointegration test is presented in table 4.2 the results from the trace and maximum Eigen value statistics show that we cannot reject the null hypothesis there is presence of cointegration among the variables at 5% level of significance. Both the trace statistics and maximum Eigen value indicates presence of cointegration vector. Thus, this implies that there is long run relationship between variables of interest in Nigeria.

Table 4.2 TRACE STATISTICS

Null hypothesis	Alternative hypothesis	Trace Statistics	Critical Value	probability
$r = 0$	$r \leq 1$	283.5637	0.05	0.0001
$r = 1$	$r \leq 2$	106.0365	0.05	0.0000
$r = 2$	$r \leq 3$	39.42486	0.05	0.0000
$r = 3$	$r \leq 4$	0.391587	0.05	0.5315

Source: Research computation output using E-view-9

Table 4.3 report the result of the Johannes's cointegration test which shows that there is the existence of three cointegration equation at 0.05% level of significance in the trace statistics of GDPC, MCAP, and ASI. Hence denotes the rejection of null hypothesis.

Table 4.3 MAX EIGEN VALUE

Null hypothesis	Alternative hypothesis	Trace Statistics	Critical Value	Probability
$r = 0$	$r \leq 1$	177.5273	0.05	0.0001
$r = 1$	$r \leq 2$	66.6116	0.05	0.0000
$r = 2$	$r \leq 3$	39.0332	0.05	0.0000
$r = 3$	$r \leq 4$	0.3915	0.05	0.5315

Source: Research computation output using E-view-9

Table 4.3Above, report the result of the Johannes's cointegration test. It shows that there is existence of three cointegrating equations at 0.05% level of significance for max-Eigen value. Thus the null hypothesis of cointegration is also rejected using trace statistics as they are greater than their critical values at 0.05% level of significance. It implies the existence of long run relationship between GDPC, MCAP and ASI and there is no long run with trade openness.

This simply indicates a unit percentage increase in any one among these three variables is associated with a unit percentage increase in the Gross domestic product per capita in Nigeria respectively and

hence growth. The implication of three cointegration equation i.e. GDPC, MCAP and MPI show the existence of long run equilibrium relationship among these three variables in the study.

4.3 Result of Granger Causality Test

Correlation does not necessarily imply causation in any meaningful sense of that word. the Granger (1969) approach to the question of whether x causes y is to see how much of the current y can be explained by past values of y and then to see whether adding lagged values of x can improve the explanation. Y is said to be ‘Granger - Caused ‘by x if x helps in the prediction of y. it is important to note that the statement ‘x Granger causes y’ does not imply that y is the effect or the result of x. however, the result of Granger causality test is presented in the table below:

Table 4.4 Pairwise Granger Causality Tests

Null Hypothesis:	Obs	F-Statistic	Prob.
MCAP does not Granger Cause GDPC	122	1.19748	0.3056
GDPC does not Granger Cause MCAP		5.72298	0.0043
MPIIn does not Granger Cause GDPC	116	1.24622	0.2916
GDPC does not Granger Cause MPI		1.58935	0.2087
OPN does not Granger Cause GDPC	122	3.00216	0.0535
GDPC does not Granger Cause OPN		4.23073	0.0168
MPI does not Granger Cause MCAP	116	5.21752	0.0068
MCAP does not Granger Cause MPI		3.27357	0.0416
OPN does not Granger Cause MCAP	122	7.00770	0.0013
MCAP does not Granger Cause OPN		2.87471	0.0604
OPN does not Granger Cause MPI	116	3.25157	0.0424
MPI does not Granger Cause OPN		0.10607	0.8994

Source: Research computation output using E-view-9

The result of Granger Causality estimate in table above indicates that at 5% level of significance GDPC Granger Cause MCAP, this result shows a unidirectional causality running from GDPC to MCAP.

The result also shows a unidirectional causality running from ASI to MCAP in the sample period. Similarly, the result shows a unidirectional causality existing from OPN to MCAP. This result is in line with finding of Aigbovo (2015) which shows evidence of causality running from stock market development to economic growth. This result is consistent with theoretical postulation which suggests that stock market development have a key role to play in the economic growth of developing countries.

Furthermore, the results indicate that there is no causal relationship between ASI and GDPC, OPN and GDPC as well as OPN and ASI respectively. The result of granger causality test therefore implies that development of the stock market can be explained by GDPC, ASI and OPN in the short run.

5. 0 Conclusion and Recommendations

The study employed econometrics analytical techniques including unit root test, co-integration test and granger causality test. From the granger causality test, the study confirmed the presence of unidirectional causality which runs from GDPC to MCAP, MPI to MCAP, and OPN to MCAP, Therefore, the study

recommends that, Nigeria`s government need to provide appropriate environment to attract more savings inflow, such measures as relaxation or elimination of restrictions on profits and capital remittances, opening of formerly priority sectors to investors and provision of adequate securities among others should be put in place.

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Social Media and Anti-Social Behaviour among Youths in Nigerian Universities

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Abstract

Social Media basically focuses on strengthening and promoting positive social behaviour among the users in any society, specifically the teeming youth that are considered as majority. The university community presently is seen as the critical societal network that hosts many users of social media with much youthful diversity; aimed to reshape and promote ethical behaviours, especially youth in Nigerian University, nevertheless, it appears to be a medium of promoting unethical behaviours, namely: cyberbullying, blackmailing, involvement in fraudulent activities, impersonation, harassment, among others. This paper assessed the effect of Social Media on Anti-Social Behaviour among the Youth in Nigerian University with special reference to Bayero University. The survey method was employed through administration of 422(384 plus 10% to avoid non-response...) questionnaires and statistically presented and analysed 392 returned responses with the use of descriptive table as well as regression model respectively. The study revealed knowledge acquisition through social media has no significant effect on Anti-Social Behaviour among the youth in BUK, Sharing of information, Photos and Videos through social media has no significant effect on Anti-Social Behaviour among the youth in BUK and the study also indicated that interpersonal relationship through social media has no significant effect on Anti-Social Behaviour among the youth in BUK. The study recommends that, the BUK should device a very critical medium of enlightening the youth studying in the University about the positive social behaviours being learnt through social media that are more inclined to religious, social, political and economic perspectives. Furthermore, Nigerian government through collaboration with other Nigerian Universities too should device a proactive measure of making social media networks to be sources of facilitating, promoting and educating good social behaviours among the Nigerian teeming youth.

Keywords: *Knowledge acquisition, sharing of information, promotion of interpersonal relationship, Anti-social Behaviour.*

1.0 Introduction

Social media is basically meant to reshape the minds and reasoning of the users that attached so much meaning and importance to it, which is strategically designed to accomplish through sharing of authentic information and news; uploading hilarious paintings, photos and videos; promotion of goods and services; and upholding the interpersonal relationships between friends, family members, couples, partners etc. Precious (2017) asserted that over the years, there has been a drastic improvement in Social Media. Social media which is mainly for conveying information has been essential among students including University students. The growing trend in World Wide Web (WWW) has increased knowledge acquisition, sharing and transfer of information has become easier than before. People from all walks of life can now easily share information, pictures and posts, which are more or less motivational on the social media, and advertise job vacancies. With the advancement in technology, all

these can be done conveniently using smartphones, tablets, or personal computers. Furthermore, with the advent and emergence of social media globally, many University students has up their games in terms of utilizing the media wisely for more acquisition of knowledge meanwhile, many devote most of their time on things that adds no value to their academic such as constant chatting and uploading of different pictures. Social media simply refers to online tools created for the purpose of interaction and content sharing among people in the community (Nyangeni, Du Rand & Van Rooyen, 2015). In its broader context, social media includes; web based technologies like YouTube (social video sharing service), text messaging, blogs, microblogs such as Twitter, social networkingservices (e.g. Facebook, tiktok, WhatsApp).

Despite the fact that, Nigerian Universities, Bayero University Kano (BUK) inclusive made relatively significant efforts to improve the determinants of social media viz: sharing of authentic information to the university students, teaching students through means of social media for knowledge acquisition, supporting university students to strengthen their interpersonal relationship through social media networking among others, but still the social behavior of its students has been skewing into negative position known as anti-social behaviors proxied by cyber bullying, social media insults and harassment, fraudulent activities and financial dishonesty, civil/ social media violent activities that sometimes lead to battery and assault, drug abuses, social media or corporate prostitutions, to name but few, these anti-social behaviors or social vices being committed by BUK students due to their inclination to negative segment of social media or social networking, are not impeccable to the guiding principles, visions and mission of BUK(Good character and learning). Some public figures, social media analysts or pundits, academic scholars and researchers in the field of social psychology attributed the anti-social behaviours or social vices belittling the students morality and ethics to many challenges bedeviling the real justification of establishing social media networks, thus spreading and or sharing of fakes information that appears contrary to the ethical and moral behavior of the BUK, sharing of semi-pornographic photos and videos by the users of social media that are either studying in BUK or living closed to BUK (proximity disease), removing the applications meant to educate the university students known as knowledge based sites, by social media users, promotion of some social media rooms/houses for interpersonal relationship in a way and manner.

Although several studies have been conducted on the effect of social media on social behavior and/or anti-social behavior among the youth in Nigeria, (Hillary, Patience & Florence, 2021; Lateef, 2020; Bernadette Roshini & Sweta, 2011 ; Joshua, 2017), revealed positive effect, nevertheless, scholar like Akubugwo, Ijeoma & Burke (2013); Michele and Kimberly (2020) displayed negative effect and argued that further research in this area is needed to unravel whether the same factors or determinants of social media have significant positive effect on social behavior and/or anti-social behavior, university inclusive, at different geographical areas. To address this gap, this study intents to assess the effect of social media on Anti-social behavior among the youth in Nigerian university. It has been observed that the logical and ethical use of social media or social media networking like Tiktok Facebook, Youtube, whatsapp, among others, in the Nigerian university system will serve as a good signal to reshaping the ethical ideology of Nigerian Youth especially those studying in Nigerian Universities towards achieving positive social behavior, thus: learning science and technology, learning and displaying good characters and honesty, and imparting good attitudes to their peers through social media socialization, whose are not opportune to study in Nigerian Universities.

Based on the foregoing, the major objective of this paper is to assess the effect of Social Media on Anti-Social Behaviour among the Youth in Nigerian University with special reference to Bayero University. The study therefore proposed the hypothesis in a null form to avoid bias, that Social media does not have

significant effect on Anti-social media among the Youth in Nigerian Universities. Specifically, the study examines whether sharing of information through social media; knowledge acquisition through social media; promotion of interpersonal relationship through social media affect Anti-social behaviour among the youth in Nigerian University. And the rest of this paper is organized as follows: section two is the literature review and theoretical framework; section three shows the Methodology employed for this study; section four presents the Result, Discussions and Analysis; and finally section five provides conclusion and recommendations.

2.0 Literature Review and Theoretical Framework

2.1 The Concept of Anti-Social Behaviour

Antisocial Behavior has been conceptualized by various scholars under different perspectives, for instance, scholars like Arielle and Baskin (2016) conceptualized it as a heterogeneous construct that includes a wide range of behavioral problems and psychopathologies. In terms of behavior, antisocial acts can manifest as cheating, lying, aggression, substance use, theft, and violence. With regard to classification, children and adolescents may be identified as having conduct disorder or callous–unemotional traits, whereas adults may be identified as having antisocial personality disorder, psychopathy, trait externalizing, or other serious forms of psychopathology. The adverse consequences of such acts and diagnoses produce great physical, emotional, and economic burden for the perpetrators themselves, victims, family members, and for society at-large. Antisocial behavior is a description for all behaviors, attitudes, and personality traits that people engage in that appear to be dysfunctional, in that they often have negative interpersonal and societal outcomes. Antisocial personality traits like psychopathy, narcissism, and Machiavellianism are correlated with sexual coercion (Talia, 2017). There is no agreed definition of Antisocial Behaviour, and subjectivity makes any definition difficult. Assumptions are made that there are ‘community’ definitions of order, which are socially and legally enforced. In reality, understandings vary greatly within and between communities. Antisocial Behaviours range from those that are, at most, uncivil or inconsiderate to those that are dangerous and criminal (Jacobson, Millie, & Hough, as cited in Walsh, 2019). Antisocial Behaviour means the extent to which Youths or Undergraduate students demonstrate certain unethical and immoral behaviors in the Nigerian universities, thus: harassment, cyberbullying, blackmailing, and involvement into fraudulent activities, known as financial scam or Yahoo-yahoo, impersonation, simulation, among others.

2.2 The Concept of Social Media

Social media is a technology that shares the ideas and information through the virtual networks and communities were busy with social media with computers, tablet or Smartphone via web based software or applications. Social media refers to the means of interactions among people in which they create share and exchange information and ideas in virtual communities and networks the office of communications and marketing managers the main Facebook, Twitter, Instagram, link din and YouTube accounts. Social media is most used form of media with many features and characteristics. It has many facilities on same channel like as communicating texting, audio and video sharing, fast publishing linking all over the world direct connecting it is also cheapest fast access to the world so it is very important for all age of peoples it use is increasing day by day with high rate in all over the world (Puri & Shukla). Social media has been identified as a form of electronic communication in social networking sites through which users across the world create online communities to share information, ideas, business products, personal messages and other content at ease. Some of the social media platforms and sites include: Facebook, WhatsApp, YouTube, Twitter, Internet Relay Chat (IRC) or blogs, and email (Ezeugo & Ajemba).

Based on the conceptual literature of Social Media, three variables of Social Media have been selected for this paper, thus: Knowledge acquisition, information sharing, and interpersonal relationship. The study also made a pilot survey and found out that the selected three (3) variables of social media would have critical influence on antisocial behavior of youth in the selected University which is situated in Northwestern Nigeria. Youths and Undergraduate students in Nigerian Academic Institutions, especially Nigerian Universities are often considered as the futuristic pillars and backbone of any strategically sectorial means of both national and global development which could be likely achieved through making them acquire standard and quality knowledge, effective and factual information and proper interpersonal relationship. To actualize this, the study observed that the selected factors or determinants of social media should be more appropriate.

2.2.1 Knowledge Acquisition

Knowledge acquisition can be defined as accepting knowledge from the external environment and transforming it so that it can be used by an organization (Liao et al., 2010). Knowledge acquisition through social media is a new approach for the societies nowadays. Majority of the society have access to social media, therefore some of the societies must have the thirst for knowledge. So they will try to acquire new knowledge through mediums that they have been familiar with such as Blogs, Facebook, Youtube, Twitter, and Wikipedia. Most of the students in the higher education nowadays took the advantage of the social media to distribute and acquire knowledge among them. However, to acquire knowledge through social media there are a lot of problems and challenges faced in order to obtain the right and useful knowledge. Knowledge acquisition at an individual level is composed of two crucial elements. The first element is change in the cognitive structure or the mental model. Since knowledge is justified, belief in what is the truth, acquiring knowledge means that individuals change their cognitive structure by justifying their personal belief that the acquired knowledge is true (Shoid, Kassim & Idris, 2016).

2.2.2 Information Sharing

Masele (2021) see information as anything a person finds informing, through which people perceive to have a sense of control and power. Information is thus considered as power, with which, one can control his/her own destiny, career, and money. It is knowledge accumulated from information that gives one the power of decision making. Through information one can confidently devise strategies, make decisions, and implement action. Thus, it keeps one ahead, making him/her knowledgeable, brings respect, it is valuable and brings control. To that extent, information is considered as increasingly being perceived as a valuable asset in today's modern society, de facto that in some occurrences information is by far the most valuable asset of a business and its activities. Evidences (such as Moody & Walsh, 2002; Li & Sheu, 2014) indicate that information provides the capability to deliver services, make better decisions, improve performance and achieve competitive advantage. It is therefore important that an information user - individual who actively exercises his/her right to access different information sources (Reddy *et al.*, 2018), irrespective of the contextual differences, have access to required information. Information is essential for the functioning of every social system, especially for our modern society. According to Nyam *et al.* (2015), just like food, shelter, and cloths, information is indisputably one of the necessities of life. Evans (2001) asserts that information is needed in all spheres of life to facilitate decision making and engendering progress. When we get informed about something, we get knowledge that protects us from making mistakes. Information is considered as an input to our minds that we work with when thinking. It interacts with the inner mind, altering it based on the outer world for behavioural change.

2.2.3 Interpersonal Relationship

Interpersonal relationships refer to reciprocal social & emotional interactions between two or more individuals in an environment. It is defined as a close association between individuals who share common interests & goals (Abdulwahab, 2017). Social Media sites have become veritable platforms where people can create global relationship from the comfort of their homes or offices. Social Media forums allow users to build a personal profile, invite friends and colleagues, interact, entertain and educate individuals through the exchange of public profiles, photos, audio and video files, digital information and artifacts, emails, instant messages, and contact information through virtual worlds. Both mutual and distant relationships could be created through social media. The impact of social media on social, personal and interpersonal relationships in the world cannot be under played. Social media fundamentally exists in order to enhance interpersonal relationships. Communicating with people through social media platforms allow people to contact with anyone, anywhere in the world no matter the distance from each other and regardless of time or zone. The medium of creating interpersonal friendships through social media is easier, cheaper and faster. Several social media relationships have metamorphosed into physical and real world events. Many persons have been made successful in life through the assistance of social media friends. Some have married someone who they contact through social media. Others have received medical assistance and other forms of support from the contacts made through social media (2012) discovered that online interaction provides a means in which one could learn the ability to relate with others, tolerate differing viewpoints, expressing thoughts and feelings in a healthy way, and practice critical thinking skill.

2.3 Empirical Literature Review

Studies have been carried out by various researchers on social media under many perspectives as well as its effect and or impact on social and antisocial behaviour viz a viz social life of youths, undergraduates of Universities inclusive, in Nigeria. For instance, Joshua & Precious (2017) undertook the study to assess the impact of social media on female students social lifestyle. The study deployed a quantitative research methodology involving questionnaire research instruments instrument among 69 female students in the South-West University, Nigeria. The findings include the followings; social media refines how female students think, interact, communicate, fall in love (find love), their social lifestyle and many more.

Subair, Soloman & Debora (2019) supported the work of Joshua & Precious (2017) by examining social media usage among undergraduates vis-à-vis its influence on their studies. The study adopted a descriptive survey research design. The population for the study comprised all undergraduate students of Obafemi Awolowo University, Ile-Ife Nigeria. Five faculties were randomly selected, from which 850 students were selected using random and convenience sampling techniques. A self-designed instrument titled “Social Media Usage and Influence Questionnaire (SMUI-Q)” was used for data collection. The results show social media platforms used by undergraduates, include WhatsApp (97%), Facebook (85%), Instagram (65%), YouTube (62%), Twitter (25%), LinkedIn (21%), Google Plus (15%), Snapchat (10%), and Skype (7%). Further, undergraduates spend an average of 2-3 hours daily on social media, and their perceived purposes of social media usage include: socialisation (83%), information (74%), academic (73%), business (68%), and entertainment (61%). The results highlight Internet addiction (45%), distraction (32%), anti-social behaviour (6%), cyber bullying (4%), and writing and spelling skills deficiency (24%) as the influences of social media on undergraduate studies.

Similar to the work of Subair, Soloman & Debora (2019) is Lateef (2020) who also focused on the influence of social media on the social behavior of students as viewed by primary school teachers in Ilorin Metropolis, Kwara State, Nigeria. The survey is descriptive with two hundred primary school

teachers selected as participants. A research question was raised and answered, and there were three hypotheses formulated and tested using t-test and ANOVA at a p-value of 0.05. The findings revealed that students' usage of social media had a negative influence on their social behaviour. Therefore, primary school teachers need to sensitize students on the appropriate use of social media to improve their social behaviour among others was recommended.

Furthermore, Ijeoma & Burke (2013) examined the academic relevance, possible effects on social behaviour and academic progress of social media on undergraduate students. The study employed both qualitative and quantitative methods for data collection involving questionnaire administration and oral interview. Eighteen questions with Likert model responses in a questionnaire were physically administered to 120 randomly selected undergraduate students who have social media accounts while six other students were interviewed differently face to face and their responses recorded. The obtained data were analyzed using statistical package for social sciences (SPSS). The results revealed that many students use social media especially Facebook and that they spend increasing amount of quality time on these networks. Findings of this study suggest that social media could negatively impact on the students' social behaviour, academic progress and that timed-off software should be installed to control its use by students.

Comfort (2019) aimed at finding out the impact that social media has on student's behavior change. The research methodology used is both qualitative and quantitative; the sample size is 60 university students and the target population is 4 selected universities in Lusaka, the research design is the descriptive survey design, probability sampling method is used and the data collected is from both secondary and primary data Literature has shown that there exists a relationship between social media and the impact it has on the behavior of students as it has been noted that, the young generation is growing up having easier ways to stay connected with their loved ones and discover new relationships, they are easily acquiring knowledge and live in a digital world and that some of the online behaviors of students are categorized as risky but in the most cases they are not always associated with negative impacts. The findings show that majority of the respondents; access to gargets that connects them to these social media platforms, they prefer social media as means of communication, they understand that most of the information spread on these platforms is not credible and that these platforms can impact their behavior negatively and positively depending on how they use them. It has been concluded that social media continues to play a vital role on the behavior change of students, the study has proved that social media has both positive and negative impact on students.

Having critically reviewed so many literatures within the purview of social media and students behaviours, be it social or anti-social, below are three hypotheses framed in null form to avoid bias and typed I & II errors.

H₀ (a): Knowledge acquisition does not have significant effect on Antisocial Behaviour of Undergraduate Students in Bayero University.

H₀ (b): Information sharing does not have significant effect on Antisocial Behaviour of Undergraduate Students in Bayero University.

H₀ (c): Interpersonal relationship does not have significant effect on Antisocial Behaviour of Undergraduate Students in Bayero University.

2.4 Theoretical Framework

The theoretical framework adopted for this study was Maslow's Hierarchy of Needs Theory, which was propounded by psychologist Abraham Maslow in 1934. He postulated Maslow's Pyramid or theory of human behaviour. This model describes different levels of fulfillment of needs. Maslow classified human necessities into the five-tiered pyramidal structure, that is, 'hierarchy of needs'. According to this

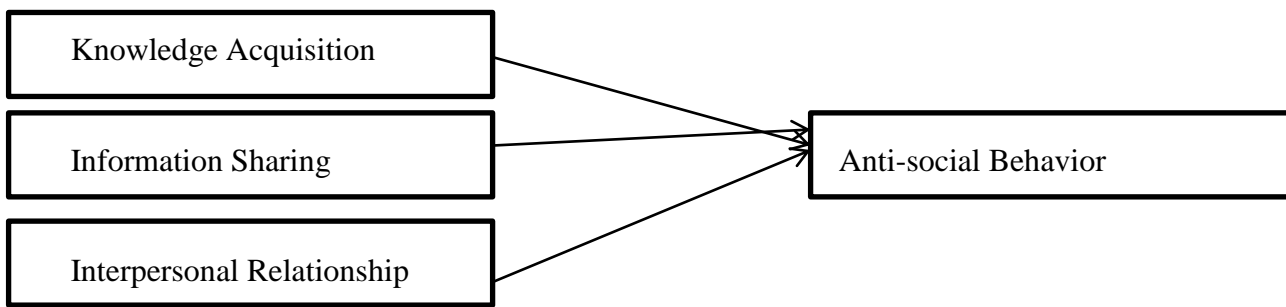
pyramidal structure, a higher level need is significant than the lower levels of obligation. The levels are as follows:

- i. Physiological: Food, shelter, clothes and so on are considered as basic needs, and these fall under the ambit of 'physiological needs'.
- ii. Safety: This includes security, safety and stability. For example, a permanent job provides stability and secured life for a person.
- iii. Love and belonging or social needs : This includes close bonds, recognition, compassion for other people and affection. Employees give time to social contacts with colleagues only if they find their jobs to be secure.
- iv. Esteem or self-esteem: This includes the need for recognition. Example, apart from salary, praise, confidence and independence are essential motivators for an employee.
- v. Self-actualization: This level describes the 'development needs'. Example, individual employees are overtly enthused when they get an opportunity to undergo specific courses or studies, and then they get ample of appreciation for their work and effort

As it is evident that Maslow's hierarchy is psychological and relates to the use of social networking with the mental aspect of human beings. It is better for understanding how it can be used to maximize the use of social networking for various functions of an organization, university as an organization inclusive. The lowest of the level is 'physiological needs', and it explains the basic needs to survive. It includes all physical needs such as breathing, food and water. If we talk about the physical and psychological demands on social media, it stands nowhere. In a study conducted by Cherry (2018), they found that people in different cultures may have different needs. This level was not adopted in hypotheses as users do not consider in social media usage as per literature. Next in the hierarchy is 'safety needs', and it is predominantly about safety and security. The article states that without the physical safety and security, people tend to experience personal, financial and mental trauma. Security or privacy is a prime parameter of social media usage (Vanderstraetan, 2018). Several types of research are conducted to provide a high level of protection in social media (Hiatt & Choi, 2016). Thus, users are seen to create multiple accounts, often called as profile cloning (Gupta, Rai, & Sinha, 2013) to hide their presence from the selected audience. Even the social networking sites (SNSs) provide inbuilt features of security of restricted view and blocking unwanted links (Verma, Kshirsagar, & Khan, 2013). The literature states that some users do not care about this aspect of social media usage. They tend to post anything or everything related to their life events (Senthil & Saravanakumar 2016). 'Love & Belonging' are the third in the hierarchy. It explains the need for attachment and love from close ones in life and is also called social needs. Belongingness gives rise to the emotional and empathetic needs in life. These days, people around the world dive into the sea of social media to keep connected with their friends and family. They keep their status updated, and the number of people joining social media is increasing for various reasons identified as relationship building by Quan and Young (2010), Hu, Liu, and Zhang (2008), and Hennig, Gwinner, Walsh, and Gremler (2004). 'Esteem or self-esteem' is the second last in the hierarchy. It is a significant way to get motivated to do better work. Although ES comes from within, getting compliments and positive feedback from people around brings in a positive feeling, which in turn brings in increased esteem. The fourth level of the pyramid depicts the same. Muqaddas, Sanobia, and Nawaz (2017) show that esteem need is amplified best by the use of social media. Instant gratification on Facebook or Instagram raises morale and brings about a positive impact psychologically. It enhances confidence, indicated Sharma and Sahu (2013), by providing a sense of freedom and self-identity (Nyagah, Nyagah, Asatsa, & Mwanja, 2015). Gallagher (2017) pointed out that teens easily suffer from low Esteem due to several physical and environmental factors. Social media help them to regain the esteem and be physically and mentally healthy. Raymer (2015), in her study, points out that there is a straight association between Esteem and social media usage, particularly in the college goers.

The time spent on social networking and Esteem shows the direct relationship, as stated by Chen and Lee (2013). Chou and Lim (2010) added that self-actualization or higher levels of happiness is a result of social media usage. Given actualization, Sheldon, Elliot, Kim, and Kasser (2001) evaluated Maslow’s hierarchy of needs theory and recommended that invigoration of pleasure is one of the 10 initial human needs which is the feeling we get when we receive a plethora of enjoyment and joy instead of feeling jaded. According to the hedonic view, happiness is possible through the quest of pleasure, amusement and relaxation. Therefore, Maslow’s hierarchy of needs theory was essential and worthy to this study, being the only most comprehensive theory of needs that captures all the essential parameters and indicators of social media thus; need for knowledge acquisition, information sharing and interpersonal relationship through physiological social, safety and more or less esteem needs that if adhered and applied appropriately would reduce the negative and immoral behaviors being prevalent in social media displayed by undergraduate students in Nigerian Universities, Bayero university inclusive.

Figure 1: Conceptual Framework
Independent Variables



Dependent Variable

Source: Researcher’s Framework (2023)

The above figure shows how the independent variables have links with the dependents variable, this diagram has been designed based on the several empirical literatures’ assumptions and arguments on social media and anti-social behavior.

3.0 Methodology

This study adopted survey research method to examine the effect of social media on antisocial behaviour among the undergraduate in Nigerian Universities. The population for this study consists of all the undergraduate students currently enrolled into Bayero University Kano totalling 29,255 (Nigerian University System Statistical Digest 2022). In determining the sample size of the population for the study, Krejcie and Morgan Table was used which is equal to 384, to avoid bias simple random sampling techniques was used to select the respondents. And a Social Media Use Questionnaire (SMUQ) developed by Xanidis and Brignell (2016) was adapted to measure youth or undergraduate social media usage, while Subtypes of Antisocial Behaviour Questionnaire (STAB) developed by Burt and Donnellan (2009) was adapted to measure Antisocial behaviour. It was distributed by the researcher with the help of three (3) research assistants. Out of 422 (plus 10% of sample included to avoid sampling errors and none returns) questionnaires administered and/ or distributed; 392 completed accurately and were used for analysis in this study. Data from survey were presented and analysed using descriptive tables (mean & standard deviation) and multiple regression model respectively.

4.0 Results and Discussion

Table 1 below presents the responses of questionnaires returned in descriptive form. Out of 422 questionnaires administered and distributed, only 392 were responded and returned valid. This amounts to 93% of the total number of questionnaires administered, which is significant enough to render our reliable analysis.

Table 1: Social Media and Antisocial Behavior of Undergraduates in BUK

Variables	Mean	Standard Deviation
Knowledge Acquisition	11.8138	1.80324
Information Sharing	12.2168	1.90877
Interpersonal Relationship	11.7908	2.84414
Social Media	11.7041	2.04656

Researcher's Survey (2023).

Table 1 shows that Undergraduate in Bayero University believed that there are various indicators and components of social media being utilized and used within and outside the two main campuses, Old site and New site. The table shows that the prevalent social media indicator being used by undergraduates in the said University was Information sharing (average mean=12.2168; SD = 1.90877); this is followed by knowledge acquisition (average mean= 11.8138; SD = 1.80324); and then interpersonal relationship (average mean= 11.7908; SD= 2.84414); which was considered the least factor or indicator of social media in the University. This implies that information sharing appears very regular in the University investigated. This might be as a result of the current global trends of disseminating and spreading essential information, directives and instructions by most academics through social media instead of archival conventional means of sharing the information that is contemporarily regarded or considered as obsolete.

Table 2: Regression Results: Effect of Social Media on Antisocial Behavior among Undergraduates in BUK

Variables	Coefficients	Standard error	t-ratio	p-value
Constant	4.102	0.711	5.771	0.000
Knowledge acquisition	0.116	0.055	2.131	0.034
Information sharing	-0.095	0.051	-1.857	0.064
Interpersonal relationship	0.052	0.030	1.768	0.078

R-Square = 0.636, Adjusted R-Square = 0.629, F-ratio = 59.793, P-value = 0.000.

4.1 Regression Analysis

A regression model was performed to examine the effect of social media on anti-social behavior among undergraduate in BUK. The Table 2 indicated that R-Square of the estimated regression is 0.636. This means that 63% variation in the dependent variable known as regressand (Anti-social behavior) is explained by independent variables known as regressor (i.e social media). While the error term takes care of remaining 37% variations. The coefficient tells how many units of anti-social behavior increase for a single increase in predictor. The result showed that a unit increase in the factors of social media

from knowledge sharing corresponds to 0.116 unit increase on anti-social behavior, while for a unit increase from information sharing to – 0.095 unit decrease on antisocial behavior. Also a unit increase on the interpersonal relationship leads to 0.052 increase on the anti-social behavior.

The Table 2 also showed that knowledge acquisition ($\beta = 0.116$; $t = 2.131$; $p\text{-value} = 0.034$); information sharing ($\beta = - 0.095$; $t = - 1.857$, $p\text{-value} = 0.064$); and interpersonal relationship ($\beta = 0.052$; $t = 1.768$; $p\text{-value} = 0.078$) have no significant effects on anti-social behaviour. This implies that there are certain attributes which made these factors of social media insignificant to antisocial behaviour despite the prevalent of some immoral activities being reported and seen in the social media networks. It is observed that knowledge acquisition through social media by undergraduates students in BUK are attributed to the fast means of getting ready made assignment given to them by their respective lecturers; while information sharing is becoming unreliable and fake through the social media being utilized by Undergraduate in BUK; and interpersonal relationship existed through social media among the undergraduate students in BUK in the said university is characterized with so much elements of distrust and phobia of the current insecurity bedeviling the social media platforms, among other.. However, the overall significance of the entire model goodness of fits as measured by F-statistics shows that the calculated F-statistics is $F(1, 391) = 59.793$, $P = 0.000$, it's statistically significant at $P\text{-value} < 0.05$. Therefore, the null hypothesis when combined all the factors of social media which states that social media do not have significant effect on the anti-social behaviour of undergraduate students in BUK is hereby rejected. Therefore, the result of this study empirically support the works of Ijeoma and Burke (2013); Confort (2019); and Subair, Soloman and Debura (2019) which stated that social media have significant effect on Antisocial behaviour among the Undergraduates of BUK. The result of this study is in disagreement with the findings of Lateef (2020); and Joshua & Precious (2017) which stated that social media have significant effect on Antisocial behaviour among the Undergraduates of BUK.

5.0 Conclusion and Recommendations

Youth is considered as one of the most critical pillars and backbone for the survival and development of any society, especially when their behaviours and morality are well educationally shaped and strengthened, they do also play a vital role in determining the efficiency, effectiveness, quality and sustainability of any sector in Nigeria, be it economic, social, political, and cultural. These can also be achieved through greatly and significantly through improving the performance of undergraduates known as youthful population frame, specifically with the help of contemporizing our digital means of communication viz a viz digital social media with solely focus on methods of acquiring knowledge, strategy of sharing effective information, and way of interpersonal relationship. The issue of cyberbullying, blackmailing, involvement in fraudulent activities, impersonation, and harrasement are regarded as barriers bedeviling the progression, survival and development of social media platforms in Nigeria, which leads to distrust and cultural resistance of so many students not to be using social media platforms even as a strategy of knowledge acquisition, sharing of information and interpersonal relationship. Several studies have been conducted on the effect of social media on social behavior and/or anti-social behavior among the youth in Nigeria, (Hillary, Patience & Florence, 2021; Lateef, 2020; Bernadette Roshini & Sweta, 2011 ; Joshua, 2017), revealed positive effect, nevertheless, scholar like Akubugwo, Ijeoma & Burke (2013); Michele and Kimberly (2020) displayed negative effect and argued that further research in this area is needed to unravel whether the same factors or determinants of social media have significant positive effect on social behavior and/or anti-social behavior, university inclusive, at different geographical areas. the study assessed the effect of Social Media on Anti-Social Behaviour among the Youth in Nigerian University with special reference to Bayero University. The survey method was employed through administration of 383 questionnaires and statistically presented

and analysed 226 returned responses with the use of descriptive table as well as regression model respectively.

The study revealed knowledge acquisition through social media has no significant effect on Anti-Social Behaviour among the youth in BUK, while Sharing of information, Photos and Videos through social media has significant positive effect on Anti-Social Behaviour among the youth in BUK. The study also indicated that promotion of interpersonal relationship through social media has significant positive effect on Anti-Social Behaviour among the youth in BUK. The study recommends that, the BUK should device a very critical medium of enlightening the youth studying in the University about the positive social behaviours being learnt through social media that are more inclined to religious, social, political and economic perspectives. Furthermore, Nigerian government through collaboration with other Nigerian Universities too should device a proactive measure of making social media networks to be sources of facilitating, promoting and educating good social behaviours among the Nigerian teeming youth.

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Link between Small and Medium Scale Enterprises and Poverty Reduction in Nigeria: Case Study of Gombe Metropolis, Gombe State

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Abstract

This study x-rayed the impact of SMEs in Poverty Reduction in Gombe Metropolis in Gombe State. The study considered entrepreneur innovativeness and government policies as dimensions of SMEs while poverty reduction was the measure of the dependent variable. The study adopted the cross-sectional survey in its investigation of the variables. Primary source of data was generated through structured questionnaire. The population for the study was made up of selected SMEs totaling one hundred and eighty-seven (187). The sample for the study was 120 which was gotten from Krejcie and Morgan Table. The research instrument was validated by my supervisors vetting and approval while the reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. The hypotheses were tested using the Spearman Rank Order Correlation. The tests were carried out at a 0.05 significance level. Findings from the study revealed that there is a positive and significant link between SMEs and poverty reduction. All the dimensions of SMEs had significant like with poverty reduction. The study concludes that SMEs has a positive and significant relationship with poverty reduction in Gombe Metropolis. The study recommends that there should be better funding and proper monitoring of existing programs that engenders innovativeness among the youths. Also, Government policies should be concise, comprehensive and sustained from one administration to another.

Keywords: *Entrepreneur Innovativeness, Government Policies, Small and Medium Enterprises and Poverty Reduction*

1.0 Introduction

The reduction of poverty is the most difficult challenge facing any country in the developing world where on the average majority of the population is considered poor. Evidences in Nigeria show that the number of those in poverty has continued to increase (Otekunrin, Otekunrin, Momoh & Ayinde, 2019). Many solutions have been rendered and one of such is in the form small and medium sized enterprise SME. Small- and medium-sized enterprises (SMEs) are considered the engines of growth in developing countries. In developed countries, SMEs have historically played a vital role in creating jobs, spurring innovations, and creating new products, and thus contributed to economic vitality and growth. Taking

these experiences into account, African countries should not overlook the importance of promoting SMEs in the same regard. However, considering the situation of most African countries, there are several impediments that have to be removed in order for SMEs to flourish.

Small and Medium Scale Enterprises (SMEs) are recognized globally as the engine for growth of modern economies and it provide employment to a large portion of the population or citizens in a given economy than large enterprises and hence contribute to reducing poverty in the country. The realization of the roles plays by SMEs in overcoming unemployment rate and hence poverty reduction has been an age of long phenomenon in Nigeria, but the right and actual policies and incentives coupled with the business environment have continued to hinder the pivotal or significant roles SMEs play in addressing Nigeria's economic problems (Adeosun & Shittu, 2021).

By undertaking deliberate, and appropriately planned strengthening of SMEs, one will most certainly end up by achieving the following results: raising their employment generating capacities; enhancing their productivity; and consequently, placing higher incomes in the hands of poor entrepreneurs. And also, the direct way of strengthening the enterprises is to focus our attention on addressing the constraints facing SMEs. With these, SMEs will not only contribute towards poverty reduction, but they will also enhance the welfare and standard of living of the citizens or population of the country (Chikwira, Vengesai & Mandude, 2022).

Small and medium enterprises have made great contributions in eradicating poverty in Nigeria. SMEs are regarded as the engine of economic growth to any nation's development. The main advantage of the sector is its ability to employ at low capital cost. The labour intensity of the SMEs is much higher than that of the large enterprises. SMEs as a nursery of entrepreneurship are often driven by individual's creativity and innovation (Orji, Olaniyi & Adeyemo, 2022). Besides the growth potentials and its critical role in the manufacturing and value chains, there wide spread in Nigeria and the multiple effects they have on the rest of the economy enable them to be the engine of economic progress.

Kowo, Adenuga and Sabitu, (2019) posited that small scale enterprises provides income, saving and employment generation. They are seen as veritable engines for the development of entrepreneurial capabilities and indigenous technology which will generate employment in the country. It has been estimated that SMEs employ 22% of the adult population in Nigeria. Because of the SMEs roles in the development and growth of various economies, they have aptly been referred to as "the engine growth" and catalysts for socio-economic transformation of any country. The various activities of small business firms have resulted in the mobilization of the resources of the environment and thereby improving on the standard of living of the population or people (Setyowati, 2020). They have contributed a lot to the labour market by absorbing on ever growing supply. In doing this, they have sufficiently helped to curtail the rising unemployment rate in Nigeria. Other impacts of this sector are its contribution to the development of indigenous entrepreneurs like Innoson Group of company, Tummy-Tummy, Chikason Group of Company, Dozy Power flow and others (John-Akamelu, Ndu & Alokwu, 2022).

SMEs can be said to be a good agent for disposal of industrial products and some service and have immensely increase the production of raw-materials in the form of semi-processed goods for use by bigger industries. It is also a base for the development of appropriate technology and provides a veritable ground for skilled, unskilled and semi-skilled workers. Anambra state has in recent years become an important industrial zone tool (John-Akamelu et al, 2022). Its prominence has become generally recognized to the extent that the described it, as an emergent industrial cluster` in Nigeria. Adamu and Michael, (2019) aptly summarized the definition of poverty in both absolute and relative term as a state

where an individual is not able to cater, adequately for his/her basic needs of food, clothing and shelter, meet social and economic obligations, lack gainful employment, skills assets and self-esteem, and has limited access to social esteem and economic infrastructures.

The study provided answers to the following research question:

- i. What is the nexus between entrepreneur innovation and poverty reduction in Gombe Metropolis?
- ii. What is the nexus between government policies and poverty reduction in Gombe Metropolis?

2.0 Literature Reviews

This section covers the theoretical framework of the study as well as basic concept of poverty reduction, and link to small and medium enterprises (SME's) in poverty reduction.

2.1 Theoretical Framework

The Vicious of Poverty theory was propounded by Nurkes (1953) which posits that there is circular relationship known as the vicious circles of poverty that tend to perpetuate the low level of development in less developed countries like Nigeria. In other words, there is a circular constellation of forces tending to act and react upon one another in such a way as to keep a poor country in a state of poverty. For instance, a poor man may not have enough to eat, being hungry, he may have poor health, being physically weak, his working capacity is low, which means that he is poor and may not have enough and so on. A situation of this sort relating to a country can be summed up in the right proposition that a country is poor because it is poor.

The basic vicious circle stem from the fact that total productivity in low-income countries is low due to deficiency of capital market imperfections, economic backwardness and under development and this circle operates both on demand and supply sides. Clearly, the development of natural resources depends on the development capacity of human resources in a country. If the people are illiterates, low skilled, lacks entrepreneurial abilities, natural resources will remain untapped, unutilized or underutilized. On the other hand, under developed natural resources will make people to remain economically backward in a country. According to Jhingan, Lee and Kumarasinghe, (2007), poverty and underdevelopment of an economy are thus synonymous as a country is poor because it is underdeveloped and a country is underdeveloped because it does not have the necessary resources for promoting development.

2.2 Concept of Poverty Reduction

The concept of poverty includes material deprivation (i.e. food, shelter) and access to basic services (i.e. health, education) (Abu Bakar Ah, Rezaul Islam, Sulaiman & Omar, N. 2021). It now also tends to encompass a range of nonmaterial conditions, such as a lack of rights, insecurity, powerlessness and indignity. The combination of these two types of conditions provides a more complete understanding of poverty. It also makes it more difficult to measure poverty and to evaluate the effectiveness of poverty reduction activities.

Poverty as a phenomenon that exists in multi-dimensional form; hence, it cuts across the global, national, community, household and individual levels (Orji, Ogbuabor, Nwosu, Anthony-Orji & Amoji, 2020). This show that poverty has no definite definition and it is well researched. Poverty alleviation is at the moment one of the issues on the national government agenda which is in the same line with the Millennium Development Goals (MGDs), which has a primary target or motives of eradicating poverty and hunger in the country (Adamu, 2019). Due to its social preeminence, the concept of poverty has been given greater attention in the academic space. Tung, (2022) defined poverty as the inability to fulfill the basic requirements to attain a decent life and, therefore, obtain adequate nutrition, housing,

and clothing. Walsh, (2020) defined it in its most general sense as lack of necessities. Poverty is a situation or condition in which people lack satisfactory material or resources (food, shelter, clothing, housing), and are unable to gain access to basic services (education, water, health, sanitation), and are constrained in their own capacity and ability to exercise rights, lend their voices to the institutions, share power and processes which affect social, economic and political environments in which they live and work (Geremewe, 2019).

By this definition, the majority of people in Nigeria are poor, are being deliberately or inadvertently denied and unable to satisfy these basic necessities of life. Poverty can be categorized, based on different criteria, such as absolute poverty, relative poverty, rural poverty and urban poverty (Yusri, 2020). Absolute poverty is explained as lack of minimum physical requirements or provision for existence; relative poverty, on the other hand, is explained as a situation in which a person's or household's provision or requirement of goods and services is lower than that of others, while Rural poverty is characterized by poor material or resources condition, lack of infrastructures, low level of education, underemployment, low investment, poor health status, and high out- migration, and also urban poverty on the other hand is characterized and considered by environmental degradation, low per capital income, overcrowded accommodation, and other problems or constraints associated with urban areas such as slums, shanties and ghettos.

2.3 Concept of Small and Medium Enterprise (SME)

During the last and current centuries, the world has experienced significant economic development and a rising standard of living (Massey, 2019; McClelland, 2019). Unfortunately, this development is not evenly spread around the globe. In some developing countries, especially in Africa, the standard of living of many people has declined significantly, leading to poverty and social conflict (Stonich, 2021). This has led to the realization that poverty and a falling standard of living, if not addressed, can lead to even more serious social and political conflicts around the world. It is against this backdrop that governments and development agencies have initiated a search for solutions to world poverty, especially in developing countries.

Several decades ago, scholars placed the emphasis on the promotion of large-scale enterprises as the major providers of jobs in developing countries. This was apparent in the 19th and 20th centuries when large enterprises were considered to be the engines of economic and technological progress (Gherghina, Botezatu, Hosszu & Simionescu, 2020). This approach was adopted by post-colonial governments in Africa through the establishment of gigantic state-owned enterprises as well as the nationalization of foreign ones. Although Small and Medium-Sized Enterprises (SMEs) have also been advocated during the post-colonial era in Africa, when it came to planning to absorb the surplus labour force, much of the emphasis was on developing the agricultural sector and expanding the public sector.

In a report on pro-poor growth, Florini and Pauli (2018) pointed out that: It is important to recognize that the private sector consists of more than formal businesses. Individuals and households, from rich to poor, also operate as private economic actors when they consume goods and services, sell their labour, farm or produce goods and services. Reducing poverty requires greater efforts to address the needs and maximize the contribution of the many informal enterprises, family-run farms and self-employed men and women that conduct business in developing countries.

2.4 Dimensions of SMEs

2.4.1 Entrepreneur's Innovativeness

Experience shows that innovativeness has little to do with the technology used. Being innovative is a state of mind, a particular way in which a business perceives itself and its surroundings. A strong focus on technologies may even have a negative influence on innovativeness. No matter how outstanding and ingenious a new technology, in the end it is the market which determines the success or failure of an innovation (Afuah, 2020). If you are entering a line of business that is already flooded then what additional value are you giving consumers? if you are offering the same product the same way at the same price, why would consumers purchase your product. Unfortunately, though many businesses go to business without having this in mind and consequently fail. Many obstacles to innovation in SMEs are also stressed in the abundant innovation literature written on the issue of SMEs. The lack of financial resources, inadequacy of management and marketing, lack of skilled workers, weakness in external information and linkages, and difficulty in coping with government regulations, to name a few, are all factors that limit their competitiveness. SMEs may be unable to exploit new products because of the limited organizational and marketing capabilities.

Lack of innovativeness among SMEs has also been due to Personnel problems, where small businesses lack the number of skilled workers needed to realize innovations. This has meant that as an SME you are stuck to your workers who lack skills. Other limiting factors are the funds and the frequently limited access to suitable sources of financing. The budget available to fund innovations tends to be too small, resulting in a lack of stamina for projects with a long preparatory phase. According to Radziwon and Bogers, (2019) undersized project portfolio contributes to lack of innovativeness in SMEs. Usually, small businesses can only take on a few innovation projects at a time, which makes it difficult to balance the economic risk. Lastly, Lack of information and knowledge also causes lack of innovativeness in SMEs. SMEs are often undersupplied with information. Furthermore, the systematic information which is available is often fragmentary (Prüst, Meijer & Westerink, 2020).

2.4.2 Government Policy

There is wide consensus in Nigeria that government policies are made in favor of the formal sector and against the informal sector. This unfavorable situation weighs heavily on the SMEs. While formal sector enterprises enjoy such direct benefits as access to credit and foreign technology, restriction on competition through tariffs and quotas, and trade licensing, the informal sector is often ignored and even harassed by the authorities.

Enterprises and individuals within this sector operate largely outside the system of government benefits and regulations and thus have no access to the formal credit institutions and the main sources of technology transfer. Many of the economic agents within this sector operate illegally, often pursuing similar economic activities to those in the formal sector, such as marketing foodstuffs and consumer goods, repair and maintenance of machinery and consumer durables, and running transport services. Illegality in this case is generally not due to the nature of the economic activity but to an official limitation of access to legitimate activity (Afuah, 2020).

The majority of SMEs in Nigeria, having been harassed or merely tolerated by government and scorned by the formal financial institutions with respect to access to credit, have resorted to alternative sources of financing among the informal financial institutions. According to a study by Falola, Mukaila and Abdulhamid, (2022) on sources of agricultural credit and finance in West Kwara State of Nigeria, about 82 per cent of farmers sampled obtained credit from non-institutional sources (of which 58 per cent from friends and relatives, and 24 per cent from money lenders).

2.5 Nexus between Small and Medium Enterprise and Poverty Reduction

Micro, Small & Medium Enterprises (MS&MEs) has been played a importance role for development of the economic growth of a country as well as alleviating poverty through new jobs creation and provide income for the people (Mohapatra, 2021). MS&MEs not only help during the period of economic growth but also in economic recession. The strong turbulence in the world economy in 1970s had made many large firms in developed countries lay off their employees then MS&MEs were regarded as the problem solver to these structural changes (Mohapatra, 2021). The strategic importance of micro, small and medium-sized enterprises in national economic development is widely recognized by many countries, developed and developing countries alike (Harvie, 2019). Simultaneously, there have been reports and evidence of contributions that MS&MEs make in the process of industrial development. It was noted that MS&MEs consist of 91–93% of the total industrial establishments in countries such as Singapore, Taiwan, Thailand and South Korea (Harvie, 2019).

Education for sustainable development has the potential to equip people with skills needed to improve their livelihoods and by building a skilled workforce, education can promote a country from one economic bracket to the next. If all students in low-income countries left school with basic reading skills, we could eradicate 12% of world poverty (Crouch, Rolleston & Gustafsson, 2021) and as such, it is an essential investment.

Skills are the key way in which education reduces poverty. Education makes it more likely for men and women not just to be employed, but to hold jobs that are more secure and provide good working conditions and decent pay. In so doing, education can not only help lift households out of poverty, but also guard them against falling back into poverty. And, just as education plays its role in helping alleviate poverty, progress in fighting poverty is inextricably linked with progress in achieving education for all. The direct costs of sending children to school, as well as the indirect costs of losing a source of labor, can be formidable for poor parents and as a consequence, not only are poor children less likely to enroll in primary school, but those who do so are more likely to drop out. This disadvantage results in children from poor households being over three times more likely to be out of school than children from rich households. Low quality education reinforces this problem, as parents are less willing to bear those costs if they cannot see the benefits of education and there is no better moment to realize education's role in helping households escape poverty than today (Crouch, Rolleston & Gustafsson, 2021). These arguments led to the postulation of the following hypothesis:

H₀₁: There is no significant nexus between entrepreneur innovativeness and poverty reduction in Gombe Metropolis, Gombe State.

H₀₂: There is no significant nexus between government policies and poverty reduction in Gombe Metropolis, Gombe State.

3.0 Methodology

The cross-sectional survey approach was used to collect data for the study.

The study adopted the cross-sectional survey in its investigation of the variables. Primary source of data was generated through structured questionnaire. The population for the study was made up of selected SMEs in Gombe Metropolis totaling one hundred and eighty-seven (187). The sample for the study was 120 which was gotten from Krejcie and Morgan Table. The simple random sampling technique will be applied in this study as the sample procedure. With the help of the SPSS Package version 23, descriptive statistics and Spearman's rank correlation were employed for data analysis and hypothesis testing.

4.0 Data Analysis and Results

4.1 Bivariate Analysis

The hypothesis test included the bivariate hypotheses H_{01} and H_{02} , which were all expressed in the null form. To conduct the analysis, we used the Spearman Rank (ρ) statistic. The 0.05 significance level is used as a threshold for the probability of either accepting or rejecting the null hypotheses at ($p>0.05$).

Table 1: Correlation Matrix showing Relationship between Small and Medium Scale Enterprises and Poverty Reduction

		Poverty Reduction	Entrepreneur Innovativeness	Government Policies
Spearman's rho	Poverty Reduction	1.000	.665**	.819**
	Correlation Coefficient Sig. (2-tailed)	.	.000	.000
	N	103	103	103
Entrepreneur Innovativeness	Entrepreneur Innovativeness	.665**	1.000	.730**
	Correlation Coefficient Sig. (2-tailed)	.000	.	.000
	N	103	103	103
Government Policies	Government Policies	.819**	.730**	1.000
	Correlation Coefficient Sig. (2-tailed)	.000	.000	.
	N	103	103	103

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

Source: Research Data, 2022 (SPSS output, version 23.0)

The table above illustrates the test for the two previously postulated bivariate hypothetical statements.

H₀₁: There is no significant nexus between entrepreneur innovativeness and poverty reduction in Gombe Metropolis, Gombe State.

The correlation coefficient 0.665 shows that there is a strong and positive relationship between entrepreneur innovativeness and poverty reduction. The p value $0.000 < 0.05$ indicates that the relationship is significant. Therefore, the null hypothesis is hereby rejected and the alternate upheld. Thus, there is a significant relationship between entrepreneur innovativeness and poverty reduction in Gombe Metropolis, Gombe State.

H₀₂: There is no significant nexus between government policies and poverty reduction in Gombe Metropolis, Gombe State.

The correlation coefficient 0.819 shows that there is a positive but weak relationship between government policies and poverty reduction. The p value $0.000 < 0.05$ indicates that the relationship is positive. Therefore, the null hypothesis is hereby rejected and the alternate upheld. Thus, there is a

significant relationship between government policies and poverty reduction in Gombe Metropolis, Gombe State.

4.2 Discussion of Findings

Using the Spearman's rank order correlation tool and a 95% confidence interval, the data demonstrated a strong and positive significant link between small and medium scale enterprises and poverty reduction in Nigeria. This study's findings indicated that entrepreneurial innovativeness and government policies as dimensions of small and medium scale enterprises had a significant relationship with poverty reduction. This finding was backed by Faggian, Modrego and McCann (2019) postulates that business growth depends on the synergy between new knowledge which can be acquired through training and human capital. This implies that training forms a critical element in contributing to firm growth and in turn a country achieving a rise in its GDP. This study looked into business management training as a factor that would lead to firm growth and meet the framework proposed by Kumar, Lahiri and Dogan (2018) and Faggian, Modrego and McCann (2019) above. Training alone may not necessarily lead to business growth, as there may be other contributing factors, such as access to finance and improved infrastructure which could also contribute to improved firm performance. Training, therefore, becomes one of the determining issues to look into when assessing business growth and firm performance.

The relationship between SMEs and economic growth is robust to controlling for the size of the informal economy. Specifically, we use estimates of the size of the informal sector relative to national GDP from Islam and Alam, (2019), Dell'Anno and Adu, (2020) and Pasovic & Efendic, (2018), based on the currency demand and DYMIMIC approaches. These authors estimate the market value of output produced by the informal sector as a share of measured GDP. We use measures of informal activity rather than informal labor force because very few countries have data on the size of the labor force employed by the informal sector (Colombo, Menna & Tirelli, 2019). When we control for the importance of informal economy, both SME measures still enter significantly and positively, while the measure of the informal economy does not enter significantly. The premise of this study was that growth of SME might not only create employment and reduce poverty, but also contribute to the GDP and support the economic pillar in Vision 2030, which aims to transform the country into a middle-income economy.

Since earlier findings found that the business environment positively influenced overall economic growth, the results on poverty suggest a positive link between the business environment and poverty through growth. The findings suggest that improvements in the business environment affect the lowest income quintile as much as the rest of the country. The results in do not reject the view that there is no relation between the importance of SMEs in an economy, its business environment, and the incidence of poverty as measured by Headcount and Poverty Gap. Neither of the two SME measures enters significantly. Furthermore, we also do not find any significant relationship between Business Environment, Institutional Development and either of the two poverty measures when controlling for GDP per capita. Note, however, that the results indicate a strong negative relationship between GDP per capita and the incidence of poverty.

Njagi and Onyango (2019) examined the economic role of women entrepreneurs in poverty reduction in Kenya. A case study was carried out among women entrepreneurs at the Maasai market within Nairobi City's Central Business District. From the target population of 664, 15% were sampled for this study, through stratified and purposive sampling techniques. Quantitative and qualitative data were collected by use of questionnaires and interviews, hence analyzed concurrently. The study showed that the economic activities carried out by the respondents were similar in nature and included selling of African

artifacts, clothing and ornaments. Most respondents (95%) used readily available raw materials to make their products for sale. Majority of the respondents (83%) agreed that the businesses had made them improve their economic status. The businesses contributed to the promotion of tourism, employment and export trade. The study concludes that women entrepreneurs play a major role in poverty reduction.

5.0 Conclusions and Recommendations

Studies has shown that business growth depends on the synergy between new knowledge which can be acquired through training and human capital. This implies that training forms a critical element in contributing to firm growth and in turn a country achieving a rise in its GDP. This study looked into business management training as a factor that would lead to firm growth and meet the framework. SME alone may not necessarily lead to business growth, as there may be other contributing factors, such as access to finance and improved infrastructure which could also contribute to improved firm performance. Training and government polices therefore, becomes one of the determining issues to look into when assessing business growth and firm performance. The study concludes that a link exists between small and medium scale enterprises and poverty reduction in Nigeria. The study thus recommended that:

- i. Education among the youths should be encourage by the government. This can come in the form of school fees reduction and youth empowerment for the communities within the specified government area.
- ii. Government policies should be concise and comprehensive. This would make any associated body to fully understand and carry out the set policies for the community benefit.

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Implementing an Industrial Waste Management Initiative Based on Circular Economy in Nigeria: A Conceptual Approach

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Abstract

This study is aimed at promoting the current discussions on solid waste handling given the fact that the traditional methods of managing waste and trash concepts are progressively being substituted with deliberations on circular economy (CE). This is against the background of the fact that CE is still a comparatively new idea in emerging nations and conventional waste management strategies and laws cannot mitigate the challenges that are associated with waste management and other ecological matters. The widespread acceptance of the idea of sustainable development (SD) supports this transformation. Better solid waste management prospects are provided by the CE, which has been effectively used in some of the world's developed regions in terms of theory, practice, and policies. Its appropriateness and operation in low-and middle-income countries have been hampered by socioeconomic limitations, a lack of specialist knowledge, and a lack of information. In order to better understand these issues, the present research is interrogating the opportunities and problems of using the CE initiative at the industrial sector level in Nigeria which is the fastest-growing economy among the developing countries of Africa. The use of a CE model as a straightforward modification of the generic model could be facilitated or hindered by a number of obstacles and preexisting factors that were mentioned in this study. Future directions for the application of the model were also covered in this study.

Keywords: *circular economy; sustainable development; solid waste, environmental protection, conceptual approach.*

1.0 Introduction

The circular economy (CE) is a new and expanding field of study that promotes a reformative strategy to managing natural resources rather than a linear one. This is against the background that the earlier linear approach is incredibly unsustainable due to the limited obtainability of raw materials for production and the resulting environmental deterioration (Elegbede, Lawal-Are, Favour, Jolaosho, & Goussanou, 2023). The overriding issue of sustainable development (SD), which has attracted global attention and adoption, is further advancing the CE principle. Accordingly, this perspective has lately fascinated the attention of numerous academics, mainly in the fields of sustainable development and environmental policy. A linear economic approach has historically been utilized to manage solid waste issues globally. The main objective of this initiative is often to make sure that this new approach to CE does not affect the environment, people, or society at large, even though it stresses combined methods to waste disposal to safeguard the environment and public health. Therefore, it suggests processing garbage in a hierarchy, which entails looking for the finest alternative based on modern practice with the aim for saving the

environment (Debrah, Teye and Dinis, 2022). The general goal and intention are to manage waste resources with an emphasis on environmental protection, even though it strongly supports waste minimization, recycling, and reuse at all costs.

The main issue is the lack of awareness and acceptability on CE and that it is not frequently connected to opportunities in business and the economy (Bianchi and Cordella, 2023). Several countries around the world have fully embraced CE principles and moved away from implementing conventional waste management strategies and laws (Tauseef Hassan, Wang, Khan, & Zhu, 2022). The majority of these nations have something in common, including strong political will, innovative technologies, reliable public governance, and cutting-edge public infrastructure. This has brought up the question of whether low- and middle-income nations can adopt the same CE in its entirety, including all of its theories, practices, and policies. The lack of information and ignorance of the implementation procedures are other problems that prevent CE from being adopted in Africa (Van Opstal and Smeets, 2023). While CE is still a comparatively new idea in emerging nations, with the exclusion of G20 states like China, the dividends of adopting the approach has been acknowledged as the best at all levels of government (Satya *et al.*, 2023). This paper argues that research activities should offer direction in this respect, as the lack of understanding on how it might be applied has prevented most African countries from implementing the concepts (Corvellec, Stowell and Johansson, 2022) and thus the reason for this research. The current study examines the potential applications of CE in industrial solid waste management in Nigeria which is a typical developing nation. Part of the reason for the failure of waste management strategies in Nigeria is that the bulk of them frequently lack scientific, commercial, and economic merit. Therefore, in order to guarantee successful outcomes, the CE principle must be incorporated into the development and application of these policies and procedures.

To the best of the researcher's knowledge, limited researches has examined Nigeria's industrial solid waste management system with the intention of making a CE recommendation. Therefore, the purpose of this research initiative is to generate new interest and awareness on the laws and customs governing the management of industrial solid waste in Nigeria as well as to assess the chances, difficulties, obstacles, and opportunities for implementing the CE in the nation's industrial solid waste management. Previous studies on the CE concerning the treatment of trash in Nigeria have recognized the existence of unofficial waste recycling activities, the existence of government agencies that serve as formal regulators, multiple stakeholders efforts working towards the adoption of CE (Debrah, Teye and Dinis, 2022), and collaboration among stakeholders (Shehu *et al.*, 2022). Nigeria has seen a recent rise in initiatives to address the country's colossal waste management problems. This study is being carried out to synthesize these efforts, assess potential opportunities and challenges, as well as to recommend analytical approaches and put in place strategies for the achievement of CE goals and objectives in Nigeria. The present effort will expand on the circular economy implications of this co-production in solid waste management.

2.0 Literature Review

2.1 Theoretical Foundation

The cradle-to-cradle theory, which Brann Gant and Mc Donough created in 1990, serves as the theoretical foundation for this study (Tanveer *et al.*, 2022). The idea of "cradle-to-cradle" is a philosophy and way of life that emphasizes responsible production and consumption in order to keep the production of materials in a continuous cycle, protect the environment, and enhance human life so that future generations can continue to enjoy an endlessly pleasurable standard of living. The idea is to create the right item from nothing. This means that the manufacturers must have complete knowledge of the raw materials used in production and understand how those materials will hold up after the product has been

consumed. This can be accomplished by distinguishing between technological and biological products with the intention of ensuring that all of the former pass-through biodegradation and return to the ecosystem as food for other living things without releasing any harmful products to the environment, while the components of the latter should be decoupled/disassembled into various components that go back into the production process without any of them escaping to the environment as a pollutant. In essence, the cradle-to-cradle production method continuously extends a product's useful life by utilizing renewable energy sources.

2.2 Nigerian Circular Economy Perspective of Waste Management Situation

Nigeria is estimated to be the most populous black nation on earth with a population estimated at 198 million in 2019. Nigeria faces significant socioeconomic challenges that are expected to continue unabated due to unchecked growth in both the general and urban populations and (ii) absence of corresponding growth in the nation's significant potentials (Babaremu *et al.*, 2022). As a result of ongoing population increase, urban and urbanizing areas proliferate, increasing the amount of solid trash that communities produce as a result (Owojori, 2022). About 67,000 tonnes per day (TPD) of trash are produced by the 106 million people who live in Nigeria's cities today. It is estimated that by 2040, this number is expected to approach 125,000 TPD (Khan and Ali, 2022). Unfortunately, Nigeria's policy for managing trash and institutional framework have historically and currently adopted a top-down structural approach, which does not give much thought to the opinions of non-state actors who participate in the commissioning, design, delivery, or assessment phases of the service delivery cycle (Sasmoko *et al.*, 2022). This has produced undesirable waste management results, including subpar garbage collection services, ineffective recycling and resource recovery programs, and appalling waste dumping practices that define many Nigerian cities (Owojori, Mulaudzi and Edokpayi, 2022). The state of trash disposal policies in Nigeria at the moment has all the elements of disregard for data collection, proper planning and insufficient regulatory regime (Prieto-Sandoval, Mejia-Villa, Jaca, & Ormazabal, 2022). In the meantime, the notion of sustainable waste management operations today includes business and economic opportunities for attaining a circular economy in addition to proper garbage collection and effective disposal (Mustafa, Hayder and Mustapa, 2022). Businesses are putting more effort into researching greater incomes and achieve competence at all phases of manufacturing and consumption to support the concepts of the CE as awareness of the limited supply of global resources has increased (Wikurendra, Ferto, Nagy, & Nurika, 2022). Principles of the circular economy encourage minimizing waste, recycling it, getting rid of trash and pollution, making the best use of products, and replenishing natural resources (Tanveer *et al.*, 2022).

2.3 Management of Solid Waste for a CE

In both established and developing nations, waste management through the circular economy improves chances for a wealthier populace, a cleaner environment, the production of energy, and efficient policies. The adoption of this strategy has been dragged significantly in many nations due to a lack of knowledge and data scarcity (Stephenson and Damerell, 2022). State government organizations in Nigeria are primarily in charge of managing garbage in the nation's towns and villages. This structure needs to be improved because it is only equipped to handle a little amount of the daily trash produced. The circular economy (CE) is expanding at an accelerated rate; it is a field of study that emphasizes regenerative approaches to managing natural resources as opposed to critical linear approaches that are severely unsustainable due to finite availability of raw materials for production and the resulting environmental degradation. Many countries around the world have completely adopted circular economy principles in place of implementing outdated waste management practices and laws (Khanna, Gusmerotti and Frey, 2022). Municipal solid waste (MSW) can be aggregated in three different methods, as shown in Fig i. To promote health, wealth, and a greener environment, waste management in developing nations needs to

be supported by the circular economy concept. The solutions to the safety issues include ensuring that the unofficial workers have safe working environments, safety supplies, and pension benefits. Given the severity of the country's financial situation and position, once the circular economy is formally recognized through appropriate regulations and incentives, there are good chances for luring new informal workers. Prior analysis efforts have frequently emphasized the importance of these indicators (Ezeudu and Ezeudu, 2019; Tanveer *et al.*, 2022). The majority of waste management techniques in Nigeria have extremely limited technical and financial resources and receive no outside financing (Okafor *et al.*, 2020, 2021) see Fig. ii.



Fig. i Principal techniques for collecting municipal solid trash from the populace and infrastructure. Source: (Scarlat, Dallemand, Monforti-ferrario, & Nita, 2020).



Fig. ii The approach that is most sustainable is to reduce waste. Source: (Jones and Wynn, 2019)

This means that in order to ensure and maximize the synergism of actions towards the strategic long-term goals of the system, other physical components, such as ecologically sound treatment and disposal, and resource recovery from waste, need to be required to be thought-about from the showtime. In other words, it is crucial and useful to confirm the consistency of policy objectives and the unity of the instruments used to attain them (Azizuddin, Shamsuzzoha and Piya, 2021). However, the need for good waste management services for environmental preservation and public health is growing (Abbas, Hassan and Usman, 2022). The health and wealth of the country's residents will improve with a cleaner environment and pollution control measures. In other cases, this has required expensive measures and contentious political choices (Mang, 2020). The majority of challenges with waste management include inadequate drainage facilities, problems with enforcement, corrupt behavior and system failure, pitiful supervision, and a lack of culture for infrastructure upkeep (Gbadamosi, 2021). The average Nigerian

resident generates 0.43 kilogram of solid garbage per head each day. In addition to plastics, nylon, and scrap metal, organic matter makes up between 60 and 80 percent of the overall waste stream.

3.0 Methodology

In this study, a quantitative, correlational cross-sectional design is the suggested methodological technique. Quantitative research, according to Sugiyono (2016) is a research technique built on the positivism concept and used to study a particular population or sample. According to Sugiyono (2016), the descriptive approach is used "without comparing the variables themselves and looking for links with other factors" to ascertain if independent variables exist only in one or more variables (independent variables or dependent variables). This descriptive method is one that seeks to ascertain the nature and relationship between variables by paying closer attention to specific aspects in order to gather data relevant to the research problem. The data is then processed, analysed, and further processed in accordance with basic theories that have been studied so that conclusions can be drawn from the data.

3.1 Examinations of Disposal Sites and Waste Management Techniques

The methodology to be used comprises questionnaires, data from publications, and inspections of disposal sites. In the majority of Nigeria's rural and urban areas, adequate waste management is urgently needed. Figure 4 shows how waste is handled in several Nigerian residential areas. Figure iv illustrated the drawbacks and benefits of the circular economy. The various ethnic groups and waste management traditions in Nigeria were shown in Figure vi. Figure vii showed Nigeria's present waste management system.



Fig iii How trash is handled in some Nigerian residential areas Source: (Ezeudu, Oraelosi, Agunwamba, & Ugochukwu, 2021).



Fig. iv Positive and negative aspects of the circular economy. Source: (Muranko, Chaer, Newton, & Proudman, 2018).



Fig. v Nigerian waste management practices vary by ethnic group. Source: (Jaffe and Nas, 2004).



Fig. vi Nigeria's current garbage management system (Subramoniam, Sundin, Subramoniam, & Huisinigh, 2021).

4.0 Impediments in the way of CE in Nigeria

The handling of trash in Nigeria is beset by numerous difficulties. There are problems with the systems for collecting, insufficient treatment, disposal, and recycling. Contamination of the air and groundwater are issues. In Nigeria, there are flooding issues that can be linked to the dumping of trash in canals and drainage systems. The regulatory framework and implementation methods for sustainable management and the circular economy are not sufficiently strong. Other difficulties in garbage recycling can be linked to insufficient finance, capacity building, and entrepreneurialism

4.1 Prospects for a Circular Economy Based on Sustainable Waste Management

Wealth and a healthy environment for everyone are the main prospects. When garbage is correctly handled, it won't impact people, animals, the ecology, or the environment in general. The public's health will be protected. Energy, wealth, and waste reduction will improve environmental sustainability. Sustainable waste management will also have the potential to conserve resources.

4.2 The Path for Achieving Success

The waste management industry needs to draw in private investment. Priority should be given to waste management programs that promote entrepreneurship and job creation. All materials are susceptible to resource recovery and efficiency. It is also possible to recycle water, use recycled materials, and cut back on resource extraction. Government and all stakeholders should encourage waste management research and innovation. Systems for managing garbage that are sustainable must be developed that are

reliable and practical. Institutions and all levels of government should provide adequate awareness, planning, and implementation of the circular economy concept. It is important to embrace and promote consumer education campaigns, stakeholder collaboration, capacity building, and manpower development. For efficient waste management, Nigeria has to entice investors in recycling infrastructure. Advocacy for legislation and regulations will be very beneficial. The circular economy and all aspects of waste management should receive appropriate attention. Facilities for treatment, disposal, recycling, and other purposes should be planned and built. The accountability of stakeholders and regulatory requirements are highly helpful in the circular economy.

5.0 Conclusion and Recommendations

In Nigeria, the circular economy concept is still in its infancy. However, this study's findings showed that entrepreneurial development has a major impact on circular economy; in fact, entrepreneurship development accounts for nearly 97 percent of all variations in circular economy. The conclusion drawn from the aforementioned is that Nigeria has enormous potential for the development of the circular economy, which would provide a chance to increase the value of our environment and natural resources. Unfortunately, the informal sector in Nigeria is carrying out the meager efforts in the circular economy. Another risky trend in Nigeria is the exponential rise in trash production without a corresponding rise in environmental consciousness there. There is a very high level of ignorance on the necessity of protecting our environment for a better future, which implies that willful harm to our future and to our natural resources will continue unabatedly. It is also important to highlight that Nigeria's lack of a convincing government policy on the circular economy makes it difficult to implement the circular economy as a means of achieving environmental sustainability. The current trend must be stopped, but the government, which could have promoted the circular economy through appropriate legislation, is also falling short of expectations.

Based on the study's findings, it is advised that the government develop clear and convincing environmental and circular economy policies. The government should also provide funding access, training opportunities, tax breaks, and capacity building to entrepreneurs in the circular business sector. Government should also launch a large education campaign about the circular economy's potential benefits and prospects.

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Domestic Economic Crisis and Banking Sector Non-Performing Loans in Period of Economic Recession in Nigeria

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Abstract

In period of economic boom firms borrow fund from banks to finance their operations to meet up market demands, while in period of burst their loan repayment ability could be hampered due to operation distortions. This may lead to inability of borrowing firms to repay loans granted to them by banks, which could result in deterioration of banks credit quality. Therefore, this study seeks to assess the effect of economic recession on banking sector non-performing loans in Nigeria. The study used Auto-regressive Distributed Lag (ARDL) for analysis. The study found that economic recession has significant effect on non-performing loans in Nigeria It is recommended that the central bank and commercial banks should evolve optimal credit risk management framework to hedge against economic volatility.

Key words: Banks, Credit, Crisis, Domestic, Recession, Risk

2.0 Introduction

Banks financial stability is important to the economy, as they perform intermediation functions of transferring fund between economic agents, amidst increasingly uncertainty associated with the complexity of their operating environments. The increased complexity and uncertainty in the banking sector has led regulatory agencies and banks to develop more sophisticated financial tools to periodically ascertain the shocks absorption capacity and vulnerabilities of the system under adverse future scenarios (Dite, 2015). Businesses and households' access credit facilities from financial institutions to finance their operations and in the process pledge assets as collateral to hedge against risk of default. The inability of borrowers to repay loans extend to them by banks may result in deterioration of banks credit quality, which could become Non-Performing Loans (NPLs). The systemic spread of NPLs in the banking sector may affect the financial stability of banking sector. Furthermore, in period of economic boom firms borrow

fund from banks to finance their operations to meet up market demands, while in period of burst their loan repayment ability could be hampered due to operation distortions. Thus, a downturn in economy may portend a serious financial trouble for the banks. Similarly, if the lender is also highly leveraged, the inability of the borrower to meet the credit payments is directly reflected to the ability of the lender to finance their credit payments. Furthermore, empirical evidence reveals that NPLs exhibit countercyclical behaviour (Klein, 2013). Specifically, income increases in a situation where economy is

expanding and real GDP growth is higher, which consequently result in improved borrower loan repayment capacity. Thus, default risk is reduced and NPLs will tend to decrease. Conversely, during economic contraction, unemployment tends to rise, leaving borrowers with fewer resources to repay their debts. Default risk tends to pick up and NPLs to increase.

Firms' and economic sectors tend to react differently to international and local events based on local macroeconomic conditions peculiarities. Nigeria economy in recent years has been bedevilled by series of economic challenges that culminated in economic recession in Nigeria, which was fuelled by interactive effect of both international and domestic factors. At the international fronts the global financial crisis, drastic drop in global crude oil prices and COVID 19 pandemic contributed to slowdown of foreign capital inflows and depressed economic growth. The decrease in global crude oil price led to reduction of foreign exchange earnings, which has led to economic decline with its multiplier effects. Similarly, the outbreak of COVID19 pandemic has further aggravated the already stress economic condition, which has led to constriction of budgetary spending by businesses and governments. Domestic factors were largely driven by cut in oil production due to renewed youth restiveness in oil rich Niger Delta region. Between the period 2016 to 2020 Nigeria experience two series of economic recessions. In Q2:2016 Nigeria GDP fell by 2.06 percent after dropping by 0.36 percent in Q1:2016. The National Bureau of Statistics (NBS) stated that the GDP dropped by 3.62 percent in the third quarter of 2020 that was preceded by 6.10 drop in Q2: 2020 (National Bureau of Statistics, 2020). A two consecutive negative quarterly GDP growth entails that an economy has fell into economic recession. Conversely, within the corresponding period NPLs of banks increased from ₦1,677,271,649,650.62 in Q2:2016 to ₦2,190,509,814,458.09 in Q3:2016. Furthermore, within the period around 2020 economic recession banks NPLs grew from ₦1,170,041,391,430.23 in Q3:2020 to ₦1,233,930,192,167.49 in Q4:2020 (Central Bank of Nigeria, 2020).

Furthermore, there seems to be paucity of literatures on the role of economic recession on NPLs. Studies have been conducted on the causal factors of NPL. However, the consensual position is that two main categories of literatures on NPLs causal factors exist, which include macroeconomic conditions and bank-level factors. The macroeconomic factors impede debt servicing capacity of the borrower, while bank-level factors reflect risk-taking lending practices. Given the paucity of research there is perceived need for further research on influence of economic recession on NPLs especially in developing economies. This study therefore is set to fill these obvious gaps by investigating the extent to which domestic economic crisis affect non-performing loans in period of economic recession in Nigeria.

2.0 Literature Review

Studies have been conducted on the effect of economic crisis on banks NPLs has attracted considerable interest from researchers. But, there seems to be contrasting outcomes in the studies. Ciukaj and Kil(2020) investigated the determinant of banks credit exposure quality in European Union countries (Bulgaria, Croatia, Cyprus, Italy, Ireland, Greece, Portugal) with a high level of NPLs at the end of 2017. The study used static panel-based approach to assess the determinant of NPLs for the period from 2011 to 2017. The study established that the high level of NPLs could be attributed to both macroeconomic and microeconomic factors.

Mpofu andNikolaidou (2018) investigates the macroeconomic determinants of credit risk in the banking system of 22 Sub-Saharan African economies. We measure credit risk as the ratio of non-performing loans to total gross loans (NPLs) and employ dynamic panel data methods over the period 2000–2016.Using a variety of specifications, the results show that an increase in real GDP growth rate has a

statistically and economically significant reducing effect on the ratio of non-performing loans to total gross loans. Furthermore, inflation rate, domestic credit to private sector by banks as a percent of GDP, trade openness, VIX as a proxy of global volatility, and the 2008/2009 global financial crisis, all have positive and significant impact on NPLs.

Kure, Adigun and Okedigba (2017) investigated the determinants of non-performing loans (NPLs) and its effect on the macro economy. The study used Pool Mean Group (PMG) estimator and a panel vector autoregressive (PVAR) distributed lag models were employed to analyse quarterly data for the period 2007 - 2016. The study found NPLs to have been affected by credit growth, inflation and lending rate. The study established negative relationship between economic growth and NPLs, which indicates improvement in the production environment, can lower the growth of non-performing loans. The study also found moderate impact of NPLs on the economy, decline in credit and bank assets, increase in risk taking by banks and reduction in economic growth.

Belaid (2014) empirically examined whether loan quality can be explained by banks-specific variables (banks' policies in terms of cost efficiency, capitalization, activity diversification, profitability and credit growth), firm-specific factors, macroeconomic conditions or combination of these three categories of determinants in Tunisia after controlling for the effects of firm-specific characteristics and macroeconomic conditions. Probit and ordered probit methods were employed, using a data set for the ten largest Tunisian banks. The results showed that banks, which are cost inefficient, low capitalized, diversified and small, are more likely to have a low quality of loans portfolios. Additionally, the study found that bank's profitability does not seem to offer an important contribution in explaining the loan quality evolution.

Tanasković and Jandrić (2014) analysed macroeconomic and institutional empirical determinants of growth of NPL ratios, in selected CEEC and SEE countries in the period 2006- 2013. Data was analysed using static panel model approach with the logarithm of share of NPLs to total loans as a dependent variable, country-specific macroeconomic and financial indicators, as well as relevant institutional indicators were used as independent variables. The results of the study show that there is a negative relationship between increases in GDP and rise of the NPL ratio, foreign currency loans ratio and level of exchange rate are positively related to increase in NPL ratio. In addition, they found inflation rate to be statistically insignificant for sample countries. While institutional variables, only financial market level of development is reported as statistically significant in relation to the level of NPL.

Alhassana, Kyereboah-Coleman and Andoh (2014) examined the determinants of asset quality (measure of credit risk) deterioration in Ghanaian banks for period around 2007 global financial crises using a unique dataset on 25 banks from 2005 to 2010. Asset quality is measured by non-performing loans. Based on system Generalized Method of Moments estimations for analysis, they found that the persistence of non-performing loans in addition to loan growth, bank market structure, bank size, inflation, real exchange rate and GDP growth are significant determinants of banks asset quality in Ghana. Castro (2013) finds a positive association between NPLs and private/public indebtedness, real exchange rate appreciation, unemployment rate, and the 2008/2009 global financial crisis but a negative relationship between NPLs and housing price index and equity prices.

Theoretical framework of this study is the Bad asset theory. The theory posits that financial crisis is a large-scale disappearance of inside money. This is caused by information asymmetry (the lemon problem) concerning the quality of financial assets. The lemon problem is caused by the emergence of bad assets, resulting from the collapse of asset-price bubbles. The shrinkage of inside money tightens

the liquidity constraints for private agents and causes sharp declines in output and employment. The crisis may be persistent because the private agents have no proper incentive to dispose the bad assets under the externality of the lemon problem.

3.0 Methodology

The study used Auto-regressive Distributed Lag (ARDL) technique to estimate the influence of economic recession on banks NPLs. The ARDL model as expanded by Pesaran, Shin and Smith (2001) is employed due to its appropriateness for estimation regardless of whether datasets are stationary at level I(0) or first difference I(1) or combination of both. That is, it can be used for different orders of integration, as existence of variable dataset that is stationary at second difference I(2) are not appropriate for estimation using ARDL model. The choice of ARDL is influenced by the fact that data for the study are time series. Thus, there is need to conduct stationarity test in order to avoid getting spurious results. To conduct unit root test the study used the Augmented Dickey-Fuller (ADF) and the Phillips-Perron (PP) tests. The time series data is representative as it covers both pre-crisis, crisis and post crisis periods. Quarterly time series data for the period Q1 2007 to Q4 2020 drawn from CBN statistical bulletin and database were used to establish the effect of economic recession on NPLs in Nigeria. The study used NPLs ratio measured as the ratio of non-performing loans to total loans as the dependent variable, while independent variable economic recession represented by binary numbers 1 for period of economic recession and 0 for non-economic recession period. Also, GDP growth was used as measure of economic recession. The study controlled for bank specific and macroeconomic variables. The bank-level control variables are total loans to total deposits (*Loan-to-deposit ratio*), credit growth, loan loss provision, and financial stability. The macroeconomic variables crude oil price is used as variables to control for international economic condition, and unemployment rate.

Furthermore, to use ARDL model for estimation bound test for co-integration was conducted to ascertain whether long run relationship exist between the dependent and explanatory variables. Similarly, lag length criteria are determined to ascertain appropriate lag length to be used for estimation. The conditional ARDL (p, q₁, q₂) models is specified in the following logarithmic form:

$$NPLs_t = \alpha_0 + \alpha_1 RCES_t + \alpha_2 GDPg_t + \alpha_3 LIQ_t + \alpha_4 CRD_t + \alpha_5 LLP_t + \alpha_6 FTA_t + \alpha_7 OILP_t + \alpha_8 UEM_t + \mu_t \dots \dots \dots (1)$$

Equation 1 is re-specified to include error correction term (ECT) if there is long run co-integration between the variables. In the following form:

$$NPLs_t = \alpha_0 + \sum_{i=1}^p \beta_1 NPLs_{t-i} + \sum_{i=1}^p \beta_2 RECS_{t-i} + \sum_{i=1}^p \beta_3 GDPg_{t-i} + \sum_{i=1}^p \beta_4 LIQ_{t-i} + \sum_{i=1}^p \beta_5 CRD_{t-i} + \sum_{i=1}^p \beta_6 LLP_{t-i} + \sum_{i=1}^p \beta_7 FSTA_{t-i} + \sum_{i=1}^p \beta_8 OILP_{t-i} + \sum_{i=1}^p \beta_9 UEM_{t-i} + \delta RECS_{t-i} + \delta NPLs_{t-i} + \delta GDPg_{t-i} + \delta LIQ_{t-i} + \delta CRD_{t-i} + \delta LLP_{t-i} + \delta FSTA_{t-i} + \delta OILP_{t-i} + \delta UEM_{t-i} + ECT_{t-1} + \mu_t \dots \dots \dots (2)$$

Where:

- NPLs: The ratio of non-performing loans to total loans
- RECS: Economic recession represented by binary numbers 1 for period of economic recession and 0 for non-economic recession period.
- GDPg: GDP growth
- LIQ: Total Loans to Total Deposits (*Loan-to-deposit ratio*),
- CRDg: Credit Growth,

LLP: Loan Loss Provision
 FSTA: Financial Stability
 OILP: Global Crude Oil Price
 UEM: Unemployment Rate

μ is the error term;

t denotes the time subscript.

Post estimation diagnostic and specification tests were conducted to determine whether the data series are free from problems of serial correlation, heteroskedasticity, stability and normality to avoid spurious results.

4.0 Results and Discussions

The study shows the outcomes of the descriptive statistics such as like mean, standard deviation minimum, and maximum values to depicts statistical properties of the variables used. The Pearson’s correlation is also explained to ascertain whether the variables are not characterised by multicollinearity problems.

Table 1: Descriptive statistics

	NPLs	RECS	GDPg	LIQ	CRDg	LLP	FSTA	OILP	UEM
Mean	5.67	0.40	3.23	58.24	52.52	1.34	1.13	8.71	3.00
Std. Dev.	5.50	0.24	2.54	63.27	30.55	0.69	0.02	19.58	14.44
Skewness	2.74	1.94	1.52	1.24	2.16	-0.87	-0.83	2.22	5.97
Kurtosis	9.71	2.06	4.36	3.45	6.97	2.22	3.71	4.19	4.08

Table 1 shows the descriptive statistics of the study variables, which includes the mean, standard deviation, skewness and kurtosis values. It is observed that the liquidity (LIQ) has the highest variability with a standard deviation value of 63.27.

Table 2: Correlation Matrix

Var.	RECS	GDPg	LIQ	CRDg	LLP	FSTA	OILP	UEM
RECS	1							
GDPg	-0.43	1						
LIQ	0.33	0.34	1					
CRDg	0.15	0.29	0.56	1				
LLP	0.34	0.65	0.45	0.38	1			
FSTA	0.44	-0.07	-0.16	-0.03	0.02	1		
OILP	0.32	0.58	0.41	0.47	0.58	0.43	1	
UEM	0.15	0.23	0.53	0.48	0.22	0.18	0.45	1

The Pearson correlation matrix illustrated in table 2 shows the extent of relationships between the independent variables employed for estimation in the study. It is also employed to investigate whether multicollinearity problem could be found between independent variables. The result shows that the highest correlation is found between LLP and GDPg with a value of 0.65. based on the position of Kennedy (2003) that correlation value above 0.70 suggests multicollinearity issue exists between the independent variables. Also, Gujarati (2009) noted that a correlation value that is above 0.80 indicates multicollinearity problem. Also, the acceptable threshold value of 0.90 percent as suggested by Tabachnick & Fidell (2013). Thus, this study indicates the correlations among the variables are not so strong, which suggest non-existence of multicollinearity issues.

Table 3: Augmented Dickey-Fuller (ADF) and Phillips-Perron (PP) Unit Root Tests

	ADF	PP	LEVEL
RECS	-5.7564	-5.3283	0
GDPg	-3.7584	-3.8546	0
LIQ	-4.8926	-5.079	0
CRDg	9.2426	-5.7906	1
LLP	-7.3639	-7.3639	1
FSTA	-8.7215	-8.6587	1
OILP	-7.0159	-7.0159	1
UEM	-4.7701	-4.5171	1

Source: Extract from E-views Output.

The time series properties of the variables for existence of unit root were examined using Augmented Dickey-Fuller (ADF) and Phillip-Perron unit root test. The results of the ADF and PP tests as illustrated in Table 4 indicates RECS, GDPg and LIQ stationary at I(0), while CRDg, LLP, FSTA, OILP and UEM are stationary at first difference I(1). Therefore, ARDL model could be employed for estimation. The result of bound test conducted indicates existence of long-run co-integration relationship between the variables estimated for H_{01} . Therefore, the Error Correction Model (ECM) is estimated for model one. The results are presented thus:

Table 4.: VAR Lag Order Selection Criteria

Lag	LogL	LR	FPE	AIC	SC	HQ
0	69.7698	NA	0.016001	-1.53174	-1.54774	-1.66978
1	106.42	60.84994*	0.004475*	-2.7001*	-2.427629*	-2.567108*
2	107.4554	0.705666	0.004841	-2.64991	-2.38763	-2.54454
3	104.0456	0.165274	0.00452	-2.62813	-2.3367	-2.51105

Source: Extract from E-views 10 Output

Lag length criteria was determine using the Akaike Information Criterion (AIC). The result of lag length criteria shown in table 4 indicates a lag of 1 is appropriate.

Table 5:ARDL Bounds Test

Test Statistic	Value	Signif.	I(0)	I(1)
F-statistic	5.7345	10%	2.12	3.34
		5%	2.37	3.58
		2.5%	2.55	3.78
		1%	3.62	4.78

Source: Extract from E-views 10 Output

The results of the ARDL bounds test for co-integration as shown in table 4.3.1.2 indicates that F-statistics of 5.7345 is higher than the I(1) upper bound value of 3.58 and lower bound I(0) of 2.37 at 0.05 level of significance. Thus, there is co-integration relationship between the variables estimated. Thus, the Error Correction Model (ECM) is specified.

Table 6: Short-run estimation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.0343	0.0418	0.0243	0.9576
D(NPLs(-1))	0.9772	0.4004	2.6102	-0.0224
D(RECS(-1))	-0.1023	0.437261	-0.15342	0.03454
D(GDPg(-1))	0.0346	0.0345	1.9788	0.0212
D(LIQ(-1))	-0.1013	0.6186	-0.1979	0.7825
D(CRDg(-1))	0.0357	0.0362	0.7702	0.4297
D(LLP(-1))	0.0341	0.0356	-0.174	0.8011
D(FSTA(-1))	0.1366	0.2208	0.5827	0.5507
D(OILP(-1))	0.0009	0.0701	-0.9046	0.3163
D(UEM(-1))	-0.0177	0.0729	-1.3189	0.1462
ECM1(-1)	-0.4973	0.4302	-2.321	-0.0133

Source: Extract from E-views 10 Output

The result of short run estimation is depicted in table 4 shows an ECM P value of 0.0133 and a negative coefficient of the ECM model suggesting a statistically negative significant effect at 1 per cent. The coefficient estimates of the ECM of -0.4979 indicates that the model corrects its short run disequilibrium by 49.73 percent speed of adjustment return to the long run equilibrium. That is, the negative sign of the error correction term indicates a move back towards equilibrium.

Table 8: Long-run Estimation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	11.6543	0.5438	15.0441	0.0000
RECS	-1.4532	0.3756	-3.04645	0.0000
GDPg	0.0032	0.0025	4.7274	0.0023
LIQ	-1.5093	0.3799	-4.0007	0.0024
CRDg	0.0105	0.0040	4.8555	0.0023
LLP	0.0053	0.0032	3.5384	0.0030
FSTA	0.2543	0.1191	2.1601	0.0363
OILP	-0.1196	0.0338	-3.8669	0.0025
UEM	-1.4915	0.4207	-3.5677	0.0029
R-squared	0.5807			
Adjusted R-squared	0.5614			
F-statistic	21.3514			
Prob (F-statistic)	0.0000			

Source: Extract from E-views 10 Output

The result of long run estimation shown in table 4 depicts that in the long run there is positive significant relationships between GDPg, CDRg, LLP, FSTA and NPLs. Conversely, the result also shows that negative significant relationships exist between RECS, LIQ, OILP and NPLs.. The result of post estimation stability test for long-run coefficient and the short-run movements using Cumulative Sum (CUSUM) as illustrated in figure 1 indicates it lies within the 5 percent significance level. The result of the CUSUM test shows the model is stable, as it is within the 5% critical bounds. Thus, the model used for test of H_{01} in the study is stable and could be applied for estimation.

5.0 Conclusion and Recommendations

The findings of the study indicate that GDPg, CDRg, LLP and FSTA have positive significant effect on banks NPLs, this means that the increase in GDPg, CDRg, LLP and FSTA could result in improve NPLs ratio on the books of the bank. That is, an improvement in GDPg, CDRg, LLP and FSTA resulted in reduction in buildup of NPLs on the books of banks. Conversely, the study also established that RECS, LIQ and OILP have significant negative effect on NPLs. This connotes that reduction in banks RECS, LIQ and global OILP could result in buildup of banks NPLs. Therefore, it could be concluded that economic is expected to lead in both short and long run positive effect on stock market returns in Nigeria. Therefore, the study rejects null hypothesis that domestic economic crisis has no significant effect on NPLs of banks in period of economic recession. in Nigeria. Therefore, the study recommends that economies should evolve policy measures aimed at mitigating the effect of domestic economic crisis on NPLs of banks in period of economic recession.

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Impact of Land Border Closure Policy on the Economy of Border Towns in Nigeria: A Study of Jibiya and Maigatari Towns 2019-2023

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Abstract

Policy making is one of the tasks of the modern Governments, through which development agenda are introduced. However, every decision taken by any government has its effects which could either be positive or negative depending on the spirit of such decision. On 20th August 2019, the Nigerian government, under the Administration of President Muhammad Buhari, came up with the Administrative Policy of Border Closure where the Country partially closed all its land Borders with Benin, Togo, Niger, Cameroon and Chad purposely to overcome the smuggling of goods into the Nigeria, especially staple food commodities like Rice, Cooking (Vegetable) Oil, Poultry, Tomato, Flour and Pasta as her reasons. The closure of Nigeria's land Borders has now been fully consolidated with further restrictions on Import and Export of goods through land Borders. Arising from the above, there has been an argument and counter arguments over the Implication of the recent Policy. The paper Examine the Impact of the recent (2019) Border Closure Policy on the Economy of Border Towns of Maigatari of Jigawa State and Jibiya in Katsina State of Nigeria. To Examine and analyze the problems the study used two theories i.e. Elite mass Theory and Hegemonic Stability Theory. The study used Qualitative Method of data, data was obtained through, Books, Journals, Articles, Magazines, Published and Unpublished Papers. The Paper discovered that Border Closure policy has negative Impact on the Economy of Border Towns in the Study area. It's observed that the policy put the economy of Nigeria and the border towns in questions and doubt this remains the fact that border communities and other neighboring countries to depend on trade, economic and business activities within and across borders to make a living. Moreover the study also shows that the policy of land border closure has initiated an increase in the prices of staple foods in the country, more especially Rice which has remained one of the famous or highly-consumed foods in Nigeria. A bag of imported Rice now sells between N35, 000 and N42, 000 while locally-produced rice sells for N28, 000 and N32, 000 respectively.

Keywords: *Border Closure, Border Communities, policy.*

1.0 Introduction

Nigeria and other Countries were named under the umbrellas of international boundary demarcation made by the pre-colonial white European powers, the period of demarcation of different Countries was mainly at the Berlin Conference of 1884 when the African Continent was divided. Border demarcation in Africa has led to the division of some ethnic nationalities into two or more sovereign nation states. Nigeria and Niger borders are one of the example where even family members are found in the two countries across borders, similarly economic activities like trade have, right from the pre-colonial period, been in existence between the two or more countries. Moreover marriages, social and culture

exchange relationships have also been applicable and peacefully operated. However with the changing of global system International trade has been recognized as one of the foundations of international relations over the years. It is the exchange of capital, goods and services across international borders and territories which represent a significant part of the gross domestic product of most countries.

Jibiya is the Headquarter of Jibiya Local Government Area of Katsina State. It is one of the local government area created nationwide by the Ibrahim Badamasi, Babangida Military Administration in (1989). Jibiya is located at the North-Western part of Katsina State, about 30 kilometers north of the Katsina State capital. The local government shares an international boundary with the Republic of Niger to the North, Zurmi Local Government area of Zamfara State to the West, and Kaita Local government. According to national population commission jibiya has about 169,748 population as of (2006). Census. Jibiya is accessible by road through federal, state and local government roads, Jibiya market is the major market along border town in Katsina State. The main market day is on Sundays were people from both within and outside the country (Niger Republic) comes to exchange their goods.

Maigatari town on the other hand is the headquarter of Maigatari local government area of Jigawa state of northern Nigeria it's also located about 139 kilometers from Dutse, The state capital as shown in map The population of Maigatari town was estimated in the 2006 national population census to be about 17,715 the people of the area are mainly Hausa, Fulani, Kanuri, Igbo and Yoruba. Maigatari is bordered in the north with Niger Republic and in the south by Gumel local government Area (LGA) it shares borders with Sule Tankarkar (LGA) to the East and Malam Madori local government area (LGA). And north east with Yobe state. Borders generally, are actually central elements of human lives and at the same time essentials of relations between individuals and society. From the time immemorial, constituents of humanity have always been separated and also connected by a network of borders at all territorial levels. (Kolosso, 2012). Therefore, the realization that borders characterize complex social and territorial phenomena has definitely had a profound impact on the study of borders, Trans-border commerce between Nigeria and her neighboring states usually remains mutually beneficial.

According to Ghins and Heinrigs (2019). The Nigeria Authorities has justified the fundamental reasons upon which it closed the land borders of the country. Basically, there is the need to support the domestic Agricultural sector and to accelerate the National Productivity Growth thereby reducing the smuggling rate for goods and to fundamentally curb illegal inflows of foreign rice. In addition to this, the government as part of her justification for the border closure include preventing

The exporting the subsidized fuel to Niger Republic, Benin and Cameroon. Hence, the need for border closure as enforced by government of Nigeria. Successive Nigerian governments introduced different policies and adopted many approaches in trying to curtail the booming of illegal businesses, balancing these against official regional trade that happen across the borders.

2.0 Literature review

This portion of the paper provide conceptual meaning of border, the concept of border towns and communities and the security agents at border post.

2.1 The concept of border

According to (Blum, 2014). In (Okorn 2020). borderlands are meeting points between two nation states. These are security hot spots of nation-states due to the movements of migrants in and out of the nation state. The concept of state border dictates the understanding of, and indeed the very condition of prospect for, both local and international, legal, and political system Vaughan-(Williams, 2009) in

(Temitope, 2021). In the submissions of (Newman and Paasi, 1998). borders are made known to serve two fundamental purposes which include; protection from external and internal threats and territorial determination. While (Zartman, 2010). Agrees that borders run across land but through people. However on maps, borders appear as one dimensional lines while on the ground they have several dimensions; and without mincing words, borderlands are boundaries in depth, space around a line, the place where state meets a society, and where no one ever feels at home (Simon, 1997). Also in the words of (Caflisch, 2006). the borders are broadly conceptualized as a way of identifying areas where state sovereignty usually exists. (Lee, et al.2016). on the other way round, defines the concept of borders to symbolize a relatively static model of territorial demarcation which can be expressed physically, either through human-constructed border stones, walls, fences or through natural features like; mountains ranges, rivers, and even trees.

Nationally, borders are significant to conventional notions of the limits of internal sovereignty and authority, as espoused in Max Webber's definition of the state as a human community that successfully claims the monopoly of the legitimate use of force within a given territory conventionally, borders are conceptualized to be international boundaries between nation states. Borders can be natural in form of; Sea, Mountains, Rivers, among others but they are in any case always Artificial, or objects of consensus and agreements, conquests and peace treaties (Cited in Temitope, 2021).

While (Naziru and Ruslan, 2015) viewed that borders are an invisible line that demarcates one nation state from another. Nation states are now conscious and alert of every move around their borders. (O' Dowd, 2002). Cited in (Abdulruff, 2020) Put border as "places of economic and political opportunity for nations and states as well as for a host of other interest groups and agencies, legal and illegal". The crucial function of geographic borders is to create and differentiate places. In other words, borders separate the social, political, economic, or cultural meanings of one geographic place from another (Diener and Hagen, 2012). Essentially, a border is an international line or a region encompassing both sides of a political boundary. Borders in other way round means artificially constructed, geographic lines that form the boundary of a state or nation. Borders are described to be integral components of human activity and organization. Borders are usually central element in contemporary international disputes relating to security, migration, trade, and natural resources, and they also factor prominently into local debates over land use and property rights, they emphasized that borders has increasingly become complex human responses and social constructions in a system where the globalizing forces of or the spot communications, further travels and enhanced economic surge, confronting the basic human concerns for security and certainty.

Border closure is when the route that connects a country with another is closed peoples and goods are no longer allowed to move from one state to another. Globally, borders lines are actually fundamental elements of human lives and at the same time elements of relations between individuals and society. For the time and again, important component of humanity have always been separated and also connected by a network of borders at all territorial levels. Therefore, the realization that borders characterize complex social and territorial phenomena has definitely had a profound impact on the study of borders. Trans-border commerce between Nigeria and her neighboring states usually remains mutually beneficial. Nigerian traders import lots of cereals and grains, vegetables, tubers (yams, cassava, potatoes) and livestock from the countries; Niger, Benin and Chad to make up for the shortfalls in Nigeria. And manufactured household products and building materials are exported from Nigeria to these countries (Adeyinka, 2014) in (Temitope, 2021) in addition Border can be seen from the Air, Water and Land borders. The air borders are wide all through the sky of the Nation. However, access to this is very limited and most things that happen in this axis are well captured by the authority in charge. Hardly

could anything come into the country without passing through the ports. It is the safest of all the three borders more especially due to the high cost of procuring boding air transport and other expenses involved.

In the same vein, (Guo, 2015) argues technically that, international borders in the world can be classified into three categories natural, artificial and cultural. Natural borders are those that follow natural geographic features, such as Rivers, Mountain Ranges, Estuaries and the like. Examples include much of the border between the United States and Mexico which follows the Rio Grande and the border between France and Spain which follows the Pyrenees mountain range. Geometric borders that are also known to be a straight-line borders, are those that are formed either by straight lines which are drawn on a map or nautical chart and by lines that follow the curves of latitude. Also, most of the international borders in the Middle East and North America are based on such geometry; while Cultural borders are the ones that usually follow or approximate the actual boundaries between the homelands of different ethnicities, language groups and other cultural communities. And several international borders in Europe usually follow such cultural divisions, even the border between Hungary and Romania (Guo, 2015).

2.2 Security agents of borders

However the ports are under the control of the Nigerian Port Authority (NPA) in conjunction with other military and paramilitary bodies such as Nigerian Immigration Service (NIS), Nigerian Customs Service (NCS) and Nigerian Drug Law Enforcement Agency (NDLEA). The air borders have maximum control by these authorities and thus it does not pose a problem to the economy as custom duties are being levied on goods in and out of the country, giving the country good source of revenue. The water borders are those of the River Niger from the northwest, the River Benue-Chad from the north-east and the coastal waters from the south. The NPA, military and para-military are also very active in the regulation activity of this border. Former Nigerian Minister of Interior Abba Moro once argued that Nigeria had 84 officially recognized entry points into the country, but there are 1,400 illegal land routes into the country many of which are either mountainous or in the jungle. In Adamawa State alone, over 25 illegal routes into Nigeria have been identified. Due to the ineffective border control, only a limited volume of people, goods and services pass through the authorized border checkpoints. The nature of the Nigerian borders promotes heavy smuggling of people, and goods, including rice, second-hand cars, used clothing and fake pharmaceuticals. There have also been reports of booming illegal trading in drugs, small arms and light weapons as well as almost unfettered movement of terrorists, e.g., Boko Haram, and bandit across the borders (Eselebor, 2014) Cited in (Emenike, 2020).

The economic conditions of any country must be considered and reflect in its economic policies both internally and internationally Thus, the big question is whether Nigeria, regarding its economic status, is capable of running an independent supply or not. In light of this reducing import expenses, curbing smuggling and tackling insecurity, to run a closed border policy; however, this requires the institution of infrastructural facilities to aid efficient production otherwise goods should be imported for the masses. Therefore, the infrastructural facilities and economic condition of the country are not sufficiently flexible to carry the burden of sole production of its goods. For instance, a ban has been placed on the importation of rice and other material but are there sufficient mills to aid the production of a quantity that would meet the demand of the users?

2.2.1 Border closure Policy and National Bureau of statistic

Following the implementation of the closed border policy, the price of rice and other commodities rise steeply. A bag of rice that was previously sold at NGN 9,500 to 13, 000 and NGN15, 000 skyrocketed to NGN25, 000 30,000 and 35,000 NGN an increase rate of about 40%. Business Day also reports that

Nigeria's trade sector has slumped into recession as economy across the nation's land borders remain grounded. According to the reports of the National Bureau of Statistics (NBS), the trade sector shrank by 1.45% in the third quarter of 2019 from a decline of 0.25% in the preceding quarter. These factors contribute to the reduction. (Michelle, 2018).

Following the worldwide drop in the price of crude oil in 2014, Nigeria's economy declined in 2015 and depreciated by 1.6% in 2016. The economic state of the country further deteriorated until it fell into a recession in 2018. The fall in the value of the naira as a result of shortages in foreign exchange and the fall of foreign direct investment caused the government to implement stringent policies. The crippling weight on the oil sector being a major source of the country's income got worse with the oil crisis. Consequent upon these, the government believed that running an independent economy will suffice, which has led to the border closure policy (Godwin, 2018). Border closure is a protective law that prevents the movement of goods or people from different angles globally with limited or no exceptions associated with this movement.

2.2.2 Concept of Border Towns and Communities

The concept of border communities could only be understood when the actual meaning of a community is adequately deciphered. To full comprehend the concept, there is a need to first understand what a „community“ signifies. A community is defined to be a social unit, that is, a group of people living together with commonality such as: norms, religion, values, customs, and identity (Hawley, 2005). Opined that, it is observed that communities share a sense of place situated in a given geographical location – it could be a country, village, town, or neighborhood or in a virtual space through communication platforms. In the same vein, the durable relations that extend beyond direct genealogical ties also characterize a sense of community, important to their identity, practice, and roles in social institutions such as family, home, work, government, society or humanity at large (Hawley, 2005).

Therefore, border communities can now be conceptualized to be the towns, cities, and municipalities that are located in Nigeria and within a designated geographic service area but whose residents are typically receiving their primary or emergency care in adjacent geographic service or neighboring countries due to service availability and proximity or distance (Adesina, 2019) In Nigeria, there are various border communities which include: Jibiya and Maigatari and superlatively, it is very normal for border communities to rely on trade, economic and commercial activities within and across borders to earn their means of living (Agbota , 2020).

2.3 Empirical review

Abdullahi, et al. (2020) find out that domestically, the closure of the borders led to harsh economic conditions for Nigerian communities at the frontiers. The Federal Government of Nigeria banned the sale of petroleum products in Filling Stations, 20 kilometers away from the borders which led to the increase in the price of goods, food items, and transport fare. The findings show that the restriction has affected the economy of communities on the side of the Nigerian borders. Many of these communities sourced their income from formal and informal trade and other commercial activities carried out by the importers and exporters at the borders. Furthermore, social interaction has also been affected by border closure because people are restricted from crossing the boundary to visit their relatives on the other side of the divide, particularly the Niger Republic which is a landlocked country, which can only be entered by air or land border. Nigeria's major concern with the Niger Republic is, proliferations of splinter terrorist groups in Libya, Algeria, Mali, and Mauritania as well as Al-Qaeda in the Maghreb. Many of these terrorist groups have a link with the Boko Haram insurgents which has been a major security challenge in the country since 2009, the Islamist insurgents in North and West Africa found the desert

areas of Niger Republic a safe and easy route to Northern Nigeria which bedeviled with insecurity to carry out their activities in conjunction with Boko Haram fighters. In Nigeria, the border has affected import and export businesses in Nigeria which could affect food security and employment in the country. With regard to food security management, one of the most intense West African trade corridors, the cross-border corridor from Kano in Northern Nigeria to Maradi in Southern Niger passing through Katsina (Northern Nigeria), has been included in the cross-border integration process implemented by the CIP (The ECOWAS Cross-border Initiatives Programme (CIP) Cross Border Diaries, (2008) This portrays the impact of border between Niger Republic and Nigeria (Maradi Border) which the closure means the trade would be stopped and the traders become jobless. This implies that the border closure by the Nigeria's government has dual effects: for Nigeria and for the neighboring countries. Most of the border communities and Nigerians who are into cross border commerce were into deep economic crises since the closure of the border in August 2019. Import and export were strictly through seaports and airports which only billionaire business people with huge capital can afford them. Apart from economic impact, the closure of the border has enabled the border security personnel to concentrate on movement of people via seaports and airport to check the movement of illegal weapons and terrorists in the region. Additionally, in the international relations sphere, Nigeria has demonstrated that it can implement its economic, political and security policy even it would affect other countries in West Africa or Africa generally.

Similarly (Ajayi, et al. 2020). discovered that independent variable (land border closure) has a negative impact on the dependent variable (Economic Development) of people in the study area. This study reveals that land border closure has not improved the economic fortune of the people in the study area. It has worsened the standard of living and increased the level of poverty.

2.4 Theoretical framework

2.4.1 Elite theory

Elite masses theory. The theory was adopted because of its clear explanatory suitability to study the state's policy making. Elite theory's originated from the works and writings of scholars such as Gaetano Mosca (1858-1941), Vilfredo Pareto (1848-1923), and Robert Michels (1876-1936). Other among the classical theorists are C.Wright Mills, John Porter, Lowell Field and John Higley among others. Although the elite thinkers have their different direction of realization to their destination, but their central point remain the same. The theorists have sought to prove that there may exist in any society a minority of the population which takes the major decisions in the society". According to them, every society is ruled by a minority that possesses the qualities necessary for its succession to full social and political power against the majority group of the masses. Thus, the theory contends that the society is divided into two groups – those who have power and those who do not. The theory reflects the pluralist view concerning the distribution of power in the society. Consequently, they further argued that it is possible to divide the population into two broad categories; the first category according to them are those who excel at whatever task they have undertaken while the second category, 'the majority', would be those whose performance we would consider "average". In other words, they categorized them as the governing elites and non-governing elites. Finally they also contend that in all societies – from societies that are very meagerly developed and have barely attained the dawning of civilization, down to the most advanced and powerful societies – two classes of people exists; a class that rules and a class that is ruled. The first class, always few, performs all political functions, monopolizes power and enjoys the advantages that power brings, whereas the second, the more numerous class, is directed and controlled by the first, in a manner that is more or less legal, now more or less arbitrary and violent, and supplies the first in appearance at least, with material means of subsistence and with the instrumentalities that are essential to the vitality of the political organism. Conclusively, they categorized them as thus; "the ruling

class and class that is ruled". The central Assumptions of the Elite Theory according to Dye (1987), identified that elite theory as thus assumed that The society is divided into two unequal parts – a few who have power and many who do not, Only a small number of persons allocate value to the society – the masses do not decide public policy. The few who govern are not typical of the masses that are governed. Elites are drawn in appropriately from the upper socio-economic strata of the society. Non-elites movement to the elite's position must be slow and continuous in order to maintain stability and avoid resolution. Only non-elites who have acquired and accepted basic elite consensus can be enlisted into governing aids. Elite share a consensus on the basic values of the social system and the preservation of the system.

Public policy does not reflect the demands of the masses but rather the prevailing values and preferences of the elite. Changes in society are usually incremental rather than revolutionary in order not to alter the status quo. Active elites are subject to relatively little direct influence from apathetic masses. Elites influence masses more than masses influence elites. The above assumptions of the elite theory clearly implied that changes and innovations in public policy are the result of definitions and redefinitions by elites of their own values. Thus, public policy follows downward from the elite to the masses. Generally, the theory recognizes "elites" as the organizing category for exercising power in the society. Those who excel in whatever they do and control the ownership of the means of production constituted themselves into the ruling or dominant class. In doing so, the rest of the society (the masses) is compelled to obey.

The implication is that it is in the interest of the elite class to maintain the existing social lack, exploitation, and poverty of the dependent class to avoid being challenged through excessive circulation of the elite. Indeed, the elites who mainly control the means of social production, distribution and exchange in a capitalist state like Nigeria are firmly entrenched through several measures to deprive the "majority ruled class" of the opportunity to move from their lower class to the upper class to avoid confronting them. However, the poor masses are being deceived by these hollow policies that in the end bring very little or no positive results in their lives. The implication of the elite theory is that public policies do not reflect the demands of the people contrary to David Easton's input-output analysis. Therefore, public policy or policy outputs constitute the preferences and value of the ruling elite in every society. Thus, elitism views the masses as largely passive, apathetic and ill-informed; mass sentiments therefore, are more often manipulated by the sentiments of the elites; and for the most part, communication between elites and masses flows downward. Thus, looking at the public policies in Nigeria, we see clearly a situation where government efforts, in terms of policy making and implementation, seem to be continually made with little or no results. Governments usually formulate and implement policies without involving seeking for the opinion of the people they make these policies for in order to give them an ample opportunity to make an input. This can be attested to the failure of numerous public policies in Nigeria, hence poverty and underdevelopment.

It is in the same spirit that the present administration of President Muhammadu Buhari has ordered the closure of land borders across the bordering states in Nigeria without considering the interest of the masses who form the majority in public domain and livelihood of the border communities and towns whose major source of living depends on businesses being done on the border areas. In summary, the problem of the elite theory is that it is conservative and tends to defend the status quo. According to Dahl (1995), the theory is a mere attempt to divide the society into two classes. Irrespective of this problem, the elite theory stands most germane in explanation of this study because the elites dominate and determine the course and direction of national decisions. Consequently, the masses are usually helpless and powerless since policy choices are defined and determined by the elites.

2.4.2 Hegemonic Stability Theory

Hegemonic Stability Theory (HST), the major proponents George Modelski, Robert Gilpin, Robert Keohane, and Stephen Krasner. The theory is suitable in explaining the decision of the Nigerian government to close all the land borders in order to achieve its domestic economic, security and political interests. The central proposition of the HST is that strong or powerful states use their influence and other resources at their disposal to compel weaker states to act according to the dictates of the strong state. Hegemonic stability theorists stated that states will value order at the cost of some autonomy; benefit that order makes possible to justify yielding some ability to act unilaterally. In this regard, the strongest state will bear much of the responsibility for articulating and enforcing a specific order, in exchange for getting the type of order it wants. Smaller states will go along, sacrificing autonomy for the material benefits order allows (Prabhakar 2010: 2). The HST is to maintain order and stability whereas the function of borders is to define the area to be used when calculating relative gains. Trade and immigration policies depends on the nature of the hegemony. In this paper, the hegemony of Nigeria in the West African sub-region where it is the strongest economy, populous and with the strongest military. This gave Nigeria the confidence to shut its land border to compel obedience from the weaker neighbor which Nigeria blame for illegal migration, importation of contraband goods through illegal routes and harboring of insurgents.

3.0 Research methodology

The study employs qualitative method to gather study's data qualitatively. However, data generated through secondary sources including textbooks, journals, government publications, internet sources among others which help to elicit useful information for the study. The paper is conceptual based. Thus, deductive analysis was deployed to analyze the study's data.

4.0 Discussion

The paper find out that border closure policy has negative impact on the economy of border towns in the study area. It's observed that the policy puts the economy of Nigeria and the border towns.in questions and doubt this remains the fact that border communities and other neighboring countries to depend on trade, economic and business activities within and across borders to make a living but opposite has remained the case. Moreover, the variety of goods and communities also should serve as solid economic bases for legitimate economic activities of a country and other neighboring nations to survive or thrive The study also shows that the policy of land borders closure has instigated an increase in the prices of staple foods in the country, most especially Rice which has remained one of the famous or highly-consumed foods in Nigeria. A bag of imported Rice now sells between N35, 000 and N42, 000 while locally-produced rice sells for N28, 000 and N32, 000 respectively.

4.1 Loss of Job and Employment among the Border Communities

When citizens lost their job, unemployment rate became higher, poverty will be at increase and crime rate became so persistent in the society especially around the border communities. Therefore, any African country that wants to close its land borders should get ready to cause loss of job and its consequences to its populace especially teeming youth. Apart from the aforementioned economic sabotage which led to the border closure, the policy has caused about 1, 207,160 Cross Border Traders in Nigeria to lose their jobs of trading across borders. This led to the high rate of unemployment, poverty and crime rates among the youth and the general public who lost their means of earning a living.

Another major challenge of border closure policy is the loss of job/employment among the host communities. This is because border closure policy has negative effects on informal trade that take place across the land borders. It is almost impossible to estimate the value and volume of the informal trade

that takes place across the land border since there is no available data but without doubt, this will run into several millions of naira on a daily basis providing several thousand with a daily means of livelihood. The importance of this informal trade must not be underestimated as it is the major source of funds for many and the Federal Government is not able to provide enough jobs or opportunities to reduce the adverse effect of the land border closure youth and house holders are benefiting a lot in carrying out labor jobs to the importers and exporters in the frontiers others were using vehicle to transport the goods in to the country by the implementation the border closure policy all the activities are silent in the border which change the economic condition of the people in the area and led to the collapse of the markets in the study areas.

4.1.2 Higher Increase in Illegal Smuggling of goods

Nigeria has porous borders, and therefore, the government's policy on border closure has helped to escalate the smuggling of goods into Nigeria markets and thereby leading traders to escape excise duties and tariffs and fuel illegal smuggling. To reduce fuel smuggling, the government through customs officials banned the supply of petroleum products to filling stations within 20km of the borders. Perhaps, Nigeria is losing millions of naira to smugglers who do not pay various taxes they supposed to pay to the government. "Nigeria is shooting itself on the leg by this border closure because Nigerian government has opened a large means of money making to the security agents attached to these borders. According to eye witness observer, once it is mid night the security agents will collect money from the prospective merchants and open the borders for them to pass. They will continue this till early in the morning and they will now close the borders again". Thus, these are the monies that are supposed to be paid to the government for common good of the people despite the fact that land border is locked bandit are having their ways in smuggling weapons in to the country.

4.1.3 Increase in Inflation Rate

Since the border closure announcement and its immediate implementation in August, inflation has been on the rise. For instance, the latest consumer price index (CPI) report released by the National Bureau of Statistics (NBS) in November 2019 proved that the year-on-year food inflation rate increased from 13.2% in August 2019 to 13.51% in September 2019 and then from 13.51% in September 2019 to 14.09% in October 2019. This was a 1.33% month-on-month increase with rice, poultry products, frozen fish, cooking oil/fats and bread/cereals recording the highest increase in cost prices nationally. The rise was largely attributed to an increase in the cost of food items following the closure of the borders to cheaper imported goods however the minimum wage is still 30 thousands and some states are yet to implement it thus people both workers and traders are suffering from the existing economic hardship many homes were broken a lot of children became homeless people are just in memory of the past administrations.

4.1.4 Government Revenue

Data on this was focused on revenues accruing to the government based on the utilization of the facilities such as import and export duties toll gates fees, customs duties, revenue by immigration. According Bouillon pointed out that the government income has increase through sales of gasoline alone with about 12.7 % after the border closure. This by extension indicated that, Millions of subsidized liters are being secretly smuggled and taken abroad for resale at the Neighboring countries of Nigeria. Thus, the reduction in consumption, if successfully sustained could lead to subsidy savings of about N13.5 billion naira equivalent to \$37 million U.S. Dollars monthly and N162.1 billion naira annually which is equivalent to \$444 million U.S. Dollars. The study, in its findings (88.2% of respondents), indicate there is absolute increase in government revenue collected through custom duties. This fact is buttressed with the outcomes of the monthly Federation Account Allocation Committee (FAAC) meetings and the

Nigeria Customs Service's reports from September, 2019 to date where the Minister of Finance indicates that the Nigerian Customs Service (NSC) used to generate an average of between 4.7 billion and 5.8 billion in daily revenue since the border was closed; and this is a bit improved than what was obtainable penultimate the policy pronouncement.

5.0 Conclusion and Recommendation

This paper assess the impact of border closure policy on the economy of border towns in Nigeria with specific reference to Jibiya and Maigatari. The border closure in Nigeria has depicted that border is beyond a mere geographical demarcation that separates countries drawn by the colonialists in Africa but it also serves as an economic, security and political tool that countries use to press home their demands from the neighbors or to pursue foreign and domestic policies whenever the need arises most often by an influential country.

Based on the findings, we recommend that the policy of land border closure should be revisited. This is because the residents are majorly traders which the Land border closure has affected the business of export and import along this route as a result of the closure thereby imposing hardship on the people of Jibiya and Maigatari border towns. The policy of border closure drop down to the masses or poor individuals who constituted the majority whereby they receive N18, 000 to 30,000 as salary based on the minimum wage and a bag of Rice costs N40, 000.

That, the research discovered that, prior to the border closure the price of one bag of rice was affordable to common citizens. Whenever the government of the federation intends to close border, it should provide alternative jobs for over one Million people who earn their living through Cross Border Trading and related activities across borders. It's also observed that Nigeria's borders are poorly monitored, lacking effective and modern technological devices such as Close Circuit Television Camera or other electronic surveillance equipment to efficiently scrutinize goods and immigrants on entry and exit.

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Analysis of the Challenges of Electricity Generation and Transmission in Nigeria: The Way Forward

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Abstract

Adequate power supply is among the basic indicators of the socio economic development of any nation state. In the last two decades the Nigerian government has taken serial efforts to revamp and reform the management of the electricity supply industry, aimed at increasing generation capacity through establishing additional power plant and erecting additional transmission lines to advance wheeling capacity, ensure effective and efficient distribution of energy to final consumers through breaking the monopoly of the state owned enterprises and encourage private sector participation. This paper therefore set to examine the gap that still exists between the electricity generation, transmission and distribution capacity and effort made to increase the generation capacity and bridge the gap in the Nigerian electricity supply industry. The approach is qualitative research design: secondary data collected from Journals, gazette, text books and other publications were descriptively analyses and thematic analysis was used to shed more light about the information obtain. The findings revealed that despite the effort made by different regimes, Nigerian still lag behind in electricity generation capacity, as still we are yet to generate up to our consumption capacity. The study also recommends that the federal government should carry state governments along same policy direction with financial incentive to help to complete undergoing state independent power projects to enable the power generation to attain the desired level of requisite energy demand.

Key words: *Electricity, Generation, Transmission, Nigeria*

1.0 Introduction

The growth, prosperity and national security of any country are critically depends on the adequacy of electricity power. Indeed the link between electricity supply and economic growth is matter of deep concern to all citizens. Electricity is a fundamental input in to economic activity; it is used to light up our homes and fuel economic activity to production and consumption. Harnessing electricity sources to replace manual and animal labour was the platform of the industrial revolution: a period of unprecedented economic and social development. Effective and efficient electricity management can lead to more dynamic and competitive economies prosperity. Countries can gain an advantage by being able to increase the generation capacity and reduce the gap between electricity generation capacity, transmission capacity and stable distribution network, while creating expanded opportunities for gains in productivity, quality of life and social equity with sufficient electricity supply to its populace.

Sub-Saharan Africa ranks among the lowest in annual per-capital increase in electricity production, owing to its high demographic growth and low investment in electricity production, (OECD 2015). In its effort to bridge the deficit gap in the electricity supply industry, the Nigerian government targeted 20,000 MW of electricity by the year 2020. To achieve this vision it will require continuous investment in power generating. Correspondingly, large investments will also have to be made in the other parts of the supply chain (i.e. the fuel-to-power infrastructure and the power transmission and distribution

networks). Road Map to Power Sector Reform (RMPSR, 2010). It is a fact that substantial supply gap for electricity generation still exists in Nigeria. Total installed capacity for electricity generation remained at 12,232 MW in 2014, the same level recorded in 2013, but showed an increase of 23.1 per cent above the level in 2012. The average generation capacity of electricity has been oscillating within the range of 2,623.1 MW/hr in 2007 and 3,485.5 MW/hr in 2014 against the estimated demand of 10,000MW per day (CBN Annual Reports). In fact, in the last one and half decades, output had not increased beyond 3,000MW per hour.

Management of the electricity supply industry in Nigeria has become a topic of intense discussion in the last two decades. This is due to the effort made by different regimes to reforms the structure of electricity market and bridge the gap between the generation and transmission capacity. Nigerian electricity power sector is previously controlled and managed by the state owned enterprises Power Holding Company of Nigeria (PHCN), formerly known as the National Electric Power Authority (NEPA). In March 2005, President Olusegun Obasanjo signed the Power Sector Reform Bill into law, enabling private companies to participate in electricity generation, transmission and distribution. The government has unbundle PHCN into eleven distribution firms, six generating companies and a transmission company (Sambo, Et-al 2014) all of which are today privatized and successfully handed over to private power sector investor on 1st November 2013, with the federal government retaining 60% of the equity through Bureau of Public Enterprises (Tafida 2019). The Nigerian Electricity regulatory Commission was established by the power sector reform act 2005 as repealed in 2007 to serves as regulatory agency with the mandates of supervision, licensed issuing in electricity business of generation, transmission and distribution across the nation, (The Electricity Power Sector Reform act 2005 EPSRA 2005). The Nigerian government has made an effort to increase foreign participation in the electricity power sector by commissioning independent power projects (IPPs) to generate electricity and sell it to PHCN. Not only foreign investment was encouraged. State government were also encouraged to invest in generating independent state power projects, so as to comprehend federal government effort of ensuring adequate and reliable energy for all (Sambo et-al 2014).

Despite the numerous efforts made by the successive regimes to transform the management of electricity supply industry in Nigeria, the quantity of power generation is far above the transmission wheeling capacity. The distribution of electricity remains poor and epileptic in nature. The country is faced with acute electricity problems, which are hindering its development, notwithstanding the availability of vast natural resources. It is widely accepted that there is a strong correlation between socio-economic development and the availability of electricity (Sambo et-al 2014).

In spite of Nigeria's huge endowment and enormous investment in the provision of electricity infrastructure, performance, remain poor, in comparison with South Africa, India and Brazil and other peer economies in meeting the consumption level or electricity supply in the country (World Bank 2015). Electricity distribution network and voltage profile are very poor resulting to more than 50% of the populace living without electricity supply (Osueke and Ezugwu, 2011). Electricity production and distribution system are weak and susceptible to major setbacks. The weak and inefficient system results from old and decaying infrastructure. Some of the electricity generation stations were built in the 1970s and are still being operated without major rehabilitations, retrofit or upgrade (Oyedepo, 2012). They are also poorly maintained. Also, until very recently, electricity generation, production and distribution have been an exclusive preserve of the poorly managed government monopoly of state own enterprises. The inefficiency as well as inadequate facilities to boost electricity supply in the face of increasing population, new and electronic based technologies, vast geographical landscape and an increasing business environment all combine to create electricity supply problems. While demand for electricity is

rising, supply tends to be falling. This supply inadequacy has damaging consequential impact on all sectors of the economy (Edet & Boniface 2011).

Nevertheless, privatization and the initial taking over of the power sector, Nigerians still experience epileptic energy supply the same way it persisted under management of the state own enterprises. The Punch on Friday 9th August, 2019 reported that 17 of the nation's 27 power stations had been forced to shut down some of their units due to low demand by Discos, worsening the blackout being experienced by millions of customers across the country. Total power generation dropped to 3,264 megawatt as of 6am on Monday 2th August 2019, from 3,580.5 on Sunday. It stood at 2,842.1MW as of 6am Thursday 15 August 2019, coupled with the 7th time total system collapse in 2022. Therefore Nigerian power sector is being considered technically insolvent Nine years after the privatization, the 11 Discos have been described as technically insolvent. The federal government is considering repossession of the 10 electricity Distribution companies as one of the options to rescue the nations beleaguered electricity industry. This is coming ahead of the schedule final performances review of the private firms that brought in to the distribution Companies carved out from the defunct Power Holding Company of Nigeria. However, a document available shows that the federal government would require up to \$2.4bn (N736bn) to repossess the private the privatized distribution asset from the core investors if it finally takes the decision (Punch news 15 August 2019).

This study is therefore undertaken to empirically examine the gap between electricity generation, and distribution capacity and also highlight some of the effort made to improve, adequate power generation capacity, access to infrastructure and connection rate, capital investment, sufficient transmission and distribution facilities and appropriate industry market structure in the Nigerian electricity supply industry.

2.0 Literature Review

2.1 Overview of Nigerian Electricity Supply Industry

Electricity management in Nigeria started as a monopolistic state-owned enterprise, with the installation of 60 kWh capacity Generator at Marina Lagos in 1896 to serve the colony, under the management and supervision of Public Works Department (PWD). The amalgamation of the southern protectorate with the north and Lagos colony in 1914 created room for additional towns to generate electricity for their own usage. In 1946, the controlling powers of Public Works Department over Lagos electricity generation and distribution was handed over to the Nigerian Government Electricity Undertaking (NGEU), which took over the responsibility for supplying electricity in Lagos as well as the assets and liabilities of the former operator. Electricity Corporation of Nigeria (ECN) came into being from 1950 and took over all electric power supply facilities within Nigeria. Meanwhile, Niger Dams Authority (NDA) also came into being and was inaugurated for the purpose of generating electricity through hydro power systems (Isola, 2012; Awosepe, 2014). This led to great improvement in power generation, transmission and supply in the country. With increasing demand for electricity, some projects were carried out in Ijora, Oji River, Kano and Ibadan power stations to improve availability and quality of power delivery (Isola, 2012; Awosepe, 2014).

Another development strides in electricity management in Nigeria was made in 1962 when the Niger Dams Authority (NDA) was legally set up through an Act of Parliament. They were entrusted with the mandate of Dam construction after discovering the benefit that would accrue from such a project. This led to the construction of Kainji Dam in 1962, which was completed in 1968. The wide network of electricity transmission of grid power commenced from 1966 through the collaborative efforts of NDA and ECN. These efforts saw the linkage of different towns to the national grid and the extension of electricity power to all the regions that made up Nigeria. For instance, Lagos was linked to Kainji,

Kainji was linked to Kaduna and extended to Kano and Zaria, Oshogbo was linked to Benin and Ugheli, Benin was linked to Onitsha and Afam. Despite the great size of Nigeria's land mass, the national grid now links the thirty-six state capitals and the Federal Capital Territory, Abuja. On "first of April 1972, ECN and NDA were merged to form the popular National Electric Power Authority (NEPA)" with the actual merging taking place on the sixth of January 1973 with the appointment of its first manager. The network continued to grow under NEPA and between 1978 and 1983, the Federal Government sponsored two panels of enquiry to fashion out models for restructuring NEPA into an independent unit or toward privatization. This empowered it to supply power to rural areas and new cities (Isola, 2012; Awosepe, 2014 cited in Edet Boniface 2016).

By 1999-2005 (the advent of democratic government), an Act was enacted electricity power sector reform act (EPSRA 2005) establishing Power Holding Company of Nigeria (PHCN), an Initial Holding Company (IHC), as a result of Government effort to revitalize the power. This was the intended name for the privatization, which was meant to transfer the assets and liabilities of NEPA to PHCN. "It was officially commissioned on the fifth of May 2005 and was to carry out business of NEPA which were still on". The essence of Initial Holding Company (IHC) is to subject the sector in to private business oriented management style with little government interference under the supervision of BPE and National electricity regulatory Commission. The aim is to prepare the organization to a permanent transfer Private sector through a Privatization exercise. In the same vein, the National Integrated Power Projects (NIPP) was inaugurated in 2004 to quicken the upgrading of capacity in the country. This was basically a private initiative which was supervised by the Niger Delta Power Holding Company (NDPHC) (Awosepe, 2014).

The PHCN was unbundle into 11 Distribution Company, six generation company and one Transmission Company. The "eleven distribution companies are the Electricity Distribution Companies of Abuja, Benin, Eko, Enugu, Ibadan, Ikeja, Jos, Kaduna, Kano, Port-Harcourt, and Yola respectively" with the federal government retaining 40% of the equity through Bureau of Public Enterprises. The generating companies are Egbin Electricity Generating Company (EEGC) and those at Sapele, Ughelli, Afam, Shiroro and Kainji with 20% owned by the Federal Government and 80% by private investors. Those Companies were all handed over to private investors on 1st November 2013 and one Transmission Company was owned and managed by federal government through bureau of public enterprises (Tafida 2019). There are also some new Independent Power Producers under the auspices of the Niger-Delta Power Holding Company (NDPHC) (Awosepe, 2014). These saw the transfer of monopolistic state owned enterprises to oligopolistic free market structure, and also revealed that electricity supply industry in Nigeria is under transition regime (Tafida 2019).

2.2 Empirical Literature

There are already several research studies conducted on Nigerian electricity industry over the years, See (Isola 2012, Awosepe 2003, Edet and Boniface 2016, Sambo, Garba, Zarma and Magaji 2014, Kayode Oladipo et-al 2018, Those research studies have either looked at the market structure, electricity generation, energy demand and supply or analysis of electricity industry in Nigeria from either an engineering or economic perspective. This research is unique in its own way analyzing the capacity of electricity, Generation and transmission in Nigeria with its intending challenges.

2.3 Theoretical Framework

This study adopted the theory driven evaluation theory as its theoretical framework. It was developed by Chen/Rossi 1992, Bickman 1987. The tenet of the theory driven evaluation theory is that the design and application of evaluation needs to be guided by a conceptual framework called program theory

(Chen1990.2005). It is defined as a set of explicit or implicit assumptions by stakeholders about what action is required to solve social, educational or health problem will respond to this action. The purpose of theory driven evaluation is not only to assess whether an intervention works or does not work, but also how and why it does so. The information is essential for stakeholders their existing or future program. Theory driven evaluation is interested in transformation and intervention, it also ascertain the impact or outcomes of the programs.

As a basis for designing theory-driven evaluation theory is as systematic configuration of stakeholder' prescriptive assumption and descriptive assumption underlying the programs, whether explicit or implicit (Chen 1990, 2005) Descriptive assumption called change model deal with what causal process are expected to happen to attain program goals. Prescriptive assumption called action model, deal with what action must be taken in a program in order to produce desirable changes. The theory-driven evaluation uses the action model and change to address the contextual factor, planning and implementation issue that are greatly interesting to stakeholder

The relevance of the theory to our study is to evaluate the management of the electricity supply industry in Nigeria, which started as state monopolistic market structure. FG being the stakeholder in the power sector does not designed any action plan to accelerate energy growth in the country with little action or investment put in place over a long period of time. Our investigation revealed that right from 1972 when NDC and ECN were merged together to form National Electric Power Authority (NEPA) and up to 2005 when the power sector reform act was enacted to enable private sector participation, there was little or no political commitment shown by the government to erect new power plants and expand the generation capacity of the national electricity grid and no programs or project awarded to erect new transmission lines to accommodate the future anticipated energy demand in the country, Those, among others, were the causal reasons why the Power sector reforms emerged.

The reforms and initial taking over of the generation plant and distribution company were the premises of prescriptive assumptions that are called the change model by the evaluation theory. It outlined the actions government took to boost the electricity generation and willing capacity of the transmission company in Nigeria the out-comes of the intervention, in terms of increase power generation and transmission willing capacity is the goal and outcomes, which can easily be evaluated using theory driven evaluation framework

3.0 Methodology

This study adopted qualitative research design: where secondary data collected from Journals, gazettes, textbooks, and other publications was descriptively analyzed. Thematic analysis was used to shed more light about the information obtain.

4.0 Data Analysis

4.1 states of Nigerian Power plant

The management of Nigerian power generation plant today is coordinated by privatized generation companies (Gencos), Independent Power producers (IPP) and those under the management of National integrated Power project (NIPP), with the current combine capacity of 12,500 MW with about a 75% contribution from the Gas Thermal Power plant. The installed Hydro capacity generation in Nigeria is generating only 1,900MW, which was considered to be due to aging and lack of proper maintenance of turbines.

TABLE 4.1 HYDRO POWER PLANT IN NIGERIA

Generating station	Location (state)	Age	Status	Installed capacity (mw)	Installed capacity unit	Units available	Capacity available (mw)	Operational Capacity available (mw)
Kainji	Niger	38-40	Existing	760	8	6	440	400
Jebba	Niger	31yrs	Existing	576.8	6	4	300	300
Shiroro	Niger	29	Existing	600	4	4	450	300
Mambila	Taraba	-----	Planned	2600-3050	-----	-----	0MW	0MW
Zungeru	Niger	-----	Planned	950	-----	-----	0MW	
Gurara power plant	Kaduna	UC	Planned	40	0	0	0MW	0MW
Dadin Kowa		UC	Planned	29	0	0	0MW	0MW
Total				6005	18	4	1431.6	1000MW

Source: Olubenga etal (2013 Cited in Boniface and Edet 2018), Kyode Oladipo Et-al 2018

Table 4.1 above presents the data that shows Nigeria has seven hydro-power stations, with 3 of them functional and the remaining four are under construction. The Table also shows that the combined seven hydro power plant has an installed capacity of 6005 megawatts of electricity but presently produces only 1000 megawatts to the national grid. This is due to the fact that those four that are still under construction will generate 4069 megawatt after completion and the remaining three existing aging once have installed capacity of 1936 (100 %) megawatt but presently producing only 1000(51.6%) megawatt of the installed capacity. This is due poor maintenance, insufficient fund and inadequate gas supply, among others, as captured by Kayode (2018).

TABLE 4.2 NIGERIAN THERMAL POWER STATIONS

Power Generation station	State	Status	Installed Capacity (MW)	Unit Installed	Current unit Available	Capacity Available (MW)	Operational Capacity (MW)
Egbin	Lagos	Existing	1320	6	4	880	600-1100
Egbin AES	Lagos	Existing	1020	9	9	270	220
Delta	Delta	Existing	840	18	12	540	330
Sapele	Delta	Existing	1020	10	1	90	65
Omoku	Rivers	Existing	150	6	4	100	70-150
Okpai (IPP) Shell		Existing	480	3	3	480	400-361
Geregu	Kogi	Existing	414	3	3	480	400-276
Omosho	Ondo	Existing	335	8	2	80	75-76
Olorunsongo (Papalanto)	Ogun	Existing	335	8	2	80	35-76
Afam I-IV and V	Rivers	Existing	702-977	20	3	350	300 -60
Afam VI Shell	Rivers	Existing	642				450MW

Ibom Power Plant (IPP)	Akwa Ibom	Planned	500	-----	-----	-----	0MW
AES Barge (IPP)	Lagos	Existing	270	-----	-----	-----	224
Trans Amadi Power station	Rivers	Existing	136	-----	-----	-----	60mw
Rivers (IPP)	Rivers	Planned	180	-----	-----	-----	0MW
Aba power station (IPP)	Imo	Existing	140	-----	-----	-----	140
Geragu II (NIPP)	Kogi	Existing	414	-----	-----	-----	276
Sapele Power Plant (NIPP)	Delta	Planned	450	-----	-----	-----	?
Alaoji Power Plant (NIPP)	Abia State	Planned	1074	-----	-----	-----	0MW
Olorun Songo II Power Station (NIPP)	Ogun	Planned	675	-----	-----	-----	0MW
Omosho II Power Project (NIPP)	Ondo	Exisitng	500	-----	-----	-----	76
Omoku II (NIPP)	Rivers	Existing	225	-----	-----	-----	60
Ihovbor Power station (NIPP)	Delta	Planned	450	-----	-----	-----	0mw
Egbema Power station (NIPP)		Planned	338	-----	-----	-----	0mw
Calabar Power station (NIPP)	Cross River	Planned	561	-----	-----	-----	0mw
Gbarain power station (NIPP)	Bayelsa	Planned	225	-----	-----	-----	0mw
Itobe Power plant	KOGI	Coal power plant	1200	-----	-----	-----	0mw
Azura Power station	EDO	Planned	450	-----	-----	-----	0mw
Kano Power station	Kano	Planned	100MW	-----	-----	-----	0mw
Qua Iboe power plant	Akwa Ibom	Planned	540	-----	-----	-----	0mw

Kaduna Power plant	Kaduna	Planned	215	-----	-----	-----	Omw
TOTAL			16176(MW)				4000(mw)

Source: Ebehard Gratwick (2012), Olugbenga (2013) and Kayode O. etal (2018)

Table 4.2 above presents the data that shows Nigeria has about 31 existing thermal power generation plants. This include 12 Federal government owned power plant, 5 Independent Power plant (IPP), 4 state Independent power plants and 10 power plant financed by the Federal government National Integrated Power Project (NIPP). The data also revealed that 17 existing power plants have a generation capacity of 9218 (100%) megawatts but presently generate only 4000MW, which is (24%) of its expected generating capacity. While the remaining 14 planned power plants have generation capacity of 6958 Megawatt but due to policy inconsistency, corruption and lack of political will, majority of the projects have stopped, especially those owned by the state governments. None of the plants is currently contributing single Megawatt to national grid.

The findings revealed that Nigeria has a combination of a 5557 megawatt capacity installed hydro-power generation plants and 16,176 mw capacity installed thermal power station plants, put together is 21733mw (100%). Those power plants are presently generating 5.936 mw to the national grid which is equivalent to only 27% of the total installed capacity.

4.2 Electricity Transmission in Nigeria

Electricity transmission in Nigeria is under the management of a Federal government agency known as Transmission Company of Nigeria. The company licensed activities include electricity transmission, system operating and trading. It is responsible for evacuating electric power generated by the electricity generating companies and wheels it to Distribution Companies. It provides the vital transmission infrastructure between Gencos and Discos feeder substation (EPSRA 2005).

The transmission system in Nigeria system does not cover every part of the country. It currently has the capacity to transmit a maximum of about 4,000 MW and is technically weak. Thus it is very sensitive to major disturbances. It was funded only by the federal government whose resources cannot adequately meet all the requirements needed to function up to required expectations (Sambo et-al 2014). Another revelation made by the Nigerian Electricity Regulatory Commission (NERC 2019) shows that the Nigerian Transmission Network consists of high voltage substation with a total (Theoretical) transmission wheeling capacity of 7,500MW and over 20,000km of transmission lines. Currently, transmission wheeling capacity (5,300MW) is higher than average operational generation capacity of 3,879 but it's far below the total installed generation capacity of 12,522 MW. The entire infrastructure is essentially radial without redundancies. Thus creating inherent reliability issues at an average of approx. the 7.4%, transmission losses across the network are high compared to emerging countries bench mark of 2-6 (NERC 2019). The information present here acknowledges the gap between electricity generation capacity and the transmission wheeling capacity in the Nigerian electricity supply industry, it also revealed that the transmission network system requires a significant amount of investment for the expansion of wheeling capacity, improving reliability, stability and reducing the losses of electricity.

4.3 Discussion of Findings

- i. Findings revealed that Nigeria has only 2 sources of electricity generation, which include thermal power plant and hydroelectricity power plant.
- ii. Our Investigation as cited in table 4.1 revealed that hydro power station has the installed capacity of 1431MW but currently generating only 100MW due to faulty or poor maintenance
- iii. Findings shows that Nigerian thermal power generation plants have the installed capacity of 16176MW of electricity but currently generate only 4000MW due to poor funding, abandoned project and lack of political will.
- iv. This clearly shows that the country targeting 40,000 MW of electricity by the year 2020 is currently has only 4000 MW of electricity available to the national grid.
- v. Further Findings shows that Nigerian transmission wheeling capacity has limited capability of wheeling only 4000mw of electricity as against the Federal Government projection of 40,000 MW by the year 2020. This shows it was mirage to attain the required generation capacity without adequate transmission lines that will be use to transmit the energy to final consumers.

5.0 Recommendations

- i. Adequate funding mechanism should be instituted to ensure that all the abandoned power generation plants owned by states and federal government are fully completed and connected to national grid.
- ii. Government and stakeholders in the electricity supply industry should put effort to ensure the policies that will encourage the utilization of renewable energy are enacted in order to provide alternate energy sources from wind and solar. This is to bridge the gap, encourage alternate source and increase power generation capacity in Nigeria.
- iii. New transmission lines should also be constructed to cover all the nooks and crannies of Nigerian territorial boundary. To make sure the anticipated power generation might reach final consumers.
- iv. The monopoly of Federal Government in Power generation, transmission and distribution should be broken to ensure the full participation of state governments and the private sector without prejudice.

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Effect of Entrepreneurship Development on Employment Generation in Kano State (A Study of Kano Technology Incubation Center)

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Abstract

This study was designed to examine the effect of entrepreneurship development on employment generation Kano Technology Incubation Center was used as a case study. Questionnaires were administered for the purpose of gathering information for this study. However, in research methodology, the researcher used some instruments which emanated from both primary and secondary sources. The data collected were analyzed and grouped into frequency tables, computed and arranged for easy references. The statistics tools for analysis include, the simple percentage and pearson's Correlation Coefficient. These techniques were appropriately applied at 5% level of significance. The result of the study shows that there is strong positive relationship between the dependent and independent variables; that is entrepreneurship development affects the level of employment generation significantly. It has been recommended based on the result of analysis that, The State Government should utilize the Kano Technology Incubation Center and encourage unemployed youths in the State to embrace entrepreneurial spirits and behavior.

Keywords: *Entrepreneurship Development, Employment, Generation, Technology Incubation Center*

1.0 Introduction

Nigerian government like several other governments of the various nations of the world is responsible for the duty of generating employment to better the lives of its citizens. In an event where this is not visible; it encourages and supports its citizens to engage in different entrepreneurship activities through the establishment of ventures and unveils several programs to ensure these enterprises succeed.

The Nigerian government, at different levels, according to Tende (2014) has endorsed policies directed at improving the performance of some sectors in order to decrease unemployment rate. Correspondingly, different administrations; usually in collaboration with the private sector, have launched employment programs, leading to the institution of NDE (National Directorate of Employment), SMEDAN (Small and Medium Enterprises Development Agencies), PAP (Poverty Alleviation Programme), SURE-P

(Subsidy Reinvestment Programme), and YOUWIN (Youth Enterprise With Innovation in Nigeria), BLP (Better Life Programme), NAPEP (Peoples' Bank, National Agency for Poverty Eradication), National Open Apprenticeship Scheme, The Graduate Job Creation Loan Guarantee Scheme, and Agricultural Sector Employment Program. Regardless of these policies and programmes, unemployment/empowerment remains a foremost challenge to the developmental process of the Nigeria economy (Idam, 2014; Tende, 2014). According to Singh (1985), "Entrepreneurship Development Programme is meant to assist individuals in strengthening their entrepreneurial intent and in obtaining skills and capabilities crucial for playing their entrepreneurial roles productively. It is important to promote this understanding of intent and their effect on entrepreneurial values and behaviour for this purpose." Forthwith, EDP can be easily defined as a planned effort to identify, inculcate, develop, and polish the capabilities and skills as the prerequisites of a person to become and function effectively as an entrepreneur. In an attempt to redress the deepened unemployment situation in Nigeria, this research work intends to ascertain whether establishment and institutionalization of entrepreneurship development programmes by the Nigerian governments generates employment for its citizens.

Many scholars have written widely on entrepreneurship and its potency to generate employment like Ossai (2012) who defined entrepreneurship as the process of creating some new or different values by developing the necessary time, assuming the accompanying financial, psychic and social risks, and receiving the resulting rewards of most personal satisfaction. According to Inegbenebor (2006), in the past entrepreneur in Africa were men and women of modest education and little management skills. Nevertheless, through hard work, they surmounted hurdles placed on their path by colonial regimes and their collaborators in foreign owned banks. Entrepreneurship is the pursuit of opportunity without regard to the resources currently controlled (Stevenson, 1975).

The experiences of developed economies in relation to the roles played by entrepreneurship buttresses the fact that the importance of entrepreneurship cannot be overemphasized especially among the Developing Countries. In order to highlight its significance in relation to the growth and development of a given economy, entrepreneurship has been variously referred to as a "source of employment generation". This is because Entrepreneurial activities have been found to be capable of making positive impacts on the economy of a nation and the quality of life of the people. Studies have established its positive relationship with stimulation of economic growth; employment generation; and empowerment of the disadvantaged segment of the population, which include women and the poor. Kano as a state has numerous business and investment potentials due to the abundant, vibrant and dynamic human and natural resources it possesses. Tapping these resources require the ability to identify potentially useful and economically viable fields of endeavors.

Thus, entrepreneurship activities and innovative ingenuity in Kano have developed enterprises in the following areas. Agricultural/agro-allied activities where there are foodstuffs, restaurants, fast food vending etc. In power and transport, there are power generations. In the area of information and telecom business, there are manufacturing and repairs of GSM accessories and the printing and selling of Recharge cards. In hospitality and tourism business, there are hotels, accommodation, resorts centres, film and home video production; in oil and gas business, there are construction and maintenance of pipelines, drilling, refining by products. In the area of environmental and waste management business, there is refuse collection/disposal, re-cyclément, and drainage/sewage construction job. In the area of financial banking services, there is banking, insurance and stock trading. In engineering and fabrication work, there are machines and tools fabrications. There is also the building and construction, where there are plan and design services and material sourcing. The great need for entrepreneurship development in Kano today, more than ever, is necessitated by the rate of unemployment and its effect on both the

people and the state and the need for small and medium enterprises. In spite of the fact that entrepreneurship development has been regarded as the bulwark for employment generation and technological development, the sector nevertheless has had its own fair share of neglect with concomitant unpleasant impacts on the economy. Against this backdrop, entrepreneurship when and if gallantly developed will take its pride of place in quelling unemployment and thus generating employment among youths especially the graduates and once again, place the economy on a proper footing.

1.2 Statement of the Problem

Unemployment has of recent become a global problem with developing nations of the world having the lion shares of the phenomenon. This has resulted in the migration of people from one region of the world to another in search of greener pastures. In the past three decades, Nigeria has lost so many of its bright scholars and potential citizens through migration to other part of the world.

Despite government efforts to address the problem of unemployment, the issue continue to be more complex each passing year in Nigeria and Kano state in particular. Unemployment, underemployment and rural-urban migration have enveloped the labor market. This has been compounded by frightening number of graduates from polytechnics, colleges of education, and universities that leave school each year. This has increased the rate of social vices like robbery, kidnapping, prostitution, human trafficking, child abuse and unfair labor practices experienced by the unemployed youths (Nwankwo and Ifejiolor, 2014). The present situation seems to give an impression of economic insecurity as a result of failure to properly engage people in the production process. This study therefore become necessary to fill the gap by examine the entrepreneurial development progress and urgent social intervention for all government strategies/ programs in order to cuter for employment generation as an output towards economic security.

1.3 Objective of Study

The main objective of the study is to examine the relationship between entrepreneurship development and employment generation in Kano state, the specific objectives are to:

- i. To determine the level of entrepreneurship development at Kano Incubation Centre
- ii. To determine the level of employment generation at Kano Incubation Centre
- iii. To establish if there is any significant relationship between entrepreneurship development and employment generation

1.4 Research Hypotheses

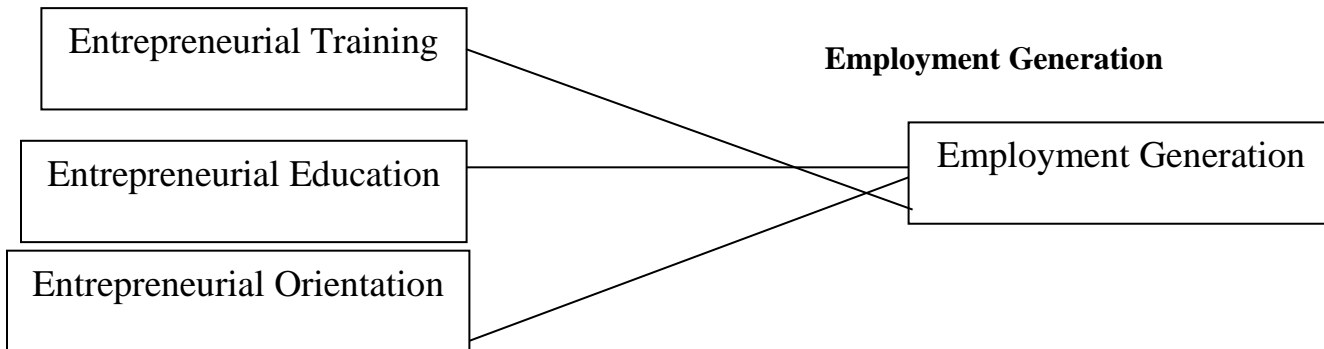
The following research hypotheses are stated in null form.

Ho: there is no significant relationship between entrepreneurship development and employment generation

2.0 Literature Review

2.1 Conceptual Framework of the Research

Entrepreneurship Development



2.2.1 Concept of Employment Generation:

Every economy is clearly defined by both active and inactive populations. The economically active ones are seen as the population that have the willingness and ability to work, and include those actively involved in the creation of goods and services and those who are yet to be employed.. Since independence in 1960, Nigeria has initiated different development plans suggestive of employment generation for growth and development. By way of example, the first National Development Plan (NDP) had a planning focus that covered 1962 to 1968. In this plan, one of its key objectives and targets were the provision of ‘opportunities in health, education and employment for all citizens.’ To achieve this fit, the plan granted special interest to agriculture and industry which seems to have a huge capacity for employment generation and training of high intermediate workforce.

The second development plan covered the period 1970 to 1974. According to Oni (2006), the plan focused on building a land with promising and full opportunities for all citizens. Furthermore, this plan boosted agriculture, transportation, workforce development, etc. as ‘more useful areas for resource allocation’ for employment generation. The third development plan as it were existed between the period 1975 to 1980 with special focus on the reduction in unemployment, and increase in high workforce development. The fourth development plan shared almost the same philosophy of employment objectives as the third plan. Periods succeeding these saw the country flourishing in rolling plans until 2004 where the budget took more of the planning objectives for the generation of employment or reduction of unemployment with strong emphasis in human resource development, employment generation and poverty eradication. Such objective brought forth the institution of the National Directorate of Employment in 1989.

Many scholars have written widely on entrepreneurship and its potency to generate employment, thus, underscoring the quintessence, significance and relevance of this sub-sector in the development of any given economy. The experiences of developed economies in relation to the roles played by entrepreneurship buttresses the fact that the importance of entrepreneurship cannot be overemphasized especially among the Developing Countries. In order to highlight its significance in relation to the growth and development of a given economy, entrepreneurship has been variously referred to as a “source of employment generation”. This is because Entrepreneurial activities have been found to be capable of making positive impacts on the economy of a nation and the quality of life of the people (Adejumo, 2000). Studies have established its positive relationship with stimulation of economic

growth; employment generation; and empowerment of the disadvantaged segment of the population, which include women and the poor (Oluremi and Agboola GM, 2011; Thomas and Mueller, 2000; Reynolds, 1987).

Nigeria as a country has numerous business and investment potentials due to the abundant, vibrant and dynamic human and natural resources it possesses. Tapping these resources require the ability to identify potentially useful and economically viable fields of endeavours. Nigerians have made their marks in diverse fields such as science, technology, academics, business and entertainment. According to (Gbosi, 1999), employment is defined as, when collectively specified or not collectively specified, the total number of persons 15 years and above who are employed in civilian occupations. With this, Gbosi is agreeing that employment is associated with those who are, at least, 15 years of age. However, this definition fails to give the upper age limit for those who may be considered employed. According to National Bureau of Statistics (NBS, 2015), a person is considered employed if he or she is engaged in the production of goods and services, thereby contributing to the Gross Domestic Product (GDP) in legitimate manner, which is a component of the national account and receives any form or amount of money for that activity. The Bureau goes further to state that for a person to be considered employed, he or she must work full time, i.e. at least, 40 hours, on average, a week. This is a more comprehensive definition.

Every economy is characterized by both active and inactive populations. The economically active ones are referred to as the population willing and able to work, and include those actively engaged in the production of goods and services and those who are unemployed. The International Labour Organization (ILO) defines the unemployed as numbers of the economically active population who are without work but available for and seeking work, including people who have lost their jobs and those who have voluntarily left work (World Bank, 1998). According to Fajana (2000), unemployment refers to a situation where people who are willing and capable of working are unable to find suitable paid employment. It is one of the macro-economic problems which every responsible government is expected to monitor and regulate. The higher the unemployment rate in an economy the higher would be the poverty level and associated welfare challenges. Fajana (2000), Alao (2005), and Wikipedia (2010) identify the following types of unemployment. Structural unemployment occurs when there is a change in the structure of an industry or the economic activities of the country. This may be because people's tastes have changed or it may be because technology has outmoded and the product or service is no longer in demand. It is mostly to be found in the developing countries of Asia and Africa. This type of unemployment is due to the deficiency of capital resources in relation to their demand. In other words, structural unemployment results from a mismatch between the demand for labour, and the ability of the workers.

2.2.1.1 Concept of Entrepreneurial Training

Entrepreneurship Development Programmes (EDPs) have been described by (Gouws, 2002) as a purposeful intervention by an adult (the teacher) in the life of a learner to impart entrepreneurial qualities and skills to enable the learner to survive in the world of business. Its aim is to equip learners with skills, knowledge and disposition that can help them develop or implement innovative social or business plans. Accordingly (Suleiman, 2010) defines EDP as the process of enhancing entrepreneurial skills and knowledge through structured training and institutional building programmes. Entrepreneurship Development Programme in the context of this study refers to the process of enhancing the capacity of recipients through structured training and institutional building programme.

Education is the essential tool for sustainability. Quality education plays a vital role in the social, political and economic development of any nation. This is possible when jobs are created for the citizenry by establishing a lot of businesses that will accommodate the unemployed youth in Nigeria. A qualified graduate of entrepreneurship education would have acquired enough skills relevant to management of small business centre. Through entrepreneurship education, a pool of potential entrepreneurs who are well equipped with skills and technical know how to manage small/medium scale industries are produced. This will equally help in job creation. Structural training as described by (Abiodun, 2004) is a systematic development of knowledge, skills and attributes required by an individual to perform adequately on a given task or job.

Aina (1992) defined structural training as an activity where an expert and learner work together to effectively transfer knowledge and skills from the expert to the learner (to enhance learner's knowledge, skills and attributes) so that the learner can better perform a current or specific task of job. On the other hand, institutional or capacity building is a course of action designed to enable an individual to realize his potentials for growth (Atiomo, 2008). Capacity building relates to the future activity rather than present or current jobs. This suggests a broader view of knowledge and skills acquisition than training. It is concerned more with individual's potentials than with immediate skills. Two approaches have been used for entrepreneurship development in Nigeria. One of the approaches is concerned with provision of generous credit facilities for small-scale industrialists. The scheme, which was formally launched at the beginning of the third National plan period (1975-1980), aimed at providing entrepreneurs with seed capital. The second approach is concerned with provision of training. This led to the establishment of the first training centre, known as Industrial Development Centre (IDC) in Owerri, in 1972. Other IDCs were established in different parts of the country. These two elements (training and funding) are the twin components of Nigerian EDP initiative.

2.2.1.2 Concept of Entrepreneurial Education

Entrepreneurship education is a learning process, starting as early as elementary school and progressing through all levels of education. Entrepreneurship education is an orientation towards different ways of identification and recognition of opportunities. According to UNESCO (2008), entrepreneurship education is made up of all kinds of experiences and orientations that give students the ability and vision of how to access and transform opportunities of different kinds. It is about increasing student's ability to anticipate and respond positively to societal changes. Lee and Wong (2008) also maintained that it is a catalyst for economic development and job creation in any society. Also, the Commission Communication (2006) defined entrepreneurship education as the individual ability to turn ideas into action. It includes creativity, innovation and risk taking, as well as the ability to plan and manage projects in order to achieve objectives. Further, Enu (2012) stated that curriculum content must be responsive enough to address the obvious short comings of present school system. This call for innovations in the school curriculum that will be responsive and relevant to solve the current and anticipated needs, problems and aspirations of the learner (Emah, 2009; Ogunkunle (2009).

Entrepreneurship education as perceived by Omolayo (2006) is a structured formal conveyance of entrepreneurial competencies, which in turn refers to the concepts, skills and mental awareness used by individuals during the process of starting and developing their growth-oriented ventures. Another view of entrepreneurship education is the term given to someone who has innovative ideas and transforms them to profitable activities. Kuratko and Hodgetts (2004) noted that in the simplest of theoretical forms of studying entrepreneurship, entrepreneurs cause entrepreneurship. Entrepreneurship education is a purposeful intervention by an educator in the life of the learner to impact entrepreneurial qualities and skills to enable the learner to survive in the world of business (Ogundele, Akingbade and Akinlabi

(2012). Alberti, Sciascia and Poli (2004) define entrepreneurship education as “the structured formal conveyance of entrepreneurship competencies which in turn refers to the concepts, skills and mental awareness used by individuals during the process of starting and developing their growth oriented ventures. The Consortium for Entrepreneurship Education (2004) points out that entrepreneurship education is a life-long learning process and consist of five stage namely, basic, competency awareness, creative application, start-up and growth. It is believed within the policy circles that from 2006 to 2010 (the first three years of establishing entrepreneurship programme in Nigeria) that at least 50,000 graduates would have gone through entrepreneurship education with sufficient entrepreneurial skills. Out of the projected 50,000 trainees, it is presumed that at least 10,000 graduates would be self-employed and self-reliant by establishing their own business ventures (Ibid).

2.2.1.3 Concept of Entrepreneurship Orientation

Entrepreneurial orientation (EO) - overall strategic posture toward entrepreneurship - is emerging as a predominant concept in management science. As knowledge in the area of EO has expanded, researchers have become interested in issues related to the evolution, potential contributions, and future trajectory of EO research. The purpose of this essay is to take stock of where EO scholarship has come so far, identify interesting gaps for the future, and encourage extending the knowledge frontier in this area. In order to do so, we acknowledge key developmental milestones in EO studies, attempt to make sense of the extant EO literature and highlight possible avenues for further work, and offer specific suggestions for exploring areas where EO research has not gone before. With the hope that this study will show that EO research has made considerable strides over its life course as well as point to productive directions for the EO concept going forward.

Wiklund & Shepherd (2003) postulated that entrepreneurial orientation consist of two components, namely, action orientation, which results in actual entrepreneurial behavior; and mental orientation or way of thinking of the small business manager, which is not necessarily put into action. According to Alberti, Sciascia and Poli (2004), for effective Entrepreneurship education there should be a relationship between the goals of Entrepreneurship programme, the audiences to which the programme is delivered, the contents of the Entrepreneurship courses or modules, the method of delivery or pedagogy, and finally, the assessment that will be used. Entrepreneurial training and education encourages Nigerian to become jobs creator rather than job seekers. It also equips them with skills for constant improvement and innovations in their undertaken.

2.2.2 Concept of Entrepreneurship

Entrepreneurship has been defined by various authors to mean many things since the middle age (Igbo, 2006). However, the summary of what entrepreneurship means will reflect the individual definer’s point of view. For (Inegbebor, 1987), and (Akanwa & Akpanabia, 2012), entrepreneurship is the willingness and ability of an individual to seek out investment opportunities, establish and run an enterprise successfully. (Esomomu, 1998) defined entrepreneurship as the effective manipulation of human intelligence as demonstrated in a creative and innovative performance. The National Directorate of Employment (NDE, 1989) in (Onyebueke and Ochnongo, 2002) sees entrepreneurship to be an art which involves recognizing a business opportunity, mobilizing resources and persisting to exploit that opportunity.

In defining Entrepreneurship, it is important to note that there are as many definitions of entrepreneurship as there are scholars of entrepreneurship. Entrepreneurship involves identifying a problem (need) and turning it to opportunity (creation of product/service) through research with a view to satisfy the need and identifying customers who are able and willing to pay to have the problem

solved. Corroborating this view, Hill and McGowan (1999) opined that, entrepreneurship is a process which involves the effort of an individual (or individuals) in identifying viable business opportunities in an environment and obtaining and managing the resources needed to exploit those opportunities. In business management, Entrepreneurship is regarded as the “prime mover” of a successful enterprise just as a leader in any organization must be the environmental change agents (Anyadike, Emeh and Uka 2012). Entrepreneurship is a perceptiveness to change and the entrepreneur is one, who always searches for change, responds to and exploits it as an opportunity (Drucker, 1985). Tijjani Alawiye (2004) defines entrepreneurship as the process of increasing the supply of entrepreneurs or adding to the stock of existing small, medium and big enterprises available to a country by creating and promoting many capable entrepreneurs, who can successfully run innovative enterprises, nurture them to growth and sustain them, with a view to achieving broad socio-economic developmental goals. One of these goals is sustaining employment. Justifying the need for promoting entrepreneurship culture Schnurr and Newing (1997) observed that youth in all societies have sterling qualities such as resourcefulness, initiative, drive, imagination, enthusiasm, zest, dash, ambition, energy, boldness, audacity and courage which are all valuable traits for entrepreneurship development. In the same view, Shepherd and Douglas (1997) in Anyadike, Emeh and Uka, (2012) were of opinion that ‘entrepreneurship’, when treated as ‘enterprise-creation’ helps develop new skills and experiences that can be applied to many other challenging areas in life. Many Nigerian youths that roam the street possess several untapped potentials. If these potentials are well harnessed could be channeled toward productive ventures and job creation thereby reducing unemployment rate in the country. Achieving this requires entrepreneurship education and skill acquisition.

Ogundele (2004) observes that for the success of National Economic Empowerment and Development Strategy (NEEDS), Nigeria require a new development approach which will release the best in the nation human capital for the economic development and empowerment efforts. This Ogundele (2004) calls spiritual capitalism, which will involve among others calling out the best from every Nigerians.

2.2.3 Government Entrepreneurship Development Programmes

Ogundele and Akingbade (2012) revealed that the role and involvement of government in the development of entrepreneurship in Nigeria became meaningful only after the Nigeria civil war as recorded around 1967-70. Right from the mid-1980s there has been a heightened commitment of government to entrepreneurship development particularly after the establishment of the Structural Adjustment Program (SAP) in 1986. In addition to this is the creation of the National Directorate of Employment (NDE), National Open Apprenticeship Scheme (NOAS) and, the Small and Medium Enterprise Development Association of Nigeria (SMEDAN) (Ogundele and Abiola, 2006). Essentially, the Nigerian government supports entrepreneurial culture through initiatives that encourages new ideas, positive attitude, business confidence, support and social responsibility, pride in success, provision of technological supports, advancement of research and development and the encouragement of inter-firm linkages.

2.2.4 Youth Enterprise with Innovation in Nigeria (Youwin)

Tende (2014) pointed out that the Nigerian government(s), especially since the establishment of the structural adjustment programme (SAP) around the mid-1980s, have setup policies and programmes targeted at entrepreneurship development, as a way of generating employment, alleviating poverty and speedy economic development, which led to the establishment of Youwin (Youth Enterprise with Innovation in Nigeria).

The Youth Enterprise with Innovation in Nigeria programme is a collaboration of the Federal Ministries of Finance, Communication Technology and Youth Development to organize a yearly Business Plan Competition (BPC) for ambitious and aspiring young entrepreneurs in Nigeria (Tende, 2014). The programme provides a one-time Equity Grant of N1million - N10 million to 1,200 selected aspiring entrepreneurs to start/expand their business concepts and mitigate start up risks; and to further generate some 80,000 - 110,000 new jobs for unemployed Nigerian youths over a three-year period (Akanke and Okuwa, 2009).

2.2.5 National Directorate of Employment (NDE)

The National Directorate of Employment (NDE) was instituted in November 1986. The Directorate began full operations in January 1987. The birth of the Directorate was dependent on the impact of the economic recession of the 80's which led to an extreme reduction in capacity utilization and consequent complete closure of industries in Nigeria. Correspondingly, other macro-economic policies of the government of the day such as privatization and commercialization of the economy, structural adjustment programme (SAP), devaluation of the Naira, etc. led to massive job losses in both the public and private sectors of the economy. In accordance with the Annual Report of the NDE 2013, the rate of unemployment had increased from 4.3% in 1985 to 7.0% at the commencement of 1987 in consequence of the situation earlier stated. The scheme was targeted at school leavers, apprentices, graduates etc. The programme was aimed to address four (4) major areas;

- i. Small Scale Enterprises programme,
- ii. Vocational skill development programme,
- iii. Rural employment promotion programme,
- iv. Special public work programme.

The main target of the agricultural programme is to create employment for graduates, non-graduates and school leavers in the Agricultural sector, with emphasis on self-employment in agricultural production and marketing. The programme is supervised and monitored by a team of Agricultural professionals in the Agricultural department of the Directorate.

2.2.6 Relationship Between Entrepreneurship Development and Employment Generation

The relationship between entrepreneurship and employment generation is quite positive and direct, empirical studies revealed that, the major source of employ today across the globe is entrepreneurship. Agwu and Ayoade (2015) in their paper "Employment Generation through Entrepreneurial Development: The Nigerian Experience" government at all levels should encourage entrepreneurship and also provide an enabling environment through which entrepreneurs can develop their business and in-turn generate more employments for the citizens.

One of the major reasons that individuals tend to become entrepreneurs is because they are unable to find suitable and secured jobs. As a result, by being enterprising, creative and finding market, not only are they able to generate income for themselves but also to employ other individuals in their businesses operations. Therefore, one of the positive impact that entrepreneurs make on an economy is job creation and the reduction of unemployment levels within the economy (Assudani 2009).

In developed countries, almost 40 to 50 percent of the workforce is employed in small and medium scale business enterprises set up by various enterprising individuals. In Nigeria, millions of people have been able to pull their facilities out of poverty through self – employment and entrepreneurship. It has been estimated that between 45 to 60 percent of the urban labour force work for private enterprises. A study

by the federal office of statistics shows that 97 percent of all businesses in Nigeria employ about 100 employees. The small and medium enterprises sector provides, on average, 50 percent of Nigeria's employment, and 50 percent of its industrial output (Ariyo, 2008).

Based on the analysis above, it is clearly seen that entrepreneurship can cause a great degree of impact on an economy through job creation and income generation. Therefore, The Federal Government as well as the Plateau State Government cannot afford to ignore such contribution from the entrepreneurship sub-sector.

There is also the Women Entrepreneurship Development Programme (WEDP) which is a gender based programme aimed at transforming the Women into successful entrepreneurs. The programme seeks to economically empower the Nigerian Women through conscious engagement and development of entrepreneurial capacities. Over the years, SMEDAN has assisted in the economic empowerment of women. Today, we have many business enterprises owned and managed by women. Another very important programme launched is the Youth Corpers Entrepreneurship Development Programme (YCEDP). The programme targets fresh school graduates who have just graduated from college/university. Entrepreneurship lectures are organized to prepare them towards business ownership and management. The participants are expected to prepare and submit business plans at the end of the training programme. The business plans are sent to micro-finance banks for financial assistance. The Rural Enterprise Development Initiative (REDI) was also launched and the programme aims at stimulating entrepreneurship/enterprise development in the rural communities. Some rural areas are known to have abundant natural resources that can generate employment, create wealth and reduce poverty. The Government aims at utilizing these resources effectively and re-engineering rural economic transformation through this programme. It is a cluster based support programme that provides the capacity towards business ownership and management. This programme encourages and pushes the rural dwellers into Cooperative Societies and Self-Help Groups and assists them with registration, business plan preparation and access to finance.

Entrepreneurship has been defined by various authors to mean many things since the middle age (Igbo, 2006). The entrepreneur has been seen as an actor, innovator or a developer of technology. However, the summary of what entrepreneurship means will reflect the individual definer's point of view. For (Inegbebor, 1987), in (Akanwa and Akpanabia, 2012), entrepreneurship is the willingness and ability of an individual to seek out investment opportunities, establish and run an enterprise successfully. Esomomu (1998) defined entrepreneurship as the effective manipulation of human intelligence, as demonstrated in a creative and innovative performance. The National Directorate of Employment (NDE, 1989) in (Onyebueke and Ochnongo, 2002) sees entrepreneurship to be an art which involves recognizing a business opportunity, mobilizing resources and persisting to exploit that opportunity. (Tijani-Alawiye, 2004), defines entrepreneurship as the process of adding to the stock of existing small, medium and big enterprises available to a country by creating and promoting many capable entrepreneurs who can successfully run innovative enterprises, nurture them to grow and sustain them, with a view to achieving board socio-economic development goals. It is also the process of bringing together creative and innovative ideas and copying them with management and organizational skill in order to combine people, money and resources to meet an identified need and thereby creating wealth. (Shepherd and Douglas, 1997) in (Akanwa and Akpanabia, 2012) Observe that entrepreneurship development is the ability to envision and chart a course for a new business venture by combining information from the functional disciplines and from the external environment in the context of the extraordinary uncertainty and ambiguity which faces a new business venture. Entrepreneurial development has been found to be capable of making positive impacts on the economy of a nation and

the quality of life of the people (Adejumo, 2000). However, it has to be noted that only business that have been able to adopt and actually practice the principles of creativity and innovation are positively impacting the economy and add value to the life of the people. The only thing that is constant in this world is change. So, if one want to meet his or her steps with the rest of the world then in this scenario it is imperative for him or her to adopt new phenomenon, new methodologies and new technology. In this regard, the phenomenon of innovation and creativity is very important. Nowadays, businesses, entrepreneurs and individuals, are adopting the concepts of innovation and creativity. These concepts of innovation and creativity are becoming the central part of the strategies of the business and individuals (Uru and Yozgat 2009).

Taiwo (2014) successfully conducted an empirical research on impact of entrepreneurship development on job creation in Nigeria. He discovered that in any giving economy, entrepreneurship development always lead to job creation which will drive individuals to be engaged in something that will improve their lives and the country as a whole. He assessed the relationship between job creation and entrepreneurship development in Nigeria. It was indeed obvious from his finding that job creation or employment opportunity in an economy can be attributed to entrepreneurship training and development.

Akanwa and Akpanabia, (2012) investigated the need for the advancement of employment in Nigeria through the development of entrepreneurship. The study depends mostly on secondary data from scholars/ authors in the field. They finalized that, government and its agencies should intentionally encourage entrepreneurial skill and culture in Nigeria so as to attack and ultimately lessen the huge level of unemployment matters in the country so that the nation will increase its economic development. Bandal (2010), succeeded in carrying out empirical investigation on leveraging the relationship between entrepreneurship and job creation. He ascertained that individual talent, attitude, skills and knowledge as well as various contextual variables such as access to credit, social capital, role of government technology and infrastructure, access to information and access to markets work closely to propel entrepreneurial activity.

2.3 Review of Empirical Studies

Prior studies on entrepreneurial development among scholars presented varied perspectives and findings. Taiwo (2014) carried out an empirical research on impact of entrepreneurship development on job creation in Nigeria. He found out that in any giving economy, entrepreneurship development always give birth to job creation which will force people to do something that will better their lives and the country at large. He evaluated the relationship between job creation and entrepreneurship development in Nigeria. It was clear from his observation that job creation or employment opportunity in an economy can be traceable to entrepreneurship training and development.

Anyadike et al., (2012), they took a study on Nigeria's growing unemployment situation and how it increasingly dwindles the potentials of the country, especially following official figures from the Bureau of statistics that puts the figure at about 40 million Nigerian youths captured in World Bank statistics in 2009 are unemployed. Having utilized the secondary source data, the paper remained extensively on current articles from ardent scholars on entrepreneurship development and government statistical documentations. The authors concluded that government should make entrepreneurship sellable to the people by inculcating it into the educational curriculum at every state of the educational sector and also utilize a re-modeled NYSC scheme educate the youths more on the importance, essences and need for entrepreneurship development.

Eme, (2014) carried out research on unemployment rate in Nigeria: Agenda for Government. He found out that statistically speaking in the last couple of years, Nigeria's economy is one of the fastest-growing in the world while its people are the most impoverished in real terms. Nigeria in recent past experienced an event where millions of people scammed for about 4500 job vacancies advertised by the Nigeria Immigration Service leading to the death of about eighteen of them in an unwarranted stampede betray the idiosyncrasy of the Nation's nominal growth without corresponding development. With global unemployment projected to reach over 215 million by 2018, experts fear that Africa, particularly Nigeria's share of the global scourge might increase disproportionately, with attendant unsavoury consequences unless the country immediately adopts pro-active and holistic approach to halt the rising youth unemployment. Akanwa and Akpanabia (2012) examined the need for promoting employment in Nigeria through the development of entrepreneurship. The work relies mostly on secondary data from scholars/ authors in the field. They concluded that, government and its agencies should deliberately encourage entrepreneurial culture and skill in Nigeria in order to attack and eventually reduce the high level of unemployment situation in the country so that the nation will boost its economic development.

Salami (2013) carried out a research on youth unemployment in Nigeria: A time for creative and innovative intervention. He said that unemployment in Nigeria is a time bomb waiting to explode if effective interventions are not put in place to mitigate the unsavory impact of high youth unemployment. His work establishes a link between entrepreneurship and youth unemployment if adequate attentions are focused on the creation of enabling socio-economic and political environment that can galvanize a culture where the youths think job creation away from the mindset of job seekers. Bandal (2010), carried out empirical study on leveraging the relationship between entrepreneurship and job creation. He found out that individual talent, attitude, skills and knowledge along with several contextual variables such as social capital, access to credit, role of government technology and infrastructure, access to information and access to markets work together to drive entrepreneurial activity. Nwachukwu and Ogbo (2012) carried out empirical research on the role of entrepreneurship in economic development: The Nigerian perspective. The aim of the paper is to develop and analyse the contributions of entrepreneurship in the economic development through SME development in Nigeria. A total of 1000 SMES were randomly selected from a cross section of a population of all SMES spread around some states of Nigeria. The hypotheses of this research which were tested at 0.05 level of significance using chi-square statistics hinged on identifying the greatest problem which SMES face in Nigeria. The researcher found out that SMES have played and continue to play significant roles in the growth, development and industrialization of many economics the world over. They concluded that promoters of SMES should thus ensure the availability or possessions of managerial capacity and acumen before pursuing financial resources for the development of the respective enterprise.

Baba (2013) carried out research work on the challenges of Entrepreneurship development in Nigeria and way forward. He is of the view that in this era of shrinking economic activities, government should Endeavour to provide the necessary infrastructures required for skills acquisition among its citizenry because without technological skills, entrepreneurial spirit which drives economic development through job creation will be lacking. He concluded that entrepreneurship is essential for rapid and sustained economic growth but there is urgent need to change the mind-set of the average Nigerian especially the youths towards embracing self-employment and de-emphasize the search for white collar jobs that are non-existent. Odeh & Okoye, (2014) carried out research on the extent to which entrepreneurship in Nigeria has helped to reduce youth unemployment. The study revealed that government policies and initiative has affected the "transformation question". This is due to the increase of corruption, inadequate and maladministration. They concludes that entrepreneurship country is an engine for job creation, innovation and diversity and that Nigeria's entrepreneurs have a long way to go before they can

effectively drive changes in the economy. They recommend that government should genuinely recognize the essence of entrepreneurship to economic development by providing the enabling environment for the youth to be gainful employed for economic development.

Ebiringa (2012) examined entrepreneurship development and growth of enterprises in Nigeria he found out that several policy interventions in Nigeria that were aimed at stimulating entrepreneurship development via small and medium scale enterprises have failed. Instead of building in-country entrepreneurial capacity, entrepreneurs have become distribution agents of imported products. He recommends that government and the organized private sector should increase their support for entrepreneurial training programs as part of the tertiary education system. Asad *et al.* (2014) examined the need to reduce unemployment through entrepreneurship in Pakistan. The regression results indicate that 91 percent variations in entrepreneurship development have been explained by the explanatory variations in variables. The unemployment rate has been found to be negatively related to entrepreneurial development. High rate of unemployment has been associated with low level of entrepreneurial development in economy of Pakistan.

Snapps and Hamilton (2012) examined the incidence of youth restiveness in the Niger Delta and how restiveness has affected industrial productivity. They found out that the high rate of unemployment, environmental degradation, dislocation of the traditional economy and unfair revenue allocation are some of the factors that have given rise to youth restiveness in the Niger Delta and the country as a whole. They recommended that government should pay special attention to the developmental needs of the Niger Delta through job creation, entrepreneurial development and the enactment of environmentally friendly policies that will preserve its fragile ecology. Berglund and Wennberg, (2006) conducted study on creativity among entrepreneurship students. The study uses a personality test and open-ended interviews to explore creativity between two groups of entrepreneurship Masters' students. One at a business school and one at an engineering group had high creative potential, but that engineering students channeled this into practical and incremental efforts whereas the business students were more speculative and had a cleaner market focus. Wiklund and Shepherd (2003), Luthje and Frank (2002), Charney and Liecap (2000) all put forward that a positive correlation exists between education and business creation. Based on Timmons and Spinelli (2004) and others who are of the opinion that entrepreneurship can be learnt, Kuratko (2003) observes that the decision by many tertiary institutions in Nigeria to design and implement relevant entrepreneurship teaching programme.

Entrepreneurial training and education encourages Nigerians to become job creators rather than job seekers. Ogundele, Akingbade, & Akinlabi (2012) investigated the intensity of entrepreneurship training and education as strategic tools for poverty alleviation in Nigeria using a stratified random sampling technique, 250 entrepreneurs and apprenticeships from five recognized local government areas in Lagos State, South Western Nigeria were selected as our respondents. Data were gathered through a self-mentioned questionnaire survey. Simple regression analysis was used to test the relationship between the entrepreneurship training and education and poverty alleviation. This study confirmed that entrepreneurship training and education significantly related to the youth empowerment and social welfare services. Ajayi & Ademokun (2010) seeks to investigate the impact of entrepreneurship training and availability of ancillary credit using a combination of qualitative and quantitative data. The research sample size is 647 and the data is sourced from the Entrepreneurship Development Centre (EDC), Lagos. The results showed exposure of educated young person to entrepreneurship training holds huge potential for increased job and wealth creation through business idea generation and ownership.

Ogundela (2012) appraised the impact of the activities of the National Directorate of employment on graduate employment and job creation in Kaduna State. Secondary data were collected as well as oral interview of personnel in the course of study. It was found that the impact of the NDE on graduate employment in Kaduna has not been particularly positive and much still needs to be done. Therefore, the study recommended a thorough re-appraisal of its programme in order to overhaul the system. Ogah, Uko&Oshi (2013) evaluated entrepreneurship involvement among undergraduate students of Cross River State University of Technology, Ogoja Campus. Data was obtained through the administration of a structured questionnaire to undergraduate students with personal business irrespective of the scale. Result indicated that family knowledge and natural ability did not determine students' entrepreneurship involvement but the need for money, desire to become self-dependence and the desire to be employers of labour. The study identified University entrepreneurship programme and parental occupation as the main sources of entrepreneurship awareness accruable to University students. Based on the result obtained, they suggested that universities in Nigeria should add more values to their graduate by incorporating into their curriculum elements that enhance the development of entrepreneurial attitudes and self-efficiency.

The study gap is all about the areas that are not fully covered by the previous researchers on the topic of discussion (entrepreneurship and employment generation in Kano state). Also most of the studies conducted in this area used qualitative research design; as such this study intends to employ quantitative design.

2.4 Theoretical Framework

The study was based on the neo-classical theory of entrepreneurship, Austrian school of economic theory of entrepreneurship and Innovative theory of entrepreneurship were review in the study. Innovation theory of entrepreneurship involves the ability to break away from routine, overhaul existing structure, and move the system away from even circular flow of equilibrium into an economy with ability to create jobs through entrepreneurship. Neo-classical theory of entrepreneurship holds the view that everyone who is conducting a particular business, get a particular profit margin which is in line with his or her level of labour. The theory further posits that the level of knowledge of an entrepreneur is an important factor in determining whether or not an entrepreneur makes profit or not.

3.0 Methodology

According to Aladebe (1993), population can be defined as the set of all possible value of variable in one or more geographical location. The population of this study comprised of all entrepreneurs situated at Kano Incubation Center located at Farm Center Tarauni Local Government Kano State which are precisely 200 in number.

A sample of 132 was used based on krejcie and morgan sample size table, 1970. The sample size was determined based on the total population of 200. The samples were selected across different types of businesses from the Kano State Incubation Center, Kano using stratified probability sampling technique, in order to select the sample across different types of businesses at the incubation center. For the purpose of this study both secondary and primary sources were used. the researcher obtained secondary data from library research such as textbook, seminar papers, journals, magazines week lines, newspapers, records, internet websites. Questionnaire was used on the other hand as an instrument for primary data collection.

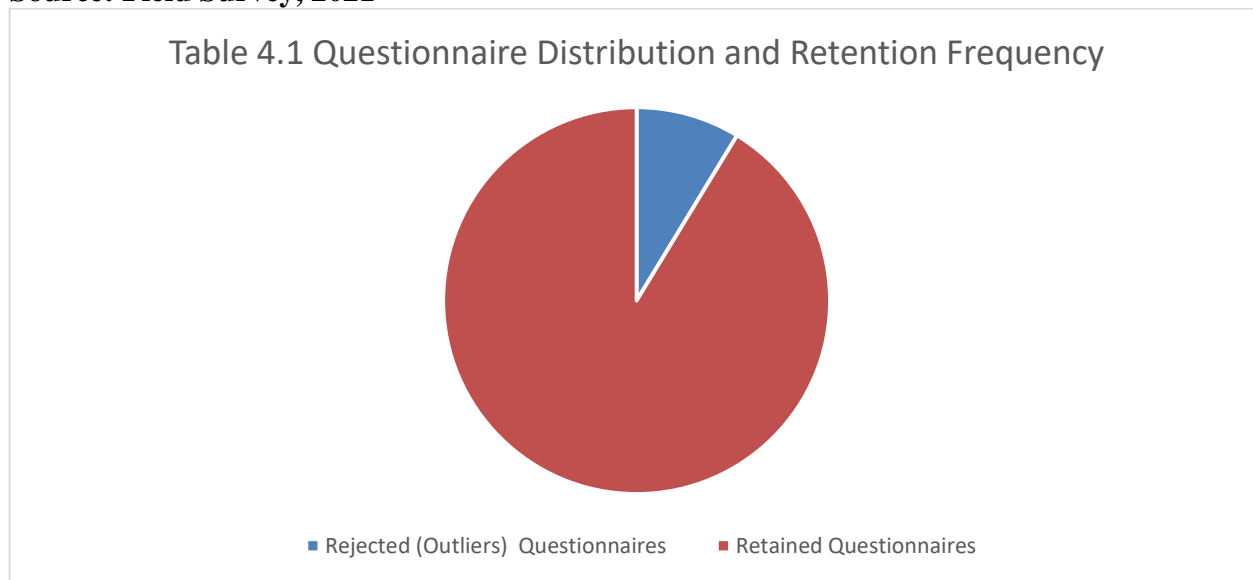
For the purpose of this work the researcher used percentage method for data analysis, in which frequency distribution table was used, data was presented and analyzed using frequency tables and pie charts. Interpretations were made after the analysis. Pearson’s product moment correlation coefficient was employed in analyzing the statistical data with the aim of establishing the strength of relationship between the dependent and independent variables. The test applied 95% confidence interval reliability and 5% level of significance.

4.0 Discussion of Results

Table 4.1 Questionnaire Distribution and Retention

Item	Frequency	Percentage (%)
Distributed Questionnaires	135	100
Returned Questionnaires	115	85.19
Rejected (Outliers) Questionnaires	10	9.09
Retained Questionnaires	105	77.78

Source: Field Survey, 2021



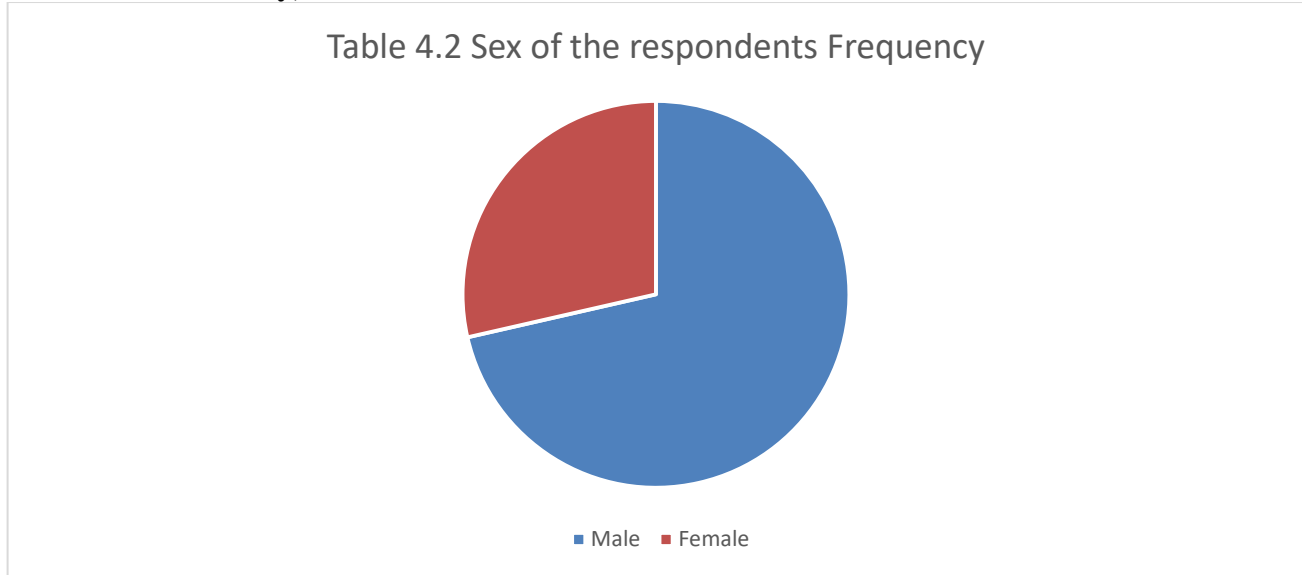
A total of 135 respondents constitute the sample for this study as stated earlier under methodology, based on this, the researcher printed and distributed 135 copies of questionnaires. Out of the 135 pieces distributed, only 115 copies were returned representing 85.19% of the total. Out of those returned, 10 questionnaires (representing 9.09 of the sample size) were discovered to be invalid and therefore rejected. Therefore this analysis was made based on the remaining 105 copies which were considered valid and therefore retained.

Q1. Sex

Table 4.2 Sex of the respondents

Variables	Frequency	Percentage (%)
Male	75	71.43
Female	30	28.57
Total	105	100

Source: Field Survey, 2021



Analysis of Table 4.2 above revealed that, out of the total of 105 respondents, 75 of them, representing 71.43% were males while the remaining 30 representing 28.57% were females.

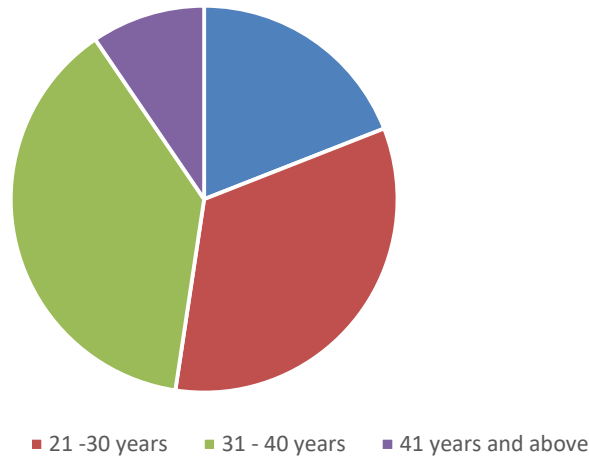
Q2. Age

Table 4.3 Age of the respondents

Variables	Frequency	Percentage (%)
20years below	20	19.05
21 -30 years	35	33.33
31 - 40 years	40	38.10
41 years and above	10	9.52
Total	105	100

Source: Field Survey, 2021

Table 4.3 Age of the respondents Frequency



Analysis of Table 4.3 above revealed that 20 out of the total of 105 respondents, representing 19.05% are of 20 years and below; 35 of them representing 33.33% are between the ages of 21 – 30 years, 40 of them representing 38.10% are between the ages of 31 – 40 years the remaining 10 respondents representing 9.52% are of the age of 41 years and above.

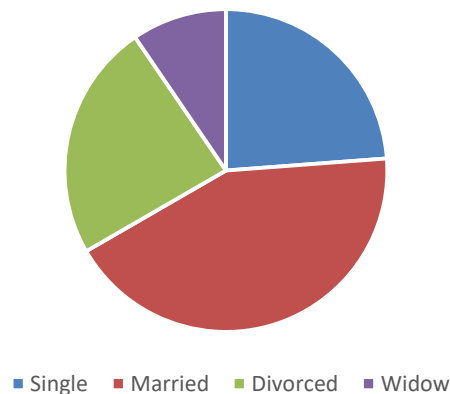
Q3. Marital Status

Table 4.4 Marital Status of the respondents

Variables	Frequency	Percentage (%)
Single	25	23.81
Married	45	42.86
Divorced	25	23.81
Widow	10	9.52
Total	105	100

Source: Field Survey, 2021

Table 4.4 Marital Status of the respondents Frequency



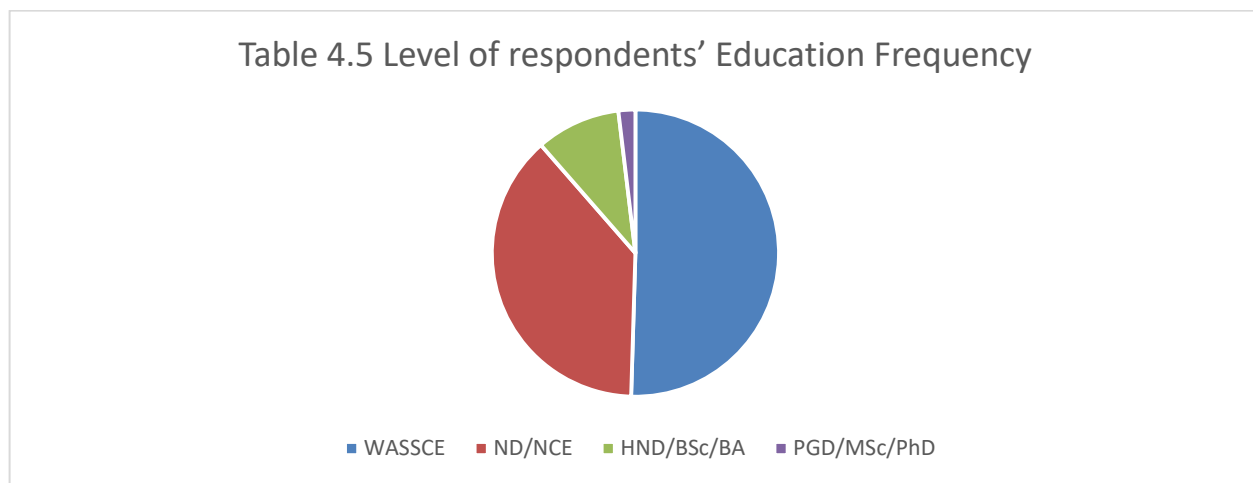
Analysis of Table 4.4 above revealed that 25 out of the total of 105 respondents, representing 23.81% are of single; 45 of them representing 42.86% are married, 25 of them representing 23.81% are divorced the remaining 10 respondents representing 9.52% are widows.

Q4. Education Level

Table 4.5 Level of respondents' Education

Variables	Frequency	Percentage (%)
Primary School Cert/WASSCE	53	50.48
ND/NCE	40	38.10
HND/BSc/BA	10	9.52
PGD/MSc/PhD	2	1.91
Total	105	100

Source: Field Survey, 2021



Analysis of Table 4.5 above revealed that 53 out of the total of 105 respondents, representing 50.48% are Secondary School Leavers; 40 of them representing 38.10% hold ND/NCE Certificates, 10 of them representing 9.52% are HND/BSc holders, the remaining 2 respondents representing 1.91% are postgraduate degree holders.

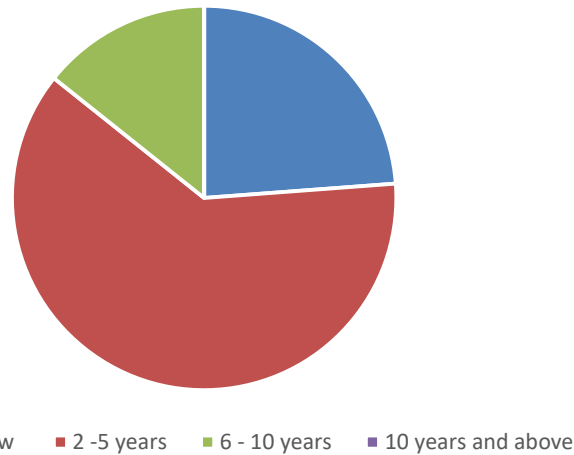
Q5. Work Experience

Table 4.6 Respondents' years in Business

Variables	Frequency	Percentage (%)
1years & below	25	23.81
2 -5 years	65	61.91
6 - 10 years	15	14.29
10 years and above	0	0.00
Total	105	100

Source: Field Survey, 2021

Table 4.6 Respondents' years in Business Frequency



Analysis of Table 4.6 above revealed that 20 out of the total of 105 respondents, representing 19.05% are Secondary School Leavers; 25 of them representing 23.81% hold ND/NCE Certificates, another 25 representing 23.81% are HND/BSc holders, the remaining 10 respondents representing 9.52% are postgraduate degree holders.

Table 4.7 Analysis of major questions

			ANALYSIS OF RESPONSES							
	CO DE	Entrepreneurial Training (ET)	SD 1	DA 2	UD 3	AG 4	SA 5	D		
1.	ET1	Entrepreneurs receive adequate entrepreneurial training at Kano incubation centre	-	5	-	10	90	10	5	
2.	ET2	The entrepreneurial trainings received at the center help people to start new businesses	1	2	2	3	97	10	5	
3.	ET3	The entrepreneurial trainings received by existing entrepreneurs help them to improve on their businesses	-	1	2	2	100	10	5	
4.	ET4	Entrepreneurial training leads to employment generation	-	-	-	4	101	10	5	
			1	8	4	19	388			
			SD 1	DA 2	UD 3	AG 4	SA 5	D		
5.	EE1	Do you agree that entrepreneurship education is covered enough in our educational curriculum at	50	30	10	5	10	10	5	

Effect of Entrepreneurship Development on Employment Generation in Kano State
(A Study of Kano Technology Incubation Center)

		all levels							
6.	EE2	The entrepreneurship programs in our educational institutions address well the entrepreneurial needs in Kano State	30	20	20	30	5	10	5
7.	EE3	The entrepreneurship programs in our schools motivate students to start new business/become self-employed	30	20	10	25	20	10	5
8.	EE4	Entrepreneurship education programs lead to employment generation	40	15	5	30	15	10	5
			150	85	45	90	50		
	CO DE	ENTREPRENEURIAL ORIENTATION (EO)	SD 1	DA 2	UD 3	AG 4	SA 5	D	
9.	EO1	Our education system provides required entrepreneurial orientations to students in various institutions and enable them prefer self-employment than wage-employment	5	5	10	25	60	10	5
10.	EO2	Entrepreneurs at Kano Incubation centre receive adequate entrepreneurial orientation that enables them to improve on their business	-	-	10	25	70	10	5
11.	EO3	The entrepreneurship Orientation at incubation center motivate people to start new business/become self-employed	-	-	-	25	80	10	5
12.	EO4	Entrepreneurial Orientation leads directly to employment generation	-	5	15	15	70	10	5
			5	10	35	90	280		

			ANALYSIS OF RESPONSES						
	CO DE	EMPLOYMENT GENERATION (EG)	SD 1	DA 2	UD 3	AG 4	SA 5	η	
13.	EG1	Kano incubation center serves as a center for generating employment to youths in Kano.	-	-	-	5	100	105	
14.	EG2	Kano incubation center serves as training center, where youths are train into different areas of business	-	-	5	20	80	105	
15.	EG3	The training undergo by youths encourage them to start/improve their businesses	-	-	-	15	90	105	
16.	EG4	The level of education attained by youths	40	30	25	7	3	105	

		encourage them to start/improve their businesses							
--	--	--	--	--	--	--	--	--	--

17.	EG5	The Orientations given to the youths prepare them to start/improve their businesses	5	5	5	30	60	105	
			45	35	35	77	333		

4.3 Answers to Research Questions

1. What is the level of entrepreneurship development at Kano Incubation Centre?

Analysis of question one as per the table above indicated that 90 out of 105 respondents, representing 85.71% have strongly agreed that, *Entrepreneurs receive adequate entrepreneurial training at Kano incubation center*, 10 of them, representing 9.52% agreed, while the remaining 5 respondents representing 4.76% disagreed to same.

2. What is the level of employment generation at Kano Incubation Centre?

Analysis of question four (4) as per the table above indicated that 101 out of 105 respondents, representing 96.19% have strongly agreed that, *Entrepreneurial training leads to employment generation*, while the remaining 4 of them, representing 3.81% agreed to same.

3. Is there any significant relationship between entrepreneurship development and employment generation?

Analysis of question four (4), question eight (8) and question twelve (12) indicated with greater percentage (%) of 96.19%; 95.24% and 66.67% respectively that *there is significant relationship between entrepreneurship development and employment generation*.

4.4 Test of Hypothesis

The hypothesis formulated in chapter one will be tested here using pearson’s correlation coefficient:

Ho: there is no significant relationship between entrepreneurship development and employment generation.

Table 4.8 Dependent & Independent Variables

Entrepreneurial Training (X)	1	8	4	19	388
EMPLOYMENT GENERATION (Y)	45	35	35	77	333

Table 4.9 Pearson’s Correlation Coefficient

X	Y	XY	X ²	Y ²
1	45	45	1	2025
8	35	280	64	1225
4	35	140	16	1225
19	77	1463	361	5929
388	333	129204	150544	110889
Σ= 420	Σ=525	Σ= 131,132	Σ= 150,986	Σ= 121,293

$$R = \frac{n \sum xy - \sum x \sum y}{\sqrt{\{n \sum x^2 - (\sum x)^2\} \{n \sum y^2 - (\sum y)^2\}}}$$

$$R = \frac{5 (131,132) - (420) (525)}{\sqrt{\{5 \sum x^2 - (\sum x)^2\} \{5 \sum y^2 - (\sum y)^2\}}}$$

$$R = \frac{\sqrt{\{5(150,986) - 420^2\} \{5(121,293) - (525)^2\}}}{655,660 - 220,500} \\ R = \frac{\sqrt{(578,530)(330,840)}}{435,160} \\ R = 0.99466506969238435269969416723429 \quad R \approx 0.995$$

Interpretation: the correlation coefficient calculated above (in which $R = 0.995$) signifies a very strong positive relationship between entrepreneurial training and employment generation; which the two variables move in the same direction; in other word increase in entrepreneurial training leads to generation of more employment. Therefore, the null hypothesis $\{H_0\}$: “*there is no significant relationship between entrepreneurship development and employment generation*” is thereby rejected.

5.0 Conclusions and Recommendations

5.1 Conclusion

This study have discovered that the Technology Incubation Centre, Kano has been among the few federal government centers still discharging their functions despite the challenges facing the economy. The center, housing many young entrepreneurs engaged in different businesses ranging from machines fabrication, drugs and oil production to cosmetics and solar works, remains the source of hope for many young people.

The Center trains youths and that training leads to more and more employment generation.

Finally, it could be established that, there is significant relationship between entrepreneurship development and employment generation at Kano Incubation Center.

From the research analysis and conclusions above, the following recommendations were made to aid operators of small and medium scale enterprises:

- i. That the government should genuinely recognize the essence of entrepreneurship, job creation and innovation to economic development by providing the enabling environment for the youths to be gainful empowered for economic development. The State Government should utilize the Kano Technology Incubation Center and encourage unemployed youths in the State to embrace entrepreneurial spirits and behavior.
- ii. To effectively deal with the unemployment situation in the country, the government must also exigently attend to the nagging issue of infrastructural deficits in the country especially that of power supply. The national economy need a strategic diversification from oil and gas to agriculture, aviation, tourism, manufacturing and these should become the real engine of growth and employment generation to drastically reduce unemployment ratio in the country to the barest minimum
- iii. The Kano State Government should as a case of economic emergency increase the funding of her entrepreneurship development programs. This will enable it enhance the capacity of its skill centers for better training of participants. Also Government must ensure necessary modifications in the educational system in the country that would make graduates to be employers of labor and self-employed, instead of looking for scared wage-employment.

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Analysis of Long-Run Impact of Non-Oil Tax Revenue on Economic Growth in Nigeria

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Abstract

One of the challenges facing Nigeria's economic growth today is inadequate funds to finance development projects. This challenge is particularly serious because the country heavily rely on oil tax revenue. Therefore, it is imperative to diversify tax revenue sources through non-oil tax revenue. It is against this background, this paper analyses the impact of non-oil tax revenue on economic growth in Nigeria from 1985 – 2017. The research data is obtained from the Central Bank of Nigeria (CBN) Statistical Bulletin, National Bureau of Statistics (NBS), Federal Ministry of Finance (FMF) and Federal Inland Revenue Service (FIRS). In order to validate the order of integration among the series, ADF and PP tests were conducted. The unit root test results revealed that all the variables are stationary at first level difference $I(1)$. Furthermore, the study applies ARDL based on Unrestricted Error Correction Model (UECM). The results indicated positive impact of Customs and Excise Duties (CED) on economic growth in Nigeria in both short and long-run. However, Company Income Tax (CIT) and Value Added Tax (VAT) were statistically insignificant within the periods of analysis. The paper therefore, recommended that performance non-oil tax revenue sources need to be enhanced for sustainable economic growth in Nigeria.

Keywords: *Non-oil Tax Revenue, Company Income Tax, Value Added Tax, Customs and Excise Duties, Economic Growth.*

1.0 Introduction

One of the challenges facing Nigeria's economic growth today is inadequate funds to finance development projects. This challenge is particularly serious because the country heavily rely on oil tax revenue. Therefore, it is imperative to diversify tax revenue sources through non-oil tax revenue. Tax is an essential part of a country's investment and growth plan (Salami, Apelogun, Omidia & Ojoye 2015). Anyanwu (1997) sees taxation as the compulsory transfer or payment (occasionally of goods and services) from private individuals, institutions or groups to the government. Tax is a compulsory levy imposed on a subject or upon his property by the government to provide security, social amenities and create conditions for the economic well-being of the society (Appah, 2010; 2004). The funds generated by tax payers are used by the states to support certain state obligations such as education system, health

care system and pensions for the elderly, unemployment benefits, and public transportation. Akhor and Uke (2016) asserted that taxation is a way of raising revenue for the day to day running of government activities. The main purpose of purpose of tax is to raise revenue to meet government expenditure, redistribute wealth and manage the economy (Bhartia, 2009; Jhingan, 2004; Ola, 2001).

The main challenge of national government worldwide is the continues need for improve welfare of the people through the implementation of appropriate economic policies and programs. Governments attempt to achieve this national objective by providing public goods such as roads, infrastructures and public services such as education, security, health, and sanitation among others (Akhor & Uke 2016). The adequacy of such infrastructures is a firm foundation for economic growth and development. Salami, et al.,2015) argued that public expenditures contribute to the creation and promotion of domestic economic environment for local and foreign investments, boost local and international trade; attract tourists and other foreign visitors, increase agricultural productivity; and boost craftsmanship and small scale industry. These economic activities generate productive employment and promote economic growth and development. Additionally, in order to improve the citizens welfare, government adopt fiscal policies with a tax structure that maximizes positive externalities while minimizing negative externalities, such as pollution and corrupt practices. (Karumba 2014).

Nigeria is predominantly a mono-product economy thus, generates the bulk of her revenue from the oil export. Oil companies are also made to pay a stipulated tax while other sectors (non-oil sector) are barely harnessed. This over dependence on oil for the revenue is generating pressure on government since the fortunes of oil have been on the decline due global oil crisis. Given the unstable nature of oil revenues, the Federal Inland Revenue Service (FIRS) has in the last decade prioritised the need to diversify sources of tax collection in favour of non-oil taxes. Consequently, several initiatives were put in place to diversify the sources of tax (Tunde 2016).

The economic effects of tax include micro effects on the distribution of income and efficiency of resource allocation, macro effect on the level of output, employment, prices, and growth. Therefore, the use of tax as an instrument to achieve economic growth in Nigeria cannot be over emphasized considering the dwindling level of oil revenue (Akhor 2014). The poor growth performance of the Nigerian economy since 1982 has generated interest on issue of growth and development. Upon the discovery of oil in commercial quantity, oil became the major source of government revenue contributing about 80%. Subsequently, government neglected tax revenue and the agriculture sector (Afueroh & okoye, 2014).

Over the years, revenue derive from taxes has been very low and virtually few physical development has actually taken place (Afueroh & okoye, 2014). The existence of poor and inadequate infrastructure has been on the increase and the government often complained of inadequate funds. The downward movements of Nigerian economy are traceable to inabilities of the government to achieve its potential tax capacity (Madugba, et al 2013). Statistics have shown poor and declining tax contribution to Gross Domestic Product (GDP) in Nigeria over the years. For example in 2011, 2012, 2013, 2014, 2016 and 2017, tax contribution to GDP stood at 0.073, 0.007, 0.0062, 0.053, 0.059 and 0.090 respectively. However, in Kenya the non-oil tax contribution to GDP was 17% in 2017, South Africa had 25%, Angola 43%, Finland 57%, China 23% and United State of America had 17%. Consequently, out of fifty four (54) countries in Africa Nigeria was ranked 51st while out of one hundred and ninety three (193) countries in the world Nigeria was ranked 189th . Similarly, in terms of ease of paying tax Nigeria was ranked 185th out of 193 countries in the world. This evidence portray the existence of poor tax system in

Nigeria. The low tax receipts is an evidence of a poor tax system in the country (PWC, Nigeria and Lagos Chamber of Commerce and industry, 2016).

Nigeria is faced with multidimensional problems ranging from corruption, embezzlement, poor financing, mismanagement of funds and poor leadership. Lyndon and Paymaster (2016), opined that, tax revenue mobilization in Nigeria has been a different issue, primarily because of various forms of resistance, such as tax evasion, tax avoidance and other forms of corrupt practices. Salami et al. (2015) recommended that fiscal laws and regulations should be strengthened to checkmate tax offenders, enhance tax administration, accountability and transparency in the management of tax revenue. Furthermore, Dickson and Osemwengie, 2013 suggested the development of a platform for managing the unsustainable fiscal deficits in Nigeria to facilitate new investments through tax incentives. Therefore, effective tax system is not only essential for economic growth but also macroeconomic stability in Nigeria. This paper therefore, examined the long-run impact of non-oil tax revenue on economic growth in Nigeria.

2.0 Literature Review

This section covers the concept of tax, tax system, economic growth, principles of taxation and empirical studies on non-oil tax revenue.

2.1 Concept of Tax and Tax System

Tax is a compulsory payment to the government by the public in exchange for the services indirectly provided to public by the government. The basic objective of a tax system is to finance public expenditures. In addition, tax system also plays a vital role in achieving equity, social justice as well as economic growth and development. An efficient and effective tax system is essential for economic growth. Taxes determine the level and speed of economic growth in countries of the globe (Omojemite & Godwin 2012). Anyanwu (1997) defined taxation as the compulsory transfer or payment (occasionally of goods and services) from private individuals, institutions or groups to the government. The primary purpose of the tax is to generate revenue to meet government expenditure and redistribute wealth and promote efficient management of the economy (Ola, 2001; Jhingan, 2004; Bhartia, 2009). According to Nzotta (2007), four critical issues must be understood for taxation to play its functions in the society. First, a tax is a compulsory contribution made by the citizens to the government. Secondly, a tax imposes a general obligation on the taxpayer. Thirdly, there is a presumption that the contribution to the public revenue made by the taxpayer may not be equivalent to the benefits received. Finally, a tax is not imposed on a citizen by the government because it has rendered specific services to him or his family. Appah, (2010) argued that a suitable tax structure plays a multiple roles in the process of economic development of any nation Nigeria inclusive.

A tax system as a macro-economic policy tool has a direct impact on economic growth of a nation given its effects on savings, investments, labour and research. Thingan (1995) believed that tax is the most potent economic tool which facilitates reduction in private consumption, increase investment, facilitate efficient resource allocation for economic growth. It is also a tool for economic expansion and contraction.

2.2 The Concept of Economic Growth

Economic growth is a complex and long-run phenomenon subjected to certain constraints like rise in population, limited resources, inadequate infrastructure, inefficient utilization of resources, excessive government intervention, institutional and cultural models etc that make the increase difficult (Ibadin &

Oladipupo 2015). It refers to a sustainable increase in production and consequent decrease in unemployment, rises in job opportunities and standard of living. It implies increased per capita income, better education and health as well as environmental protection. The economic growth process supposes that legal and institutional adjustments are made to give incentives for innovation and for investments so as to develop an efficient production and distribution system for goods and services.

2.3 Principles of Taxation

According to Anyafo (1996), the principles of taxation are the appropriate criteria for the development and evaluation of the tax structure. Such principles are essentially an application of some concepts derived from welfare economics. To achieve the broader objectives of social justice, the tax system of a country should be based on sound principles. Jhingan (2004), Bhartia (2009) and Osiebguet al. (2010) listed the principles of taxation as equity, certainty, convenience, economy, simplicity, productivity, flexibility and diversity.

2.3.1 Principle of Equity

This principle states that every taxpayer should pay tax in proportion to his/her income. The rich should pay more and at a higher rate than the other person whose income is less (Jhingan, 2004). Anyafo (1996) states that it is only when the tax is based on the payer's ability to pay, can it be considered equitable and just. Sometimes this principle is interpreted to imply proportional taxation.

2.3.2 Principle of Certainty

This principle states that a tax which each income earner is bound to pay ought to be certain and not arbitrary. The time of payment, the manner of payment, the amount to be paid ought to be clear and understood by the tax payer and every other person (Bhartia, 2009).

2.3.3 Principle of Convenience

This principle states that the time and manner of tax payment should be convenient to the taxpayer. According to Anyafo (1996), this principle provides the rationale for Pay-As-You-Earn (PAYE) system of tax.

2.3.4 Principle of Economy

This principle states that every tax should be economical for the state to collect and the taxpayer to pay (Appah, 2004; Jhingan, 2004; Bhartia, 2009). Anyafo (1996) argued that this principle implies that taxes should not be imposed if the cost of collection exceeds benefits.

2.3.5 Principle of Productivity

This principle states that tax should be productive in the sense that it should bring large revenue which should be adequate for the government. This is the major reason why governments in all parts of the globe continuously employ tax reforms.

2.3.6 Principle of Simplicity

This principle states that the tax should be plain, simple and intelligible to common taxpayer. Anyanfo (1996) argued that there should be no hidden agenda in the tax law.

2.3.7 Principle of Flexibility/Diversity

This principle implies that there should be no rigidity in taxation. Thus, principle of diversity suggested that there should be different variety of taxes. In addition, Bhartia (2009) argued that it is risky for the state to depend on few sources of tax revenue.

2.4 Empirical Studies

There are several models that can be adapted to non-oil tax revenue in order to promote economic growth. These include Adegbe (2011) studied the impact of Customs and Excise Duties on economic growth in Nigeria. The study found a strong positive relationship between customs and excise duties and economic growth in Nigeria; meaning that this is a source of income that Nigeria can rely on and grow. Furthermore, Emmanuel (2013) examined the effects of VAT on economic growth and total tax revenue in Nigeria. The study revealed that VAT has significant effect on GDP and total tax revenue. This implies that increase in value added tax would lead to increase in tax revenue and economic growth (GDP). In another study, Etale and Bingilar (2016) examined the impact of companys' income tax (CIT) and Value Added Tax (VAT) on economic growth in Nigeria. The findings revealed that both the CIT and VAT had significant positive impact on economic growth in Nigeria.

Unegbu and Irefin (2011) examined the impact of VAT on economic and human development of emerging Nations found out that VAT allocations has significant impact on expenditure pattern of the state. Lyndon and Paymaster (2016) examined the impact of companies' income tax, value-added tax on economic growth in Nigeria. The results of the analysis showed that both company income tax and value-added tax have positive impact on economic growth. Another study was conducted by Adereti, Sanni and Adesina (2011) on the relationship between VAT and Economic Growth in Nigeria. The study revealed a positive coefficient of VAT, confirming a priori expectation of a positive relationship between VAT revenue and Economic Growth. Furthermore, Oladipupo and Ibadin (2015) examined the impact of indirect taxes on economic growth in Nigeria. The findings revealed that Value Added Tax (VAT) and Petroleum Profit Tax (PPT) exert a positive and significant influence on the Real Gross Domestic Product (RGDP). It was also revealed that Custom and Excise Duties (CED) of two period lags has a positive relationship with RGDP and VAT of two-period lags showing a negative but significant relationship with RGDP. However, in order to determine the impact of non-oil tax revenue on economic growth in Nigeria, the endogenous growth model serve as the underpinning theory for the study.

3.0 Methodology

The paper focuses impact of non-oil tax revenue on economic growth in Nigeria from 1985 – 2017. The variables used are Gross Domestic Product (GDP), Company Income Tax (CIT), Customs and Excise Duties (CED) and Value Added Tax (VAT). The variables are sourced from the Statistical Bulletin published by the Central Bank of Nigeria (CBN), National Bureau of Statistics (NBS), Federal Ministry of Finance (FMF) and Federal Inland Revenue Service (FIRS) various issues. However, to validate the order of integration among the series, ADF and PP tests were conducted. Furthermore, the study used ARDL based on Unrestricted Error Correction Model (UECM) for empirical analysis.

3.1 Model Specification

The functional relationship between Non-oil Tax revenue and economic growth in Nigeria proxied by Gross Domestic Product (GDP) is expressed thus:

$$GDP = f(CED, CIT, VAT) \dots\dots\dots 1$$

The study adopted Auto Regressive Distributed Lag (ARDL) model (bounds testing approach) based on unrestricted error correction model (UECM) to measure the impact of non-oil tax revenue on economic growth in Nigeria. This model was developed by Pesaran and Pesaran (1997) and advanced by pesaran et al (2001); Osuala& Jones (2014); Ihendinihu et al (2014); Shahzad et al (2016) and Kashif& Maryam (2016). Basically the ARDL technique involves a few steps. The first step involves the test of long-run relationships between the variables under investigation through the use of F-statistic. Using the general model by Pesaranet al. (2001:292), the conditional error correction version of the ARDL model for economic growth and its determinants is specified thus:

$$\Delta \ln GDP_t = \alpha_0 + \beta_1 \ln GDP_{t-1} + \beta_2 \ln CED_{t-1} + \beta_3 \ln VAT_{t-1} + \beta_4 \ln CIT_{t-1} + \sum_{i=1}^n \theta_i \Delta \ln GDP_{t-1} + \sum_{i=0}^n \Pi_i \Delta \ln CED_{t-1} + \sum_{i=0}^n \gamma_i \Delta \ln VAT_{t-1} + \sum_{i=0}^n \psi_i \Delta \ln CIT_{t-1} + U_t \dots \dots \dots 8$$

Where: $\beta_1, \beta_2 \dots \beta_4$ are the long run Multipliers

α_0 is intercept

$\theta_i, \Pi, \gamma, \psi$ are the short run dynamic coefficients

U_t is the error component

After estimating equation (8), bounds test (Wald test) will be carried out to test whether components of non-oil tax variables have a long-run impact on economic growth in Nigeria. This is done by conducting the F-test for the joint significance of the coefficients of the lagged levels of the variables and comparing it to the critical value bounds computed by Pesaranet al. (2001). The null hypothesis (H_0) of non-existence of long-run effect (no co-integration): $H_0 : \beta_1 = \beta_2 = \beta_3 = \beta_4 = 0$ is tested against the alternate hypothesis (H_1) that there exists a long-run effect (existence of co-integration): $H_1 : \beta_1 \neq \beta_2 \neq \beta_3 \neq \beta_4 \neq 0$

According to Pesaranet al. (2001), the lower values of the asymptotic critical value bounds assume that the explanatory variables are integrated of order zero or I(0), while the upper bound critical values assume that the explanatory variables are integrated of order one or I(1). Therefore, if the calculated F-statistic is found to be above the upper bound critical value, the null hypothesis of no co-integration is rejected regardless of the order of integration of the variables. However, if the F-statistics is below the lower bound critical value, the null hypothesis accepted and if the F-statistic falls between the lower and the upper bound critical values, the results is inconclusive. Furthermore, if the test results accepted the null hypothesis (H_0), then the explanatory variables cannot be treated as long-run variables for the explanation of Y and that, the model would be estimated in the short-run dynamic equilibrium using the first differenced variables (Reungsri, 2010). If however the test results show that there is evidence of a long-run effect among the variables concerned, then the following long-run model for economic growth is estimated:

$$\ln GDP_t = \alpha_0 + \sum_{i=1}^m \beta_i \ln GDP_{t-1} + \sum_{i=0}^m \Pi_i \ln CED_{t-1} + \sum_{i=0}^m \gamma_i \ln VAT_{t-1} + \sum_{i=0}^m \theta_i \ln CIT_{t-1} + E_t \dots 9$$

Where all variables are as previously defined $\beta, \Pi, \gamma, \text{and } \theta$ represent the long-run coefficients. The relative number of time lags will be chosen according to the evidence provided by the use of the Akaike Information Criterion (AIC). To explain the short-run dynamics, the study utilized an error correction model (ECM) thus:

$$\Delta \ln GDP_t = \alpha_0 + \sum_{i=1}^k \psi_i \Delta \ln GDP_{t-1} + \sum_{i=0}^k \beta_i \Delta \ln CED_{t-1} + \sum_{i=0}^k \pi_i \Delta \ln VAT_{t-1} + \sum_{i=0}^k \gamma_i \ln \Delta CIT_{t-1} + \varpi_i ECT_{t-1} + V_t \dots \dots \dots 10$$

Where $\Psi, \beta, \pi,$ and γ are the dynamic adjustment coefficients, ECT_{t-1} is the lag of the residual that represents the short-run disequilibrium adjustment of the estimate of the long-run equilibrium error term and ϖ indicates the speed of adjustment. The ECM which is derived from the ARDL through a simple linear transformation which integrates the short-run dynamics with the long-run equilibrium without losing the long-run information.

3.2 Unit Root Test

The most popular unit root tests are the Dickey-Fuller (ADF) test and the Phillips-Perron (PP) test. ADF tests use a parametric autoregressive structure to capture serial correlation while PP tests use non-parametric corrections based on estimates of the long-run variance of Δy_t .

3.2.1 Augmented Dickey Fuller (ADF) Test

Dickey and Fuller (1979;1981) developed a practice to test for non-stationarity. The key insight of the test is to check for non-stationarity that is equivalent to testing for the existence of a unit root. In augmented Dickey-Fuller version, extra lagged terms of the dependent variable are included to eliminate the problem of autocorrelation as follow:

No constant, no trend: $\Delta Y_t = Y\gamma_{t-1} + v_t \dots \dots \dots 2$

Constant, no trend: $\Delta Y_t = \alpha + Y\gamma_{t-1} + v_t \dots \dots \dots 3$

Constant and trend: $\Delta Y_t = \alpha + Y\gamma_{t-1} + \lambda_t + v_t \dots \dots \dots 4$

The ADF adds lagged difference to these models:

No constant, no trend: $\Delta Y_t = Y\gamma_{t-1} + \sum_{s=1}^m a_s \Delta \gamma_{t-s} + v_t \dots \dots \dots 5$

Constant, no trend: $\Delta Y_t = \alpha + Y\gamma_{t-1} + \sum_{s=1}^m a_s \Delta \gamma_{t-s} + v_t \dots \dots \dots 6$

Constant and trend: $\Delta Y_t = \alpha + Y\gamma_{t-1} + \lambda_t + \sum_{s=1}^m a_s \Delta \gamma_{t-s} + v_t \dots \dots \dots 7$

The lag length is chosen so that the residuals are not serially correlated. There are several options for choosing lags: Akaike’s Information Criterion (AIC) or Bayesian Information Criterion (BIC), or Drop lags until the last lag is statistically significant.

3.2.2 Phillips-Perron Test (PPT)

Phillips and Perron discovered the latest and comprehensive test of unit root non-stationarity. This test is similar to ADF test, but it incorporate an automatic correction to the DF test to allow for auto linked residuals. In fact it is a nonparametric analysis as a substitute to ADF test. This test is also based on the models (1), (4) and (5) with the difference that the linear trend in the last model is replaced with a centred time variable.

3.3 Co-integration Test (CT)

Co-integration refers to the existence of a long-run equilibrium between two or more time series variables which are individually non-stationary at their level form (Gujarati 2004). The idea of co-integration was introduced by Granger (1981) and Engle and Granger (1987). The basic idea underlying the concept of co-integration is to identify the equilibrium in the long run, or a long run association among the variables.

4.0 Results and Discussions

The results of various stages of analysis are presented and discussed. These include the unit root results for stationarity test, cointegration test, short-run and long-run estimations.

4.1 Unit Root Tests

To satisfy the assumption of the ARDL model, each variable must be I(0) or I(1). Under no circumstances, should it be I(2). The result of the unit root test is presented in table 4.1.

Table 4.1: Summary of ADF & PP Unit Root Tests Result

Series	ADF		PP	
	Levels	First Difference	Levels	First Difference
LnGDP	-2.562 (0.111)	-3.340** (0.022)	-2.156 (0.226)	-3.394** (0.019)
LnCIT	-2.072 (0.257)	-3.828* (0.006)	-1.858 (0.346)	-3.876* (0.006)
LnCED	-2.186 (0.215)	-6.096* (0.000)	-0.767 (0.958)	-18.020* (0.000)
LnVAT	-1.906 (0.326)	-2.835*** (0.065)	-1.552 (0.495)	-2.760*** (0.076)

Source: E-views Estimation, 2022

Note: *, ** and *** represent 1%, 5% and 10% level of significance respectively. Figures in parenthesis represent the probability values.

The stationarity tests were conducted first in level and first difference to establish the presence of unit root and the order of integration in all the variables. The results of the ADF and PP stationarity tests for each variable show that both tests fail to reject the presence of unit root for LnGDP, LnCIT, LnCED and LnVAT data series in level. However, the first difference results show that the variables are stationary (integrated in the order of one 1(1) respectively).

4.2 Optimal ARDL Model Selection

The optimal number of lags to be included in the model is based on Akaike Information Criteria (AIC). The model selected is displayed in Table 4.2.

Table 4.2: Optimal ARDL Model Selection Result

Variables	Coefficients	Std Error	t-Statistic	Prob
LNGDP(-1)	0.690493	0.072592	9.511958	0.0000*
LNCIT	0.102790	0.085238	1.205924	0.2387
LNCED	0.103440	0.053300	1.940693	0.0632***
LNVAT	-0.020898	0.115894	-0.180320	0.8583
LNVAT(-1)	0.104901	0.089450	1.172735	0.2515
C	1.695347	0.344031	4.927886	0.0000*

Source: E-views Estimation, 2022

Note: *, **and *** represent 1%, 5% and 10% level of significance respectively.

4.3 The ARDL Bounds Test

The F-test result is presented in table 4.3 to determine the long run relationship among the variables under investigation.

Table: 4.3: ARDL Bounds Test Result

Variables	F-stat	Lag	Sig. Level	Critical Values	
				I(0)	I(1)
<i>F</i> LnGDP[LnGDP / LnCIT, LnCED, LnVAT]	4.784**	3	10%	2.72	3.77
			5%	3.23	4.35
			1%	4.29	5.61

Source: E-views Estimation, 2022

Note: *, **and *** represent 1%, 5% and 10% level of significance respectively.

The result of the cointegration test in Table 4.3 shows that the F-statistic is higher than the upper bound critical value at the 5% level of significance. Therefore, the null hypothesis of no co-integration is rejected at 5% level of significance and long run relationship exists in the model. This implies that, the LnGDP and non-oil tax revenue components are bound by a long run relationship in Nigeria which means that the variables included in the model shared long-run relationships. However, this result is consistent with the finding of Shahzad et al (2016); (Kashif & Maryam, 2016).

4.4 Long Run Relationship

Establishing the existence of long run relationship between economic growth and the independent variables help to estimate the coefficients of the long run relationship among the variables. The long run coefficients are presented in Table 4.4.

Table 4.4: ARDL Long Run Coefficients

Variables	Coefficients	Std Error	t-Statistic	Prob
LNCIT	0.332111	0.235263	1.411655	0.1699
LNCED	0.334209	0.149038	2.242435	0.0337**
LNVAT	0.271410	0.269293	1.007862	0.3228
C	5.477581	0.320573	17.086866	0.0000***

Source: E-views Estimation, 2022

Note: *, **and *** represent 1%, 5% and 10% level of significance respectively.

The results in table 4.4 shows that the coefficient of LnCIT is positive and insignificant. This is not in line with the findings of Etale and Bingilar (2016) and Lyndon and Paymaster (2016). It revealed that CIT is positive but insignificantly contributing to Nigeria’s economic growth. However, the coefficient of LnCED is positive and significance at 5% level. Therefore, CED has a positive and significant contribution to Nigeria’s economic growth. The coefficient, 0.33 implies that a unit or 1% increase in Customs and Excise Duties would things being equal bring about 0.33% increase in economic growth in Nigeria within the period under review. Accordingly, higher CED revenue means higher total

government revenue which will things being equal result in higher level of economic growth. This finding is consistent with the findings of Anyanwu (1997), Chigbu and Njoku (2015) and Inyama and Ubesie (2016). Similarly, LnVAT is also positive and insignificant, this contradicted the findings of Izedonmi and Okumbor (2014). The contribution of VAT to the Development of the Nigerian economy is positive and significant at 1% level.

4.5 Short Run Relationship

The study further estimates the short run dynamic of the model and table 4.5 presented the short run coefficients of the model.

Table 4.5: ARDL Short Run Coefficients

Variables	Coefficients	Std Error	t-Statistic	Prob
D(LNCIT)	0.102790	0.085238	1.205924	0.2387
D(LNCED)	0.103440	0.053300	1.940693	0.0632***
D(LNVAT)	-0.020898	0.115894	-0.180320	0.8583
CointEq(-1)	-0.309507	0.072592	-4.263637	0.0002*

Source: E-views Estimation, 2022

Note: *, **and *** represent 1%, 5% and 10% level of significance respectively.

Table 4.5 presented the short run relationship between non-oil tax revenue and economic growth in Nigeria through the use of the ECM. The coefficient of the ECM variable is found to be negative and statistically significant at 1% level confirming the existence of long run relationship among variables. The coefficient of ECM for the co-integrating equation with LnGDP as the dependent variable shows the speed of adjustment back to equilibrium position, with about 30.9% of disequilibrium in the previous year returning to the long run equilibrium in the current year. On the Contrary, the coefficient of VAT is negative and statistically insignificant in the short-run, indicating an inverse relationship between Value Added Tax and economic growth in the short-run. However, the short run coefficient of CED has positive significant impact on the GDP at 10% level in the short run while the CIT coefficient is positive and statistically insignificant at 10% level.

4.6 Post Estimation and Stability Tests

To support robustness of an estimated model, diagnostic tests must be conducted. ARDL is a linear regression model and therefore the underlying assumptions of Classical Linear Regression Model (CLRM) must be verified. These assumptions are Linearity, Homoscedasticity, Serial correlation and Normality. The diagnostic test results in table 4.5 shows that all the assumptions about the specified model are satisfied. None of the null hypotheses of no Serial correlation, no Mis-specification, Normal distribution of the residuals and Homoscedasticity was rejected.

Table 4.6: Results of Post Estimation/Diagnostic Tests

Diagnostic Tests	P-Value Statistic)/J.Bera	(F-
A:Serial Correlation	0.7213	$>\alpha(0.1)$
B:Functional Form	0.5346	
C:Normality	$>\alpha(0.10)$	
D:Heteroscedasticity	0.9034	$>\alpha(0.10)$
	0.6484	$>\alpha(0.10)$

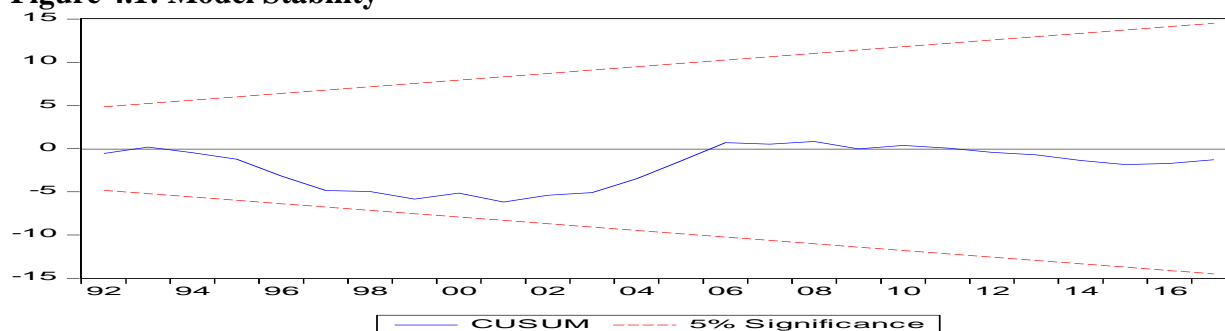
A:Lagrange multiplier test of residual serial correlation
 B:Ramsey RESET test using the square of the fitted values
 C:Based on a test of skewness and kurtosis of residuals
 D:Based on the regression of squared residuals on squared fitted values

Source: E-views Estimation, 2022

4.6.1 Model Stability

The strength and stability of the model was measured using the Cumulative Sum of Recursive Residuals (CUSUM). CUSUM test results show that the parameters of the model are relatively stable over time. The plots are given in Figure 4.1. The red lines represent the critical bounds at 5% level of significance.

Figure 4.1: Model Stability



Source: E-views Estimation, 2022

The figure 4.1 above shows that the plot of CUSUM for the model under consideration is within the five percent critical bound. This suggests that the parameters of the model do not suffer from any structural instability over the period under review. Thus, all the coefficients in the error correction model are stable.

5.0 Conclusion and Recommendations

The forgone discussions revealed that long run and short run relationships exist between the non-oil tax revenue and economic growth model. Customs and Excise Duties has a positive and significant impact on the Nigeria’s economic growth. CED is helpful in increasing the level of economic growth. While Company Income Tax and Value Added Tax have insignificant impact on economic growth in both long and short-run. Consequent upon that, Value Added Tax apart from being insignificant in both periods, its short-run coefficient is having a negative sign which indicate an inverse relationship between VAT and economic growth. Finally, the paper recommended that government should employ Customs and Excise Duties in generating more revenues to promote economic growth, this would not only promote economic growth but also improved standard of living of the citizens.

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Space and Population, Determinants of Economic Growth and Globalization

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Abstract

The world is gradually integrating into one identity known as globalization, this is evident in the manner in which people from different parts of the world interact with one another through various ways. This integration is re-distributing economic resources as well as population. This study examined the effect of space and population in determining economic growth and globalization. Using empirical review of literature, the study reveals that the number of people living in a particular area can determine the standard of living of such areas depending on how such human resources are manage. It also shows that having a large landmass does not necessarily determine economic growth and globalization except the resources in the location(s) are properly manage or harnessed. The study recommends that governments and people of various location in Nigeria should make and implement policies that encourage effective and efficient utilization of human resources and nature endowment to enhance the economic growth and globalization of that location. It also recommends that Nigeria government should explore means of using the arable land in the country (especially the northern part of Nigeria) to accelerate the economic growth of each region and the whole of Nigeria. More studies should be carried out on the impact of population and space on economic growth in any location. It is a literature review study.

Keywords: *Population, space, economic growth and globalization.*

1.0 Introduction

The rate at which the world is integrating is beyond imagination, doors and walls that hitherto serve as barriers to international communication or relationship are either opening up or flatten. The rate at which this development is occurring is making globalization to become a topic of discuss among all and sundry. This is necessitated by population growth or declined, some parts of the world are experiencing high population growth rate while others are experiencing aging population. This phenomenon is creating congestion in places with high population as well as creating space in places that are experiencing aging population. This disparity is the major cause of the migration problem face today in Europe and other places. Ostrouch and Slugocki (2018) opined that population and space are the two major factors that determine the wealth of a country. Population has either led to economic growth and development or economic retardation.

In the past, families, clans or communities (especially in Africa) strive to have high population because it supplies labor mostly for farm work thereby leading to high harvest of farm produce by families, clans or communities. The domination of some countries by a few countries with less population and land space has shown that population alone does not determine globalization. For instance, Ostrouch and Slugocki (2018) asserted that the current Russian federation with the population of about 150 million people and 17 million square kilometers expanded its influence across almost all the continents of the world, this is quite different from countries like Nigeria that have population of more than 200 million people as indicated by the National Population Commission (NPC, 2020). The forgo discussion has created debates among scholars on the relevance of population in determining the integration of countries across the globe. This term paper therefore, intend to investigate population and space,

determinants of economic growth and globalization. The breakdown of this discuss is as follows: concept of globalization, population and economic growth(globalization), factors that encourages globalization among others.

1.1 Objective of the Study

The objectives of this study are stated below:

1. To examined the effect of population size on the economic well-been of a country, region or state.
2. To investigate the effect of space in determining the economic growth and globalization of a territory.
3. To examine the economic development of every region and state in Nigeria.

2.0 Methodology

The study obtained it information/data from previous studies and reports of reputable organizations within and outside Nigeria. This information/data were reviewed or analyzed in line with the objective of the study. It is a literature review study.

2.1 Concept of Globalization

IMF (2008) made the following assertions about globalization; it is a historical process, the outcome of human innovation and technological progress. It is the increasing integration of economies around the world, particularly through the movement of goods, services, and capital across borders as well as the movement of labor and technology (knowledge) across international territories. Sheffield, Korotayev and Grinin (2013) sees globalization as the growth in sizes of social systems and the increase in the complexity of inter-societal links. They further assert that globalization can be seen as the process that connect the past and the future. Pehlivan, Efeoglu and Han (2019) sees globalization as the spread of the spiritual and material values of countries across national borders and their dissolution in harmony and integrity. Globalization is the darling phenomena that integrate the various part of the world together.

2.2 Influence of Population on Globalization

Space and population are some of the parameters used by the U.S. and the European countries to enhanced the development of their economies. Some of the features of these countries are population growth regulation - through birth control as well as development and effective utilization of their human resources. For instance, developed countries like China U.S. Britain, among others had to come up with policies that discourage large family while European countries are encouraging increase in birth right due to aging population.

Ostrouch and Slugocki (2018) observed that countries with a population of less than 10 million have a good gross domestic product (GDP), these countries attained the heights of high competitiveness via the instrumentality of globalization. These instruments of globalization include creating a conducive atmosphere that can attract both local and foreign investors. Almost all the countries that have attained the enviable height of globalization are countries that are less populated, this is because of the economic benefits of having a less population which is improved standard of living. Economists identified the baseline for measuring standard of living as gross national income per capital or real gross domestic product (rGDP) per capital (Madzik, Pitekova, & Dankova, 2015: Birčiaková, Stávková, & Antošová, 2015). This suggest that the higher the population, the lower the standard of living. The report of International Monetary Fund (2020) revealed that countries with less population are the richest countries in the world. We shall use the table 1 below to illustrate the above point.

2.3 Twenty (20) Richest Countries of the world

Table 1

S/N	Country	GDP-PPP (\$)	Population	Land mass (km ²)
1	Qatar	132,886	2,795,484	11,581
2	Macao SAR	114,363	655,128	21,645
3	Luxembourg	108,951	626,108	2,586
4	Singapore	103,181	5,703,600	728.3
5	Ireland	83,399	4,973,929	68,890
6	Brunei Darussalam	80,384	459,500	5,765
7	Norway	76,684	5,385,300	385,207
8	United Arab Emirates	69,435	9,968,670	77,700
9	Kuwait	66,387	4,420,110 (3million are experts)	17,818
10	Switzerland	66,196	8,570,146	41,285
11	United States	65,112	275,562,673	9,629,091
12	Hong Kong SAR	64,928	7,536,900	1,104
13	San Marino	61,575	33,978	60
14	Netherlands	58,341	17,469,635	41,865
15	Iceland	56,066	342,698	100,250
16	Saudi Arabia	55,704	35,168,320	2,149,690
17	Taiwan Province of China	55,078	23,816,154	35,410
18	Sweden	54,628	10,140,634	410,340
19	Denmark	53,882	5,805,619	42,430
20	Germany	53,558	83,960,193	348,560

Source: International Monetary Fund 2020, World Economic Outlook October 2019 and www.worldometer. Values are expressed in current international dollars, reflecting the corresponding exchange rates and purchasing power parity (PPP) adjustments.

The parameter used to measure the richest countries of the world is based on the highest GDP per capita. To ascertain whether a country is rich or poor, the GDP of that country is divided by the total number of full-time residents in the country, this is in addition to the purchasing power disparity measurement (PPP). PPP takes into account a country's rates of inflation as well as the cost of local goods and services (IMF, 2020).

It can be observed from the above table that Small European countries top the list, this is due to stable policy environment, highly robust institutions and high-performing education systems. It therefore means that many of the world richest countries are also the smallest in size and population but large in space because their affluence is empowering them to influence other countries of the world. The average per-capita purchasing power of the ten (10) most-poorest countries in the world is less than \$1,200 while that of the ten (10) richest countries is \$90,000 (World economic outlook, 2019).

A common factor that connects almost all developed countries together is their participation in, and integration with global economy (IMF, 2008). These countries have created a conducive atmosphere that encourage competition and hence globalization. Some of these environments are willing and ready to

accommodate any person(s) with innovative ideas that can improve their community regardless of the person(s) tribe, race, or gender. The variables in these environments serve as the catalysts for globalization. Some of these catalysts are: open market, strong legal regulations, political and economic space, trade openness, effective utilization of natural resources and human resources, robust institutions, stable policy environment, high performing education systems, foreign direct investment, spread of technology, educated workforce among others (International Monetary Fund, 2008).

Countries in East and South Asia and Sub-Sahara Africa are yet to benefit from globalization because there are still around 1 billion people surviving on less than \$1 per-day with 2.6 billion people living on less than \$2 per day (IMF 2008). They further asserted that it is the people living in developing economies that have the greatest need for globalization because it provides them with the opportunities that comes with being part of the world economy. Most of the poor countries have large land mass accompanied high population.

The idea of economic development within these countries is another issue of concern. States, provinces or regions within such countries do not have even development. While other parts are economically backward, the other part is making progress economically, this can be link to the population and space. The tables below give an example of uneven development among states or regions in Nigeria.

2.4 Ten Top Largest States in Nigeria in Terms of Land Mark

Table 2

S/N	SATE	LAND MASS (KMSQ)	GEOPOLITICAL REGION	POPULATION
1	Niger State	76,363 km ²	North Central	3, 950, 249
2	Borno State	70,898km ²	North East	5,860,200
3	Taraba State	54,473km ²	North East	3,066,800
4	Kaduna State	46,053 km ²	North West	8,252,400
5	Bauchi State	45, 502 km ²	North East	6,537,300
6	Yobe State	45,502 km ²	North East	3,294,100
7	Zamfara State	39, 762 km ²	North West	4,515,400
8	Adamawa State	36,917 km ²	North East	4,248,400
9	Kwara State	36,825 km ²	North Central	3,192,900
10	Kebbi State	36,800 km ²	North West	4,440,000

Source: Yahaya, A. (2020) & Ikenwa, (2019)

Looking at table 2 above, you will deduce that all the largest states in term of landmass and population are in the northern region of Nigeria. North east has the highest number, followed by north west and north central respectively. No state in the South is counted among the ten largest states in Nigeria. The state with the least landmass is eleven (11) times bigger than Lagos (3,345km²) and 1.8 times bigger than Kano State (Yahaya, 2020). This shows that states like Niger are bigger than some geo-political regions in the Southern part of Nigeria (e.g. South East). Niger and Borno States are bigger than countries like; Sierra Leone, Rwanda, Togo etc. in terms of population and landmass.

Despite the size and population of the above states, they are far below Southern States in terms of gross domestic product (GDP) and standard of living (Economy buoyancy). See table 3 below.

2.5 Ten Richest States in Nigeria

Table 3: Top Richest States in Nigeria

S/N	STATE	GDP (\$ billion)	GEOGRAPHICAL LOCATION
1	Lagos State	33,679	South West
2	Rivers State	21,073	South South
3	Delta State	16,749	South South
4	Oyo State	16,121	South West
5	Imo State	14,212	South East
6	Kano State	12,393	North West
7	Edo State	11,888	South South
8	Akwa Ibom	11,179	South South
9	Ogun State	10,470	South West
10	Kaduna State	10,334	North West

Lagos state is the 5th largest economy in Africa with internally generated revenue that is greater than that of thirty (30) states combined in Nigeria. The state is estimated to have a population of about 20 million people.

Economic buoyancy is the earnest desire of every state in Nigeria, this quest has pushed states to come up with various economic plans and policies, the outcome of the policies vary from state to state. Some states are richer than other states in Nigeria due to various reasons some of which are deposit of mineral resources or mismanagement of resources. Table 3 above shows the ten richest states in Nigeria in term of Gross Domestic Product (GDP). The table revealed that the first nine (9) states are from the southern part of Nigeria (South West, South East and South South), it is only one (1) state (Kaduna State) in the north that is counted among those ten (10) states. This is despite the abundant human and non-human resources located in this region.

2.6 Ten Poorest States in Nigeria

Table 4

S/N	STATE	POVERTY RATE(%)	GEOPOLITICAL REGION
1	Sokoto State	87.73	North West
2	Taraba State	87.72	North East
3	Jigawa State	87.02	North West
4	Ebonyi State	79.76	South East
5	Adamawa State	75.41	North East
6	Zamfara State	73.98	North West
7	Yobe State	72.34	North East
8	Niger State	66.11	North Central
9	Gombe State	62.31	North East
10	Bauchi State	61.53	North East

Source: Statista (2019), NAIJAUTO (2021)

A person in Nigeria is term poor when such person earned less than 137.4-thousand-naira pers year. A person is considered to be living below poverty line if such a person earns below 87.8 thousand naira per year (statista, 2019).

A close look at table 4 above shows that the poverty rate in the northern part of Nigeria is high compare to the south, despite their population, natural endowment and arable land for agricultural purposes. The mainstay of people in northern part of Nigeria is agriculture, yet the rate of food production in the North is below expectation. If the population and arable lands couple with the deposit of natural resources are properly harnessed, the region can feed the whole of Nigeria and beyond. Economic terminologies such as ‘standard of living’ can be used to explain the high poverty rate in the northern region of Nigeria, this is because the number of people in the region is higher than the income or resource at the deposal of the people of that region. This is quite unlike some highly populated countries like China that have succeeded in harnessing their human and non-human resources to sufficiently feed herself and other part of the world.

3.0 Factors That Have Contributed to Globalization

There are various factors that have aided globalization over the years, however, this write-up discussed only six of these factors. They briefly discussed below.

3.1 Technological change

The rapid and continues technological changes going on in the world has reduced the cost of transmitting and communicating information (also known as known as “the death of distance”). Technology is seen as a major facilitator and a driving force in the globalization processes (Ahmad & Naz 2018). Technology is turning the world to a global village by providing simple and cheap ways of solving world problems. For instance, financial transactions such as cash transfer and withdrawer can now be down at peoples’ comfort without going to bank. It is now easy to communicate with another country in any part of the world through the aid of mobile phone or any device that is connected to the internet. It is now very easy to know what is going on in the world through technology. It is therefore true that technology is one of the major tools that is aiding globalization.

3.2 Economies of Scale

Many economists believe that there has been an increase in the minimum efficient scale (MES) in many industries. High yielding seeds and techniques that encourage high production is increasing the quantity and efficiency of the production of goods and services as well as price reduction. Countries that have excess of the goods or services they produce can easily transport to other countries that are in need of such goods or services. This is making people in other part of the world to have access to goods and services produced in other countries. Many emerging countries now have their own transnational corporations. Ahmad and Naz (2018) opined that lower trade and investment barriers are the economic factors that are enhancing globalization.

3.3 Differences in tax systems

The desire of businesses to benefit from lower unit labor costs and other favorable production factors abroad has encouraged countries to adjust their tax systems to attract foreign direct investment (FDI). Many countries have become engaged in tax competition between each other in a bid to win lucrative foreign investment projects.

3.4 Less protectionism

Old forms of non-tariff protection such as import licensing and foreign exchange controls have gradually been dismantled. Borders have opened and average import tariff levels have fallen. It is worth knowing that, there has been a rise in non-tariff barriers in the last few years, this comes in various forms such as import quotas. This is one of the tools used by various countries to achieve economic growth and development which is a global phenomenon.

3.5 Political factors

Political factors are mostly seen in the area of government policies that are designed to facilitate trade and commerce in view of globalization. Moreover, these policies are instrumental in channeling the flow of finance and capital. The process of globalization is led by a number of national and international institutes and countries in formulating policies (Ahmad & Naz, 2018).

3.6 International Trade

International trade is the buying or selling of goods and services across a country's boundaries. This is mostly accomplished through the use of the various means of transportation such as road, ship or Aeroplane. International trade has enabled people in another location to obtain goods and services produced by other countries. It has aided the movement of people from one country to another for business purpose. International trade is spreading foreign culture(s) across the globe.

4.0 Findings

- i. Population size determine the standard of living or economic well-being of a country, region or state.
- ii. Space is not the only determinant of economic growth and globalization of a territory.
- iii. There is uneven economic development in Nigeria due to reasons such as endowment of natural resources and the manner in which such resources are managed.

5.1 Conclusion and Recommendations

This study has revealed that population and space are the determinants of economic growth and globalization in the world. It revealed that countries with low population density stand a better chance of having strong economy and hence, are more likely to be global because of their economic strength. The write-up has also shown that technology, economies of scale, differences in tax system, less protectionism, political factors and international trade are some of the major factors that encourage globalization.

The study recommends the following:

- i. Governments and people of various locations in Nigeria should make and implement policies that encourage effective and efficient utilization of human resources and natural endowment to enhance the economic growth and globalization of that location.
- ii. It also recommends that Nigeria government should explore means of using the arable land in the country (especially the northern part of Nigeria) to accelerate the economic growth of each region and the whole of Nigeria.
- iii. More studies should be carried out on the impact of population and space on economic growth in any location.

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Survey of the Impact of Social Investment Programs toward Beneficiaries' Economic Empowerment and Entrepreneurship Development in Nigeria

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Abstract

In Nigeria, several governments have embarked on number of social investment programs aimed at poverty reduction, job and wealth creation, economic growth, and positive social development. However, the extent of the impacts of these programs to the beneficiaries' economic empowerment and entrepreneurship development is not yet ascertain in many parts of the country. Therefore, this study was designed to explore the extent of the impact present administration' social investment program (N-SIP) towards beneficiaries' economic empowerment and entrepreneurship development in Nigeria. The population of this study comprised a total number of 10, 267 beneficiaries of the program from nine selected local government areas in Bauchi state. However, total of 630 beneficiaries were chosen using proportionate random sampling technique to serve as the sample of the study. Structured questionnaire forms on the impact of social investment program on entrepreneurship development were used as the instrument for data collection in the study. The data collected were analyzed using descriptive statistics, and t-test was used to test the hypotheses at 0.05 level of significance. The results of study revealed that there is a positive and significant relationship between N-SIP and beneficiaries' economic empowerment. Furthermore, the results showed significant relationship between N-SIP and entrepreneurship development in the country. These imply that social investment programs have significantly impacted the beneficiaries economically and also help in the development of entrepreneurship in the country. This study provides valuable insights to numerous stakeholders in the area of social investment and entrepreneurship development. Finally, future directions of the study are also provided.

Keywords: *Entrepreneurship, Entrepreneurship development, Economic Empowerment, Social investment, N-SIP.*

1.0 Introduction

Today, poverty and unemployment have become the major problems in Nigeria and many sub-Saharan Africa countries. According to National Bureau of Statistics (2010) reported that 60.9% of the population in Nigeria which accounted for about 130 million persons were living in poverty. To sustain this assertion, in the 2012 the National Bureau of Statistics conducted National Baseline Survey and the reports show that more than half of the Nigerian youths' population in the country are unemployed. According to UNDP reports (2011), over 100 million Nigerians live below poverty line, that is on less than US\$2 a day and with the percentage of the population in abject poverty rising from 54.7% in 2004 to 60.9% in 2010.

However, considering the magnitude of the problems and the role of entrepreneurship development as the key to poverty eradication, employment generation and rapid economic development of the nation. In Nigeria over the last three decades various governments had implemented a number of social investment programs to address the high rate of unemployment, wide-spread poverty and low level of economic development. The programs are designed to strengthen individual capacities and skills with a view to engaging them in full employment, work and social life. The social investment programs that were designed and implemented in Nigeria for over the last three decades include; Structural Adjustment Programme (SAP), Better Life Programme, Family Support Programme, National Directorate of Employment (NDE), National Agricultural Land Development Authority (NALDA), Poverty Alleviation Programme, National Poverty Eradication Programme, Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), National Economic Empowerment and Development Strategy, and Subsidy Reinvestment and Empowerment Programme (SURE-P). Despite of all these efforts by the various governments, unemployment rate has remained high, rising from 13.1% in year 2000 to 23.9% in 2011, with youth unemployment put at over 50% (IMF, 2013). However, studying the weakness of previous programs toward total eradication of poverty and solving unemployment problem in the country, then the present administration came up with the most recent program; the National Social Investment Program (N-SIP).

The N-SIP scheme was designed to provides opportunities for the terming population in the country to move out from the persistent poverty and unemployment through capacity building, investment, and direct financial support. Accordingly, the N-SIP scheme was compartmentalized into three dimensions and each dimension contents some sub-dimensions enlisted. The N-Power Teachers' Corps was one of the dimensional components of N-SIP with subsidiaries on N-Power Agro, N-Power Health, N-Power Teach and N-Power Community Health. Another dimensional component of N-SIP is the N-Power Knowledge which was designed for individual youths with at least secondary school educational level. The subsidiaries of N-Power knowledge includes; N-Power Creative, N-Power Tech Hardware and N-Power Tech Software. The third component of the N-SIP is N-Power Build with civil divisions in the area of building services, construction, environment services, utilities, automotive, as well as aluminum and gas. Therefore, this study intent evaluate the impact the social investment programs (N-SIP) on beneficiaries' economic empowerment and entrepreneurship development in Nigeria.

1.1 Objective of the Study

The main objective of this study was assess the impact of social investment programs (N-SIP) on beneficiaries' economic empowerment and entrepreneurship development in Nigeria. Specifically, the study intends to:

- i. To assess the impact of social investment program (N-SIP) on beneficiaries' economic empowerment in Nigeria.
- ii. To assess the impact of social investment program (N-SIP) on entrepreneurship development in Nigeria.

1.2 Research Questions

In line with the specific objectives of the study, the following research questions were formulated to guide the study:

- i. Does social investment program (N-SIP) has any significant impact on beneficiaries' economic empowerment in Nigeria?

- ii. ii. Does social investment program (N-SIP) has any significant impact on entrepreneurship development in Nigeria?

1.3 Research Hypotheses

The following hypotheses were postulated to guide the conduct of this study:

H₀1: There is no any significant relationship between social investment program (N-SIP) and beneficiaries' economic empowerment in Nigeria.

H₀2: There is no any significant relationship between social investment program (N-SIP) and entrepreneurship development in Nigeria.

2.0 Literature Review

2.1 Concept of Social Investment

Social investment is view a set of policies and programs designed to curb social and economic risk and vulnerability among less privileged member in the society, while reducing extreme poverty and deprivation (FAO 2021).The primary objective of social investment is to uplift the lives of poor members of the society by decreasing the level of poverty and inequality in the society (Crossman 2021).The social investments are form based on the assumption that welfare states require high employment rates, reduced poverty, and inequality as well as increased economic growth with an active state to assist in laying the groundwork for this (Bonoli 2012; Morel et al. 2012). The central point of social investment is to shift of social policy from protection of less privilege individuals from the risks of market force through monetary benefits, and instead empower the people economically to be fully integrated into the market as much as possible. This in turn brings higher levels of employment, reduce over dependency and contribute to entrepreneurship development in the state (Oluwatayo & Ojo 2018). Therefore, social investment involves granting power to individuals to perform certain duties and create positive change in the society through poverty reduction, employment and entrepreneurship.

2.2 Social Investment Program and Economic Empowerment

There are evidences in the literature that show a relationship between social investment and economic empowerment (Docampo 2007; Dunga 2014). some of these studies include; Van Vliet and Wang (2015) conducted a study on social investment and beneficiaries empowerment among Nordic countries in Europe. The result indicates that shifts in government spending to social investment policies are positively associated with disposable income inequality and poverty among beneficiaries. However, Thevenon and Manfredi (2018) conducted a study on social investment programs and poverty reduction. The study reveals that there is no clear linkage between social investment spending and inequality, but there are some evidences that social investment policies reduce disposable income poverty.

Dandan (2011) evaluates the relationship between government spending on social investment and economic empowerment in Jordan. The results indicate that government spending accounts for 50 percent of economic growth in the country. Similarly, Nishimwe-Niyimbanira et al. (2021) conducted on how social grants affected income poverty. The study reveals that social grants have contributed to the increase in income expenditure among recipients. However, in accordance with scholars, structural problems still exist with regard to poverty, income inequality, social initiatives, job-creation and entrepreneurship development (Cecchini & Rico 2015; Sakamoto 2021). Therefore, economic analyses, social initiatives, job-creation, economic empowerment and entrepreneurship development policies should be continually integrated into social investment program (Sakamoto, 2021).

2.3 Social Investment and Entrepreneurship Development

The relationship between social investment and entrepreneurship development has become controversial over the years. Some empirical studies in the literature show positive relationship between personal wealth and entrepreneurship (Fonseca, Lopez-Garcia & Pissaride, 2001; Fonseca, Michaud & Sopraseuth, 2007), others found no significant relationship between individual wealth and propensity to become an entrepreneur, particularly in developed economies (Hurst & Lusardi, 2004). Similarly, Ahn and Kim (2015) investigated the impact of social investment on economic performance and entrepreneurship development. The results demonstrate that a higher quotient of social investment spending contributes to economic growth which in return encourages entrepreneurship development in the economy.

The trajectory of social investment is essential for reducing poverty and inequality as well as for economic growth, whereby entrepreneurship development is regarded as a predictor for economic growth and development of the nation (Adeleye et al. 2020). Similarly, understanding how social investment and entrepreneurship development are related is as issue essential and may contributes toward solving the problem of unemployment, eradication of poverty, human and national development (Ogujiuba & Ntombifuthi, 2022). Accordingly, Saleh (2019) conducted a study on effects of social investment programme (N-Power) on standard of living of business education graduates. The findings revealed that N-power SIP had significant effects in improving the standard of living of the participants, this leads many of the participants to start up their businesses. The study also suggests that government should commit funds to social investment programs since it helps to improve the standard of living and entrepreneurship development.

3. 0 Methodology

The study is a descriptive survey aimed to investigate the impact of social investment program (N-SIP) towards the beneficiaries' economic empowerment and entrepreneurship development in Nigeria. The targeted population comprised of the twenty-one thousand five hundred and ten beneficiaries from the selected nine Local Government Areas in Bauchi, Nigeria. The sample was drawn using a stratified sampling technique across the nine local government areas in state and a total of 630 beneficiaries from seven sub-sections of the N-SIP were used as a sample. A structured survey questionnaires were used as the instrument for data in the study. The researchers personally administered the questionnaire forms with the help of some research assistants whom ensured efficiency of the data collection process. However, a total 427 questionnaire forms were duly filled and returned. The responses obtained from returned questionnaires served as the data of this study.

Tables 1, presents the summary of the proportionate sample size of the N-power beneficiaries in the selected nine local government areas of Bauchi State.

Table 1: Summary of the proportionate sample size of the N-power beneficiaries in the selected nine local government areas of Bauchi State

Sub-Program	Number of the Beneficiaries	Sample size
Trader Monie	2478	73
N-Power Tech	2799	82
N-Power Hardware	1622	48
N-Power Teach	8368	245
N-Power Agro	2785	81
N-Power Tech-Building	1171	34
N-Power Health	2287	67
Total	21,510	630

Source: N-power Desk Officer, 2022

Descriptive statistics was used to analyze the responses regarding the research questions of the study using simple percentage and mean. Nik, Jantan and Taib’s (2010), suggest any mean scores of 2.50 and above should be considered as acceptable score, while any scores below 2.50 should be rejected. In addition, t-test was used to test the hypotheses of the study.

4. Results and Discussion

4.1 Answers to Research Questions

4.1.1 Research Question 1

Does social investment program (N-SIP) has any significant impact on beneficiaries’ economic empowerment in Nigeria?

To answer research question one above, the responses on the impact of N-SIP as a social investment programme on beneficiaries’ economic empowerment were analyzed using simple frequency, percentages and arithmetic mean (\bar{x}) as shown in the table 2 below. The items were ranked using five points likert scale ranged from strongly disagree to strong agree in which the frequencies and percentages of the responses were obtained and analyzed to answer the research question.

Table 2: Mean Responses of Respondents on the impact of N-SIP as a social investment program on beneficiaries’ economic empowerment in Nigeria.

S/ N	ITEMS	SA	A	D	SD	N	\bar{X}	DECISIO N
1.	The N-power programme is effective in meeting with the requirements of the beneficiaries and paying the monthly stipend as expected.	31.1	52.5	12.4	4.0	427	3.11	Agree
2.	The N-power programme is addressing issues of youth unemployment and helping increase social development in the country.	19.9	51.1	25.1	4.0	427	2.87	Agree
3.	The N-power programme is impacting the lives of ordinary Nigerians and even at the grass root level of the society	12.2	42.6	35.1	10.1	427	2.57	Agree
4	The programme has been effective in raising knowledge of entrepreneurial activities around the community.	28.1	52.2	17.3	2.3	427	3.06	Agree

5	The monthly stipend paid N-power beneficiaries has increased the flow of money in the economy.	13.4	55.6	22.1	8.9	427	2.73	Agree
Mean (X) of Response							3.41	Agree

Source: (Field Survey, 2022)

The result in table 2 above shows that 83.60% of the total respondents were on the opinion that the program was effective in meeting their requirements on payment of the monthly stipend as expected, while 16.40% of the total respondents were on opposite opinion. The table also shows that 71% of the total responses indicated the program is addressing issues of youth unemployment and increases social development in the country, while 29% of the total responses indicated their disagreement with the statement.

In regards to whether the program is impacting the lives of ordinary Nigerians and even at the grass root level of the society, a greater proportion of the sample accounts for 54.80% of the total responses indicated their agreement for the statement, while 45.20% of the total responses indicated their disagreement for the statement. Meanwhile, the table also reveals that majority of the respondents account for 80.30% of the sample were on the opinion that the program has been effective in raising knowledge of entrepreneurial activities around the community, while 19.70% of the sample were disagreed with the said statement. In addition, the table reveals that 69% of the total responses were on the opinion that the monthly stipend paid to beneficiaries has increased the flow of money in the economy, while 31.02% of the total responses indicated the opposite opinion in that regards.

4.1.2 Research Question 2

Does social investment program (N-SIP) has any significant impact on entrepreneurship development in Nigeria?

In an attempt to answer research question two above, the frequency distribution, percentages and arithmetic mean (\bar{x}) of the responses for impact of N-SIP as social investment program on entrepreneurship development in Nigeria were analyzed and discussed as shows in the table 3 below. The items were measured using five point likert scale ranged from strongly disagree to strong agree, and the responses were obtained and analyzed to answer the research question two.

Table 3: Mean Responses of Respondents on the impact of N-SIP as a social investment programme on entrepreneurship development in Nigeria.

S/N	ITEMS	SA	A	D	SD	N	\bar{X}	DECISION
1.	The programme has provided me with an employment opportunity and a source of income.	29.5	53.2	15.5	1.9	427	3.10	Agree
2.	The N-power programme has provided me the opportunity to acquire skills which are useful to me today	31.9	54.1	8.0	6.1	427	3.12	Agree
3.	I was paid stipends and from these I have been able to start up a business.	29.7	50.1	12.4	7.7	427	3.02	Agree
4.	The programme has provided access to resources which is an important predictor for opportunity-based entrepreneurs.	30.7	53.9	8.9	6.6	427	3.09	Agree

5. The programme has created a source of livelihood for many Nigerians thereby uplifting the economic life of people across strata of the society.	50.4	40.7	6.8	2.1	427	3.39	Agree	
Mean (X) of Response							3.17	Agree

Source: (Field Survey, 2022)

Glancing at table 3 above, it reveals that the highest proportion of the sample representing 82.70% of the total responses confirmed that the program has provided them with employment opportunities and sources of income. In contrary, 17.30% of the total responses were on the opinion that program has not provided them with employment opportunities and sources of income. The table also reveals that majority of the responses in the sample representing 84.45% of the total responses were on the opinion that the program has provided them the opportunity to acquire skills that useful, while 15.55% of the total responses exhibited a contrary opinion. Similarly, the table also reveals that 79.80% of the total responses indicated that from stipends paid to them, they were been able to start up their businesses. Meanwhile 30.20% of the total responses indicated the opposite opinion.

In addition, the table shows that majority of the respondents representing 84.60% of the total responses indicated that the program has provided access to resources which is an important predictor for opportunity-based entrepreneurs. Meanwhile, 15.40% of the total responses indicated that the program has not provided access to resources which is an important predictor for opportunity-based entrepreneurs. Similarly, the table reveals a significant part of the sample representing 91.10% of the total responses were on the opinion that the program has created a source of livelihood for many Nigerians and thereby uplifting the economic life of people across strata of the society. However, 8.90% of the total responses were on contrary opinion the program has not created a source of livelihood for many Nigerians.

4.2 Test of the Hypotheses

4.2.1 Hypothesis 1

H₀₁: There is no any significant relationship between social investment program (N-SIP) and beneficiaries' economic empowerment in Nigeria.

Table 4: Results of T-Test on relationship between N-SIP as a social investment program and beneficiaries' economic empowerment in Nigeria.

N	\bar{X}	T	Level of sign.	Mean diff	P-Value	Decision
427	2.66	58.614	0.05	2.658	.000	Rejected

As presented in table 4 above, the relationship between relationship between social investment program (N-SIP) and beneficiaries' economic empowerment in Nigeria was found to be positively significant at the 0.05 level of significance (T = 58.614, \bar{X} = 2.66, P < 0.05). The result showed that N-SIP as social investment program has a significant impact of 58.61% (t-value) on the relationship with the beneficiaries' economic empowerment. Hence, the null hypothesis H₀ 1 is hereby rejected. This implies that N-SIP as social investment program has impacted on beneficiaries' economic empowerment in the country.

4.2.2 Hypothesis 2

H₀2: There is no any significant relationship between social investment program (N-SIP) and entrepreneurship development in Nigeria.

Table 5: Results of T-Test on relationship between N-SIP as a social investment program and entrepreneurship development in Nigeria.

N	\bar{X}	T	Level of sign.	Mean diff	P-Value	Decision
427	3.09	67.892	0.05	2.891	.003	Rejected

The results in table 5 above indicated the relationship between N-SIP as a social investment program and entrepreneurship development in Nigeria was found to be positively significant at the 0.05 level of significance (T-value = 67.892, \bar{X} = 3.09 P < 0.05). The table revealed that N-SIP as a social investment program has a significant impact of 67.89% (t- value) on the relationship with the entrepreneurship development in Nigeria. Therefore, the null hypothesis H₀ 2 is hereby rejected. This signifies that N-SIP as social investment program has impacted on entrepreneurship development in the country.

4.3 Discussion of Findings

In respond to research question 1, hypothesis one was tested using t-test and the result was presented in table 4. The table disclosed the mean (\bar{X}) value of 2.66 which is within the accepted value of 2.5 and the above. The table also showed the P-value of 0.000 which is also less than the significant level of 0.05 indicated in the study. This indicated that N-SIP as a social investment program has significant impact on the beneficiaries' economic empowerment in Nigeria. The results lead to the rejection of the hypothesis one which says that there is no any significant relationship between social investment program (N-SIP) and beneficiaries' economic empowerment in Nigeria. This finding is consistent with the findings of other similar studies (Gasaymeh & Jwaifell, 2013; Saleh, 2019; Ogujiuba & Ntombifuthi, 2022).

On the issue regarding whether N-SIP as a social investment program has any significant impact on entrepreneurship development in Nigeria. As the findings in table 5 revealed, the mean (\bar{X}) value of 3.09 is within the standard level of acceptance of 2.5 and above. So also the P-value of .003 is equally less than the significant level of confidence of 0.05 accepted in the study. Hence, the acceptance of the t-value of 67.892 which means the program has contributed to about 67.89% of entrepreneurship development in Nigeria. This finding is in line with opinions of Fonseca, Michaud & Sopraseduth, (2007), Abu Husein, Al-Sukkar, Salah, & Jaradat, (2013), Ahn & Kim (2015), Cecchini & Rico (2015) and Sakamoto, (2021).

5.0 Conclusion

Based on the findings of this study, it is logical to concluded that N-SIP as a social investment program has enormous impacts on beneficiaries' economic empowerment and entrepreneurship development in Nigeria. Therefore, the sustenance of the program will be of greater importance in solving the major problems of youth unemployment, persistence level of poverty and also serves as catalyst for economic growth and development of the nation.

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Effects of Rural Roads on Access to Socio-Economic Services and Opportunities in Kaduna State - Nigeria

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Abstract

Rural road is one of the significant rural infrastructures that facilitate access to socio-economic services and opportunities to the rural dwellers. This study assessed the effects of rural roads on access to socio-economic opportunities and services using livelihood theory. The research differed from previous ones by employing the use of convergent parallel mixed designed where qualitative and quantitative data are used in a sequential and convergent manner. Specifically, thematic and regression analysis were used for qualitative and quantitative data respectively. Based on the analysis of the data, the research found out that rural road has significant effect on access to socio-economic services and opportunities like access to market, education and health facilities in the areas of study. It was recommended that there is need for State in collaboration with Local Governments to plan State owned rural road project so as to increase the proportion of people living within 2 kms of all seasoned road thereby improving and extending the level of accessibility to socio-economic services and opportunities to other areas.

Keywords: Access, Socio-economic, Roads, Rural, Kaduna State

1.0 Introduction

The importance of rural infrastructure on the quality of lives of the rural people cannot be underestimated. It provides the basis for achievement of rural livelihood; that is, a range of activities undertaken by rural households to ensure a living. Consequently, donor agencies and government at all levels made tremendous efforts in ensuring that the much-needed rural infrastructure is provided in that area. The provision of rural infrastructure in Nigeria has over the years been financed by government and or co-financed with other development partners like World Bank (WB) and United Nation Development Programme (UNDP). Rural road is one of the rural infrastructures with multiplier effects on the lives of rural people. Its effects among others include, the linking of rural people to market, farm inputs, extension services, health services and educational services.

However, billions of people worldwide are unable to access work and educational opportunities as transport services remain either unavailable or unaffordable (World Bank, 2019). Sub-Sahara Africa has the lowest Rural Access Index with an average of 30% compared to Latin America and East Asia with 54% and 94% respectively (World Bank, 2006). Only 16% of the roads are paved and transport costs were highest in the World (Agenor & Dodson, 2006). It was reported that 60% of Africans live in the rural area with agriculture as their major occupation (United Nations, Department of Social & Economic Affairs, 2011). Therefore, structural change in this sector through infrastructural development is imperative to socio-economic advancement of the rural area. Unfortunately, only about 18% of funding for road transport in sub-Saharan Africa is spent on rural roads (Baril, Chamaro, & Crispino, 2013). Accordingly, only 25 percent of the rural villages in Nigeria were accessible on tarred roads, which coincidentally link up major urban centres (Food and Agriculture Organisation & New Partnership for Africa Development, 2006).

Consequently, the importance of the construction and rehabilitation of rural roads has long been acknowledged by the Federal Government of Nigeria which, since 1980s, has financed this activity as part of national development through different initiatives such as the World Bank–assisted Agricultural Development Project (ADP), the National Accelerated Food Production Programme (NAFDP), the Directorate of Food, Roads and Rural Infrastructure (DFRRI), and River Basin and Rural Development Authorities (RBRDAs).

In order to address the problem of rural inaccessibility Kaduna State in collaboration with World Bank implemented the National Rural Roads Improvement Programme (Rural Access and Mobility Project) from 2008 - 2016. With its interest shown on commitment to road sector reforms and contribution through counterpart funding, the State was selected by the World Bank for the pilot phase of the project (RAMP Implementation Completion and Result Report, 2017). Conversely, it was reported that in 2016, Nigeria is in the lowest levels of access to improved basic infrastructure anywhere in the world, ranking 162 out of 186 countries (IFs working paper, on Traditional Infrastructure Index, 2018). In Africa, Nigeria ranks 32 out of 54 countries, and among its global lower middle-income peers only Sudan and Papua New Guinea perform worse. On the current development trajectory, by 2040 Nigeria is expected to still rank only second-last in this group (Julia & Alex, 2017). The effects of this on the on access to socio-economic services and opportunities of Nigerians could be devastating with rural areas bearing the greater consequences.

1.1 Statement of the Research Problem

In spite of the significance of rural road to rural livelihood and the adoption of RAMP to promote rural accessibility and mobility, most rural areas remained inaccessible which has tremendous negative effect on socio-economic access of the rural people. World Bank, (2016) reported that poor infrastructure increased transport costs for farmers and affected human capital, as poor households lack access to schools and health services (Kaduna State RAMP ICR, 2016).

However, Kaduna State has a total Federal Road (Trunk A) of 1,573.90km out of which only 29.45% are in good condition, the remaining 64.25% and 6.36% are in fair and poor conditions respectively. Out of the total State roads (Trunk B) of 2,133.59 km only 49.20% are in good state, 22.09% are in fair state and 28.71% are in poor state. Out of the 3,110.43km of Local Government roads (Trunk C) only 3.35% is paved while 96.65% is earthen road and mostly in poor conditions (Kaduna State Infrastructure Master Plan, 2018-2050). Though, RAMP project was reported to have upgraded and rehabilitated 427kms out of the 3,110.43kms of rural roads in the State which is just about 13.73% to increase the

proportion of people with access to an all-weather road from about 1.0 million to 1.5 million. It has been reported that more than 50 percent of the rural roads network in the State are in poor condition due to the lack of maintenance (Kaduna State RAMP ICR, 2016). Izuwah, (2017) associates the poor road conditions to insufficient investment and near absence of good maintenance culture.

Although resources have been committed by both World Bank and Kaduna State worth of US\$51.29 and US\$12.15 respectively for the upgrading, rehabilitation, and maintenance of transport infrastructure by strengthening the capacity of rural roads stakeholders, but many rural areas remain inaccessible. To this end, this research raised the question: why has rural areas remained inaccessible in spite of the implementation of Rural Access and Mobility Project to open rural areas and enhance access to socio-economic services and opportunities in Kaduna State? It is against this backdrop that this research was carried out to establish the extent to which the rural access and mobility project has affected access to socio-economic services and opportunities of rural areas in Kaduna State.

1.2 Objectives of the study

- i. To determine the effect of upgraded and rehabilitated road of RAMP on access to economic services in rural areas of Kaduna State;
- ii. To determine the effect of upgraded and rehabilitated road of RAMP on access to social services in rural areas of Kaduna State;

1.3 Research Hypothesis

- i. There is significant relationship between upgraded and rehabilitated roads and access to economic opportunities in rural areas of Kaduna State.
- ii. There is significant relationship between upgraded and rehabilitated roads and access to social services in rural areas of Kaduna State.

2.0 Literature Review

2.1 Concept of Rural Accessibility and Roads

Accessibility is seen as the ease with which any land-use activity can be reached from a location using a particular transport system (Dalvi & Martin, 1976). Rural accessibility is seen as the proportion of the rural population who live within 2 kilometers of an all-season road (World Bank, 2019). SDG indicator 9.1.1 refers to an "*all season road*" to "*a road that is motorable all year round by the prevailing means of rural transport.*" Therefore, access to an all-season road is believed to significantly increase households' welfare if it can help rural population's access new job markets and social services (Khandker & Koolwal, 2011). One measure of rural accessibility is the Rural Access Index (RAI), defined by Roberts et al., (2006) as "the number of rural people who live within two kilometers (typically equivalent to a walk of 20-25 minutes) of an all-season road as a proportion of the total rural population".

John (1997), defined rural roads as roads that serve primarily a rural community, rather than thorough traffic in many countries, the majorities of such roads have natural earth or at best gravel surface. Similarly, United Nation Centre for Human Settlement (1985), defined rural roads as those roads that connect path through settlements in rural areas and which carry light traffic of not more than 120 vehicles per day.

Road development is an element of transport that is very crucial in the general process of rural development. It enhances prompt delivery of inputs to farmers and evacuation of produce from farm and to the markets. It links the farmers with the town thereby enhancing the infusion of new cultural traits

into the rural areas (Ekong, 2003 & Iraj, 1986). Eong and Iraj added that road development improves the performance of rural markets making them more competitive to direct benefit of farmers rather than the middlemen.

According to Cook, Huizenga, Petts, Visser and Yiu, (2017) rural transport is widely accepted to be the principal physical communications facility for rural communities to connect them to the national principal or main road, or waterway network. Rural Transport comprises two distinct and complementary elements, that is, mobility and transport infrastructure. Mobility is characterised by the transport means available - both motorised and non-motorised – for people to transport themselves and their goods, and for services to be provided.

2.2 Concept of Socio-economic Services and Opportunities of Rural Roads

The complexity of services can be understood using a systems perspective instead of focusing on their rather technical aspects (Gadrey, 1996). Examples of (sub-) systems are: the application and management of agricultural inputs; value-chain development, including the production, transformation and marketing of a specific commodity; the creation and dissemination of agricultural technologies; and the up-scaling of a particular innovation (Albert, 2000).

Services contribute to strengthening the assets of the rural poor and hence adapting and sustaining their livelihoods in a changing context. This context changes continuously and rapidly; it therefore requires innovation (i.e., a performing innovation system) for enhancing livelihoods of the poor through interaction amongst stakeholders (i.e., service users and providers, policy makers, etc.) while building on and strengthening the assets of the poor. Services are even increasingly important.

The poor's livelihoods are mainly rooted in agriculture in the wider sense and therefore the poor potentially benefit more from growth in the agricultural sector than in any other sector. Growth in the agricultural sector, through its linkages with non-agriculture, has a substantial effect on other economic sectors, for example through generation of employment. Particularly the labour intensive, small-scale agriculture has strong links, through upstream and downstream activities of agricultural production, with growth in other sectors. Increasing employment offers income-generating opportunities for smallholder farmers and thus has a direct impact on poverty. Through enhanced incomes additional spending by smallholders also supports other sectors (Christaensen et al., 2005; DfID, 2005; GDPRD, 2005; OECD, 2006).

2.3 Empirical Review

Abubakar, (2015) carried out a study on the influence of rural roads on the patronage of rural markets in Kudan LGA of Kaduna State using primary and secondary data. The finding of the study revealed that poor drainage, potholes, and market management affect patronage to rural markets. It recommended regular maintenance of road without suggesting or making reference to the stakeholder responsible for this action.

In Hine, Abedin, Stevens, Airey, and Anderson, (2016) studies it was established that the expansion of the rural road network has a positive impact on poverty reduction. The review established a strong direct relationship between rural transport infrastructure and reducing transport costs and increasing traffic volumes. Conclusions were based on 56 studies undertaken, with the majority from Sub-Saharan Africa but with others from Asia, South America and the Middle East.

In the study of Bala and Mohammad (2018) on the effects of road development on commercial activities in Gombe city using questionnaire. The study found out that improvement in road network affects commercial activities which include increase in income, improvement in standard of living and reduction in poverty. Though, the study may be commended for bringing out the livelihood indicators (outcomes) resulting from road improvement in urban area, it has given primacy on the urban area with little or no focus on the rural livelihood that constituted majority of the poor in the country.

Sieber, and Allen, (2019) assessed impacts of rural roads on poverty and equity using a theoretical approach through a review of conflicting arguments and exploring the sustainability issue, it was found out that roads in most developing countries are not adequately maintained which affects their benefits. The finding may true for road maintenance and sustained benefits accrued from it. However, the study may fall short of methodology for not using primary data to reveal the reality of the rural road and its impact on the rural livelihood on a sustainable manner.

2.4 Theoretical Review: Livelihood Framework

Livelihood as proposed by Chambers and Conway (1992), refers to a means of securing a living, and includes peoples' livelihood capabilities and activities, as well as their tangible assets (stores and resources) and intangible assets (claims and access). In other words, Scoones (1998), refers livelihood as comprising "the capabilities, assets (both material resources and social resources), and activities required for a means of living" (Scoones, 1998). Ellis (2000), from the perspective of livelihood diversification, points out that "a livelihood comprises the assets (natural, physical, human, financial, and social capital), the activities, and the access to these (mediated by institutions and social relations) that together determine the living gained by the individual or household."

For the purpose of this research work, accessibility is considered as a function of the proximity of a place or population (measured in distance along foot paths or major roads) this involves the interrelationship between the population of rural areas, the facilities, which they are required, and the transport link between this population and the facilities.

The livelihood asset within the context of this study is the rural infrastructure (improved access) provided by RAMP project for the purpose of generation of different socio-economic outcomes which in turn leads to general improvement in livelihood of rural communities. The socio-economic outcomes include increase access to market, farm, education and health facilities.

3.0 Methodology

The population of this study is of two categories. These are the officials and the beneficiary communities of the Project Intervention Areas (PIAs of RAMP). The population of the study was 86184. Krejcie and Morgan table for determining sample size was used. On the table, 382 was found to be the minimum sample size for 86184 research population. Data was collected from primary and secondary sources using interviews (key informants' interviews) Focus Group Discussions and questionnaire administration. The secondary data on the other hand was collected from the Kaduna State RAMP completion Reports, the Project Appraisal Document, and World Bank mid-way project reports. The data collected were analysed using thematic analysis for the qualitative and correlation and linear regression for the quantitative.

4.0 Discussion of Results

4.1 Extent of Accessibility of RAMP Communities in Kaduna State

A report of KD State RAMP ICR, (2017), revealed that the two objectives of the project- to improve rural accessibility and improve management of road network sustainably, were achieved, with notably high results on the accessibility objective. Precisely, the length of roads constructed was surpassed by 11.2 percent, from 427 km to 475 km while the number of river crossings was exceeded by 10.6 percent, from 132 to 146. Moreover, a result of the FGDs in the selected intervention areas showed that:

There is an improvement in the ease of vehicles' movement along the improved roads. In some areas, rural roads are affected by heavy rain in the wet season through erosion (D8). None the less, people now get to their destinations easily as a result of the improved rural roads provided by RAMP (D9). These improved rural roads also reduced vehicle operating cost.

However, an informant responded on the extent of accessibility when he stated that:

Before the implementation of the project, women and children found it difficult to access health and educational facilities, but they don't have to stay long now and wait for vehicles in situation of ill-health or attending school (D26).

4.2 Sub-theme: Mobility

According to Kaduna State's Cycle 4 report of June 2015, new roads triggered a sharp rise in the ownership of other means of transportation. In particular, motorcycle ownership went up tenfold. At project start, about 6.5 percent of households owned motorcycles. This number rose to 68 percent at project closing. However, it was observed that:

There is an improvement in the means of transportation in the RAMP communities as many people have now acquired motor cycles and other intermediate means of transport like tricycle machine and trucks (D21)

As observed, rural roads are comparatively better in dry seasons than in the raining seasons. This is due to the potholes brought about by erosion or heavy rain fall.

4.3 Access to Socio-Economic Services of Rural Areas in Kaduna State

Theme: Access to socio-economic opportunities

When asked to give the average transport to following places, the information received from the respondents is summarized as follows:

Table 1: Summary of Average Transportation Unit Costs (in Naira) By Road Link

Roads	Journey to farm	Journey to school	Journey to health centre	Journey to market	Average
KACHIA (South)					
Awon Road- Gora	150	300	200	250	225
KAGARKO(South)					
Kagarko-Akote-Kasaru-Kenyi	250	120	120	350	210
GIWA (North)					
Giwa Town – Yakawada	150	100	200	200	163
IGABI (North)					
Dunki-Labar- Jaji	120	250	250	300	230
Average	168	193	193	275	207

Source: KIIs and FGDs conducted, 2021.

Based on the baseline reports the average household paid as high as 255 Naira daily to access their farms, with 232 Naira being the average cost for all trips. The above table 5.3 shows that the average cost to farms was 168 Naira and the average cost for all trips was 207 Naira. This indicates reduction in the average cost to farming activities. This was resulted from better road links and networks as more people currently own their means of transport (especially motorcycles) than was the case before.

4.4 Test of Hypotheses

4.4.1 Test of Hypothesis I

The first hypothesis stated that there is no significant relationship between upgraded and rehabilitated roads and access to economic opportunities in rural areas of Kaduna State.

Table 2 Pearson Correlation & Regression Results

Variables	Economic Opportunities
Improved Access	
corr. ®	0.257
Sig.	0.001
R ²	0.25

- a. Predictors: (Constant), Improved Road
 b. Dependent Variable: Economic Opportunities

The table 2 Shows that with correlation result ($r = 0.257$) improved access has a low positive correlation with economic opportunities. It therefore means that any positive change or improvement on the rural roads will lead to a positive change or improvement in access to socio economic services and opportunities. The opportunities in this context ease of access to market, farm and transport operators among others. And any negative change that affects rural access will also affects access to economic opportunities.

On the same table regression result ($R^2 = 0.25$) shows that improved road has significant impact on access to economic opportunities. That is to say, improvement in access to economic opportunities in RAMP communities is 25% explained by improved access the communities. And with a p-value of 0.001 which is significant at 5% the null hypothesis which stated that there is no significant relationship between upgraded and rehabilitated roads and access to economic opportunities in rural areas of Kaduna State is rejected and the alternate is accepted.

4.4.2 Test of Hypothesis II

The hypothesis stated that there is significant relationship between improved access and access to social services in rural areas of Kaduna State.

Table 3: Pearson Correlation & Regression Results

Variables	Social Services
Improved Access	
corr. ®	0.157
Sig.	0.001
R^2	0.25

The table 3 shows that with correlation result ($r = 0.157$) improved access has a low positive correlation with social services. This implies that an improvement in rural road will lead to improvement in access to social services and opportunities like access to educational facilities, access to health facilities and access to water sources among others.

And the table on the regression result ($R^2 = 0.25$) shows that the improved road has significant impact on access to social opportunities. And with a p-value of 0.001 which is significant at 5% the null hypothesis which stated that there is significant relationship between upgraded and rehabilitated roads and access to social services in rural areas of Kaduna State is rejected and the alternate is accepted. This implies that improvement in access to social opportunities in RAMP communities is 25% explained by improvement of accessibility of the communities.

4.5 Discussion of Findings

An improvement in rural accessibility and mobility in RAMP communities has increased the proportion of people who leave within 2kms of all weathered roads. Improvement in road network has reduced transport cost. In this regard, a finding of KD State RAMP ICR, (2017) showed that 1.5 million now then live within 2kms of all-season road. There was low improvement in terms of traffic volume as a result of government policy on closure of periodic market in some rural Local Government areas of the State; and persistent security challenges in the rural areas. This has affected marketing of agricultural product. To corroborate this with the survey finding, over 60% of the RAMP communities spent less than 20 minutes by walk to all season roads. This is in line with the findings of Kaduna State RAMP ICR (2017). However, the quality of many rural roads has reduced as a result of poor maintenance culture. And most non-RAMP roads observed are mostly in poor condition as compared to the upgraded and rehabilitated ones through the project.

The project has improved access to economic services and opportunities such as improvement in the ease of access to farm, market, and farm inputs all as a result of reduction in the distance and cost of travel to desired destinations. There was an improvement in marketing of agricultural commodities as buyers found it easy to come to farm gate and purchase farm produce. To corroborate this with the

survey finding, the regression result ($R^2 = 0.25$) revealed that improved access and mobility has contributed to access to economic services and opportunities in rural areas of Kaduna State. This was in line with the responses of 89% of the respondents. Farmers easily accessed both daily and weekly markets at a lesser cost and convenience. This was also indicated by 53% of the responses. There was reduction in post-harvest losses caused by bad road; this is so because farmer could use better means of transport like trucks and motor cycle in transporting their farm produce from farm to home and from home to market. This was revealed responses from survey where 66% of the community responded on the use of motor cycle as major means of transport in the rural area.

There was improvement in access to social services and opportunities which include health facilities, schools, and water all as a result of reduction in the distance and cost of travel to desired destinations. There was significant improvement in educational attainment as less than 12% of the respondents have no formal education. The achievement is said to be recorded as a result of better means of accessibility and mobility. To corroborate this with the survey finding, the regression result ($R^2 = 0.25$) revealed that improved access and mobility has contributed to access to social services and opportunities in rural areas of Kaduna State.

5.0 Conclusion and Recommendations

Rural infrastructure especially road has continued to play an important role on the development of rural areas. It is in line with this that a co-financed project was carried out by State Government and World Bank to improve the proportion of people living within 2kms of all-weathered road. The project was to achieve both intermediate and long-term objectives. This assessed both implementation process and the intermediate and long-term benefits generated by the RAMP project. And based on the data collected and analysed the study concluded that as a result of the increase in ease of accessibility to rural communities, RAMP project has relatively improved the livelihood of the beneficiary rural communities. That is, an increase in the average monthly income of beneficiaries, improvement in the welfare of the beneficiaries, improvement in food security.

Recommendations

- i. In order to improved accessibility in the State at large, Kaduna State must plan its own rural access and mobility project to extend the socio-economic benefits of the project to areas that have not benefited from the first phase of the project. There is need to provide security in the rural areas through collaborative approach between the state security and community to ensure safety of rural roads, as this will improve socio-economic activities of the areas.
- ii. Local Government is encouraged to take its responsibility through upgrade, rehabilitation and maintenance of rural roads which is part of its primary functions. Drainage system should be constructed on the RAMP roads so that the roads will be prevented from continues erosion caused by rainfall.
- iii. To improve on marketing of agricultural commodities, appropriate measures must be taking to open weekly market in the rural Local Governments. And security of buyers must be ensured in to enable them access farm gate and purchase farm produce at appreciable prices. As this will improve the rate of patronage of rural markets that will increase farmer's productivity and income. More teachers will be attracted to rural schools, health personnel will attend to patient at a convenient manner.

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Assessing the Challenges of Funding and Implementation of Education Policy in Nigeria

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Abstract

The research assessed the level of commitment of Nigeria in terms of funding of education vis-à-vis the international benchmark set for the achievement of access to education. Based on this the budgetary allocation of the country from 1999 – 2020 was obtained and the percentage allocation was determined. Data was collected from secondary sources and analysed using descriptive statistical tool. It was revealed that allocation to educational sector was quite below the international standard of 15 – 20%, this has affected the implementation of the national policy which emphasize free, compulsory and uninterrupted 9 year of basic education as well as achievement of secondary education. It therefore affects the quality of human capital in the country. It was therefore recommended that government especially at federal level should increase its budgetary allocation to at least 15% of its total budget to the education sector so as to improve and expand the present educational facilities, supply teaching aids, motivate teacher through payment of their benefits as and when due as well as employment of more qualified teachers.

Key Words: Education, Funding, Nigeria, Policy

1.0 Introduction

The importance of education to the development of every society cannot be underestimated. It served as a key that unlucks other opportunities for better life. UN Human Rights declared access and participation in education as a fundamental human right for all global citizens of the world (Odukoya, 2009, p.2). It was based on this that the global agenda for education were sets. These agenda include the Education for All, incorporation of primary education into MDGs among others. However, it was reported that about 258 million children and youth are out of school. The total includes 59 million children of primary school age, 62 million of lower secondary school age and 138 million of upper secondary age (UNESCO UIS, 2018). Nigeria with 13.7 million out of school children is the largest in the world (Outhred and Turner, 2020). This could not be unconnected to lack of government commitment especially in terms of funding education for development. Poor funding resulted in unpaid teacher salaries, degradation of education facilities at all levels and strikes in universities/public schools, culminating in declining literacy rates. Educators are at the heart of promoting quality lifelong learning. If educators are motivated, trained adequately and consistently, guaranteed decent working conditions,

satisfactorily remunerated, and provided career prospects, youth and adult literacy programmes can be more successful and lead to better learning and development outcomes (UNESCO, 2020).

More so, the position of education to development of a nation makes it imperative for most countries in the world to placed much emphasis on educational policies as instruments of national development (Ibrahim, 2018). In the Nigerian context for instance, the National Policy on Education which is the nation's education policy document, explicitly lay down the guiding principles for effective implementation, management and administration of education policies from basic education up to tertiary education at the federal, state and local tiers of government (National Policy on Education, 2013).

In a more specific way, successive government in Nigeria have planned and implemented a number of policies and programmes aimed at promoting educational development. The policies include among others: National Policy on Education 1977, National Policy on Education 2004. This was to ensure access and reduce the incidence of out-of-school children at different levels of education in the country. The ultimate aim of the policies was to improve the quality of education in Nigeria, and to meet global educational policies of UNESCO in the areas of Universal Basic Education, one of the Millennium Development Goals (UNESCO, 2006). However, certain factors impede education policy development which adversely affects the implementation of the policies and subsequent non-accomplishment of educational policy goals including ensuring quality education (Ibrahim, 2018). According to a report by UNESCO (2006) cited in Felix, (2016) on education, it has been highlighted that for education to be seen as successful, huge investments either in terms of policies and implementation, infrastructures, human capacity development and of course funds are required including the application of all these to achieve the desired goals.

1.1 Statement of the Research Problem

Despite Nigeria's commitment to National Policy on Education through free, compulsory and Universal Basic Education (UBE) under the Universal Basic Education Act of 2004, basic education continues to suffer from low and inequitable access. This is evidenced in the report which shows that there are 31 million children of primary school age, and 25 million of secondary age, with a total of 82 million children under the age of 14 in the country; but the country's gross enrollment rate (GER) in 2016 for primary education was 87 percent and the rate for junior secondary education was 42 percent. Nigeria, as the largest country in Africa in terms of population, has approximately 20 percent of the total out-of-school children population in the world. Adding to this challenge is the demographic pressure, with about 11,000 newborns every day, which may likely need space for education at the foundation level in a very short time. The structure and features of the education system in the country can be described as a '1-6-3-3-4' system: one pre-primary year and six years of primary, followed by three years of junior secondary education—which together comprise basic education; the next three years are senior secondary education, followed by four years of tertiary education. (Global Partnership for Education 2020 Country-Level Prospective Evaluations, 2019).

The Incheon Declaration cited in Global Partnership for Education report (2016) recommends that national governments allocate 4 to 6 percent of their Gross Domestic Product (GDP) and/or at least 15 to 20 percent of their total public expenditure to education, with a focus on basic education.

Global Partnership for Education (GPE), which is a partner, seeks government commitment to progressively increase the domestic budget allocation for education to 20 percent of the total national

budget. In countries where 20 percent or more of domestic resources are allocated to education, GPE seeks commitment to at least maintain current levels. If the country has not reached universal primary education, GPE seeks an additional commitment to allocate at least 45 percent of the education budget to primary education (Global Partnership for Education, 2016). It is against this background that this research sought to know the extent to which Nigerian government has invested in education to improve access through budgetary allocation to the sector.

1.2 Objectives of the Study

The research was guided by the following specific objectives:

- i. To ascertain the international budgetary allocation benchmark set for the countries for their education.
- ii. To ascertain the percentage of budgetary allocation to educational sector for the implementation of national policy on education in Nigeria
- iii. To assess the effects of the budgetary allocation to educational sector on access to education in the country.

1.3 Propositions

The research is based on the following propositions:

- i. Nigeria government has met the international benchmark set for budgetary allocation to education sector.
- ii. The budgetary allocation has affected the implementation of access to education in Nigeria.

2.0 Literature Review

2.1 Concept of Education Educational Policy

Education has been defined by Kalu (2001) as the training and enlightenment of people in order to increase their knowledge of the world in which they live. Such knowledge is required for the improvement of living conditions in the society. In the same light, Ilechukwu, Njoku and Ugwuozor (2014) perceived education as the development of the cognitive, affective and psychomotor domain and abilities of an individual for optimal function and performance in the society. The individual has to be helped to maximize his mental, emotional and psychological abilities which will be beneficial to him and the society in which he belongs. In another view Ekpo (2017) sees education as the training of human being to become beneficial to the society at large and not necessarily for self –fish reasons. UNESCO (2000), submitted that “education is the total process of developing human ability and behaviours”. It is an organized and sustained instruction intended to communicate a combination of knowledge, skills and understanding value for all activities of life.

Educational policy formulation is not complete until such policies are implemented. Policy implementation seems to be the most difficult aspect of policymaking and no policy formulated is operational without policy implementation. Every policy on education is expected to achieve its aim and this is the ultimate work of policy implementation. Educational policy implementation should be evaluated accordingly, either on the process of implementation or at the end of it. This is to ensure that such a policy achieves what it sets out to achieve (Innocent, 2020).

2.3 The National Policy on Education 2004

The National Policy on Education was again revised in 1998 and 2004 to make it relevant to the development needs of the country. Woolman (2001) opined that there is observable relationship between education and national development in Africa, as education continues to be a question of critical concern

in many of the countries just like it is in Nigeria. Since education is an agent of cultural transmission as well as change; the constant revision of the National Policy on Education in Nigeria readily finds support in Woolman (2001) prescription that education should also reflect the dynamic process of nation building that is continually being modified by new conditions. The revised National Policy on Education (Federal Republic of Nigeria, 1998) prescribed a Universal Basic Education (UBE) programme, which is compulsory for all children in the country, given in the form of nine years continued education in the form of six years primary education and three years junior secondary schooling. Consequently in 1999, the Federal Government of Nigeria, flagged the UBE programme as a means of achieving equal educational opportunities and eradicating illiteracy. However, even though policy prescribed a compulsory UBE, it was not enforced. The Federal Government had adopted the National Policy on Education as ‘an instrument par excellence for affecting national development’ (Federal Republic of Nigeria, 1998). Thus, in the 3rd edition of the policy, the minimum standard for entry into the teaching profession was raised from Teacher Grade II Certificate to the National Certificate of Education (NCE). This qualification is obtained after three years of senior secondary schooling and a Senior Secondary School Certificate Examination. The sources of Government’s financing of education were diversified to include sources such as the Education Tax Fund amongst others. The Government hoped to use education as a tool for promoting national unity and for the total development of the individual as well as equipping the individual with knowledge and skills for adaptation into the larger society (Fafunwa, 2004). It was also the intention that the far-reaching provisions of the policy would transform all aspects of national life over time. Thus, various programmes like the Nomadic education for the education of the migrant ethnic groups such as the nomadic cattle rearing Fulani and Ijaw fishermen were introduced (Federal Republic of Nigeria, 1998; Umar and Tahir, 2000). For effective teaching and learning the National Policy on Education 2004 recommended a teacher-pupil ratio of 1:35.

2.4 Challenges of Education Policy Development in Nigeria

Adeniyi (2015) pointed out that despite the fact that education policies in Nigeria were designed to provide sound knowledge to the citizens for adaptation into the larger society, the trend of education policy development was constrained by certain factors that adversely affects the implementation of the policies. These include poor funding, inconsistent policies and lack of institutional capacity or bureaucratic weaknesses among others. Adeniyi (2015) further added that bureaucratic bottleneck especially with regards to decision making, adversely affects education policy development and effective implementation of the education policies. The issue of lack of professionalism further compounded the problem. This is because most of the policy implementers do not have the required human resource skills to accomplish their tasks. This eventually led to backwardness in education development (Ige & Fasakin, 2014).

Again, Kingdom and Maekae (2013) stressed that despite the critical position of education in development processes, education development in Nigeria was grossly hampered due to politicization of education policies, political instability and corruption among others. The authors further pointed out that the challenges of education policy development were as a result of neglecting the relevance and roles of stakeholders especially with respect to funding. This adversely affects academic excellence and the reason why the national policy on education guaranteed stakeholders support in education related issues with a view to overcome overlaps and to achieve and sustain synergy (National Policy on Education, 2013). Additionally, Yekini (2013) observed that inconsistent policies, brain drain, constant strike action, inadequate instructional materials and corruption, greatly crippled education policy development in Nigeria. Another stumbling block to education policy development in Nigeria is the issue of inadequate funding. Adeyemi (2011), Sofoluwe (2012) and Peter and Isaac (2013), noted that the issue

of education funding in Nigeria are alarming. For instance from 1999 up till 2014, the budgetary allocation to education in Nigeria is less than 12% for every fiscal year. This is against the 26% of budgetary allocation recommended by UNESCO. Again, to further support the point of inadequate funding in the Nigerian education system, it is on record that out of the twenty world sampled countries on education funding in the year 2012, Nigeria was the least with 8.4% of budgetary allocation to education as indicated in table 1. Ghana, Cote d'ivoire and Uganda top the list with budgetary allocation of 31%, 30%, 27% and a rank of 1st, 2nd and 3rd position respectively (World Bank, 2012). However, it is a well-known fact that no any system of education can perform well without adequate financial support.

2.5 Concept of Access to Education

Access implies adequacy of educational opportunities for all who need education at all levels-primary, post-primary and tertiary. This has to take cognizance of the rate of growth in the population annually (Etor, Ekanem & Sule, 2020).

Access in education therefore means availability of open doors for all intended and qualified candidates who wish to enter into existing schools to do so (Agile, 2018). It also implies that where there are inadequate number of schools at all levels, more schools should be established and equipped with adequate resources, to create opportunities for those who could not gain admission into the existing schools to do so. Access also means nearness of schools to those who wish to access it. In other words, access implies that nearness of schools at locations where potential learners could enroll is a significant factor since pupils or students from poor families may access it within a walking distance to save the costs of transportation to and from school.

2.7 Concept of Funding and Funding of Education in Nigeria

Funding of education is a concurrent responsibility as contained in the federal constitution of Nigeria (Federal Republic of Nigeria, 1999; Khemani, 2001; Nwoko, 2015). Consequently, the federal, state and local authorities have statutory powers to fund schools within their areas of jurisdiction. The UBE Act of 2004 also provides the framework for shared funding of the UBE among the three levels of government (Steenbergen, Nnodu, Nwachukwu, Nyager, 2016). Within this framework, however, appears to be a disequilibrium in the percentage of money earmarked for educations among the three tiers of government. More so, the notion of concurrent financing of education is a feature of fiscal federal structure in the delivery of education in the country. Following the introduction of the UBE in 1999 (Anaduaka & Okafor, 2013; Salihu & Jamil, 2015), the population of learners has increased significantly, thus bringing huge implications on financing of education on the three tiers of government.

Akpan and Undie (2007) stressed that when there is poor funding of schools, new facilities cannot be provided, and old ones cannot be expanded, and that makes students to learn under deplorable conditions. They also stated that due to poor funding, human, material resources and infrastructural facilities are always inadequate, hence, admission of students tend to be based on the availability of facilities, such as, classrooms, staff and materials. This creates additional problem of lack of access to admission for those who are qualified but cannot be admitted into schools.

A recurring question on financing education is “who is responsible for financing education”? The argument swings between whether the government should be responsible or the beneficiaries of the education being received (Ojeleeye, 2020).

2.8 Sources of Educational Funding in Nigeria

Education is a concurrent responsibility of both the federal and state governments under the constitution. There are four main sources of public funding for the public (nonfederal) education sector: direct allocations from the federal government (through the Universal Basic Education Intervention Fund and the Education Trust Fund), state governments, local governments, and private individuals and organizations, including nongovernmental organizations and international donors in some states.

2.9 Empirical Review

A number of studies have been carried out on the funding of education in Nigeria a review of which is as follows. In the study of Etor, Ekanem and Sule, (2020) on access and resource allocation to education in Nigeria using secondary data and descriptive it was found out that the percentage of budgetary allocation was inadequate and recommended an increase to the said UNESCO's recommendation of 26%. Mathew, (2016) carried out a study on financial allocation to education: trends, issues and way forward in Nigeria using secondary data from CBN statistical bulletin, it was found out that allocation to education is inadequate and there is also delay in the release of the allocation which affect the implementation of education policy. The study recommended a multi-stakeholders' participation in education funding in the country.

Ojeleye, (2020) assessed the future of education in Nigeria: budgetary allocation as an albatross using ahistorical design it reviewed budgetary allocation to the sector and found out that the allocation to be below international standard. It recommended addition allocation of funds to the sector. In the study of Ewa and Ewa, (2019) on financing basic education in Nigeria the alternative methods using secondary data observed that for government has not explore other means of financing basic education. It therefore recommended alternative way of financing. In the study of Jonathan, Ebenezer and Sola, (2018) on the formulation and implementation of educational policies in Nigeria, it was revealed that the policy implementation was deficient and need urgent attention for the country to experience the much needed development.

2.10 Theoretical Framework: Theory of Human Capital

The theory of human capital development traces back to 17th century during the emergence of classical economics in 1776 and subsequently developed into a scientific theory. Notable scholar like Schultz (1961) recognized the human capital as one of important factors for a national economic growth in the modern economy. Smith (1976) argued that a general stock of every country can be divided into three sections, one of them being a fixed capital. After listing the obvious – machines, buildings and land, he continues with “useful abilities of all inhabitants or members of the society.” Smith further stresses that people have expenses during their education, as they learn necessary skills and it can be taken as an investment in the person. Aside the benefits of skills to individual, it can also translate to societal gain in addition to capital inputs towards increasing country's productivity leading to high return on profitability. According to this theory, a more skilled workforce makes it easier for a corporation or country to employ and implement new technological known-how, thus reinforcing returns on education and training. This is because; education leads to increase in productivity and efficiency of workers by increasing the level of their skills set. Schultz, Becker and Mincer introduced the notion that people invest in education, which can be formed by combining innate abilities with investment in human beings (Isola, & Alani, 2012).

Financing basic education consequently has economic implications. Huge monetary investment in basic education is a sacrifice that is worthwhile. This provides foundational opportunities that are crucial to

the development of a functional individual. It is a very critical sector in any educational system laying the foundation that not only increases the quantity, but more importantly the quality of individuals for productivity. Increased money allocated to basic education, when properly utilized, motivates school improvement and effectiveness to benefit learners.

3.0 Methodology

The study is descriptive in nature building on the existing research works. It generated data from secondary sources such as report of National Bureau of Statistics, UNESCO reports, Budget office report on national budget, UNDP report among others. It employed the use of descriptive statistics (simple percentage) tool for analysis. Where data generated on the annual allocation to education was transformed into percentage so as to determine its stage vis-à-vis international benchmark set for the nations to transform their educational system.

4.0 Discussion of Results

The data collected is presented and analysed using tables and percentages as follows:

Table 1: Total and percentage of national budgetary allocations to educational sector from 1999 – 2020

Year	Amount (N'B)	Percentage (%)
1999	2.7	4.46%
2000	40.9	8.71%
2001	63.7	7.13%
2002	73.4	6.9%
2003	75.4	7.75%
2004	93.7	5.24%
2005	147.8	8.21%
2006	195.6	10.43%
2007	221	9.75%
2008	250	10.04%
2009	252.2	8.79%
2010	339.6	7.37%
2011	393.8	9.32%
2012	468.3	9.86%
2013	426.5	10.21%
2014	493	10.63%
2015	492	10.75%
2016	483	7.92%
2017	455	7.41%
2018	496	7.04%
2019	512	7.1%
2020	541	6.9%

Source: Budget Office, 2020.

It can be observed on the table 1 that the budgetary allocation to educational sector has rarely past 10%. The allocation fluctuates around 7% - 10% from 2000 – 2020. It maintains a steady fall from 2016 – 2015. The recent allocation of 6.9% in 2020 revealed the worst case scenario. However, the allocation to the sector was quite below the international bench mark of 15% - 20% set by Global Partnership for Educational Development, (2016) of total national budget for the achievement of educational

development, thereby increasing access, recruitment and training of quality teachers, supply of adequate teaching aids, construction of adequate learning facilities.

However, the alternative source of funding education like the 2% of the consolidated revenue fund has not been accessed by many states. For instance, in 2016 only 3 states were able access UBE intervention fund, and 19 states in 2015. This could be as a result of the inability of state government to provide their 50% counterpart fund. Therefore, as at July 22, 2019 according to UNESCO, (2020) UBEC as a large deposit reserved of not accessed UBE intervention funds.

Moreover, poor funding affects students' enrolment and completion rate. As it can be observed on the completion rate of table.

Table 3: Educational Trend in the Country, 2000 - 2020

Year	Number of Pupils	Gross intake into		Primary Gross		Primary Net			
		Enrolment Rate	Completion Rate	Enrolment Rate	Completion Rate	Enrolment Rate	Completion Rate		
		Primary (%)	Enrolment Rate (%)	Primary (%)	Enrolment Rate (%)	Primary (%)	Enrolment Rate (%)		
TOTAL, Both genders		Male	Female	Male	Female	Male	Female		
2000	19,151,442		121	98	106	85	70	59	82
2001	19,041,223		129	106	102	84	#N/A	#N/A	82
2002	19,806,082		129	106	104	85	#N/A	#N/A	82
2003	20,600,798		124	102	106	87	70	61	82
2004	21,395,510		125	107	107	89	71	62	82
2005	22,115,432		122	105	108	90	72	63	82
2006	22,205,448		110	95	106	89	72	64	82
2007	21,513,996		110	98	99	86	65	59	82
2008	19,979,637		96	86	89	79	74	67	82
2009	20,080,986		95	87	88	78	74	67	82
2010	20,681,805		93	83	88	79	75	68	82
2011	21,164,261		96	87	87	80	75	69	77
2012	21,673,570		98	90	87	80	75	70	80
2013	22,157,650		100	93	87	80	76	71	81
2014	22,741,025		101	95	87	81	77	72	78
2015	23,537,443		103	97	88	83	78	74	72

2016	24,599,208	104	99	90	86	80	76	75
			72					
2017	25,575,933	105	101	91	88	81	78	77
			75					
2018	26,463,115	106	102	93	90	83	80	79
			78					
2019	27,257,843	107	104	94	92	85	82	81
			80					
2020	27,960,282	108	105	96	94	86	84	83
			82					

Source: Education Policy and Data Centre, the science of improving lives, 2020.

The above table 3 shows net enrolment and completion rates in primary school in the country from 2000 to 2020. Relating the net enrolment with the budgetary allocation it can be observed that net enrolment for both male and female in the primary school tend to increase as the budgetary allocation to the educational sector increases. It also revealed a slide increase in the completion of primary school by pupils in the respective years.

4.1 Discussion of Findings

It was revealed that allocation to educational sector was quite below the international standard of 15 – 20%, this has affected the implementation of the national policy which emphasize free, compulsory and uninterrupted 9 year of basic education as well as achievement of secondary education. It therefore affects the quality of human capital in the country.

The national policy on education 2004 recommended a teacher-pupil ratio of 1:35. However, from 2010 – 2019 Nigeria has an average of 1:38, where as other fast developing countries like China, India and Ghana have 1:16, 1:33 and 1:27 respectively (UNDP report, 2019). These countries were able to keep the ratio quite below the minimum standard partly because funding of education is given topmost priority in their public spending.

It was found out that the poor allocation made to education sector affects students' enrolment in the primary and junior secondary school (basic education). This is evidenced in the rate of enrolment into junior secondary school from 2012 – 2016. It was found out that many children of school-going-age are out of school. This was a result of the low coverage of the educational system in the country.

It was also found out that many states could not access UBE intervention funds as a result of their inability to meet the requirements necessary for the access. This result to a large deposit of funds that is not accessed at UBEC.

5.0 Conclusion and Recommendations

Based on the findings above, the following recommendations are made:

There is need for government especially at federal level to increase its budgetary allocation to at least 15% of its total budget to the education sector so as to improve and expand the present educational facilities, supply teaching aids, motivate teacher through payment of their benefits as and when due as well as employment of more qualified teachers. Government at all level should ensure that number of out-of-school is reduced a barest minimum so that Nigeria will not be having the highest number in the

world. This is achievable through incorporating flexible system of learning that accommodates all types of activities and occupation carried out by Nigerians.

There is need for all states that have not been accessing UBE intervention funds to access the funds so at the funds could be utilize for provision of educational infrastructure. This is achievable through meeting the requirements for access such as providing 50% counterpart funding. There is need for all stakeholders like Donor agencies, Nongovernmental Organization, and Private sectors to complement government effort in order to improve the funding of the sector so as to increase access to education in the country.

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Accelerating Women Economic Empowerment through Social Enterprises in Northwestern Nigeria: A Social Innovation Approach

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Abstract

Empowering women and closing gender gaps are key to achieving 2030 sustainable development Goal. Despite the fact that women entrepreneurs in the northwestern part of Nigeria are innovative, and with the required policy to support such initiatives, still, better performances are expected. However, women-owned social enterprises are having little or no impact on economic development due to low productivity. Lack of required education, lack of skills and up skilling to manage their businesses operations and lack of training opportunities. Also, low level of required skills in technology and digital innovation. The purpose of this paper is to examine women's economic empowerment through social enterprises in Northwestern Nigeria, using a social innovation approach. The study is set out to weigh the influence of social innovations on women's economic empowerment and women-owned social enterprises in north western Nigeria. The study was built on related literature review and synthesis for the purpose of attaining the set objective. A conceptual model was proposed where relationship between concepts was established. The study revealed that the social innovation components are very vital in fostering women economic empowerment and social enterprises especially with regards to women entrepreneurs in the northern part of the country, hence, the reason for positive and significant impact on women economic empowerment and growth of social enterprises. An empirical study was recommended in order to establish empirical evidence to further intersect the findings of this study.

Key words: *Social Innovation, Social Enterprises, Digital Technology, Women Economic Empowerment.*

1.0 Introduction

There is a clear indication from the world experience that successes in social and economic development can be achieved by countries where significant attention is paid to women's empowerment. Empowering women and closing gender gaps are key to achieving 2030 sustainable development Goals, particularly Goal 1 on ending poverty, Goal 5, to achieve gender equality and Goal 8, to promote full and productive employment and decent work for all. Thus, a host of international, national and non-governmental organisations had numerous policies and initiatives on women's economic empowerment in Nigeria; but little positive influence is achieved in the north especially in the northwest zone. A report by the world Bank (2020) revealed that poverty has been on the increase in the North; constituting 87 percent of all poor people in Nigeria; with almost half of the poor people live in the North West zone. Therefore, the increased poverty in the North West zone, translate to increase poverty for women.

Likewise, evidences have shown in both developed and developing countries that organisations with the sole aim of profit maximization contributed to the failure of United Nations to meet the millennium development goals (Abbas, et al., 2019). Consequently, the Sustainable Development Goals (SDG) now focused on sustainable solutions by encouraging hybrid organisations such as social enterprises. Indeed, the performance of these enterprises not only depends on financial innovations but also social

innovations which comes with some challenges. Hence, the project aims at stimulating women-owned social enterprises to improve women's economic empowerment through social innovation; and develop a gender framework for policy makers.

1.2 Statement of the Problem

The participation of women in economic activities had foster socio-economic development. With the identification of numerous benefits of women's economic empowerment, some women-owned businesses had move beyond profit maximization to create social enterprises using their innovative social approaches. By nature, women entrepreneurs are innovative (Aliyu et al., 2019); and with the required policy to support such initiatives, better performances are expected.

However, women-owned social enterprises in the north western Nigeria are having little or no impact on economic development due to low productivity, lack of required education, lack of skills and up skilling to manage their businesses operations and lack of training opportunities. Also, low level of required skills in technology and digital innovation. In addition, there is no evidence from the available literature on a gender framework that will guide potential women social entrepreneurs in the northwest zone. Furthermore, studies suggests more intense research in the field of social innovation especially with reference to gender perspective this is because the field still lacks a conceptual understanding of Social Innovation (Caroli, Fracassi, Maiolini & Pulino.(2018). Thus, this paper aims to provide a framework for social entrepreneurs for enhanced empowerment.

1.3 Objectives of the Study

The overall objective of this research paper is to improve women's economic empowerment and women-owned social enterprises in northern Nigeria through social innovation. The specific objectives are to:

- i. Determine the effect of transformation of social enterprises, on women's economic empowerment
- ii. Ascertain the influence of innovative character on productivity among women-owned social enterprises
- iii. Identify the effect of required education on innovation in social enterprises on women economic empowerment
- iv. Determine the effect of actors in social enterprises on women economic empowerment.
- v. Ascertain the effect of process of social innovation on women economic empowerment
- vi. Develop a social entrepreneurship framework from gender perspective.

1.4 Research Questions

- i. What are the effects of transformational nature of social enterprises on women's economic empowerment?
- ii. What is the influence of innovative character among women-owned social enterprises on women economic empowerment?
- iii. What are the effects of required education on Innovation in social enterprises on women economic empowerment?
- iv. What are the effects of actors in social enterprises on women entrepreneurs' economic empowerment?
- v. What is the effect of process of social innovation on women economic empowerment?

2.0 Literature Review

2.1 Women Empowerment

Empowerment is the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes (World Bank,2011).Women's empowerment is a process whereby women's lives are transformed from a situation where they have limited power as a consequence of gendered barriers, to a situation where their power is equal to that of men. Women's economic, social, personal and political empowerment is interconnected; positive change in one dimension of women's lives is unsustainable without progress in the others. WEE refers to the capacity of women “to participate in, contribute to and benefit from growth processes” (OECD,2012).WEE contributes towards women's empowerment as it focuses on women's ability to gain access and control over productive resources and be recognized as fully participating economic actors (Oxfam's Conceptual Framework on Women's Economic Empowerment,2017).

2.2 Social Entrepreneurship

2.2.1 Women as Social Entrepreneurs

Social entrepreneurship begins with the social entrepreneur, the individual woman entrepreneur who possess may innate characteristics (such as passion, dedication, risk taking, purpose, selflessness, intuitiveness, intelligence and faith as proposed by Elizabeth Thornton) which drives her to create an enterprise in order to tackle and solve a societal problem and also to effect change. Fewer women than men set up social enterprises, although the gap may be slightly narrower than in the for-profit sector. British Council (2017) posits that women social entrepreneurs are likely to earn less than their male counterparts and their for-profit counterparts, and are unlikely to move into the for-profit sector. This restricts women's economic empowerment. It also restricts the spread of social enterprise values into the wider business environment.

Among various social entrepreneurship definitions, Skivko (2022) highlights it to be the intention to create social value by solving social problems. It is innovative, resourceful, and results-oriented; it develops, funds, and implements solutions to social, cultural, or environmental issues. Social entrepreneurs create new ideas or redesign existing ones, use various opportunities to complete a social mission, and engage in the innovation process. Social business is sometimes quite risk-taking and full of accountability; social entrepreneurs usually address unusual problems and requests through market methods and innovative ideas. Furthermore, Alvord, Brown and Letts (2004) notably define social entrepreneurship as a driver of social transformation,-they further describe it as a concept that creates innovative solutions to social problems and mobilizes resources, ideas and social structures for persisting social transformations. In this definition, they characterize issues such as poverty and marginalization to be key examples of persistent social problems.

2.2.2 Social Enterprise

The idea of social enterprise is often mistake as charity, social movements or nonprofit association. According to British Council (2017): “A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders”. Social enterprises in comparison, have in their core mission to respond to social needs (Westley & Antadze, 2010) and are fully committed to creating positive social change simultaneously as having a commercial interest (Canadian Centre for Social Entrepreneurship, 2001). Social enterprises can successfully utilize innovation with for profit commitment as well as achieving positive social change (Akinyemi, 2013), especially through something called social innovation (Urama & Acheampong, 2013).

2.2.3 Social Innovation

The concept of 'social innovation' is defined as a novel solution to a social problem that is more effective, efficient, sustainable, or just more effective than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals (Phills, Deiglmeier, & Miller, 2008). Social Innovation focuses on social value like the solution for social problems with limited resources, seeking for political recognition, financial support, voluntary labor, and philanthropic commitment (João M. S. Carvalho, Undated) Social enterprises are understood as "organizations seeking business solutions to social problems"(Thompson & Doherty,2006).One explicit goal of social innovation is to empower communities, as well as the individuals that are involved in activities within those communities, but this does not necessarily always occur due to short comings of social women entrepreneurs in the northwestern Nigeria

Tardif and Harrison (2005) analyzed 49 studies conducted by members of Centre de Recherche sur les Innovations Sociales (Crises) and found five main dimensions of social innovation: transformation (context in which the social innovation is developed), innovative character (social action that leads to the formation, implementation, and dissemination), innovation (type of innovation, its scale and its purposes), actors (actors involved in generation and implementation), and process (modes of coordination, the means involved and the restrictions to its implementation).

Actors Influencing Low Level of Productivity Among Women-Owned Social Enterprises omen social entrepreneurs are not primarily driven by earning an income, however. For almost I women social entrepreneurs identified, their primary motivation in setting up a social enterprise is to address a social or environmental concern, or to benefit their community. Some of the women also prefer flexible working around family commitments as an important motivation. Women and men face most of the same barriers when starting and running social enterprises. As with for-profit entrepreneurship however, women social entrepreneurs do encounter some additional barriers. Among the most common observed by the researchers were: greater demands on time through home and family commitments, less access to finance, less confidence in skills and ability , lack of required education, lack of skills and up skilling to manage their businesses operations and lack of training opportunities.

Studies(Dixon,2019;Douglas et al., 2018; Haugh & Talwar, 2016; Macacine, 2020;Maguirre et al.,2016) revealed benefits of women's economic empowerment achieved by social enterprises through social innovation to include empowering women to create more micro-enterprises, changing traditional social order, increased general well-being, more equalitarian society, opportunity for future leadership skills and positive peace in the community.

In this paper, social innovation is understood as a process that produces a tangible or intangible outcome that ultimately generates wellbeing in the community. In this sense, it shares some elements that also characterize social enterprises, to the point that in many cases the social innovation is implemented through social enterprises

2.2.4 Technology and Digital Innovation among Social Entrepreneurs

Digital technologies deliver considerable changes in the global society. Their impact can be measured not only in organisation' profits and ratings but in social categories, too. According to Skivko (2022) digital technologies allow social entrepreneurs to more easily exchange data, reach more potential clients, and popularize a product or service with fewer costs. Personalization and micromarketing structure a new business model for more efficient work and better reaction to social demands. Digital

social innovation (DSI) involves the use of digital technologies in the development and implementation of innovative products, services, processes and business models that seek to improve the well-being and agency of socially disadvantaged groups or address social problems related to marginality, inequality and social exclusion (Qureshi, Pan, & Zheng, 2017; Shalini et al., 2021)

Innovations in technology have the potential to address a wide spectrum of areas where women are disadvantaged: knowledge and information, reproductive health, infrastructure, livelihoods, mobility and communications, among others. Technologies such as the Internet, cell phones, alternative energies, water filtration and sanitation, reproductive technologies, agricultural innovations can empower women on multiple levels and spheres: individual, household, economic, social and political. Likewise, digital tools for communication and information exchange simplify marketing, advertisement, and communication strategies for women social entrepreneurs.

Moreover, digital technologies simplify and support social entrepreneurship practices, from crowd funding platforms to find investors, to developing a particular technology as a solution for a specific demand. Some scholars define a particular hybrid type of social business as digital social entrepreneurship (Masiero & Ravishankar 2019)

2.3 Theoretical Framework

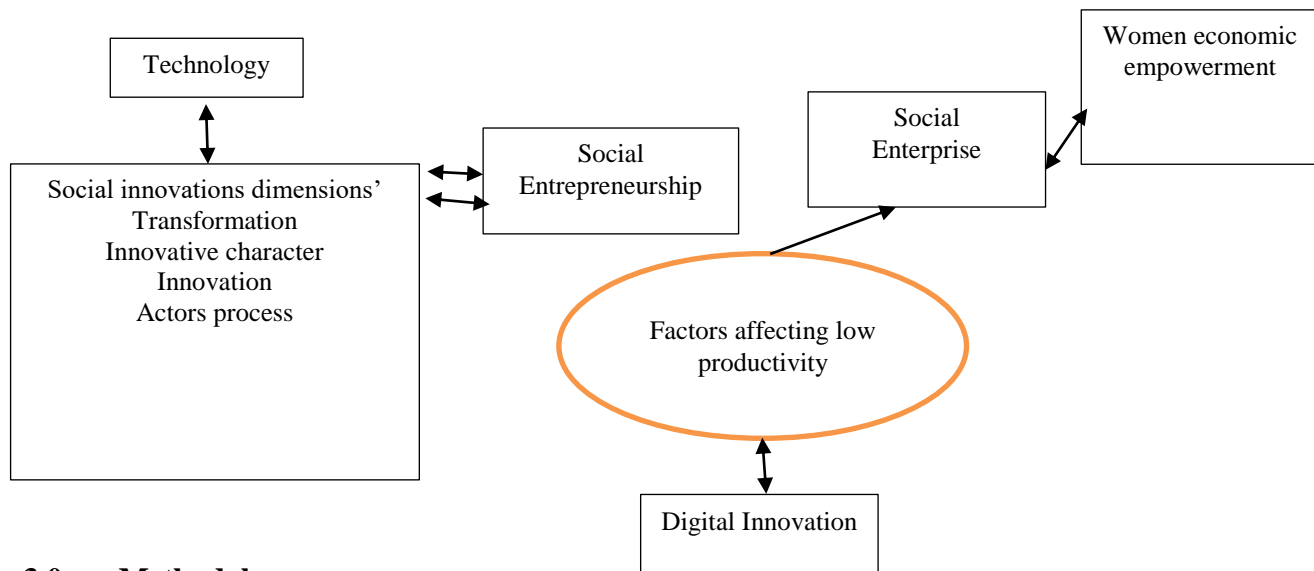
2.3.1 Social Empowerment theory

As seen in the definitions of empowerment from the disciplines of economics, psychology and political science, central to this concept is recognition of social marginalization as the context in which empowerment occurs. In fact, the ways a power structure/authority socially marginalizes individuals or groups requires empowerment on the part of the marginalized individual or group to achieve self-determination. Friere's work in education takes this approach and, like that discussed above in development economics, defines empowerment as a process of self-actualization--moving from being an object where others determine your actions or opportunities, to becoming a subject with agency to enact change on your life and achieve your self-determined goals Zimmerman, (2000).

Social Empowerment theory explains process of building the autonomy, power, confidence and other necessary means to enact change and pave way for better future. It takes place at both individual and collective level. Therefore, empowerment theory in social work uses intervention to methods help guide people towards building autonomy and control in their lives. This theory recognizes that oppression is a primary contributor to disempowerment, experienced across number of marginalized groups which most times women are victims. The empowerment theory seeks to empower individuals and communities to gain personal, interpersonal and political power to better their lives.

2.3.2 Social Innovation Theory

Social innovation refers to the general and implementation of new ideas about how people should organize social interactions to meet one or more social goals (Nicholls et al., 2015). According to social innovation theory, co-produced solutions are assumed to have positive societal effects, either through increasing aggregate utilitarian value or by empowering citizens in innovation process. Social innovation has emerged as a potential solution to social challenges such as youth unemployment and social exclusion (Howaldt et al., 2015).



3.0 Methodology

The objective of this paper is to emphasize on social enterprises and how they promote women entrepreneurs economic development through innovations and present it in the form of conceptual framework. The paper realizes the review on women social entrepreneurship, social innovations and empowerment and gives some recommendations to researchers, policymakers, academicians for future improvement of this field. The paper is prepared with the help of secondary data by analysing the different research papers, articles and journals

4.0 Results and Discussion

Social enterprises potentials to create innovate social and economic value to women is under-researched especially in Nigeria; and what evidence does exist in the few studies show a mixed picture. Theoretically, it is expected that the proposed research project will contribute to the extension of social entrepreneurship literature from gender perspective. At the practical level, the project will increase productivity and output; create new generation of female entrepreneurs; boost the managerial capacity of women-owned social enterprises; improve women entrepreneurs' involvement in technology and digital innovation; and reduce poverty level in the northwest zone. Moreover, encouraging women to engage in economic opportunities through innovative social enterprises will expected to shift social norms especially where women are discouraged from working outside the home.

4.2 Conclusion and Recommendations

The insights derived from the above systematic review of social entrepreneurship, social innovations, digital technology and women economic empowerment highlighted a clearer picture of the how social innovations affects the activities of social entrepreneurs and social enterprises. The study explores and increase understanding on the place of social innovation in social entrepreneurship and its effect on creation of social entrepreneurship which in turn fosters women empowerment. Social entrepreneurship is a form of entrepreneurship that is concerned with not only the generation of economic value, but also the creation of social value (Steyaert & Dey, 2010).

Women are important part of economic development for any country. As we can not imagine the family without women, the development of economy is incomplete without the contribution of women. There are several reasons why academic research should be done in the area of Social Innovation. Even though

many people talk about it, the scientific academic debate on Social innovation is not deeply established, because it is still not clear whether Social innovation should be considered as a phenomenon or as a theoretical framework. Thus far, despite this increasing academic interest, the management field lacks a conceptual understanding of Social Innovation. It is therefore recommended that an empirical study should be conducted in order to find further the relationship between the variables under study and establish empirical evidence

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Innovative Skills: Plausible Antidote for Finding Jo Opportunities among Nigerian Graduates

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Abstract

The need to realize the importance of innovative skills in a developing society is very crucial especially to an economy that is willing to move the people from the significant level of unemployment to a society full of opportunities and bliss. The Nigerian government in the quest to reduce youth unemployment has adopted so many strategies yet unabated. The height of graduates' unemployment in Nigeria arose the interest for this paper. In other words, what strategy or strategies should be adopted to reduce if not eradicate the menace was the thrust of this study. The paper is descriptive in nature therefore, utilized information from secondary sources like journals, books, websites, the internet, newspapers, and the professional experiences of the researchers. The information generated from these sources was helpful in addressing the issue under study. There was also a wealth of personal experiences on entrepreneurship and as facilitators and participants in some training and manpower development programmes organized by some institutions. The content analysis was used in presenting the information. People are often unemployed not solely because there is no job available but due to their poor skills for the job. On that ground, the study posited that graduates and youths, in general, should embrace but not be limited to the following innovative skills; ICT skills, marketing skills, writing and communication skills, entrepreneurial skills, and research skills. This would go a long way in reducing youth unemployment and ensure a productive population and decent work for all.

Keywords: Nigerian Graduates, Skills, Innovations, Job Opportunities

1.0 Introduction

One of the goals of every developing country is to achieve full and productive employment and decent work for all as enshrined in United Nations Sustainable development Goal 8 and also to end poverty in all its forms everywhere (UN, 2012). The concern for the unemployment rate in Nigeria is very alarming. A significant number of graduates come out from different universities in Nigeria at different intervals but the system to accommodate these thousands of graduates is not healthy enough to do so. The general unemployment rate in Nigeria according to the National Bureau of Statics (2022), jumps to 33.3% as at 4th quarter 2020 while the rate of youth unemployment in Nigeria as of 4th quarter of 2020 was 42.5%. A high youth unemployment rate is synonymous with increased insecurity and poverty a situation that can be viewed as a ticking time bomb.

This is very worrisome in a country bequeathed with bountiful human and natural resources. Nigeria is Africa's largest economy, with a Gross Domestic Product (GDP) worth 432.30 billion US dollars. The GDP value represents 0.38 percent of the world economy. South Africa, the continent's next largest economy, has a GDP of \$301.92 billion. Nigeria's GDP per capita is \$5,136 compared to \$12,482 in

South Africa (CIA World Factbook, 2019). The inflation rate according to CIA World Factbook, (2019) stood at 11.30% compared to 4.10% in South Africa. Currently, Nigeria, a member of the Organization of Petroleum Exporting Countries (OPEC), occupies the eleventh-largest oil producer in the world with over one million, seven hundred and seventy-five thousand, and nine hundred and forty barrels of crude oil per day (U.S. Energy Information Administration as of 26th March, 2021).

Despite the resources Nigeria is characterised with, poverty and unemployment are still significant in the land. Data from the World Poverty Clock revealed that Nigeria has over 87 million people living in poverty, compared to 73 million in India (The Punch, 2018). This may be attributed to the misappropriation of funds or little concentration on public infrastructure for employment. When graduates are not engaged, the environment is not conducive to work, and the population is increasing day by day without an approximation of job opportunities, the consequences are not far from being youth restiveness and other social vices. That is why there is a need to look into the relevance of innovative skills as alternatives to alleviating if not eradicating youth unemployment in Nigeria.

1.2 Statement of the Problem

According to the National Bureau of Statistics (2018), over 13.9 million youths are unemployed. The highest unemployment was recorded for youths between 15-24 years standing at 40.8%, followed by those aged between 25-34 years at 30.7%. In the 4th quarter of 2020 it rose to 42.5% (National Bureau of Statics, 2022). This situation in Nigeria has turned around the hands of the clock by reversing the traditional system whereby, parents train their children and other relations, with the hope that after graduation they will get jobs and become financially independent as well as help in training their siblings.

However, the revise is the case. A significant number of graduates of higher institutions no longer have something to fall back on after graduation in terms of employment. This has made many of the unemployed youths to continue depending on their old parents even after graduation. Some lucky ones who still be sponsored by their parents or uncles to go back to the University for a Second Degree, why they wait for job opportunities. Some will even go to the extent of finishing their second Degree and enroll in a Doctoral Degree with the same hope that at worse, a good doctoral degree will fetch them jobs in the institution of higher learning. In the end, some may succeed while others fail to achieve that ambition. It is also very interesting to note that even the banking sector that normally absorbs graduates irrespective of their disciplines have left some of their staff joining the labour market due to economic instability. Anybody who doubts this can reflect to 2020 covid-19 pandemic shock in the country.

This is very worrisome and pathetic, that is why the growing emphasis and awareness on innovative skills among graduates to solve problems they observe are among the underlying issues in the pursuit of several countries from which Nigeria is not exempted. We live in an era of information and technology or what some people called the computer age, where millions of people are brought together to discuss and achieve their aims and goals through electronic means (device). If the Far East Asian countries that missed the Industrial Revolution can close the gap between themselves within the last 30-40 years, and even USA and Europe through technology advancement and the internet, Nigeria can do that too.

Ugly to state here that the worrisome situation, has turned some productive youths into taking laws into their hands by engaging in so many social vices like the incessant kidnapping and banditry, human trafficking, internet frauds, robbery, and even leading to committing suicide. All these devilish observed

practices could have been averted if there were enough sensitization on the relevance of Innovative skills among Nigerian graduates towards finding job opportunities.

To worsen the situation, it was reported by International Labour Organization (2020) that the number of people that are unemployed as a result of the pandemic has increased from a 5.3million to 24.7 million globally. Shocks related to the Covid-19 pandemic on the labor market are likely going to affect the quality of jobs for young people including those in the informal sector where 77 percent of the youths work (CDC, 2020). Thus, the need to show how Nigerian graduates can develop themselves skillfully, and become a productive population.

1.3 Research Objective

The general objective of the study is to show the relevance of innovative skills towards finding job opportunities for the youths. Specifically, the research will reveal so many innovative skills graduates and youths in general can easily equip themselves for employability.

2.0 Conceptual Clarifications

2.1 Concept of employment opportunity

This refers to the number of jobs created by a youth employment intervention, with the primary indicator being the employment rate of project beneficiaries. An indicator of job employment is the quality of the job. According to International Labour Organization (2013a), job employment is from a people-centric perspective (i.e. whether an individual is employed, underemployed or unemployed), rather than focusing on the job as the unit of analysis. The “employed” comprises of all persons who worked for pay, profit, or family gain for at least one hour in the reference week plus the number of persons who are temporarily absent from their jobs. From the observation, one sees that three different employment statuses are captured by the terminology. “For pay” included any individual who performed some work for wage or salary, in cash or kind (wage & salaried workers). “For-profit” targets include self-employed workers; and “for family gain” allows for the inclusion of contributing family workers who worked in a family establishment (ILO, 2018).

A person is said to be employed if they fit the definition given by the International Labour Organisation and they are of youth age. It is also understandable that what is said to be youthful age is dependent on the country. But for this research purpose especially in Nigeria context, the age of the youth is between 18 and 35. Youth is defined as “the passage from a dependent childhood to independent adulthood” when young people are in transition from a world of rather secure development to a world of choice and risk (Eurostat 2009: p. 17). The United Nations defined youth as the age cohort of 15-24. The Commonwealth defines youth as 15-29 years of age. The African Youth Charter defines youth as “any individual between 15-35 years of age. We can see that there is no generally acceptable range of youthful age (Chibuzor et al, 2019b).

According to ILO (2018), “Young persons that are not employed are either classified as being “unemployed” or “outside of the labor force”. To be considered unemployed, a young person must be both (i) carrying out activities to seek employment (during a specified recent period (ii) currently available to take up employment given at a particular time.

2.2 Concept of Innovative Skills

With the transition to digital economy, innovation has become a driving force for economic and social change. Innovation can result from complex interactions existing between the impulse of science and the

attraction of the market. Innovation activities can depend on the firm's or individual's capability to create and acquire knowledge that not only creates inventions but also brings innovations successfully to market place. People perceive innovation at both macro- and micro-levels. While the former is associated with a nation's economic and social progress, the latter is connected to the quality of an individual's life. According to Speelman (2005) a skill is seen as ability to do something well, usually gained through training or experience. Skills are often acquired after a training session or after a practical. It involves the development of a new practice or a way of doing things usually gained through training or experience.

Innovative skills thus, was viewed by Baldwin and Hanel (2003), from a firm's talent for internal problem solving and its ability to forge productivity external linkages via networks, strategic alliances, and user-producer relationships. It can be described as the scientific knowledge of an individual or group of individuals or firms towards meeting up with internal and external societal problem (Baldwin & Hanel, 2003). Innovative skills entail that individuals should be original, creative open minded, resourceful and knowledgeable (Obi, 2010).

To obtain a higher level of education, to be more creative, and to boost their ability to perceive essential achievements in science, technology, and innovation (STI) and implement those in daily practices just to mention a few are the expectation of the population with innovative skills. In terms of personal qualities, successful innovators, to a large degree, exhibit entrepreneurship, leadership, self-confidence, and creativity. Interestingly, unsuccessful innovators have similar psychographic profiles, but their skill range is more restricted. This similarity implies that the innovative potential of an individual is not an instinctive feature, and essential skills for innovation can be learned. The same is true for personal qualities, or 'soft' skills (Global Innovation Index, 2014). Continuing with Global Innovation Index, successful innovators are the most active in browsing professional information on the web, reading Science Technological Innovation (STI) literature, attending exhibitions and conferences, and studying information about competitors, consumers, and/or suppliers. People with innovative skills are technologically advanced because they are studying new professions and learning new work techniques and equipment. They are also notable for achieving the highest scores in e-skills such as; information sourcing, sending of email, are able to install new devices and use specialized software. In addition to strong cognitive skills, they are best equipped with the knowledge of business processes and are experienced in team building and steering, developing enterprise strategies, marketing, and external communications (The Global Innovation Index, 2014).

2.3 Skills necessary for Youth Employability

Skills according to Obi (2010) are talents, one's potentials and one's abilities which could be put into further purposeful actions or use. To ensure graduate employability, and reduce unemployment, these innovative skills but not limited to the following are to be considered:

2.3.1 Information and Communication Technology Skills

Life in the new knowledge society demands more independent and responsible behavior and much less routine execution of orders. To prosper, and sometimes even to survive, people now need to be able to make responsible decisions in new and unexpected situations. Most of all, they need to continue to learn throughout life. Individuals seek to use ICT for personal growth, creativity, and joy, consumption, and wealth. They also need to be able to analyze mass media information critically and to use it productively. The Internet is a global network of billions of computers and other electronic devices. With the Internet, it's possible to access almost any information, communicate with anyone else in the

world, and do much more. You can do all of this by connecting a computer to the Internet, which is also called going online.

Most Contemporary organizations carry out functions and duties through the use of ICT devices. This is why contemporary Nigerian graduates should equip themselves with but not be limited to the following ICT skills; Internet skills, Software Installation, Excel sheet, MS Word, receiving and sending mail through E-mail, Web Site design, Adobe page maker, PowerPoint, Corel Draw, etc. The above will enable them to be employable and self-reliant. A motivated graduate after National Youth Service Corp can open up a business center with these skills. Internet skills can provide us with information, on the latest job sites, information regarding any jobs, and the ingenuity of every job site.

2.3.2 Writing and Communication Skills

Writing and communication skills are very key for every job seeker whether in a public or private firm. Knowing how to write and then communicate is lucrative. People often think that a good writer must always come from the English language discipline. But is not so. Researches have shown that most popular writers did not come from the department of English Language. To write and communicate well, one must develop the interest and work towards it by equipping their library with the necessary books on how to write. It is very important to also emphasize having mastery of multiple languages. People who have mastery of more than one foreign language stand the chances of being engaged in most international organizations easily. Examples of such languages are; English, French, Dutch, and Chinese etc. Interested graduates should be able to communicate effectively in both local and other Languages they have an interest in. Experts in writing and communication skills can be engaged in copywriting, story/scriptwriting, and the likes.

2.3.3 Marketing Skills

The use of ICT devices and social media in the world has made a thoughtful impact on marketing over the past few years. This has made entrepreneurs, small business owners, and others in the marketing line to always update their skills properly in order to meet the next generation of consumers. Therefore, prospective candidates into the labor market should endeavor to embrace digital marketing skills in these areas but not limited to the following; Content Marketing, Email marketing, social media marketing, Affiliate marketing, and Search Engine marketing. Skills in these areas can help one build a brand, engage in entertainment, and educate the audience. For example, consumers are always hungry for information about how to solve their problems or even fulfill their desires and these problems can easily be solved through the information generated from the content, social media, email, or even search engines. So it is advisable, that graduates should equip themselves with the ICT skills necessary for these digital marketing types.

2.3.4 Research and Data Analytical skills

Research skill is another area worthy of mentioning. The world cannot stop engaging in one research or the other, therefore, it is highly imperative that graduates are equipped with research skills and data analysis. Many research institutions are on the outlook for individuals with research skills most especially, on data analysis and interpretations. Knowledge on how to use two or more of the following computer software for data analysis and interpretations will create employability in the labor market and also ensure self-reliance. Such software like; Statistical Package for the Social Sciences (SPSS), R Foundation for Statistical Computing, Matlab, Eviews, Stata, Partial Least Squares (PLS), Microsoft Excel, Statistical Analysis Software (SAS), GraphPad Prism, and Minitab. Students require ICT

understanding and skills as they graduate from school to meet the future challenges locally and internationally.

2.3.5 Entrepreneurial Skills

The growing level of unemployment in the country is very alarming. This is the reason Nigerian youths should be interested in entrepreneurship. This will not only make the youth become self-reliant but will stop them from chasing non-existing jobs. The entrepreneurial skills Nigerian graduates can embark on include but are not limited to: Event Management, Tailoring, Fashion designing, Household production (toilet soap, bar soaps, liquid soaps, body cream, disinfectant, starch, perfumes etc.), Hair Salons: (braiding, fixing and styling of hair), Bakery, Decoration, Paint production, Poultry farming and Pig farming, Shoe production. In general, it should be recalled that nothing good comes easy, therefore, the prospective entrepreneurs should possess the following attributes; personal conviction, Goal setting, optimism, perseverance, foresight, and time management.

2.4 Theoretical Framework

So many theories can be used to underpin this study such as; Innovation theory by J.A. Schumpeter, Achievement theory by David. C. McClelland, Status Withdrawal theory by E. Hagen, Social Change by Max Weber, and lastly Human Capital development by G. Becker in 1964. For this study, Human Capital development theory by Becker was used to underpin the study. This theory was chosen based on its' interest in addressing human development.

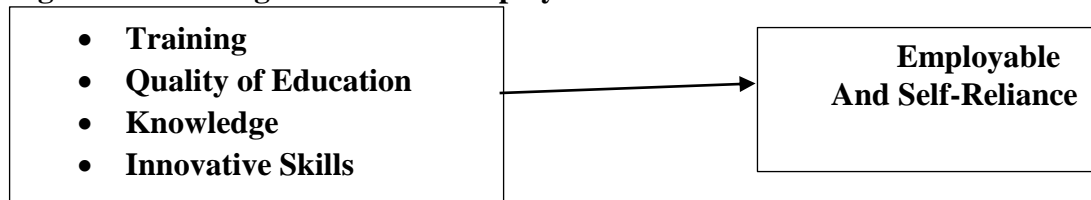
2.4.1 Human Capital Theory

Becker's classic book, Human Capital: A theoretical and Empirical analysis with special reference to education, illustrate this domain. Beckers argues that there are different kinds of capitals that include schooling, a computer training course, expenditures on medical care. Lectures on the virtues of punctuality and honesty are capital too. In the true sense, they improve health, raise earnings, or add to a person's appreciation of literature over a lifetime. Consequently, it is fully in keeping with the capital concept as traditionally defined to say that expenditures on education, training, and medical care etc., are investment in human capital for the purpose of its development. These are not simply costs but investment with valuable returns that can be calculated within any given organization. Human capital refers to the knowledge, experts, and skills one accumulates through education and training. Emphasizing the social and economic importance of human capital theory, Becker noted that "the most valuable of all capital is that investment in human being". Becker distinguishes organization-specific human capitals from general-purpose human capital. Examples of organization-specific human capital include expertise obtained through education and training in management information systems, accounting procedures, or other expertise specific to a particular organization. General-purpose human capital is knowledge gained through education and training in areas of value to a variety of organisations such as generic skills in human resource development. In conclusion, education and training are considered to be the most important investment in human capital development.

Relevance of Human Capital Development Theory to the Study

As argued in the earlier study, the general human capital development, enhancement and investment includes training, education, knowledge and skills that will enhance human capital effectiveness and by implication its overall performance.

Figure 1. Reducing Graduate Unemployment Model



Source: Swanson Holton, 2001, Modified by the researchers

Based on the above diagram, it is cleared that graduate employability can be a function of training, quality of education, the knowledge acquired and innovative skills.

3.0 Methodology

The study is exploratory, therefore, utilized content analysis to explain the phenomenon under study. The data generated for the study were from the personal experiences of the researchers and materials from secondary sources such as; the internet, journals, textbooks, and newspapers.

4.0 Discussion of Results

Recognizing and appreciating the importance of innovative skills for socio-economic development is vital in a developing economy, although such an appreciation is not always coupled with intensive penetration of innovation into individual lifestyles. According to the Global Innovation Index (2014), a large part of the population remains isolated from technological advancements and uninvolved with any innovative activities. This isolation is explained by social barriers and the lack of personal attitudes, skills, and abilities needed to master knowledge and technology. Individuals that do not participate and embrace innovative skills are at risk of being left behind by social exclusion and subsequent backwardness. This may occur because of a lack of means and adequate skills to suit the transformational world, but it may also be deliberate because of poor self-confidence and an inability to adjust to a changing environment. The world has changed from just a theoretical or certificate graduation to advanced design thinking, creative thinking, collaborative leadership, agile leadership development, artificial intelligence in business, data visualization, disruptive innovation, and growth strategies. Researches have shown that most youths' unemployment is a result of poor skills among job applicants. The result of Restrepo (2015) revealed that the mismatch frictions, makes firms to find it hard to locate workers with the requisite skills for novel jobs and they respond by creating fewer jobs. Omene (2021) revealed that Skills Acquisition enable graduates to be self-reliant and develop strategy for channeling necessary energies away from paid employments to self-employment. The study also revealed that graduate unemployment can be reduced with their effective involvement in skills acquisition training. Innovative skills acquisition can give graduates a better employment status, and leave them with employable skills to startup their own business. Innovative Skills have been widely recognized as an important element in the dynamics of all economic and it is regarded as the driving force in economic growth and job creation. Developing graduates to have the spirit and drive towards innovative skills and business start-ups would entail preparing them to become successful, independent, independent, and even employers of labour therefore, becomes key to the economy.

Rodney (1972) posited that “in a developing economy, individuals need to be developed in terms of skills and capacity, greater freedom, creativity, self-discipline, responsibility and material well-being”. The issue of unemployment must be tackled with innovative skills. No nation can claim a stabilized economy when there are significant number of graduates and youth unemployment. Rodney (1972),

stated that “society develops economically as its members increase jointly their capacity for dealing with the environment”. According to Inkels and Smith (1960), in a society striving for development and modernization, the individuals have no option other than to place a high value on technical skills, and acceptance of innovative skills as a valid base for distributing rewards. Olufemi, Akinsanya and Olusegun (2015) carried out a study on the impact of skills acquisition education on employment generation. The outcome showed that majority (82.6%) of the respondents agreed that skills acquisition education empowered them to start a business of their own ($r = 0.826$, $p < 0.05$). The findings also indicated that skill acquisition by majority (61.4%) of the respondents had improved their performance thus, would give them a higher job opportunity.

Given the changing nature of the economy and innovation, innovative skills will serve as policies capable of addressing graduate and youth’s unemployment in Nigeria. This will to a great extent, determine the country’s global competitiveness. China is in their high accelerating development due to their innovative, creative and productive mindset of the citizens.

5.0 Conclusion

This paper makes some hints available on how the unemployment rate in Nigeria especially, graduate unemployment can be reduced through innovative skills. To provide a grounded discussion on the subject matter, it divided the topic into introduction, statement of the problem, the objective of the paper, and explication of some concepts like; employment opportunity, innovative skills such as; ICT skills, research skills, writing and communication skills, marketing skills, and entrepreneurial skills. This was followed by the theoretical framework. Human capital development theory was used to underpin the study and later discussion of the paper in general. The acme of the paper discussion includes that graduates should not wait for non-existing jobs. Some bold steps should be taken to become more innovative and self-reliant by identifying skills needed in the labor market, and their dormant skills and then trying to ignite them by proactive actions. Attainment and achievement do not come easily and are never rosy. In order words, it is associated with certain principles such as; reciprocal action- by implication, what one sows is what one will reap thus, there is the need for Nigerian graduates and youths at large to prepare themselves for the labor market by reducing their hope for white-collar jobs, embrace entrepreneurship, and develop themselves in ICT skills and production lines. We live in a world of ICT where almost everything is done electronically. Therefore, there are ample job opportunities in ICT-related areas as highlighted above. It is not unconnected that one’s destiny is in their hands. So, planning ahead of uncertainties is key to reducing risks and by extension, success.

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Demand – Supply Gap Analysis of Housing Delivery in Abuja, Federal Capital Territory

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Abstract

In Nigeria with the recent increase in prices of goods and services, housing delivery has become a national issue. According to previous studies, it is difficult to develop housing units because of limited access to land, money, and other resources. However, research on housing delivery have identified that project delays, poor project quality and financial problems as root reasons for bad housing delivery which is equally caused by time and cost overrun. Only a few studies tried to suggest cost control as an improvement tool for housing delivery though no concrete parameter has been attempted to proffer solutions. This study aims to improve the demand-supply gap in housing delivery using earned value analysis as a cost improvement tool. This study adopts content analysis approach to collect data. It carefully reviewed related literature on improving housing demand and supply, and the efforts made so far in housing provision. Findings from the preferred approach, demonstrated that the cost of building materials and population growth amount to a small percentage of the causes of the demand-supply gap, while the larger percentage is little to no knowledge of the application of cost management techniques, poor policy framework and low income. It also showed there was inadequate research conducted for this study in the last few years. It therefore suggested that housing policies and human development programs should be reviewed likewise an improvement in research work to bridge the housing demand-supply gap.

Key words: *Housing, Housing Delivery, Demand - supply gap, Cost improvement, Earned Value Analysis.*

1. 0 Introduction

Housing is a necessity of life and its availability has a cascade impact on other aspects of human life (Jiboye, 2010). Abram (1994) sees housing structure as physical structures where people seek shelter or even workplaces. Housing gives an impressive notion to every nation's economy, land market, construction materials, equipment labor market, and its relationship with a nation's financial market account for a significant share of the production activities (Babalola, 2014). Despite the nation that housing should be a right for every citizen, historical evidence suggests that many individuals, particularly black Africans, do not have it (Akumazi, 2014). However, barely 25% of the Nigerian population owns a home, compared to 70% of the population in industrialized economies worldwide (Akumazi, 2014). Onyike (2007) expressed that one of the key reasons for this is that, in Nigeria, few households can afford quality housing due to affordability concerns.

2.0 Literature Review

According to Disney (2006), the cost of housing, as well as household income, is what determines Housing affordability. At the moment, the related private sector is working to achieve mass housing by

providing affordable housing. However, the organized private sector does not take into account effective cost monitoring of housing delivery, and the question of cost and affordability is strangely disregarded (Akumazi, 2014). In Nigeria, the housing issues are related to qualitative and quantitative insufficiencies as many researchers like Mile et al (2000) have reported that poor housing delivery is related to poor performance but (Evaggelia *et al*, 2011) attributed it to the cost control measures applied. Liang et al (2015) observed that effective project delivery is catamount to the ability to know the cost control method to apply and when to use it. (Ogbu and Adindu 2012) observed the housing problem is not so much a choice of style or kind as it is a paucity of housing supplies. According to Adindu and Oyoh (2011), despite having a 36.2 percent urban population, Nigeria is one of the least urbanized countries in the world, especially when compared to Libya (86 percent), Angola (42 percent), South Africa (57 percent), the United Kingdom (90 percent), and the United States (75 percent).

Raji (2008) observed that the supply of affordable housing is one of the country's most pressing issues. The demand for housing and the capacity to secure the desired type of residence according to Olowa (2015) is out of sync, resulting in a nationwide demand crisis for affordable housing. While there is no denying that there is a housing shortage, it is important to remember that people can only buy what they can afford. The population growth from over 42 million in 1960 to over 151 million in 2010 has made the gap between the government's supply effort and actual success unbridgeable over time (World Bank, 2010). Despite these past efforts, only about 3% of the required housing stock is provided (Mile, 2000). According to earlier studies (Adams, 1996; Aniekwu & Okpala, 1988; Mansfield *et al.*, 1994; Ogunlana, *et al.*, 1996; Wells, 1986), the reason for poor performance in construction industries are caused by time and cost overruns, and it hinders house deliveries. However, based on these investigations, it appears that the standard for project performance was cost containment. Evaggelia *et al* (2011) pointed out that Construction project successes are mainly determined by applying effective cost control measures. There are a variety of cost-control approaches that can be used in construction projects.

Controlling project costs is a difficult undertaking that necessitates the understanding of cost-controlling approaches. According to Kenzer (2003), project control in the construction business attempts to ensure that projects are finished on schedule, within budget, and meet other project objectives. In actuality, project managers have a difficult job that entails regularly measuring progress, evaluating goals, and taking remedial action when necessary. Therefore, the use of proper project cost-controlling mechanisms is a must in today's construction industry. So this research topic is the time needed to address the mentioned problem (Liang *et al*, 2015). According to Nicholas (2001) and Lester (2000), several project control systems, such as the Gantt Bar Chart and Review Technique (PERT), and Critical Path Method (CPM), were developed throughout the course of the last few decades. Although these methods and software products have been applied in building practices yet they still experience cost overruns. In recent years, numerous types of study on identification of factors that contribute to project cost overruns have been carried out globally. The most significant factors contributing to construction delays and cost overruns are poor contract management, financing and payment of finished works, changes in site conditions, shortages of materials, imported materials and plant items, design changes, subcontractors and nominated suppliers (Mansfield *et al* 1994). In Malaysia, Tahir *et al*, (2019) explained that preparation, poor schedule and time control, delay in material delivery to the site, lack of knowledge about the different defined execution methods, labor and material shortages in the market, and changes in the scope of work are all factors that contribute to project cost overruns. These factors, if addressed, will help the country's economic growth and development.

One of the greatest project management approaches is earned value analysis (PMI, 2005). “Work in progress” is a term used in Earned Value Analysis (EVA) to describe what will happen to work in the future (Sagar and Gayatri, 2012). Earned Value Analysis (EVA) evaluates project progress any time, estimates the project's completion date and final cost, and analyzes schedule and budget deviations as the project goes (Cullen, 2010). This study aims to improve the demand-supply gap in housing delivery in FCT using earned value analysis as a cost improvement tool.

3.0 Methodology

Analyzing the study involved reviewing related studies from the past three decades. The data was collected utilizing a content analysis approach which examined majority of completed research projects. They could be Journals, Conference Proceedings, Articles, Thesis, Reports, etc. The research works were sorted out in relevance to the keywords which are “Housing”, “Housing Delivery”, “Demand - supply gap”, “Cost improvement”, “Earned Value Analysis”. The research works were sourced from publications of 1990 to 2022 and also in English language. A total number of 163 publications from the related literature in relevance to the keywords and aim of the study were reviewed but 14 publications will be selected as they focus on demand and supply gap in housing and also improving housing provision using earned value analysis.

6.0 Results and Discussions

Table 1: Search Results of Publications Related to the Study with their Years of Publications

Publication Type	1990 – 2000	2001 - 2010	2011 - 2020	2021 – Till date
Conference proceeding	6	9	5	--
Journals	21	52	28	1
Reports	2	5	1	--
Thesis	1	5	4	--
Articles	--	6	4	--
Books	5	7	1	--
Total	35	84	43	1

Source: Author, 2022

Table 1 shows the different types of related publications reviewed and their years of publication. It reveals the studies were more between 2001 and 2010 resulting to 51.53% of the total publication selected. It is then followed by 2011 to 2020 amounting to 26.38% and then 21.47% of 1990 to 2000. Just one publication Journal form that is related to this work was published from last year 2021 till date.

Table 2: Publications on Key Words

S/N	Source	Titles
1	Anugbum and Osudike. (2020)	Critical Examination of the Problems and Prospects of Housing in Nigeria using A Legal Framework
2	Bhellar <i>et al</i> (2019)	Housing Need and Supply Gap Affects Housing Affordability
3	Abuh <i>et al</i> (2016)	An Analysis of Housing Problems in the Federal Capital Territory
4	Siyaka (2017)	Housing Affordability for Low-Income Earners in FCT, Abuja, Nigeria
5	Akinyode (2014)	Bridging the Gap between Housing Demand and Housing Supply in Nigerian Urban Centres: A review of Government Intervention So Far
6	Lovelin (2017)	Development of a System Model for Cost Management in Low-Cost Housing Projects in Nigeria
7	Oluwa (2015)	Cost Control Procedure in mass housing development in Ilorin, Kwara State.
8	Makinde (2012)	Housing delivery system need and demand.
9	Sagar and Gayatri (2012)	Cost Controlling Using Earned Value Analysis in Construction Industries
10	Raji (2008)	Public and Private developers as agents in Urban housing delivery in Sub-Sahara Africa.
11	Ogbu and Adindu. (2012)	Project Management Approach to public low-income housing
12	Mansfield <i>et al</i> (1994)	Causes of delays and cost overruns in Nigerian construction projects
13	Jiboye (2011)	Urbanization challenges and housing delivery in Nigeria: The need for an effective policy framework for sustainable development
14	Evaggelia <i>et al</i> (2011)	Content and Applications of Artificial Intelligence for Cost Management in Civil Engineering Projects

Source: Author, 2022

Table 2 contains 14 publications that were randomly selected based on their relevance to the existing keywords (i) Housing, (ii) Housing delivery, (iii) Demand and supply gap, (iv) Cost Improvement, and (v) Earned value analysis. The full table which carries the full information is show in Appendix 1. It shows their study objectives, research methods, findings and recommendations. Table 3 shows the number of selected publications on causes of demand-supply gap in the housing system by authors shown in Table 2.

Table 3: Causes of Housing Demand-Supply Gap

Causes of demand-supply gap	No of publications	Sources
Low income	4	Anugbum and Osudike (2020), Siyaka (2017), Akinyode (2014), Ogbu and Adindu. (2012)
Cost of building materials (inflation)	2	Oluwa (2015), Raji (2008)
Increase in population	4	Bhellar <i>et al</i> (2019), Abuh <i>et al</i> (2016), Siyaka (2017), Akinyode (2014)
Inadequacy in research works	4	Akinyode (2014), Sagar and Gayatri (2012), Raji (2008), Evaggelia <i>et al</i> (2011)
Difficulty in applying cost management systems	6	Akinyode (2014), Lovelin (2017), Oluwa (2015), Sagar and Gayatri (2012), Mansfield <i>et al</i> (1994), Evaggelia <i>et al</i> (2011)
Poor policy framework	4	Makinde (2012), Raji (2008), Jiboye (2011)

Source: Author, 2022

4.0 Conclusion and Recommendations

Despite housing being the basic necessity of life, its availability is what makes life worthwhile. Housing affordability is dependent on the housing cost and the household income (Disney, 2006). In Nigeria, all efforts put by government and private developers seem to be out of sync as inadequate housing rises as one of the nation’s most pressing issues. The study aims to improve the demand-supply gap in housing delivery in FCT using earned value analysis as a cost improvement tool. Findings from the adopted method of content analysis which reviews related literature show that a little percentage of the causes of demand-supply gap is population increase, the cost of building material, while the greater percentage is little or no knowledge of the application of cost management systems, poor policy framework and low income. It also shows that 26.38%, 51.53% and 21.47% of the selected publications were last decade, two decades and three decades ago respectively. It shows there was poor research work from last year 2021 till date as just one related publication was found selected. This shows an inadequacy in the research work related to this study.

It is therefore recommended that in improving housing demand and supply gap, the following guidelines can be taken:

1. Government should improve on the human capital investment programs to reduce the level of poverty.
2. Housing financing sectors and agencies such as FMBN, FHA, FGSHLB and other development partners should review their housing policies to accommodate recent programs/projects that improve housing delivery.
3. Housing professionals should meet regularly to discuss on improving cost management systems
4. The use of earned value analysis should be adopted on construction projects delivery as it examines the Budget Cost of Work Scheduled (BCWS), Budget Cost of Work Performed (BCWP) and Actual Cost of Work Performed (ACWP).
5. Further research work on the area to improve housing demand-supply gap likewise cost improvement systems should be conducted to close the lacuna in recent researches.

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Effect of Critical Success Factors (CSF) on the Performance of Indigenous Construction Firms in Nigeria

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Abstract

Considering the higher complexity of global environments in the modern era, indigenous firms in Nigeria are pressured to handle several strategic competitive demands. They must manage such contradictions with the critical success factors (CSFs) most efficiently. This study used a quantitative method approach and a survey questionnaire to determine the effect of critical success factors on the performance of indigenous construction firms in Nigeria. The study's target population consists of construction professionals in Abuja which include Project Managers, Civil Engineers, Builders, Architects, Quantity Surveyors and Contractors. The professionals for the study were selected conveniently and purposefully to capture the required group of respondents in the population. The data derived were subjected to spearman correlation and multiple regression models. The major findings from the study showed a significant, strong, and positive relationship between the critical success factors and performance. Additionally, the regression model shows that project management statements are critical success factors in increasing the performance of indigenous firms, followed by project coordination, project monitoring, project design statements and institutional environment statements.

Key words: *Construction, Critical success factors, Indigenous firms, Performance*

1.0 Introduction

The construction industry is an essential indicator of a nation's development progress and indigenous construction firms are indispensable to the construction industry's growth. Ofori (2010), emphasized that the construction industry globally faces problems and challenges, yet in developing nations like Nigeria, these problems and challenges are existing together with an overall state of socio-economic stress, long-lasting resource scarcities, institutional weaknesses and an overall failure to deal with the difficulties on how to recover the capability and performances of the local construction enterprises. On the contrary, since the 1960s, organized and innovative construction in Nigeria has so far been majorly dominated by foreign and imported resources and expertise, particularly at the managerial and technical stages, as opposed to using indigenous firms and expertise. (NBS, 2018). This study seeks to investigate the CSFs factors requisite for performance improvement of the indigenous firms in Nigeria.

2.0 Literature Review

The presence of foreign businesses in the construction sector has heightened and increased the level of competition (Roy, 2011; Somiah et al., 2020), which has caused havoc to the indigenous construction firms. Earlier studies have revealed that indigenous organizations in the construction industry of developing nations are struggling to compete with their foreign counterparts considering that most

major projects are won and carried out by foreign firms (Ayarkwa, 2010; Aje et al., 2016; Somiah et al., 2020). Due to the indigenous construction companies' inadequate human resource development and lack of expertise, which disqualified them from receiving government contracts, foreign construction companies completely dominated the industry (Fadun & Saka, 2018).

According to Aje et al. (2016), the odds of domestic construction firms surviving the competitive edge over their foreign competitors are very slim because there isn't any empirical research to address the issue. Similarly, to this, the majority of indigenous construction companies in Nigeria seldom hire more than twenty-five workers and have essentially no construction plant, equipment, or infrastructure (Ali et al., 2020). Poor material quality and a lack of human resources were identified by Owolabi et al. (2014) as Nigeria's indigenous firms' biggest challenges. The construction managers' knowledge, abilities, and competencies are part of the human resources component. According to Akinola George, president of the Building Collapse Prevention Guild (BCPG), who was quoted in the Premium Times, incompetent construction professionals were a significant factor in the poor quality of construction (Premium Times, 2019). Consequently, Ali et al. (2020) noted the critical factors affecting performance in Nigeria indigenous firms include financial irresponsibility on the part of contractors, a lack of experience and past record, a lack of understanding of the needs of local businesses by commercial banks, embezzlement, the impact of globalization, multiple taxes, strict preapproval standards, inadequate design and specifications, a lack of entrepreneurial skills, and late payment for completed work. In their comparative studies, Mafimidiwo and Iyangba (2016) noted that insufficient capital equipment, a shortage of government incentives, access to financial support from commercial banks, high-interest rates from financial institutions, and incapacitation to compete with large contractors are some of the factors that affect the performance of indigenous building contractors in Nigeria and South Africa.

Critical Success Factors (CSFs) are components that are deemed crucial and that help new system implementations succeed, according to studies on this topic (Morlhon et al., 2014). Considering the higher complexity of global environments in the modern era, construction managers in Nigeria are pressured to handle several strategic competitive demands. They must manage such contradictions with the CSFs most efficiently (Muhammed and Muhammed, 2021). Likewise, if CSFs are properly managed, they can increase the success of projects in Nigeria. (Afolabi et al., 2019). Consequently, contractors in Nigeria are solely responsible for completing the actual work specified in the contract in accordance with the client's requirements and standards (Xiong et al., 2014). CSFs need to be carefully considered in order for indigenous businesses to compete favourably in the current business climate (Altayeb & Alhasanat, 2014).

Oladimeji (2017) contends that indigenous contractors lose out because they do not take off the benefits amassed and because they do not apply their understanding of CSFs to a level that is widely accepted in Nigeria. The disadvantages are not limited to indigenous firms' lack of productivity and reduced profit level, but ultimately decrease the satisfaction level of the client (Ali et al., 2020) which has affected the indigenous construction firm's performances in Nigeria. This has resulted in low-level patronage of indigenous construction firms which is of serious concern (Hassan et al., 2018; Tripathi et al., 2019), as witnessed in their struggle to achieve positive performances against the expatriates. The gravity of this concern was underscored in 2015 when Nigeria's construction sector experienced an unprecedented -8% growth rate (Ajibolade, 2017).

The gap between foreign and indigenous construction companies has significantly narrowed in recent years as a result of improved training facilities, cooperation between foreign and native companies,

political stability, better government policies (such as the Local Content Policy), and the involvement of expatriates (Mbamali & Okotie, 2012; Adedeji, 2016), but not antecedents which are supposed to encompass better performances. This is emphasized by the many failed public sector projects that are continuously experienced by the indigenous construction firms in Nigeria which is mostly due to their inefficient performances which therefore makes it imperative for the enhancement of their performances.

3.0 Methodology

This study employed a quantitative method approach with the use of a structured questionnaire to determine the effect of critical success factors on the performance of indigenous construction firms in Nigeria. The study's target population consists of construction professionals (Architects, Builders, Civil Engineers, Contractors, Project Managers and Quantity Surveyors) in Abuja. The professionals for the study were conveniently and deliberately chosen to gather the necessary number of respondents from the population. The sample size for the study was determined using Cochran's sample size formula.

$$n_0 = \frac{Z^2 pq}{e^2} \quad (1)$$

Where:

n_0 is the sample size

Z is the standard normal variable (1.96 at 95% confidence level)

p is the proportion or degree of variability (50% or 0.5)

q is the estimate of the variance (1-p)

e is the level of precision (5% or 0.05)

Thus,

$$n_0 = \frac{1.96^2(0.5*0.5)}{0.05^2} = 384$$

Descriptive statistics and inferential statistics were combined to analyse the data using Microsoft Excel and the Statistical Package for the Social Sciences (SPSS). Two sections made up the questionnaire.; the first section is made up of the demographic characteristics of the respondents while the second section includes questions relating to the effect of CSFs on the performance of construction firms. Professionals were asked to rate the variables on a 5-point Likert scale (Strongly Disagree, Disagree, Somewhat Agree, Agree and Strongly Agree) using variables captured from existing literature. Additionally, to develop a mathematical model, a regression analysis was employed on the relationship between the CSFs and the performance of indigenous firms. The components of CSF include Project Design Statements (PDS); Institutional Environment Statements (IES); Project Management Statements (PMS); Project Coordination (PC); and Project Monitoring (PM), resulting in the given equation:

$$Perf = f(PDS, IES, PMS, PC, PM) \quad (2)$$

Transforming into a multiple regression model;

$$Perf = \beta_0 + \beta_1 PDS + \beta_2 IES + \beta_3 PMS + \beta_4 PC + \beta_5 PM + \varepsilon \quad (3)$$

Where:

Perf represents performance

β_0 is a Constant

$\beta_1, \beta_2, \beta_3, \beta_4$ are regression Coefficients

PDS represents Project Design Statements

IES represents Institutional Environment Statements

PMS represents Project Management Statements

PC represents Project Coordination

PM represents Project Monitoring

2.0 Results and Discussions

2.1 Background of Respondents

A total of 196 questionnaires were completed and captured successfully, yielding a response rate of 51%. According to Creswell and Poth (2016) and Babchuk (2017), any study with a response rate of 50% or higher is suitable for analysis; thus, 51% response was more than adequate for the analysis. Furthermore, the response rate demonstrates respondents' willingness to participate in the study. The distribution of respondents is displayed in Table 1.

Table 1: Distribution of Respondents by Qualification, Profession and Years of Experience

Profile	Frequency	Percentage (%)
Educational Qualification		
ND	11	6
HND/BSc	121	62
MBA/MSc/Meng	51	26
PhD	13	7
Industry Professional		
Project Manager	51	26.0
Engineer	29	14.8
Architect	30	15.3
Quantity Surveyor	32	16.3
Builder	26	13.3
Contractor	19	9.7
Others	9	4.6
Industry Professional		
1-5	17	8.7
6-10	28	14.3
11.15	57	29.1
16-20	65	33.2
Over 20	29	14.8

Source: Field Survey, 2022

The results of the educational qualifications showed that 6% had ND, 62% had a first degree and its equivalent, 26% had a master's degree and 7% had a PhD. The professionals were further distributed as Project Managers (26%), Engineers (14.8%), Architect (15.3%), Quantity Surveyor (16.3%), Builder (13.3%), Contractors (9.7%) and others (4.6%). A total of 33.2% of the professionals had 16-20 years of experience while 8.7% had a minimum experience of 1-5 years. This result suggests that construction professionals are knowledgeable in their various professions; as a result, the data obtained is reliable, valid and suitable.

4.2 Relationship between Critical Success Factors and Performance

Spearman's correlation was employed to examine the relationship between CSFs and Performance. Five main variables were identified from the literature namely: Project Design Statements (PDS); Institutional Environment Statements (IES); Project Management Statements (PMS); Project Coordination (PC); and Project Monitoring (PM).

According to the result of the correlation analysis (Table 2), there is a significant, strong and positive relationship between performance and project design statement ($r = 0.782$, $p < 1\%$), there is a significant, strong and positive relationship between performance and institutional environmental statements ($r = 0.712$, $p < 1\%$), there is a significant, strong and positive relationship between performance and project management statements ($r = 0.728$, $p < 1\%$). There is also a significant, strong and positive relationship between performance and project coordination ($r = 0.753$, $p < 1\%$) and there is also a significant, strong and positive relationship between performance and project monitoring ($r = 0.767$, $p < 1\%$). These indicate that there is a positive and strong relationship between performance and critical success factors. This further implies that an improvement in the critical success factors will lead to an improvement in the Performance of indigenous firms.

Table 2: Relationship between Critical Success Factors and Performance

Predictor Variables		PER	PDS	IES	PMS	PC	PM
PERF	Corre	1					
	Sig.						
PDS	Corre	.782**	1				
	Sig.	.000					
IES	Corre	.712**		1			
	Sig.	.000	.000	.230**			
PMS	Corre	.728**	.151**	.245**	1		
	Sig.	.000	.000	.000			
PC	Corre	.753**	.101**	.263**	.210**	1	
	Sig.	.000	.000	.000	.000		
PM	Corre	.767**	.111**	.201**	.221**	.212**	1
	Sig.	.000	.000	.000	.000	.000	

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

A multiple regression analysis was further employed to develop a mathematical model and to ensure the accurateness of the outputs, the multiple regression assumptions were strictly adhered to. This demonstrates that there are multiple correlations ($R = 0.514$). The R^2 value is 0.644 which implies that this model accounts for 64.4% of the variance (Table 3). Furthermore, the adjusted R^2 shows that the five variables account for 62.5% of the variance contributing to higher performance.

Table 3: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.514	.644	.625	.31352

From the ANOVA result (Table 4), the F value, ($F(5, 190) = 25.987, p < 0.01$) shows that the relationship between the dependent variable (performance) and its explanatory variables (PDS, IES, PMS, PC, PM) is significant. Therefore, the model can be used to predict the level of performance.

Table 4: ANOVA (Model Validity)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.423	5	2.8846	25.987	.001
	Residual	21.137	190	.111		
	Total	35.560	195			

The result presented in Table 5 shows that critical success factors for increased project performance in Nigeria's indigenous construction firms are project management statements followed by project coordination, project monitoring, project design statements and institutional environment statements. All the predictors are significant estimators at a 1% level. The regression analysis shows that the model is:

$$Perf = 2.213 + 0.214PDS + 0.193IES + 0.292PMS + 0.249PC + 0.236PM + \varepsilon$$

Table 5: Multiple Regression Variable Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	2.213	.256		10.132	.000
PDS	.196	0.39	.214	3.175	.002
IES	.167	.020	.193	2.935	.015
PMS	.230	.015	.292	3.579	.025
PC	.211	.040	.249	3.418	.001
PM	.208	.033	.236	3.379	.000

a. Dependent Variable: Performance

The effect of each variable in the model is as follows:

- i. A 100% increase in project design statements will lead to a 21.4% increase in the level of performance.
- ii. A 100% increase in institutional environment statements will lead to a 19.3% increase in the level of performance.
- iii. A 100% increase in project management statements will lead to a 29.2% increase in the level of performance.
- iv. A 100% increase in project coordination will lead to a 24.9% increase in the level of performance.

- v. A 100% increase in project monitoring will lead to a 23.6% increase in the level of performance.

5.0 Conclusion and Recommendations

The findings from the study demonstrate that there is a positive and strong relationship between performance and critical success factors. Project management statements, project coordination, project monitoring, project design statements and institutional environment statements were the variables recognized by the study as influencing performance levels. However, Project management statements have a stronger unique contribution in explaining the level of performance than other variables. As a result, as Project Management statements increase, while other variables remain constant, the level of performance of the indigenous firms is increased. are increased.

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Export of Information and Communication Technology (ICT) Services as Panacea to Trade Balance Sustainability in Nigeria: A trend analysis

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Abstract

In Nigeria, ICT services experience tremendous growth in recent times, however, its contribution to total export volume of the country remains insignificant. This paper discusses the potentials of the ICT services in improving trade balance in the sector. The paper also employs trend analysis using a secondary time series data, spanning the period of 2000 - 2021, to forecast the prospects of exports of ICT services in improving the deficits experienced in the industry. The findings indicate that export of services is only a negligible proportion of the total exports in the country. It is also discovered that the net trade balance in Nigeria is oscillatory and does not seem to relate with the behavior of ICT exports. However, there lies a good potential for the ICT sector to catch up with total service exports. The study recommended that ICT service exports should be promoted by relevant authorities so as to offset the huge trade deficit in the sector in particular and to improve the general trade position and foreign earnings of the country. Also, public and private institutions should imbibe the culture of using local contents and indigenous ICT services.

Keywords: *ICT Services, Exports, Imports, Trade Balance, Trend Analysis*

1. Introduction

Generally, trade in services has recently received attention not only among countries and organizations but also in economic literature. The recent global economic chaos caused by the novel corona virus (Covid-19) had further proved service sector to be more resilient to economic turmoil, as certain services—telemedicine, virtual learning, sharing platforms, collaboration systems, e-commerce and delivery, were widely used. This Covid-19 pandemic brought with it a new-normal in the conducts of endeavors across all spheres of life, trade inclusive. To this end, Jingpin (2020) categorically stated that the world is going through profound changes unseen in a century. He emphasized that the new round of technological and industrial revolution in recent years has allowed the service economy to flourish more than other sectors of the global economy. Thus, no conscious country or organization could afford to be left out in this trend, else it remains stagnant. However, while economies are dominated by services, the treatment of international trade continues to focus on goods (Lejour & Smith, 2008).

Information and communication technology (ICT) has been the major catalyst of such life transformation services. In the 21st century, trade in information, computer, and telecommunication services experiences extremely rapid expansion. The global ICT market was valued at USD323.26 billion in 2021 and is expected to reach a value of USD466.11 billion by 2026 at a compounded annual growth rate of 7.6 percent (GlobalData, 2022). Due to the sector's uniqueness, even less developed

economies struggle to participate more heavily in its exports, which account for a considerable portion of value-addition.

In Nigeria, ICT services experience tremendous growth in recent times, however, its contribution to total export volume of the country remains insignificant. During the last quarter of 2020, ICT sector alone contributed 12.45% of the total gross domestic product (GDP) as reported by the NCC. Moreover, its share as percentage of GDP kept increasing particularly recently. It contributed 12.1 percent of Nigeria's GDP in the last quarter of 2021 and unprecedented 20.32 percent in the Third Quarter of 2022 (NBS, 2022). Incidentally, its contribution to export was slightly above 4 percent of the total services exported, and virtually 0 percent of the total exports, from Nigeria. This is in spite of the fact that Nigeria is the largest market for ICT services in Africa with over 76 million broadband subscriptions and 187 million voice segment lines in 2021 (NCC, 2022). The development results in the trade deficit of about \$106 million in the sector alone, posing challenges to trade balance sustainability in the country.

It is disheartening to learn that oil, which contributes less than 10 percent of Nigeria's GDP, still dominates its export market. Recently in 2021 and 2022, export earnings from the sales of oil and gas constituted more than 80 percent of Nigeria's aggregate foreign earning (NBS, 2022). This creates several economic problems ranging from unfavorable terms of trade, depreciating exchange rate (causing hyperinflation), unharnessed potentials (leading to high unemployment rate) and overall economic stagnation. No serious country would condone that; hence, the need to diversify the export base of the economy. Certainly, one way to diversify is through trade-in-service, with ICT subsector taking the lead as explained earlier. Unfortunately, its contribution to export is negligible from the data available.

This paper explores the contribution of the ICT subsector to the export of services in particular and general export value of Nigeria. The paper is somewhat unique as most of the studies conducted in this area either looked into the contribution of ICT sector to overall Nigeria's economic growth (Babatunde, 2018) or considered the role the sector plays in facilitating trade in the economy (Ehidiamhen, Duru & Yusuf, 2019). The paper is divided into five sections including the introductory section. The second section reviews related literature in the field followed by the third section which explains the methodology used in the study. Section Four presents the results of analysis. Finally, Section Five concludes the paper and recommendations are offered.

2. Literature review

2.1 Export in Service

There is no specific definition and classification of services. Studies and organizations defined and categorize services in various ways, as it is extremely complicated and diversified. There are numerous parties engaged, including regulatory organizations and trade ministries. In some industries, offering one service necessitates the simultaneous offering of additional services.

For example, according to the World Trade Organization (WTO) service sector is the fastest-growing sector of the global economy, which makes up approximately 20% of worldwide trade, one-third of global employment, and roughly 70% of global GDP.

In high-income countries, services account for over 70% of economic activity, and even in low-income countries, services contribute at least 45% of GDP. Undoubtedly, one of the major forces behind the

rapid development of information and telecommunications technology has been the increase in the demand for services (Sighn, 2012).

According to the International Monetary Fund (IMF), services comprise producer services like banking and finance, social services like education, and distributive services like transportation (e.g. catering). The WTO since 2005, on the other hand, categorizes services based on the UN Central Product Classification. These categories include business services, communication services, construction and related engineering services, distribution services, educational services, environmental services, financial services, health-related and social services, tourism and travel-related services, recreation, cultural, and sporting services, transport services, and other services not covered elsewhere.

Since services can directly affect overall competitiveness and growth and indirectly affect poverty, employment, and consumption, service exports are a potential for many developing nations. Also, by generating potentially substantial new export earners, expanding service exports may reduce balance of payments imbalances, which are a problem for many developing countries.

Analysis and understanding of service exports must take into account both their relationship to service imports and the broader context of service trade. The current trends, patterns, and flows of trade, import, and export services serve to make the political economy context of any study more understandable,(Veld, 2018), and this what this study tend to do.

2.2 Services imports

Service exports are heavily dependent on service imports. They enable the movement of capital and expertise in the importing nation and, as a result, help raise the productivity and competitiveness of all economic sectors, including those that export services. Over the past two decades, developed nations have primarily imported commercial services. However, the development of both established and developing nations, including Ireland and Singapore, as well as China and India, over the past 10 years has been largely responsible for the rise in service imports, (UN, 2010).

2.3 Empirical Literature

Studies of how information and communication technology (ICT) affects trade have become more and more prevalent. ICT has a favorable effect on exports of services to other countries, according to researches. Numerous scholarly articles and analyses have been made on the subject of their impact on least developed nations as well as on economic growth and the development of emerging economies. While the majority of studies take commerce in goods into account, very few single out the trade in services. Those that analyze the effect of ICT services on the merchandise trade balance are particularly subtle. Yi, Wei, & Huang, (2022) are of the view that, the main way that exporting nations increase their exports of digital services is by encouraging fair competition, whereas importing nations have the clearest positive effect on exports by easing access restrictions. The greater the gap between the ICT development levels and the lower the bilateral risk levels between the two trading nations, the more of a marginal impact ICT market openness will have on the expansion of exports of digital services.

Kalinović, et al. (2022) found that nearly one-third of the current account deficit and approximately one-fifth of the balance of trade deficit are covered by the ICT sector surplus, and every fourth dollar made from service exports goes to ICT services in Serbia. The research done by Mahdi, et al (2021) is particularly interesting, which focus on the relative position of the EU. It examines the factors influencing the location and exchange of ICT among nations. The analysis demonstrates unequivocally

that the EU must increase its efforts to hasten the change to digital production and to support the ICT industry, which creates the necessary technology and services.

A similar study Tee, Tham, & Yi (2020) found a set of constructed ICT indicators that are found to have positive network effect on the ASEAN-5's services export. Hence, the higher the ICT development level in both trading partner countries, the higher their bilateral services exports with each other. Ukwuoma, (2019) study outcome on Nigeria shows that rising inflation, population, and GDP per capita have a negative impact on the number of Internet users, which in turn has an impact on the nation's economic development. Sinha (2018) found that the group of developing countries should foster an environment which will not only boost the ICT service exports, but also will make the penetration of broadband connections in a better way.

Zhongwei, (2018) analyze the role of ICT and e-commerce on east African countries' (EACs') export performance. According to the report, one of the most important first steps toward realizing the promise of e-trade for developing and least-developed countries is the effective use of ICT with high-speed internet and secured servers. Hiranya & Lirong (2017 & 2016), study found that ICT development has significant positive contributions to the growth of international trade in seven (of ten) service items including financial and other business services. It also has significant positive effects only on exports of transportation and telecommunication services.

In this manner, emerging economies might benefit from ICT due to their characteristics of expanding populations and affordable labor markets. Additionally, emerging markets might gain from ICT to develop a competent workforce, lower volatility, support capital markets, and create a dynamic economy, (Abdollahpouri, 2016). According to the empirical findings, improved access to contemporary ICT and the adoption of e-commerce tools encourage bilateral trade flows at various levels. This means that the economic position of exports of ICT services in the balance of payments served as a panacea of current account transaction deficits.

2.4 Theoretical Issues

Trade theories can be broadly divided into two categories: (1) those that deal with the natural order of trade (i.e., they examine and explain trade that would exist in the absence of governmental interference) and (2) those that advocate varying degrees of governmental interference with the free movement of goods and services between nations.

The absolute advantage theory: According to Adam Smith's idea, certain nations can produce some things more efficiently than others. As a result, efficiency can be raised globally through free trade without government intervention. When domestically manufactured goods and services are available for lesser price elsewhere, there is no need to produce them. The availability of goods and services to a country's population determines its true wealth, not its gold reserves (Baldwin, 1971).

The comparative advantage of David Ricardo is a development over Smith's absolute advantage hypothesis. According to the hypothesis, a nation will see greater gains in global efficiency from trade if it focuses solely on those goods that it can produce more effectively than others, regardless of absolute advantage. Even if a nation may have a monopoly on all products, it is economically better to forgo producing less efficient products in favor of more efficient ones.

While according to the mercantilist theory, nations ought to export more than they import. If they were successful, the nation or nations that had deficits would give them the value of their trade surpluses in

gold. From the Renaissance through the start of the Industrial Age, it served as the cornerstone of economic philosophy.

The idea of comparative advantage, which is based on differences in the endowment of natural and human resources, or the differentiation and love of variety under monopolistic competition can both be used to explain trade in services, (Kang, & Won, 2016). This is because the ICT service sector in Nigeria has since been recognized as the fastest growing industry in Nigeria (NBS, 2022).

3. Methodology

3.1 Research Design

This research is designed as empirical and analytical time series study. Data for the Nigeria's exports of ICT services is collected and plotted against the data of other variables of interest to observe the convergence or divergence in such variables over the period of the study. With this, the paper is able to make conclusion on the prospects of ICT services export in reducing current account deficits in Nigeria.

3.2 Type and Sources of Data

The type of data used in the study is pure time series data. The variables used for the study are total value of the Nigeria's exports; value of service exports; value of ICT services exports from Nigeria; the proportion of ICT service exports and imports as percentage of total service exports and imports of the country respectively; as well as the trade balance of Nigeria. The data is collected from the database of the World Bank (World Development Indicators, WDI) and covers the period of 2000 – 2021. The choice of the period is not arbitrary as it coincides with the period of ICT revolution in Nigeria. The period saw the introduction of GSM services after deregulation of telecommunication sector in the country, as well as improved internet services; hence, it is ideal for the study.

3.3 Method of Analysis

The technique of data analysis employed is the use of trend analysis. Trend analysis is the study of data to identify patterns or trends that can be used to make decisions in a business or economy. Trend analysis helps you compare one variable against another to establish a benchmark of how a variable of interest is moving over time. It is also used to observe convergence or otherwise in two or more variables as well as moving average in a single variable, depending on the objective of the investigation. In our case, the analysis is employed to observe the degree of convergence between ICT service exports value and other variables of interest in the sector. We employ the use of both multiple bar charts and line graphs to achieve the stated objective.

4.0 Results and Analysis

This section presents the results derived from the data obtained. As explained in the previous section trend analysis is employed to understand the behavior pattern of the exports of ICT services vis-à-vis other external sector variables. This pattern is also analysed in the section.

4.1 Results

The results and analyses are presented in the following subsections.

4.1.1 Exports of Services and Total Exports in Nigeria

Figure 1a and 1b present the trend in both the value of the total export in Nigeria and the value of services. This is important to give us a sense of direction of the contribution of overall service sector in the scheme of Nigeria's foreign trade. It is observed from the two charts that export of services is only a

negligible proportion of the total exports in the country. However, one may observe some degrees of convergence between the two but a very crawling one.

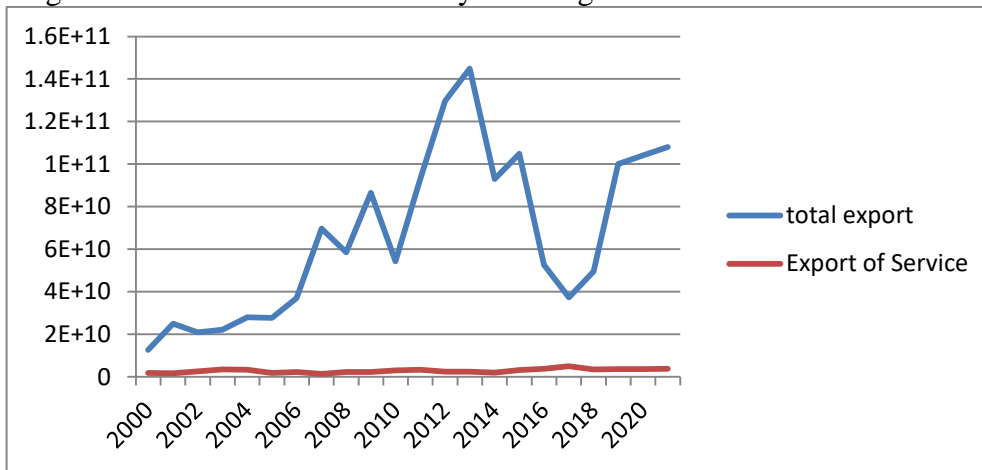


Figure 1a: Line Graph plots of Total Exports Value and Service Exports Data in Nigeria Policymakers in Nigeria as well as service based businesses should recognize and exploit the untapped potentials of exporting services to improve trade balance.

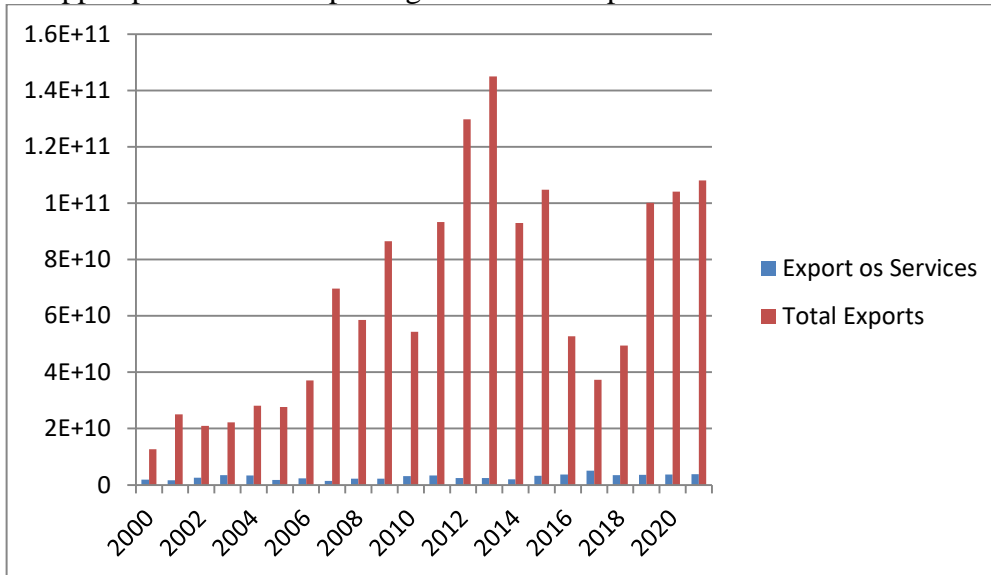


Figure 1b: Bar Chart plots of Total Exports Value and Service Exports Data in Nigeria

4.1.2 ICT Service Exports and Total Exports in Service

Next, we observe the relationship between the value of ICT service exports and that of the total exports in service. There lies a good potential for the ICT sector to catch up with total service in terms of the export values recorded over years. It is observed in both Figure 2a and 2b the two values are fast converging with informs us of the rapid growth in ICT service exports. It may not be surprising if the ICT subsector dominates service exports in the next one decade.

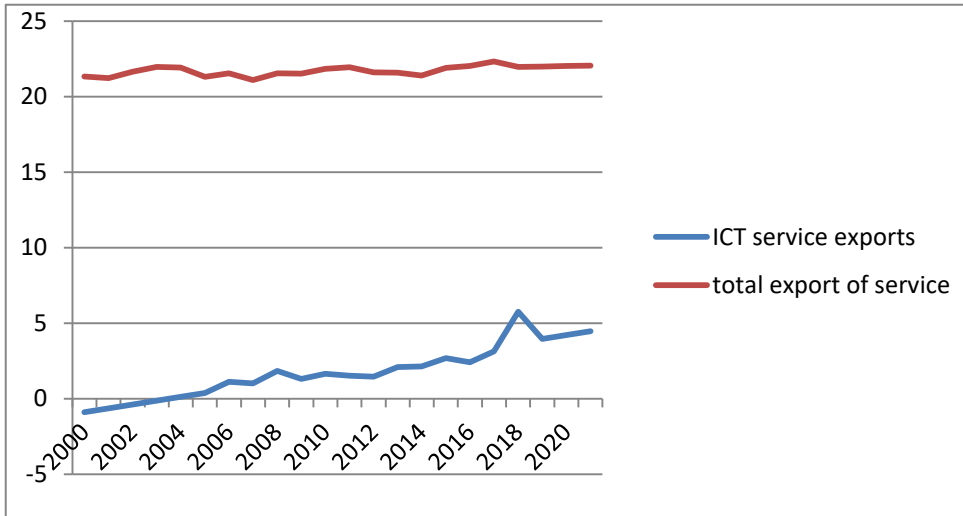


Figure 2a: Line Graph plots of ICT Exports Value and Total Service Exports Data in Nigeria

4.1.2 ICT Service Exports and Imports as percentage of Total values and Exports and Imports in service, Respectively

The plots in Figures 3a and 3b presents the behavioral patterns of the ICT service exports as percentage of the total exports of service as well as the ICT service imports as percentage of the total imports of service in Nigeria.

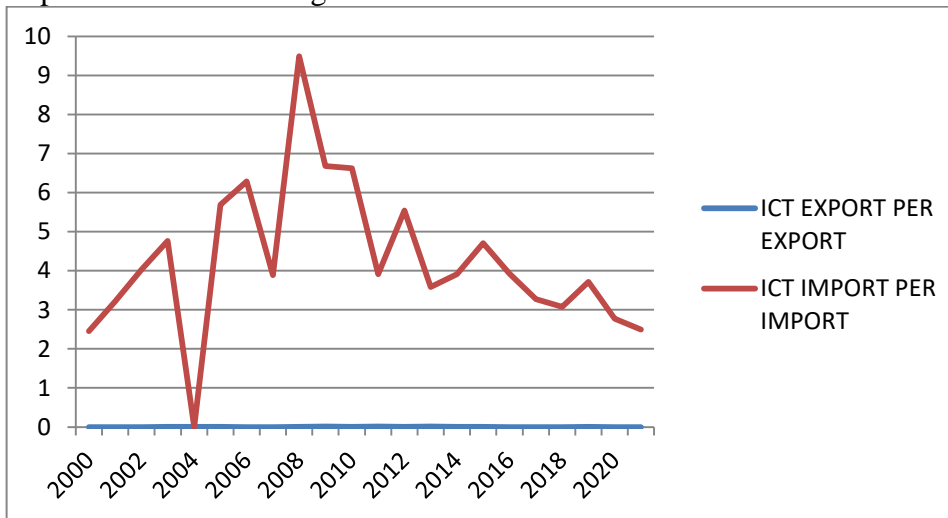


Figure 3a: Line Graph plots of percentage ICT Exports Value and percentage ICT Import Value Data in Nigeria

It is observed here that although the percentage of ICT exports to total service exports has been crawling up, however, the share of ICT imports to total service imports in Nigeria is declining tremendously. This signifies that if Nigeria intensifies on innovative ICT products there is hope to overcome the once huge trade deficit in ICT sector.

4.1.3 ICT Service Exports and Net Trade Balance in Nigeria

In this subsection we analyse the trending behaviors of the net trade balance, which is our major variable of interest and ICT service exports in Nigeria.

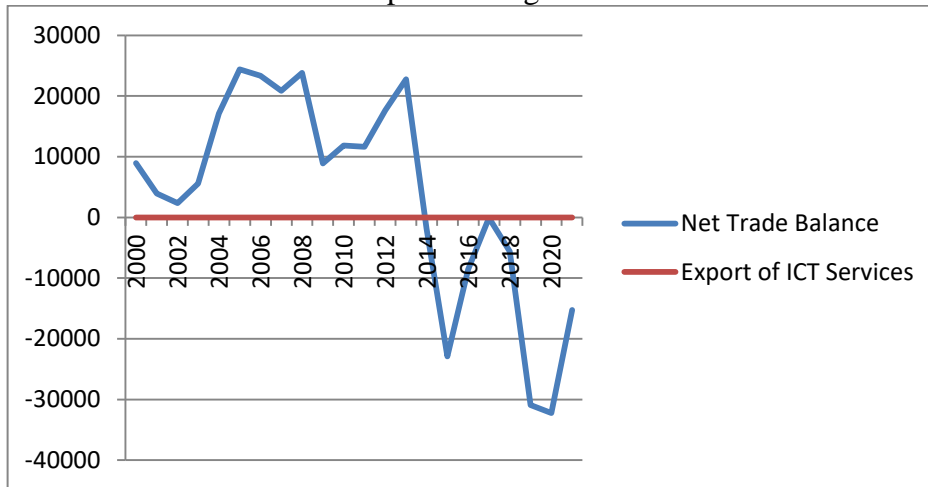


Figure 4a: Line Graph plots of ICT Exports Value and Net Balance of Trade Data in Nigeria

From Figures 4a and 4b we observe that the net trade balance in Nigeria is oscillatory and does not seem to relate with the behavior of ICT exports. This is perhaps because the proportion of ICT exports to total Nigeria's total exports value is too insignificant to warrant any influence on trade balance. Actually, what determines variations in the trade balance in Nigeria is the crude oil volume of production and its price in the world market. To this end we say Nigeria needs to do anything possible to diversify its export base to avoid the uncertainties caused by the global oil market. One promising sector for the envisaged diversification is the ICT sector.

5.0 Conclusion and Recommendations

This paper explored the contribution of the ICT subsector to the export of services in particular and general export value of Nigeria. The paper employed to use of trend analysis using Nigeria's secondary data spanning the period of 2000 and 2021. The findings indicate that export of services is only a negligible proportion of the total exports in the country. It is also discovered that the net trade balance in Nigeria is oscillatory and does not seem to relate with the behavior of ICT exports. What determines export fluctuations in Nigeria is basically the volume of crude oil production and price as experienced recently in 2020. However, there lies a good potential for the ICT sector to catch up with the value of total service exports.

Based on the findings, we offer the following recommendations:

- i. Policymakers in Nigeria as well as service based businesses should recognize and exploit the untapped potentials of exporting services to improve trade balance.
- ii. Nigeria needs to do anything possible to diversify its export base to avoid the uncertainties caused by the global oil market. One promising sector for the envisaged diversification is the ICT sector.
- iii. Equally, public and private institutions alike should imbibe the culture of using local contents and indigenous ICT services to reduce the trade deficit in the subsector.

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Examining the Relationship between Human Capital Development and Poverty Reduction in Nigeria

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Abstract

Despite having one of the best human resources in the world and enormous mineral wealth, more than 70% of Nigeria's population is still regarded as being in poverty. This suggests that the development of human capital is seen as necessary for Nigeria's fight against poverty. Based on this presumption, this study examined the relationship between poverty reduction in Nigeria and the human capital development. The data for this study was gathered using secondary sources, including relevant books, journals, and the internet. The gathered data was examined and presented in a thematic manner. The study found a significant relationship between the development of human capital and the reduction of poverty in Nigeria, and it suggested that all levels of government as well as non-governmental organizations in Nigeria implement more effective human capital development programs.

Keywords: *Development, Human Capital Development, Nigeria, Poverty Reduction, Public Administration.*

1.0 Introduction

A major challenge faced by many nations especially developing nations is the issue of high rate of poverty that is glaring in their countries. The developing nations have been unable to tackle this issue of significant increase in poverty for the longest time. As a result, many nations have made it a priority to limit the extent to which poverty has infiltrated their economies, caused mayhem and became an obstacle to growth and development. The Millennium Development Goals (MDGs) were developed on this premise. Following the UN Millennium summit and the UN Millennium declaration of the same year (2000), the United Nations created and announced a set of eight goals known as the Millennium Development Goals. At the time, every member country pledged to contribute to achieving the objectives by the year 2015. The main objective of the MDGs was to reduce poverty by half by 2015 (Alkire and Kanagaratnam, 2021). The COVID-19 pandemic, according to the World Bank (2022), caused the first rise in extreme poverty in more than 20 years. Prior to 2019, 1 in 10 people (8.4% of the global population) were considered to be living in poverty, a decrease from 1 in 3 (38% of the population) in 1990. In 2020, it expected that the incomes of the bottom 40% of the global population will fall by 4%.

As a result, by 2020, there will likely be 719 million more people living in extreme poverty, a rise of 11% versus what was previously achieved before the outbreak. The pandemic created a huge setback in the 30 years pursuit of poverty reduction (World Bank 2022). Nigeria is one of the few nations with a population of over 200 million people that is endowed with abundant human resources. The country has however, faced several development challenges over the years. According to Ifejika (2017), Nigeria's inability to build the necessary human capital resources is a crucial element in understanding the

country's problems. According to Adekoya (2018), when used properly, human capital is seen as a driver of economic development and growth and has the potential to eradicate poverty in Nigeria. Therefore, the government has for decades established programs and policies aimed at reducing poverty in the country. Although some of these programs seem to have had some effect on this problem, others seem to have been futile or even made things worse. These policies and programs include the National Directorate for Employment (NDE), Operation Feed the Nation (OFN), the Green Revolution, the Directorate of Foods, Roads, and Rural Infrastructures (DFRFRI), the Poverty Alleviation Program (PAP), the National Poverty Eradication Program (NAPEP), the Structural Adjustment Program (SAP), and others.

According to the Presidential Economic Advisory Council (2021), Nigerians were given assurances by President Muhammadu Buhari that the APC-led administration can "raise 100 million Nigerians out of poverty in ten years" with "leadership and purpose." Since the vow was made in 2019, the economy has weakened further, owing in part to the poor economic recovery in 2019-2020. COVID-19's negative impact on public health and the economy made matters worse. Despite being one of the countries with a wealth of natural and human resources, Nigeria is still wallowing in high rate of poverty, which has crippled it from attaining economic growth and development. The National Bureau of Statistics (2022), measured poverty in terms of multidimensionality. Inequality in wealth or income is only one definition of poverty. A person who is poor may experience several negative effects at once. Poor health, a lack of electricity or water, a lack of satisfying employment, and little to no education are a few examples. Estimates in the report indicate that 133 million Nigerians, or 63% of the population, are multidimensional poor. When compared to urban areas, where 42% of the population lives in multidimensional poverty, 72% of people live in rural areas. The majority of the poor in Nigeria—80% of the country's population—live in rural areas, where there are also more people living in poverty than in urban areas (42% versus 37% in rural areas) (NBS, 2022).

Despite having one of the best human resources (200 million people) and enormous mineral wealth, more than 70% of Nigeria's population is classified as impoverished. However, the country still has a serious poverty problem. Human capital development has been noted as a strategy for reducing poverty in Nigeria. Human capital development includes important elements like education, health, on-the-job training, and migration. While much research has been conducted on how education (formal education) can reduce poverty as an indicator of human capital development, little has been said about informal education (entrepreneurship skill) and health. However, since the 1990s various Nigerian government have carried out a series of policies and initiatives in an effort to decrease the extent of poverty in the nation. This paper seeks to investigate the connection between the growth of human capital and the reduction of poverty against this background. Therefore, this essay will respond to the following questions: What is the relationship between entrepreneurship development and poverty reduction? What is the relationship between health and poverty reduction? As a result, the study's objective is: To examine the relationship between Skill acquisition and poverty reduction; and to determine the relationship between health and poverty reduction.

This paper is important because it will show if there is any real relationship between human capital development and poverty reduction and advice the Nigerian government on whether it should invest heavily in human capital development initiatives. Also, this paper will fill in the necessary gaps observed in the literature and add to the body of knowledge in Human capital development and Poverty Reduction. It will therefore serve as a body of knowledge that will be referred to by researchers on the subject matter. There are six sections in this study. The first part is the introduction, which provides the

study's background and problem statement. The second part reviewed relevant literature, while the third section is the theoretical framework of analysis. Fourth part explains the research method that was used to carry out the research. The fifth section analyzes the results gotten from the data and discusses it. The paper and recommendations are concluded in the sixth and final section.

2.0 Literature Review

This section explores the concept of human capital development and poverty reduction as well as empirical studies on these topics.

2.1 The Concept of Human Capital Development

Human capital development is the process of acquiring and increasing the number of individuals with the skill sets, education, and experience necessary to support economic growth and development. The knowledge, experience and capabilities of a country's human resources are referred to as "human capital" (Okojie, 1995). Similarly, Human capital, according to Ejere (2011), is the collective knowledge, skills, and aptitudes of the labor force and refers to the human component of the manufacturing process. Only humans have the intrinsic capacity to learn, adapt, invent, and implement innovative changes in the manufacturing process. Goetz and Hu (1996) defined human capital development as the process of acquiring and increasing the number of people who possess the knowledge, training, and expertise necessary for a country's economic and political advancement. Human capital development is therefore linked to investments in individuals and their development as productive and innovative resources. It is the process of enhancing human resources' capacity for production through financial or other investments in education. (Garavan, Morley, Gunnigle and Collins 2001). Human capital development entails investments, initiatives, and procedures that enable individuals to acquire technical and expert knowledge, skills, health, and values.

It entails keeping a proper balance and a large human resource base, as well as creating a supportive setting for everyone to actively participate in and contribute to corporate or national aims and objectives. The development of human capital is necessary for national growth. Furthermore, human capital development shows employees how to use the benefits of different forms of thinking (analytical and intuitive) to obtain the best practical solutions (Ajayi, Eghafona & Ibiezugbe, 2020). On the other hand, human capital development, also known as human capital formation, human resource development, and investment in human capital, is the process of acquiring and increasing the population of people with the credentials, experience, and knowledge necessary for a country's economic and political advancement (Wilson, 2017). Human contributions in the form of knowledge, abilities, skills and competence are referred to as human capital and also known as a factor of production (Idike et al, 2021). Human capital, according to the World Bank (2020), is the knowledge, skills, and health that people build over their lives. People's health and education have indisputable intrinsic value, and human capital helps people to reach their full potential as contributing members of society. As a result, having more human capital is associated with higher earnings for both people and nations as well as more social stability (Kraay, 2018; World Bank, 2020). It is a major force behind reducing poverty and fostering sustainable growth. The quality of a country's human resources determines its level of growth and development, in addition to its physical capital stock and technological advancement. In developing countries, Human capital is usually found to be unskilled.

2.2 The Concept of Poverty Reduction

Eradicating or reducing poverty cannot be addressed adequately without addressing its linkage to a social vice called poverty. This social vice affects the world greatly. There is a major issue in defining

poverty and poverty reduction and this is because, every concept of poverty reduction, in a sense, also includes a concept of poverty rather than the other way around. The pursuit of solutions to the poverty issue is the fundamental tenet of the concept of poverty reduction. These solutions can be described in different terms. The idea behind the term is that by adding reduction to poverty it gives a notion of making the issue or pain of poverty less severe and relieves the poor from their burdens (Duke and Okafor, 2020). Poverty reduction, to put it simply, refers to all methods used by the state, non-governmental organizations, or wealthy individuals to minimize or eradicate poverty in a community. Poverty reduction is a strategy used to eliminate poverty by enhancing an individual's abilities. The aftermath of this strategy is empowerment, which involves assisting those who are poor in acquiring the materials required to satisfy their basic needs as a long-term approach to ending poverty (Krantz, 2001). The international community strives to play its part in eradicating global poverty by taking into consideration various policies and programs.

Each year, countries attempt to reduce poverty in their own country by measuring poverty indicators. Over the past century, various strategies have been used to reduce this phenomenon in various societies, including emergency aid, social security coverage, educational and cultural initiatives, and empowerment initiatives (Ochilov and Najibullah, 2021). The issue of ending poverty is one that the world is currently grappling with. The Millennium Development Goals (MDGs), which were replaced by the Sustainable Development Goals (SDGs) in 2015, was a previous development agenda developed by international communities and organizations through the United Nations to address this issue (MDGs). After the Millennium Development Goals (MDGs) expired in 2015, the Sustainable Development Goals (SDGs) is expected to be completed in 2030 (Alkire and Kanagaratnam, 2021).

2.3 The Nexus between Human Capital Development and Poverty Reduction in Nigeria

In Nigeria, research on the relationship between poverty reduction and human capital development has generated a wide range of findings. According to Ayodeji and Lasisi (2015), they looked at the policies of various regimes and how these policies affected the level of inequality and poverty in the nation to examine the relationship between governmental policies, human capital development, poverty alleviation, and inequality reduction in Nigeria. Although some of these policies and programs were admirable, the study found that their failure was primarily due to inadequate implementation mechanisms, which led to high levels of poverty and inequality in Nigeria. Chikelu (2016) investigated how human capital growth affected the decline of poverty in the Nigerian economy between 1986 and 2012. The model with one dependent variable (poverty rate) and four explanatory factors was estimated using the techniques of Augmented Dickey Fuller, Johansen Co-integration, and Ordinary Least Squares (OLS) (primary school enrollment, secondary school enrollment, tertiary school enrollment, and per capita income). The study's findings point to a link between reducing poverty in Nigeria and building human capital.

Okoroafor, David, Emmanuel, and Sesan (2018) studied the relationship between growth of human capital and reduced poverty in Nigeria. The study focused on how investments in health, education, and human capital have altered Nigeria's poverty profile. In the north central region of Nigeria, 365 respondents provided data from 1970 to 2016 using a Linear Probability Model (LPM) Regression method. To ascertain the perception of the socioeconomic impact of human capital development on poverty reduction in Nigeria, data were gathered using a structured questionnaire and evaluated using appropriate procedures. A reduction in poverty in the north central states is associated with investment, spending on health care, and spending on education, according to the analysis. Additionally, in the north central state of Nigeria, there is a large and positive correlation between GDP and efforts to

reduce poverty. According to the study, the growth of human capital has a significant impact on Nigeria's ability to reduce poverty. While Orajaka and Okoli (2018) used the Ordinary-Least Square econometric regression model to assess how government investments in small and medium enterprises, agriculture, education, and health have affected the reduction of poverty in Nigeria. The government's investments in small businesses, human capital development, health care, agriculture, and education were determined to be statistically significant in reducing poverty in Nigeria.

Ewubare and Mark (2018) investigated into how improving human capital and eradicating poverty are related. The relationship between public and private healthcare spending, primary and secondary school enrollment, and poverty levels was thoroughly studied. The data for the analysis came from the National Bureau of Statistics (2005) and the World Bank's World Development Indicators. The Fully Modified Least Squares, Granger causality, ADF unit root, and Johansen-Juselius cointegration tests were applied as data analysis tools. A long-term relationship between poverty levels and the underlying measures of human capital development has been found, contends the study. The results of the cointegrating regression analysis reveal a significant relationship between public healthcare spending, secondary school enrollment, and primary school enrollment, but not between private healthcare spending and poverty level. Adekoya (2018) examined the interactions between various aspects of human capital development and poverty alleviation in Nigeria. It looked into the relationship between per capita income over the course of the time period and human capital development, which was specifically defined by health and education, as well as its effects on ending poverty. The Granger causality test and a vector error correcting mechanism were used in the study to determine whether the factors of health care and education have any impact(s) on per capita income (VECM). The study revealed that there is a significant correlation between poverty and life expectancy rates and educational success. The amount of money the government spends on health and education doesn't seem to have much of an impact on Nigeria's infant mortality rate or level of poverty.

Human capital investment in poverty reduction as a driver of long-term economic development in Nigeria was investigated by Ajayi, Eghafona and Ibiezugbe (2020). Analysis of the effects of human capital investment on the Nigerian economy from 1990 to 2018 was the study's main objective. The central bank statistical bulletin and the national bureau of statistics both contributed data for the study. Ordinary Least Squares (OLS) techniques were used in the study's analysis of the data. It's observations show a positive correlation between real GDP and government spending on health and education. On the other side, government capital formation had a detrimental effect on real GDP. Mamoudou (2021) examines and explains the relationship between human capital investment and poverty reduction on the Nigerian economy using Islam's (1995) neoclassical growth model. This model allows for the benefits of panel analysis, such as the treatment of both temporal and individual impacts. It also investigates further into relationship between real GDP and economic characteristics including labor force participation, total government education funding, and real gross capital accumulation. The study revealed that real GDP is positively and significantly impacted by the labor force, government education spending, and real gross capital formation, while government spending has the least impact, which can be attributed, among other things, to government misallocation of resources among educational levels. The study concluded that human capital investment is crucial for Niger's economic success since it discovered a significant and favorable correlation between it and the expansion of the nation's economy. Idike et al. (2021) emphasized the value of human capital in achieving goals for food security and poverty reduction. The article evaluates human capital development practices and processes. A focus group discussion and an in-depth interview were employed. According to the study,

the most vital human capital aspect has been persistently overlooked in Ebonyi state government empowerment schemes.

3.0 Methodology

This research used a qualitative research design. The article is descriptive because it discusses the various aspects of human capital development, poverty reduction, development and poverty. Secondary data was used to source for data from internet sources, reports and scholarly journals. The database consulted was Google scholar. The steps used in ascertaining the papers to be reviewed were based on inserting the keywords of the title of the study (Human Capital Development and Poverty Reduction). When inputting the keywords, 17,000 plus results popped out. The data that were finally chosen, were chosen because of how relevant it was to the study and it was a peer reviewed publication. The study selected articles that had either Human capital development or Poverty reduction or Human capital and Poverty or Human capital development and Poverty reduction. A total of 8 articles were considered for this study. The data obtained were analyzed thematically in line with the objective of the paper.

4.0 Result and Discussion

The United Nations observed a direct correlation between the development of human capital and the reduction of poverty and advised member countries to do the same because developed economies have shown that doing so reduces poverty (Ewubare and Mark, 2018). It was due to this that most nations around the world began to include human capital development into their development strategies and that includes Nigeria. Most studies claim that these human capital development initiatives have not yielded much as the situation of poverty in Nigeria is high. In order to determine whether human capital development contributes to poverty reduction in Nigeria, the study aimed to investigate the relationship between poverty reduction and human capital development in Nigeria. Adekoya (2018), recognized development of human capital as a key factor in the development process of Nigeria and if employed correctly, has the ability to eradicate poverty in Nigeria. It was discovered that Nigeria's infant mortality rate and level of poverty appear to be largely unaffected by the sum of money spent by the government on health and education, but that there is a significant correlation between poverty, life expectancy rates and educational success. Mamoudou (2021), also discovered that government spending had the least impact on education in Nigeria, but government's investment in small businesses, human capital development, healthcare, agriculture and education were seen to be significant in reducing poverty (Orajaka and Okoli, 2018). According to Ajayi, Eghafona and Ibiezugbe (2020), government expenditure on health and education plays a role in reducing the poverty level in Nigeria.

Ewubare and Mark (2018) also found a long-term relationship between indicators of human capital development and poverty levels. There is a relationship between public and private healthcare spending, primary and secondary school enrolment with poverty reduction. Although Ayodeji and Lasisi (2015), opined that there is a relationship between government policies, the development of human capital, and the reduction of poverty, but, failure of some policies led to the increase in poverty level. Okoroafor, David, Emmanuel, and Sesan (2018) discovered that there is a link between investment, spending on health care and education, and a decrease in poverty in the north central states in Nigeria. Therefore, the growth or development of human capital has a substantial impact on Nigeria's ability to reduce poverty. Chikelu (2016) also discovered a link between reducing poverty in Nigeria and building human capital. The results of this study's investigation into the connection between entrepreneurship development and poverty reduction demonstrate that government investment on entrepreneurship development has a significant impact on reducing poverty. Consequently,

entrepreneurship development and poverty reduction are significantly related (Ewubare and Mark, 2018; Mamoudou 2021). The research also demonstrates a strong relationship between health and the entrepreneurship development. Government has invested a couple of times in the public healthcare services and has shown that investing in public healthcare has a positive effect on reducing poverty (Orajaka and Okoli, 2018; Okoroafor et al. 2018).

5.0 Conclusion and Recommendations

The study concluded that there is a relationship between poverty reduction and the development of human capital. Additionally, there is a relationship between entrepreneurship development and poverty reduction. The study found out that if government continues to invest in human capital development indicators which also includes health and entrepreneurship, it will invariably reduce poverty especially if the funds are used appropriately. Therefore, this study recommends that more functional human capital development programmes should be implemented by all levels of government in Nigeria, as well as non-governmental organizations. Government should also invest more in informal education and on-the-job-training (i.e skill acquisition) and ensure that funds allocated for this purpose are put into effective usage. Entrepreneurial skills should be inculcated into the school systems and made compulsory for all students both in the secondary and tertiary level. They should not be taught the theory aspect but also the practical aspect, this will ensure that when students graduate they have something lucrative to do. The government should equally increase investment in public healthcare services, this will improve the quality of healthcare facilities as well as the number of qualified doctors available. It will reduce the rate at which people die in the country and provide a healthier workforce, which will invariably reduce poverty in the country, because a healthier workforce will work better and faster.

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The Role of Youth Empowerment in Poverty Alleviation in Kano State (A Case Study of Sani Abacha Youth Center, Kano)

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Abstract

This study was conducted to examine the role of youth empowerment in relation to poverty alleviation in Kano State (Sani Abacha Youth Center Kano was used as case of study). The main aim of this study is to determine if there is significant relationship between youth empowerment programs rendered at Sani Abacha Centre and poverty alleviation in Kano State. In relation to the subject matter, a wide range of literature has been examined and explored based on which questionnaire was developed and distributed to respondents for data collection purpose. The questionnaire used as research instrument, was validated using content validity tests, while the reliability of the instrument was determined using cronbach's alpha. The researcher also made use of both primary and secondary materials. The data collected was examined, analyzed and grouped into frequency tables for easier interpretation and understanding. Simple percentage, multiple regressions, and Pearson's correlation coefficient were employed and used at the 5% level of significance. The study's findings indicated a strong positive relationship between the Center's programs for youth empowerment and the reduction of poverty, i.e., that youth empowerment and poverty reduction in Kano State are highly correlated. The study also found that participants face challenges both during and after training. These challenges include, among others, a lack of credit availability, difficulty obtaining a guarantor before a loan can be approved or provided, and an intolerable interest rate on loans. At the conclusion of the study, it was recommended that centers for youth empowerment like the Sani Abacha Youth Empowerment Centre require adequate attention and support from wealthy individuals and all levels of government in order for them to be able to expand their programs and empower more youth to reduce poverty in the nation. Additionally, there is a need for the creation of additional entrepreneurial training facilities like the Sani Abacha Youth Centre around the State.

Keywords: Youth Empowerment, Poverty Alleviation, Sani Abacha Youth Center, Role

1.0 Introduction

Nigeria is a nation that is blessed with a variety of natural resources, including land, mining, agricultural goods, forests, and natural gas, to name a few. Despite being the most populous nation on the continent of Africa (World Bank, 2014), it appears that the population serves as a liability rather than an asset because the government has failed to meaningfully manage and regulate population growth (Abdussalam, 2014). According to Kaiz and Leonard (2012), as the economy experiences positive growth, the wealthy become even wealthier while the poor become even poorer. Poverty has been a significant and ongoing problem for many emerging nations, including Nigeria. The main issues with the Nigerian economy today include, among other things, poverty, unemployment, and corruption (Akpan, 2011). The government is quite concerned about the problems' ongoing rate of escalation. Being classified as young as opposed to old is one of the economic characteristics of the poor and poverty (Todaro, 2019). Therefore, in order to lower the degree and rate of poverty in the society, it is imperative to empower the youth in any given economy, notably Nigeria.

Although the Nigerian government had made many efforts in the past through various programs and institutions aimed at addressing the issue of poverty in the society, it is noted that one of the challenges facing governments of many developing countries is to minimize income inequalities between the haves and have-nots or the high-income earners and low-income earners as well as alleviate poverty in their immediate societies (Ahmed, 2009). Involving people in the decision-making process is a key component of the traditional notion of empowerment. They ought to have access to political institutions and power over economic and political decision-making. Rowlands (1995) contends that empowerment is more than just giving people access to decision-making; it also involves the processes that help people feel competent and deserving of occupying that space.

Empowerment is the process by which powerless individuals, groups, or organizations (i) become aware of the power dynamics operating in their context, (ii) develop the skills and capacity to exert some level of reasonable control over their lives, (iii) do so without violating the rights of others, and (iv) encourage the empowerment of other individuals or groups in the community (McWhirter, 1991). According to the World Bank report (1975:3), empowerment is a strategy designed to improve the economic and social life of a specific group of people while disempowered includes the rural poor. The group of the poors include others as small-scalefarmers, tenants and the landless. Meanwhile, Ekanem (2004:52) (cited in Abdussalam views empowerment as a means to extend the benefits of socioeconomic and political development in the economy to the poorest among those who seek a livelihood in the rural areas (cited in ChukumaDuru, 2018). More so, empowerment is seen as a socio-economic or political act by the state or its agencies, private individuals or corporate organization aimed at transforming the socio-economic well-being of the disempowered.

Youth empowerment and orientation are necessary for empowerment to effectively contribute to the reduction of poverty and economic development in Nigeria. Ogundele (2000) defined entrepreneurship as the process of the emergence of an entrepreneur's behavior and performance. Empowerment is the systematic, formal transmission of entrepreneurial competencies, which are the ideas, abilities, and state of mind that people utilize to launch and expand their growth-oriented businesses. Having new ideas and turning them into lucrative endeavors is another definition of entrepreneurship education (Omolayo, 2006). The development of entrepreneurial talents, their effective and efficient use in the management of businesses to distinguish them significantly from other businesses, and the proper recognition and utilization of the skill are all components of entrepreneurial orientation. Numerous studies on youth empowerment focus on how entrepreneurship contributes to sustainable economic development, job

creation, innovation, and resource allocation; however, the impact of youth empowerment and training on poverty alleviation, particularly in Kano State, has received little attention. Training and education are just two of the many variables that affect an entrepreneur's ability to succeed in business, but they are frequently insignificant. Additionally, the majority of government initiatives to combat poverty in the nation did not focus on entrepreneurship training and education for the unemployed.

1.2 Statement of Research Problem

Poverty as menace continues to be a serious problem in Nigeria and other economies worldwide. For this Nigeria has launched many empowerment programs, which include: Youth Empowerment Scheme (YES), National Poverty Eradication Program (NAPEP), Youth Enterprise With Innovation in Nigeria (YOUWIN), etc., in an effort to eradicate poverty from the nation. This is due to the poverty alleviation program in Nigeria's poor enterprise culture, which is now a major driver of poverty and social vices. Despite all of these attempts by various governments, the country's poverty rate continues to worsen on a daily basis (Akujuru, Chukwunonye Abovu and Enyioko, Newman Chintuwa, 2019).

Therefore, the aim of this study is to determine the extent of relationship between the youth empowerment programs and the poverty alleviation in Kano State in order to make recommendations for further action. Numerous empirical studies reveal that the majority of empowerment programs developed by governments and Non-Governmental Organizations (NGO's) with the purpose of eradicating or reducing poverty have not been fulfilling their intended purpose (Tomsu, Samaila Mohammed; Mu'azu, Idris; Umar, Suleiman, 2018).

1.3 Research Objectives

The major aim of this study is to determine if there is significant relationship between the youth empowerment programs and poverty alleviation at Sani Abacha Youth Center, Kano. Other specific objectives include:

- i. To determine the relationship between Economic Empowerment and Poverty Alleviation at SaniAbacha Youth Centre.
- ii. To determine the relationship between Production Empowerment and Poverty Alleviation at SaniAbacha Youth Center.

1.4 Research Questions

- i. Is there any relationship between Economic Empowerment and Poverty Alleviation at Sani Abacha Youth Centre Kano?
- ii. Is there any relationship between Production Empowerment and Poverty Alleviation at Sani Abacha Youth Centre Kano?

1.5 Research Hypothesis

H0: There is no significant relationship between Youth Empowerment and Poverty Alleviation at Sani Abacha Youth Centre.

1.6 Significance of The Study

The findings of the study will be of significant useful to policy-makers; they will aid and direct them in developing policies and strategies regarding youth empowerment programs for poverty alleviation in the country.

The study will equally urge the government to properly allocate more money, incentives, and loans to youth empowerment programs and to take corrective action where necessary. Provide useful guide for prospective entrepreneurs that wish to acquire more skills to improve on their businesses. Additionally, the study will help our teaming youth in understanding the importance of empowerment initiatives and the settings in which they are carried out. The study will also serve as a source of secondary data for research in related fields that which are likely to be conducted in the future.

2.0 Literature Review

2.1 Concept of Youth Empowerment

Youth empowerment, according to the Commonwealth Plan of Action for Youth Empowerment (PAYE), 2006-2015, is to empower, engage, and create value so that young people can contribute to the economic, social, and cultural advancement of their families and countries as well as to their own fulfillment. This plan was developed through extensive consultation with key stakeholders in all regions of the Commonwealth.

McGrath, (2009) opines that the quality of a country is not based on the number of men and women in its armed forces nor is it determined by faithfulness to the application of the principles of zoning and or the allocation formulae of political offices, which in Nigeria is actually a euphemism for sharing public funds. No country becomes great by the number of politicians jostling for political offices or the number of times its constitution is amended in a quarter. The greatness of any nation is in the quality of its people in the worth of its governance and in the empowerment of its youths.

Youth is intended to help and solve the problems of youth unemployment around the world. Poverty reduction and country growth are both facilitated by the generation of wealth and jobs. The youth empowerment program, according to Amadi and Abdullah (2012), is a capacity-building strategy that includes vocational training and skills development that equips the youth to contribute more to society. Similar to this, Kuti (2006) describes youth empowerment as a type of human development intervention that gives young people the chance to receive a variety of vocational skill training owing to their socioeconomic circumstances, which are detrimental to their overall welfare. Through interventions in their educational pursuits, social and economic empowerment, and a wide range of opportunities for behavioural change in the youth through guidance and counseling programs, it tries to prepare youths psychologically for a variety of interactions they will face in life.

2.1.1 Economic Empowerment

A type of empowerment program called economic empowerment aims to increase the economic potentials of a person or a group of people so they can become entrepreneurs in a certain community. An economic empowerment program therefore focuses on teaching people entrepreneurship skills so that they can create and run their own business ventures in a cutthroat business climate (Ogbe, 2021). Economic empowerment is a crucial tool in the development of multiple chances that young people and those with entrepreneurial aspirations can seize and profit from, allowing them to achieve desirable living conditions.

In order to reduce poverty and advance national economic empowerment and development, the government reexamined the issue of eradicating poverty and developed a variety of youth empowerment scheme initiatives. Obadan (2017) asserts that national poverty eradication programs (NAPEP), which operate as the focal point for all anti-poverty initiatives in the nation, coordinate all activities linked to

poverty reduction that fall within the youth empowerment plan. The five different sectors recognized by the schemes include the following ones:

Youth Empowerment Scheme (YES) primarily focuses on entrepreneurship development, technology development, loan delivery, productivity enhancement, and required attachment for self-help and economic progress. The government started this program to give unemployed individuals more employment opportunities, improve their sources of income, and boost their level of living.

2.1.2 Production empowerment

According to Idachaba (2006), production empowerment is a type of empowerment that is based primarily on training and is concerned with how an individual or group of individuals can respond to fundamental economic questions like what to produce, how to produce, and for whom to produce in order for them to operate business enterprises effectively. Empowering production also enables people to create own business ventures that are reliant on the available resources (capital, material, money, etc.).

2.2 Concept of Poverty Alleviation

The idea of poverty has many different aspects. Most nations around the world experience development challenges as a result. According to Idachaba, it is the most potent antidevelopment reality that exists on a global scale (UNDP, 2006). (2006). In order to identify the extremely poor around the world, the World Bank has been measuring poverty using statistical parameters of income of \$1 to \$2 per day per person. The poverty standard that is most frequently applied globally is based on this criterion. According to their definition, poverty is the inability of a people to meet their fundamental requirements, including those for a decent place to live, food, healthcare, education, and participation in society (World Bank, 1990). According to the United Nations (1995), poverty is also characterized by a serious lack of basic necessities such food, clean water to drink, sanitary facilities, medical care, housing, education, and information. They claimed that access to services and income are both factors in poverty. According to the World Bank and the United Nations, poverty is initially defined as the lack of access to basic human needs. But poverty affects a person's morals and material well-being through disease, going beyond the absence of food, healthcare, portable drinking water, etc (Narayan, 2002). In addition, the absence of the necessary goods and services for a living is referred to as poverty (Sen, 1983). Additionally, Spicker (1993) defined poverty as being subjected to long-term deprivation. According to Ashton (2005), who has a similar perspective, deprivation essentially has to do with a lack of basic necessities as a result of insufficient resources. According to Ashton, poverty is the absence of sufficient means to meet one's basic necessities. The inability of a person to maintain a minimal level of living is another definition of poverty (Anka, 2009). The aforementioned story demonstrates how poverty may take many different forms, and because of this, multiple definitions have been employed over time.

2.3 Relationship between Youth Empowerment and Poverty Alleviation

Poverty reduction is widely acknowledged as a key goal for development. The cycle of poverty keeps the underprivileged in an impoverished state. The idea of poverty, which reflects its many obvious characteristics, is multifaceted. According to Na'Allah (2004) and Kwaghe (2006), poverty has multiple dimensions since it has an impact on the physical, moral, and psychological well-being of people. Poverty is a visible issue that is readily recognizable in many countries. Furthermore, it is relative because those who are considered poor in industrialized economies may be seen as materially wealthy in least developed ones. According to Kwaghe (2006), each society has its own definition of poverty. The number of persons living in poverty is counted, and the poverty rate is calculated as the percentage of the entire population that lives in poverty. He contends that poverty is consequently a normative issue

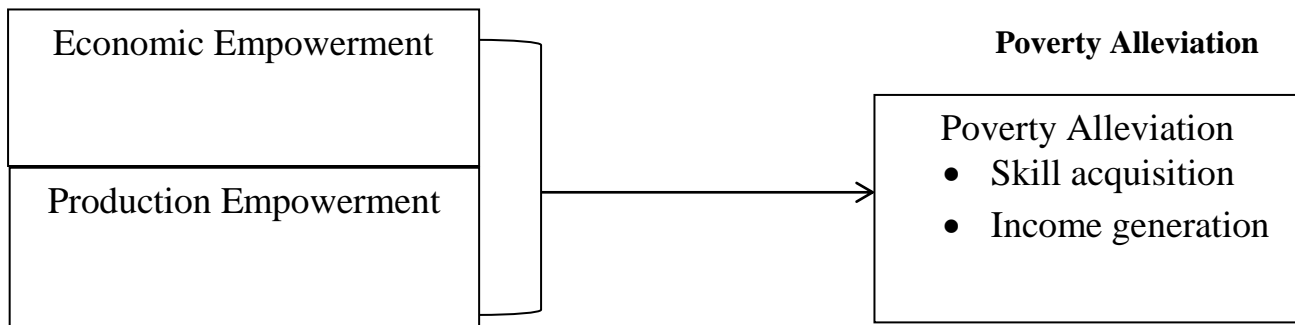
and that determining the poverty line necessitates an assessment of societal norms. Whatever the definition of poverty, it has been said that those who lack the means to maintain a healthy lifestyle, secure employment, own property, or receive an acceptable income are considered to be poor (Obadan, 2017).

Although reducing and eliminating poverty is a difficult but impossible endeavor. The World Bank and governments of developing nations have largely concentrated on agricultural advancements in recent years as a means of decreasing rural poverty and achieving sustainable economic growth. The N-Power Program is a grassroots economic initiative that is especially targeted at young people. A method to reduce adolescent poverty through training in vocational jobs and the provision of microcredit in a sustainable way as a tool for self-actualization and empowerment is represented by the introduction N-Power Program under the social empowerment safety net (Enyioko, 2006). The study focuses on the socioeconomic traits of the beneficiaries of the schemes, the efficiency of the schemes, and the issues that work against the schemes in the study area.

One of any country's greatest resources is its youth. They are not only rightfully recognized as the country's future leaders, but they might also be the biggest investment in the development of the nation. Their level of responsibility, responsibility in their behavior, and role in society are all favorably connected with development. The majority of people in Kano state are young. As a result, the government has taken youth into account while planning for socioeconomic and political development. The goal is to unleash the maximum amount of youthful creativity, productivity, ingenuity, and freedom within the context of a setting that is conducive to young people's self-actualization, expression, sustenance, and empowerment.

2.4 Conceptual Framework

Youth Empowerment



2.5 Theoretical Analysis

This study is conducted under the guiding light of poverty theory which falls into one of the four perspectives as stated by Ogboru and Abiniku (2011). The four perspectives are:

- I. The Conservative,
- II. The Liberal Reformists,
- III. The Radical Structural/Marxists
- IV. And the Social Exclusion.

The conservative theories namely: individualistic and culture of poverty posit that the poor are responsible for their poverty. The liberal reformists' perspective which deals with situational theory of

poverty is hinged on the fact that poverty results from experiences that individuals or groups pass through. On their part, the radical structural/Marxist perspective argued that capitalism produces poverty due to its exploitative syndrome. The social exclusion theory is predicated on poverty resulting from people who tend to be excluded from effective participation in a society's activities due to segregation. Entrepreneurship training tends to emphasize the identification and assessment of skills, understanding of entrepreneurial process, all needed for alleviating poverty through the creation of new business and assessing other business opportunities thereby making entrepreneurs create an employment opportunities and not seekers of employment opportunities.

2.6 Empirical Review

According to Fayemi's (2012) research, youth empowerment policies are the most effective at reducing poverty among young people in Ogun state, Nigeria. This demonstrates the beneficial effects of the youth empowerment program and the connection between it and the reduction of poverty. Similar to this, as the issue of poverty is brought to light in Ogun state, more young people feel empowered to address it, despite the fact that the system is politically biased and manipulated. In Borno state, Funmilola (2002–2009) investigated the effect of a youth empowerment program on reducing poverty. For the survey, a total of 1220 respondents were used. Utilizing the mean, frequency count, and percentage to examine the data collected. The study's conclusions showed that the youth empowerment scheme (YES) had significantly improved the respondents' level of living.

According to Sajid Khan's (2013) research, "women's empowerment through poverty alleviation: a socio-cultural and politico-economic assessment of conditions in Pakistan," attention to non-economic issues is crucial in addition to poverty reduction programs for women empowerment. While reducing poverty benefits women's quality of life, it does not elevate their position in the home. Women continue to experience domestic violence and workplace exploitation. They earn less money than men do. This necessitates both a social transformation and a mental shift among men toward women. The Youth Empowerment Scheme (YES) has a statistically significant impact on the respondents' standard of living and also lowers their degree of poverty, according to Abdussalam's (2015) research on the topic, "Impact of Youth Empowerment Scheme on Poverty Alleviation in Nigeria." The results demonstrate a substantial and positive association between YES and the reduction of poverty ($r=.69$, $n=85$, $p.0005$). The majority of respondents were pleased with how well the YES performed in Kwara State. In order to further improve the beneficiaries' living conditions, recommendations are made based on the beneficiaries' performance on the YES question and the challenges they faced.

Nelson and Ekpo (2010) also looked at "the role of micro-credit in poverty reduction program in rural parts of Nigeria." The study found that incorporating micro-credit mechanisms into poverty alleviation programs significantly improved peoples' quality of life, increased their income, and decreased extreme poverty. Additionally, the microcredit program provided its users with the following advantages: improved service delivery, increased access to financial services for the majority of people, promotion of rural transformation, and finally, strengthened ties between universal development banks, specialized institutions, and microcredit banks (Clement and Terande, 2012).

Mahmud's (2003) research on the impact of micro-credit program participation on women's empowerment in Bangladesh provides another empirical review. According to the study, the program had a modest impact on women's access to resources that would enable them to make better choices, but it had a significant impact on their ability to exercise agency in intra-household processes. However, the study shows that program participation promotes women's welfare and may lessen the influence of male

bias on welfare outcomes, particularly in low-income households. Rabilu and Abbas (2012), however, disputed this claim and claimed that the use of credit facilities in programs to reduce poverty had little effect on the intended beneficiaries. This was demonstrated in their analysis of the Poverty Eradication Programme's (NAPEP) impact in the Giwa LGA of Kaduna State. According to the report, just 17.2% of the population had the opportunity to get credit facilities from NAPEP, while the other 82.8% did not. However, the analysis finds that there was a problem with the program's use of government-provided funding. This claim was supported further by the study done by Fapohunde (2012), who looked at a similar initiative for the empowerment of women run by the Lagos State Government. He notes that the initiative had issues with the government's disbursement of cash being insufficient and delayed. Because of this, implementing a credit facility in an empowerment program may not successfully solve the intended beneficiaries' problems. The majority of these micro-credit initiatives, nevertheless, were run by government groups, but non-governmental organizations' programs had a substantial impact on reducing poverty.

Adeleke (2012) evaluated both the impact on reducing poverty and empowering young people of using SMEs in agricultural development programs. The study found that in a nation like Nigeria, which has the resources to support the development of SMEs programs, the programs were a real tool for empowering youth. It had been experimentally estimated that N 92,250,000 in plantation oil farms in one local government might be achieved from an estimate of N 135,200,000. In the farms, 50 young people can labor. As a result, the SMEs can assist Nigeria in achieving its national goals in terms of tackling issues related to young unemployment and poverty eradication. Small and medium-sized businesses equally contribute to job creation and reducing rural-urban migration (Adeleke, 2012).

More empirical research support the idea that including vocational and technical education in programs is the most effective and efficient way to increase the significance of empowerment. For instance, the study by Nwoko (2013) shows that youth can only become independent and self-employed when given access to vocational and technical education and financial resources at the beginning.

2.7 Study Gap

The study gap is all about the regions that the earlier researchers on the topic of discussion did not fully cover (Role of youth empowerment in poverty alleviation in Kano State). Most of the publications in this field were conducted outside Kano and no study of this nature that was conducted at Sani Abacha Youth Centre, Kano.

3.0 Research Methodology

3.1 Research Design

For the purpose of the study, correlational research design was employed and used; using which sign a mathematical relationship between the variables under study was established and studied.

3.2 Population of the Study

The population of this study comprises of all the youth who are presently undergoing empowerment programs at Sani Abacha Youth Centre. There are 500 trainees receiving training across 25 different programs, these youth are from different states across the 19 northern states.

3.3 Sample Size and Sampling Technique

The sample size for this study was determined to be 217, it was determined using Krejcie and Morgan table of sample 1970. The study used Stratified sampling technique in picking the samples from the population.

3.4 Data Collection Instruments

A structured questionnaire with close-ended types of questions was employed and used for this research work, it was designed with 1-5 likert scale which consist of strongly disagree, disagree, neutral, agree and strongly agree to answer the research questions and also it is used to measure the responses of the respondents of this study.

3.5 Method of Data Collection

The researcher has utilized both primary and secondary sources of data collection.

3.6 Validity of the Instrument

For accuracy and conformance, the questionnaire used for this study was validated using content validity as follows: The CVI = 0.733 and is higher than 0.5 which the standard criterion for measuring the validity of research instrument. Having got a CVI of 0.733, the validity of the research instrument is hereby considered adequate.

3.7 Reliability of the Instrument

The Reliability test was conducted using cronbach's Alpha value via SPSS. The cronbac' Alphas were calculated and presented in relation to each and every variable as follows:

The overall cronbach alpha of the individual variables were calculated and presented as per the tables above:

- i. Economic Empowerment (EE) – the cronbach's alpha = 0.743
- ii. Production Empowerment (PE) - the cronbach's alpha = 0.641
- iii. Skill Acquisition (S.A): the cronbach's alpha = 0.621
- iv. Income Generation (IG): the cronbach's alpha = 0.589

It could be noted that all the cronbach's alphas calculated as par above are greater than cronbach's alpha value. In other word they all exceeded the prescribed threshold of 0.5 given by (Field, 2009).

3.8 Method of Data Analysis

The Statistical Package for Social Sciences (SPSS) version 21 was used to analyze the data. Descriptive statistics, such as frequency tables and percentages, were used to analyze the bio-data, while inferential statistical tools in particular Pearson's correlation coefficient was used in testing the researcher hypothesis.

4.3 Answers to Research Questions

4.3.1 Is there any relationship between Economic Empowerment and Poverty Alleviation at Sani Abacha Youth Centre Kano?

Analysis of questions 4 as per Table 4.3 above made it quite evident how intimate the Economic Empowerment is related to poverty alleviation as 144 out of the total of 198 respondents which represents 72.7% of the sample size strongly agreed that The empowerment programs at the Centre motivate youth to start businesses which in turn take them out of the poverty menace.

4.3.2 Is there any relationship between Production Empowerment and Poverty Alleviation at Sani Abacha Youth Centre Kano?

Analysis of questions 5 – 7 from table 4.3 above clearly indicated how youth at Sani Abacha Youth Centre engage in different productive activities which make them productive and equally enhance their talents in identifying and utilizing business opportunities.

Also the analysis of questions 14 and 15 shows from same table above revealed how the production empowerment changes the mindset of the participant in making them business oriented-people, the analysis shows how the empowerment helps them to identify productive activities which enable them to burst their income and fight poverty. Nearly 80% of all respondents strongly agreed that the Center offers a range of production empowerment programs, and around 70% strongly agreed that these programs result in the acquisition of business skills that help entrepreneurs to improve their businesses.

The answers to the aforementioned research questions may be utilized as a benchmark for measuring the achievements the study’s specific objectives which are:

- i. To determine the relationship between Economic Empowerment and Poverty Alleviation at SaniAbacha Youth Centre.
- ii. To determine the relationship between Production Empowerment and Poverty Alleviation at SaniAbacha Youth Center.

It could be concluded based on the above analysis that both Economic and Production Empowerments conducted by Sani Abacha Youth Empowerment Centre are significantly related with poverty alleviation in Kano State in particular and in the Nation in general. Thus, we can come to the conclusion that both the specific objectives were successfully accomplished.

4.4 Hypotheses Testing

The Hypothesis stated earlier in Chapter One will be subjected to rigorous test here in order to determine its acceptability or otherwise. This hypothesis will be tested using Pearson’s correlation coefficient (a parametric statistical tool that is mainly used for measuring extent of relationship between the variables in question).

H0: There is no significant relationship between Youth Empowerment and Poverty Alleviation at Sani Abacha Youth Centre

Table 4.8 Dependent & Independent Variables

PROGRAMS RENDERED AT THE CENTER (X)	0	3	10	25	182
POVERTY ALLEVIATION (Y)	15	20	30	35	285

Table 4.9 Pearson’s Correlation Coefficient

X	Y	XY	X²	Y²
0	15	0	0	225
3	20	60	9	400
10	30	300	100	900
25	35	875	625	1,225
182	285	51,870	33,124	81,225
Σ= 220	Σ=385	Σ= 53,105	Σ= 33,858	Σ= 83,975

$$R = \frac{n \sum xy - \sum x \sum y}{\sqrt{(\sum x^2)(\sum y^2)}} = \frac{5(53,105) - (220)(385)}{\sqrt{33,858 \times 83,975}}$$

$$R = \frac{\sqrt{\{n\sum x^2 - (\sum x)^2\} \{n\sum y^2 - (\sum y)^2\}}}{\sqrt{\{169,290 - 48,400\} \{419,875 - 148,225\}}} \quad R = \frac{\sqrt{\{5(33,858) - (220)^2\} \{5(83,975) - (385)^2\}}}{\sqrt{\{120,890\} \{271,650\}}}$$

$$R = 0.997834314$$

$$R \approx 0.998$$

Interpretation: the correlation coefficient calculated above (in which $R = 0.998$) signifies a very strong positive relationship between the programs rendered at the Centre and poverty alleviation; which the two variables move in the same direction; in other word the empowerment programs rendered by the Center lead to generation of employment and equally reduce the level of poverty. Therefore, the null hypothesis $\{H_0\}$ is hereby rejected.

4.5 Discussions of Findings

This research work was conducted on the Role of Youth Empowerment in Poverty Alleviation in Kano State (A case study of Sani Abacha Youth Center, Kano).

Sani Abacha Youth Centre is a non-governmental organization (NGO) based in Kano State, which empower youth in about 25 different areas ranging from GSM repairs, fashion design/tailoring, furniture making, poultry production to mention but few. See appendix III at the end of this document for details.

The Centre in conjunction with Federal Government of Nigeria and some northern state governments empowered youth under different occasions. For instance, in 2008 Kano State Government in conjunction with Industrial Training Fund (ITF) sponsored the training of 1,000 youths in different areas, gave them allowance of N10,000 per trainee during the program and grant each of them capital at the completion of the training program. Jigawa State also mandated all its local governments to send at least 10 – 15 youths for training to the Centre every year, and the local government has been complying consistently, although the Centre has no knowledge as to whether the trainees receive capital grant after the training or not.

In 2019 Yobe State Government also sponsors 500 youths and equally mandated its 17 local governments to sponsor at least 100 youths every year, the State Government gives trainees a monthly allowances of N8,000 per trainee during the program, and equally grants them capital to start businesses after the completion of the program. Federal Government also sponsors the training of youths periodically, mostly through Central Bank of Nigeria (CBN) and Industrial Training Fund (ITF).

The results of analysis from this study proved at the end that, there is strong positive relationship between the Centre's empowerment programs and poverty alleviation in Kano State. Thus Centre's empowerment programs equip our teaming youth with various business skills in different areas of life and also enable them to identify and utilize various source of income generation so as to fight poverty and improve their lives.

The results of findings from this research work support the studies of Okafor (2011), Oye, N.D. et als (2011), Aiyedogbon and Ohwofasa (2012), Shadare and Elegbede (2020), Uddin and Uddin (2019), who in their works reported that youth empowerment programs significantly moderate the rate of unemployment as well as crime occurrences in Nigeria. Also, the finding tallies with the adolescent empowerment cycle model which postulates that youth empowerment initiatives assist in developing a process of social bonding that connect youths to positive societal institutions through action, skill development, and reinforcement.

5.0 Conclusions and Recommendations

5.1 Conclusion

From the result of this study, it is quite clear that youth empowerment schemes are prerequisite factors necessary in curbing the menace of poverty and unemployment in Kano in particular and Nigeria in general. This is naturally true in as much as youth empowerment schemes are designed to engage our youth in positive economic activities that can later translate into national development and economic growth.

This study has discovered that the Sani Abacha Youth Center Kano has been playing enormous roles in empowering youth and contributing positively towards poverty alleviation programs. The Center trains youths in about 25 different areas and the training lead to more and more employment generation. Finally, the study has established that, there is significant relationship between the Centre's empowerment programs and poverty alleviation not only in the State but across different states in the northern parts of the Country.

5.2 Recommendations

Based on the findings from the study, the following recommendations were made to enable the provision of effective youth empowerment scheme in Kano State: The government should seriously recognize the essence of youth empowerment programs and innovation to economic development by providing an enabling environment for the youths to be gainfully empowered for economic development. The Federal, States and Local Governments should adequately utilize Sani Abacha Youth Empowerment Centre and sponsor the trainings of more youths to embrace entrepreneurial spirits and behavior.

The Centre needs adequate attention and support from all levels of Governments and wealthy individuals, to enable them expand their programs and empower more youth to alleviate more poverty in the State. The Kano State Government should as a matter of urgency increase the funding of its youth empowerment programs. This will enable it enhance the capacity of its skill centers for better training of participants. The need for the establishment of more entrepreneurial training centres like Sani Abacha Youth Centre across the State is evident; the centers should be equipped with requisite facilities, so as to train the youth with tradable, creative and beneficial skills. This will go a long way in increasing the level of participation and engagement of youths in empowerment programmes as well as the extent to which poverty could be alleviated.

Finally, there is a need for the government and non-governmental organizations to collaborate in the funding and provision of training facilities in youth empowerment centres in Kano State in particular and Nigeria in general. This will help to resolve some of the challenges facing trainers and trainees in ensuring that youth empowerment programmes produce not only positive but also desirable results in the trainees.

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Economic Growth, Information Communication and Taxes Nexus in Nigeria

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Abstract

The study investigates the contribution of taxes on products, professional scientific and technical services, and information communication on economic growth of Nigeria over the period of 1981 to 2020. Time series methodology using bounds testing approach to cointegration is used on the basis of the mixed integration (level and first difference) order of the variables of interest as revealed by unit roots test. The results obtained revealed statistically significant positive contribution of all the variables to economic growth. In addition to the existence of long-run relationship among the parameters, there is 67.3% error correction speed of adjustment to equilibrium in the event of distortion in the model. The model is robust with correct specification, normally distributed evidenced from Jaque-Bera, homoskedastic from Breusch-Pagan-Godfrey test, serially independent and stable via Cusum bounds. It is recommended that information communication and taxes be strengthen to boost Nigeria's long-run economic growth.

Key words: *Economic growth, ICT, Taxes, Time series, ARDL*

1.0 Introduction

Globally, countries are in the quest of digitalizing the economy with the help of information communication technology (ICT) for boosting economic growth. Culling from the World Bank overview on digital development, “digital technologies are at the forefront of development and provide unique opportunity for countries to accelerate economic growth and connect citizens to services and jobs” (World Bank, 2022a). ICT provides an avenue for minimizing imperfections due to asymmetric information inherent in market transactions, with the help of information and communication technology buyers and sellers are now more informed of availability and cost of products from far distance places.

Information and communication technology aids public authorities in administration of revenue collection and other sectors' productive activities capable of boosting economic growth. In Africa 10% increase in mobile broadband alone would result in 2.5% rise in GDP per capita (World Bank, 2022a). In Nigeria, the progress of economy seems to go with that of information and communication. For instance, earliest available data on broadband subscription for Nigeria, in year 2005 showed 500 subscribers with access to fixed broadband subscriptions to high-speed (256 kbit/s) access to the public internet, the number reached country's highest of 110,834 in 2017 then finally stands at 65,917 in 2021 (World Bank, 2022b). In Nigeria, ICT prove to be one of the viable diversification avenue for boosting economic growth, for instance ICT contribution to Nigerian GDP surpassed that of the oil and Gas in the second quarter of 2019, the ICT sector contributed 13.85% to the total nominal GDP in the second

quarter of 2019 more than the 11.22% recorded in same period of 2018 (NBS,2019). Although the aftermath of COVID-19 gave way to revival of physical activities, this means less demand for ICT and fall in the sector's contribution to the economy. This seems to be behind the reason for small decline in ICT contribution to nominal GDP from 10.58% to 9.88% in 2020. Despite that, the fourth quarter report for 2021, ICT contribute 15.21% to total real GDP, this is higher than 14.20% recorded in the preceding quarter (NBS, 2021). This is a great boost to the pursuance of economic diversification of the Nigerian economy.

Similarly, another aspect of information communication is mobile cellular telephone subscription to public mobile telephone service for both prepaid and post paid active accounts which Nigeria lacks up to-date data, earliest data showed 9,049 subscriptions as of 1993, the number of subscribers reached all time highest of 204.2 million in year 2020, then finally dropping to 195.1 million in 2021 (WorldBank, 2022b & WorldBank, 2022c). Similar upward GDP trends uphold with the said dates. In 2005, GDP per capita was \$1950.12 but it has increase to \$2429.58 as of 2021. These are the perceived relevance of ICT to economic growth globally and the existence of likely connection. But the question is, what is the empirically précised parameter estimate of the ICT contribution to economic growth in both short run and long run. This is one of the issues this study strives to address and is aiming at providing; informed policy guide, contribute to literature for future studies. Although, there are empirical researches on the contribution of ICT to economic growth employing different econometric techniques and using cross-country data to explore the nexus between ICT and economic growth (Aghaei & Rezagholizadeh, 2017 & Pradhan et al. 2018) but very scanty are on country specific especially in less developed African countries. The few ones are not generally unanimous (Dewan & Kraemer, 2000; Pradhan et al. 2015).

In summary, many factors culminated and explained the existence of this study's research problem requiring attention. There is inevitability of incorporating ICT into economic progress ingredients of a Nigeria; the need to have empirical policy framework that explain the magnitude of ICT impact on the economy; the absence of unanimous findings and the need for further contribution toward resolving the existing debate in a unique manner a bit different from previous researches; the need for availing literary material for future research, the need for application of all the necessary diagnostics and the usage of enough and relevant ICT data or proxy. This study further seeks to investigate both the short run and long run nexus among information communication, net taxes on products, and professional scientific and technical services from year 1981 to 2020 in Nigeria.

The rest of the paper is organized into four sections. Section two presents a review of literature on the connections between ICT, taxes, professional scientific and technical services on economic growth. Section three is devoted for the methodology adopted by this paper. Section four is on results and discussions. Section five presents a summary, conclusion and recommendations based on findings of the study.

2.0 Literature Review

This section covers empirical review on ICT, taxes, professional scientific and technical services nexus with economic growth. It also covers theoretical framework that the research is anchored on. The aimed here is to review relevant empirical and theoretical works in order to better shape this research.

2.1 Empirical Review: ICT versus Economic Growth

Ordinary least square model, random effects and fixed effects model have been applied on the study of the Effect of Information and Communication Technology on Economic Growth of 18 Arab countries from 1995 to 2013. Finding confirmed the existence of positive impact ICT on the selected Arab countries' economic growth (Hodrab *et al.*, 2016).

Sepehrdoust and Ghorbanseresht (2018) used GMM technique on OPEC data from 2002 to 2015 and unveiled positive impact of ICT on economic growth. Also, Bahrini and Qaffas (2019) applied panel Generalized Method of Moment (GMM) in establishing positive impact of information technology on economic prosperity of the selected developing countries in the Middle East and North Africa (MENA) region and the Sub-Saharan Africa (SSA) region over the period of 2007 to 2016.

Despite positive contribution of ICT to economic growth in some of the studies conducted, divergent negative and insignificant findings were established by other researchers particularly in developing world. Dewan and Kraemer (2000) used data from 36 countries over the period of 1985–1993; they found that only developed countries have benefitted from the favorable effect of ICT on economic growth. To them, such negative result was not unconnected with low level of ICT investment and the lack of right environmental conditions such as basic infrastructure, and appropriate government policies in developing countries.

Going by some of the scanty but relevant empirical time series studies on Nigeria, Ukwuoma (2019) used data from 2008 to 2018 on internet users and economic growth. The result indicated that Internet users (reflecting ICT) are negatively affected by the likes of inflation and population increase which then affect economic growth. Similarly, available data points from 2001-2020 periods were used by Mefteh and Romdhane (2022), findings indicates that Information and Communication Technology plays (ICT) drives economic growth with a two-way link between the Internet User and GDP. Ogbuabor, et al. (2020) buttressed the relevance of ICT for aiding financial inclusion, which is relevant for economic growth.

2.2 Taxes, Professional Scientific and Technical services Nexus with Economic growth

Both taxes and professional scientific and technical services were taken as vital inputs for growth amidst ICT application In Nigeria. Edewusi and Ajayi (2019) examined the nexus between tax revenue, petroleum profit tax, and company income tax, and value added tax on economic growth, all of which have positive effect on economic growth. While, Adegbite (2020) investigates effects of taxation on economic growth of Nigerian economy covering 1970 to 2018 using Johansen co-integration and the Granger causality tests. Results divulged that Value added tax, petroleum profit tax, company income tax, and have positive significant influence on GDP but Custom and Excise duties were statistically insignificant in both short run and long run on GDP. A professional scientific and technical service is a relevant factor for good performance (Van Doel, 2017).

Furthermore, growth implications of professional scientific and technical services together with information and communication technology were explored using data from 1981 to 2017, statistically significant positive impacts of both on Nigeria's economic growth were obtained (Rahmon & Olaitan, 2019). As such, the studies were scanty, findings were inconclusive generally and there is room for application of robust econometric techniques that will subjected to all the necessary checks in unveiling especially ICT-Economic growth nexus in Nigeria.

2.3 Theoretical framework: Endogenous growth model

Different theories have put forward to explain economic growth, like the Solow, 1956 growth model which sees technology as exogenous. With the presence of technology and tax in this study's analysis, the study intends to seek guidance from endogenous economic growth theory that endogenizes technology in the production process. It also clear the assumption of decreasing returns to both physical capital and human capital obtained in Solow's model.

In endogenous model, the main determinants of economic growth are formed inside the model, which this study is anchored on, by considering internal proficiency of ICT, taxes professional scientific and technical services to trigger economic growth. The technical level of the economy is the result of investment decisions. Returns to factors of production are at least constant. Endogenous models use the AK production function, which is a linear function of technology (Rebelo 1991). Thus the endogenous growth model is taken as underpinning theoretical support for this study.

3.0 Methodology

This section explains the procedures employed by the study. The work employed Augmented Dickey Fuller (ADF) unit root tests. The short run and long run nexus are estimated by ARDL, the choice of the technique is anchored on the nature of the series, objectives of the study; and capability of the technique to handle small sample as it is in this study.

Except for descriptive statistics and natural trends of the variables in this study, log transformation of the series was conducted for; more comparable estimates in elasticities, control of outliers, reliable and efficient estimates as compared to other specifications without logging (Waheed et al. 2018; Shahbaz and Lean 2012; Shahbaz et al. 2017). Similar log transformation in unveiling the nexus among information and communication technology and economic growth in has been applied in the work Rehman *et al.*(2021).

3.1 Data Sources and Description of Variables

In order to have proper understanding of the variables used in the study, a description of each and their measurements are explain in table 1. The choice of the data and scope is based on availability, relevance and uniformity of the data points.

Table 1: Measurement of Variables and Sources of data

Variables	Measurement	Sources of Data
GDP	Gross Domestic Product at 2010 Constant Basic Prices - Annual1 (₦' Billion)	Central Bank of Nigeria statistical bulletin www.cbn.gov.ng
IC	Information and Communication (₦' Billion)	Central Bank of Nigeria statistical bulletin www.cbn.gov.ng
NTOP	Net Taxes On Products (NTOP) (₦' Billion)	Central Bank of Nigeria statistical bulletin www.cbn.gov.ng
PSTS	Professional, Scientific & Technical Serv. (PSTS) (₦' Billion)	Central Bank of Nigeria statistical bulletin www.cbn.gov.ng

Source: Author (2022).

ICT is the main variable among the independent variables in this study, data on mobile cellular subscription and internet broadband use to be the proxy for information and communication technology in countries where data points are available in sufficient quantity for investigation of this nature.

In Nigeria however, not only there are scanty empirical researches on ICT and economic growth, but there are also insufficient data points on common ICT proxies like the internet and mobile phone subscriptions as obtained in literature for time series analysis, also as evidenced from reputable data source of world development indicators.

Data for Nigeria on mobile cellular subscription starts from 1993, while fixed broad band internet subscription starts from 2005 (World Bank, 2022b & World Bank, 2022c). Taking 1993 to 2022 is not enough based on recent empirical recommendation on minimum data for time series analysis (Hecht & Zitzmann, 2021), therefore we opt for sufficient and reliable data on information and communication from CBN data (that capture internet, mobile and fixed phone services) covering 1981 to 2021 for this study.

Although, fixed telephone subscription (as proxy for ICT in Nigeria) was used by Ogbuabor *et al.* (2020) covering 1981 to 2016 in Nigeria. However, fixed telephone was under the monopoly of Nigerian Telecommunications Limited (NITEL) until 1992 when Nigerian authorities break such monopoly by enacting law allowing competition from new entrants into telecommunications sector. As such, taking fixed telephone is considered appropriate before 1992 as a representative of information and communication technology when the issue of internet and cellular mobile services were not significant or even absent in Nigeria.

Thus, this study rely of integrated data from CBN bulletin covering contribution of both fixed phone and other information and communication services (including internet and mobile telephone) as obtained in the work of (Rahmon & Olaitan, 2019), but covering only 1981 to 2017 and applying OLS to revealed long run estimates without giving consideration to short run dynamics, their study also have variables with second difference and first difference stationary (I(2) and I(1)) yet they used OLS, this seems to be a methodological deficiency which this study overcome by applying appropriate technique in line with the unit root outcome.

3.2 Unit Root Tests

Macro time series are commonly non-stationery in nature, and there is possibility of having variables that may be stationery only after second difference. Unit root test via Augumented Dickey Fuller (ADF) is applied to ensure none of the variables used is I(2) stationery to avoid spurious regression given the ARDL technique to be applied since the data points are not so large. The ADF unit root test is based on the specification below:

$$\Delta y_t = \lambda + \phi_t + \beta y_{t-1} + \sum_{i=1}^k \alpha \Delta y_{t-i} + \mu_t \dots\dots\dots(1)$$

HO: $\beta = 0$, H1: $\beta < 0$

Δy_t is its first difference of y, μ_t is the variable that adjust the autocorrelation or the serial correlation errors. $\lambda, \phi, \beta, \alpha$ are parameters of the model to be estimated, while H_0 and H_1 are the null and alternative hypothesis for the unit root y_t respectively.

ADF and PP stationarity is present when the probability values are less 1%, 5% or at most 10% or when the absolute values of the respective t-statistics for ADF and adjusted t-statistics for PP is greater than the test critical values, thus, allowing the rejection of the null hypothesis. The null hypotheses for ADF: Null Hypothesis: the variable has a unit root.

The unrestricted (long run and short run) ARDL framework is presented

$$\Delta LGDP_t = \beta_0 + \sum_{i=1}^n \Delta \beta_{1i} LGDP_{t-i} + \sum_{i=0}^n \Delta \beta_{2i} LIC_{t-i} + \sum_{i=0}^n \Delta \beta_{3i} LNTOP_{t-i} + \sum_{i=0}^n \Delta \beta_{4i} LPSTS_{t-i} + \dots \dots \dots (2)$$

$$+ \alpha_{1i} LGDP_{t-i} + \alpha_{2i} LIC_{t-i} + \alpha_{3i} LNTOP_{t-i} + \alpha_{4i} LPSTS_{t-i} + \varepsilon_i$$

After the unrestricted framework Next step is to compare the calculated F-statistics with lower critical bound and upper critical bound values from Pesaran et al. (2001). There is cointegration among variables if calculated value of F-statistics is more than upper critical bound. If the lower critical bound is more than computed F-statistics then there is no cointegration. Lastly, if the calculated F-statistics is between lower and upper critical bounds then decision about cointegration is inconclusive. In such situation, we rely on the significance of the lagged error correction term (ECT) for cointegration to investigate the long run relationship. If there exists a long run relationship among variables, the short run behavior of variables is going to be investigated by the following vector ECM model:

Then the ECM MODEL

$$\Delta LGDP_t = \beta_0 + \sum_{i=1}^n \Delta \beta_{1i} LGDP_{t-i} + \sum_{i=0}^n \Delta \beta_{2i} LIC_{t-i} + \sum_{i=0}^n \Delta \beta_{3i} LNTOP_{t-i} + \sum_{i=0}^n \Delta \beta_{4i} LPSTS_{t-i} + \lambda ECT_{t-i} + \varepsilon_i \dots (3)$$

Where: α_1 to α_4 are long run coefficients Δ = Change parameter in short run, β_0 = Intercept parameter, β_1 to β_4 are short run coefficients, \sum = summation or sigma, λ = coefficient of error correction term, t = Time series, ECT = error correction term and ε = Error term. The ECT signal deviation in the dependent variables for the short span of time and the rate at which it will restore to long run equilibrium, its coefficient is expected to be negative and statistically significant.

3.3 A priori expectation of the parameters

This study based its expectations on the endogenous growth model, endogeneizing technology in the production process and hypothesizing its positive relation with economic growth. But other activities that go together with information communication such as professional scientific and technical services. Tax revenue also is expected to positively contribute to economic growth. Thus, the expectation is $\beta_{LIC} > 0$, $\beta_{LNTOP} > 0$, and $\beta_{LPSTS} > 0$. The decision to accept/reject the parameters of the model in this study will be guided by the p-values (1%, 5% and 10%) of all the coefficients.

3.4 Cointegration Tests

The basic idea behind co-integration is that if, in the long-run, two or more series move closely together, even though the series themselves are trended, the difference between them is constant. In other words, if the variables are co-integrated, they move together over time so that short-term disturbances will be corrected in the long-term. ARDL bound test to cointegration is employed to do that.

3.4.1 Cointegration test specifications

The null hypothesis of no co-integration in the models are:

$$\beta_{LIC} = \beta_{LNTOP} = \beta_{LPSTS} = 0$$

The alternative hypothesis of co-integration among variables is

$$\beta_{LIC} \neq \beta_{LNTOP} \neq \beta_{LPSTS} \neq 0$$

The linear equations are presented below

$$LGDP_t = \beta_0 + \beta_1 LIC_t + \beta_2 LNTOP_t + \beta_3 LPSTS_t + \mu \dots \dots \dots (4)$$

4.0 Results and Discussions

4.1 Descriptive Statistics and Variables Trends

Table 2. Descriptive Statistics

Statistics	GDP	IC	NTOP	PSTS
Mean	36843.40	2723.094	400.0500	1282.385
Median	25914.08	642.1134	268.7895	1009.889
Maximum	71387.83	10537.14	857.0861	2547.296
Minimum	16048.31	209.0320	163.1834	421.3820
Std. Dev.	19785.11	3291.597	235.6926	720.6925
Skewness	0.631816	0.959134	0.692978	0.683199
Kurtosis	1.794414	2.367276	1.851489	1.986202
Jarque-Bera	5.083673	6.800150	5.399917	4.824718
Probability	0.078722	0.033371	0.067208	0.089604
Observations	40	40	40	40

Source: Author’s computation using E-views 10.

Descriptive statistic table above shows about forty (40) annual data points of the series available for this study and all the variables are positively skewed and up to one. All the other variables are normally distributed with Jaque-Bera probability above 5%, except information communication (IC). GDP has the highest mean value of 36843.40 while Net Taxes on Product (NTOP) takes the least with 400.05 billion naira.

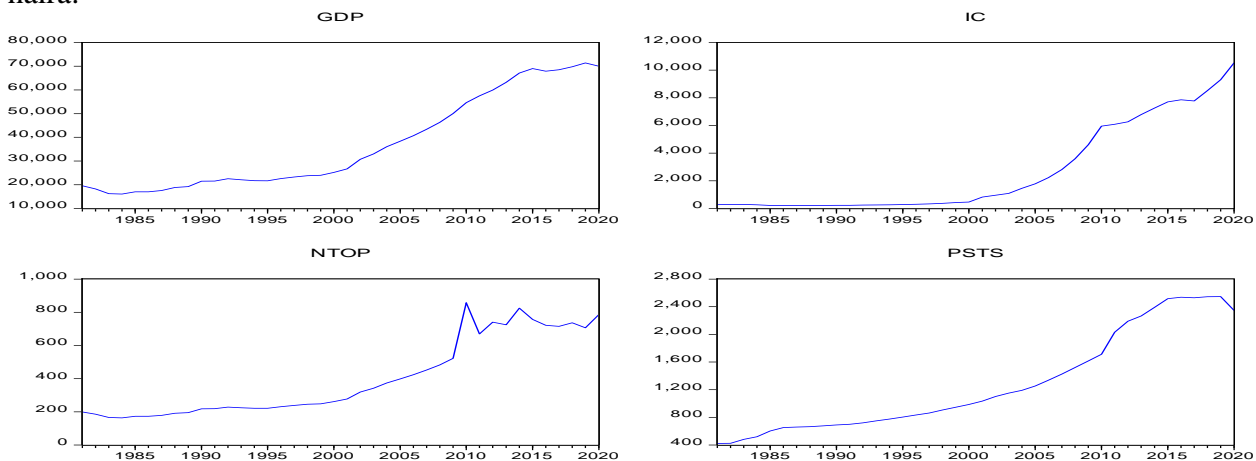


Fig.1. Trends of the Variables

Source: Author’s graphs from the research data using E-views 10

All the series exhibited upward trending, indicating increase chances of the existence of unit roots in the series and proffering no explanation on order of integration, as such unit roots tests are conducted and presented in subsequent parts of this study which served as empirical guide for the selected modeling techniques applied in this study.

Table3: Unit root test result

VARIABLE	ADF at level I(1)		ADF at First Difference I(1)		Order of Integration
	Const.	Const. & Trend	Const.	Const. & Trend	
LGDP	-1.054(0.723)	-1.765(0.699)	3.773(0.007) ^a	-3.551(0.048)	I (1)
LIC	0.446(0.982)	-2.820(0.199)	3.412(0.017) ^b	3.696(0.0348)	I (1)
LNTOP	0.123(0.9634)	-2.834(0.194)	7.876(0.000) ^a	-7.864(0.000)	I (1)
LPSTS	-1.170(0.676)	2.962(0.048) ^b	-1.572(0.784)	-3.096(0.123)	I (0)

Source: Author's computation using E-views 10. The superscripts ^a and ^b are the 1%, 5% levels of significance. The Augmented Dickey-Fuller (ADF) unit root test result indicated combination of level (I(0)) and first difference (I(1)) stationery series. The nature of the variables is suitable for the use of Auto Regressive Distributed Lag (ARDL) modeling technique.

4.2 Lag Selection Criteria

The ARDL bound testing by Pesaran *et al* (2001) requires adequate lag length in variables to remove any serial correlation. The study employed default and automatic System- based Vector Autoregressive (VAR) optimal lag order selection Criteria, and the test result is presented below.

Table 4 Optimal lag length selection for model2 : LGDP= f(LIC, LNTOP LPSTS)

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-1122.717	NA	3.31e+21	60.90361	61.07776	60.96501
1	-923.7353	344.1843	1.69e+17	51.01272	51.88348*	51.31970
2	-899.4335	36.78114	1.11e+17	50.56397	52.13135	51.11655
3	-869.8957	38.31925*	5.84e+16*	49.83220*	52.09619	50.63036*

Source: Author's computation using E-views 10.

At 5%, the suggested maximum lag is 3 as indicated by the majority of the criteria; AIC is Akaike information criterion, FPE is final prediction error, LR is the sequential modified LR test statistic. SC is the Schwarz information criterion. Having identified the maximum lag bound for the estimation, next is the model estimations.

4.3 Result of Cointegration Tests

The Pesaran *et al* (2001) bounds test for co-integration of both level and first difference stationery series is applied, and the lag three used is guided by Akaike information criteria (AIC) as necessary step before cointegration test (Akaike,1974).

Table 5. Bounds test Co-integration result for model2

Test Statistic	Value	Signif.	Lower Bounds I(0)	Upper Bounds I(1)
F-statistic	6.714	10%	2.592	3.454
K	3	5%	3.1	4.088
		1%	4.31	5.544 ^a
n = 40				

Source : Author’s computation using E-views 10. The superscripts ^a, and ^b are the 1%, 5% levels of significance.

The ARDL f-statistics of 6.714 is greater than all the upper bounds in model, estimated based on optimum lag selection, this confirm the existence of co-integration among the variables. None of the series having is I(2). Thus, ARDL bounds test for co-integration is appropriate model and the value of f-statistics indicates that the variables for this study have long run relationship, and the magnitude of such relationship will be unveil for policy guide by the model in this study.

4.4 Model of the study and Estimated Parameters

Table 6: Short Run, Long Run Results and Error Correction Model (ECM) regression

Short run, Dependent variable = DLGDP		
Variable	Coefficient	Prob.
D(LGDP(-1))	0.397	0.003 ^a
D(LIC)	0.032	0.270
D(LNTOP)	0.105	0.009 ^a
D(LNTOP(-1))	-0.245	0.003 ^a
D(LPSTS)	0.557	0.000 ^a
D(LPSTS(-1))	-0.648	0.000 ^a
ECM	-0.673	0.000 ^a
Long Run		
Dependent variable = LGDP		
Variable	Coefficient	Prob.
LIC	0.163	0.000 ^a
LNTOP	0.250	0.067 ^c
LPSTS	0.241	0.027 ^b
R-squared	0.84	
Adjusted R-squared	0.78	
Durbin-Watson stat	2.135	

Source: Author’s computation using E-views 10. The superscripts ^a, ^b and ^c are the 1%, 5% and 10% levels of significance.

The ARDL model of this study is not spurious and therefore good for policy guide since going by the ‘rule of thumb’ for detecting spurious regressions, our R-squared of 0.84 is not more than the Durbin-Watson statistic of 2.1 (see Granger & Newbold, 1974).

In the short run, one period lag of GDP help in boosting further economic growth, for a percentage increase in NTOP and PSTS, there are respective statistically significant increase by 10.5% and 55.7%,

at 1% significance level. Information communication is positive but insignificant. In the event of distortion to long run equilibrium, the model is having 67.3% speed of adjustment back to equilibrium, as it has correct negative sign and significant probability value at 1%.

The long run ARDL estimates revealed positive contribution of all the parameter estimates to economic growth in Nigeria, 1% increase in information communication contributes 16.3% increase in economic growth at 1% level of significance, this corroborate the work of Rehman et al. (2021). Also 1% increase in net taxes on products and professional scientific and technical services brings about 25% and 24.1% increase in economic growth respectively. The ARDL technique applied is enough to stand alone as obtained in studies (see, Assamoi et al., 2020; Musa et al., 2019; Ghatak & Siddiki, 2001) and the model proved to be robust given the post estimation diagnostics applied on it.

Table 7: Results of the Post estimation Diagnostics Tests

Test	F-Version	LM/t-Version*	Conclusion
Serial correlation: Breusch-Godfrey LM Test	0.638 (0.538)	2.121 (0.346)	No serial correlation
Heteroskedasticity: Breusch-Pagan- Godfrey	0.948 (0.524)	12.913 (0.454)	Homoscedastic residuals
Functional form : REMSEY RESET	0.900 (0.353)	0.948 (0.353)	Correctly specified model
Stability : CUSUM	5% significance bounds		Stable
Normality : Jarque- Bera	1.065 (0.587)		

Source: Author's estimation (2023) using E-views software version 10. Note that: Values in (p-value). Relying on the above post estimation diagnostics, the main ARDL model is robust as it passes the diagnostics checks; therefore it is appropriate for policy guide.

5.0 Conclusion and Recommendations

The study investigated the impact of information communication technology, net taxes on product and professional technical and scientific services on economic growth in Nigeria. Relying on the nature of integration order of the series and small data spans from 1981 to 2020, ARDL model is estimated. The overall empirical findings revealed positive contribution of information and communication, net taxes on products and professional scientific and technical services to economic growth in Nigeria. It is recommended that information communication and taxes be strengthen to boost Nigeria's economic growth. Nigeria should prioritize education especially the professional scientific and technical education as well as the digital skills of its workforce to help grow the economy more. Since taxes is positive and significant, taxes should be in such a way that it is neutral by not negatively affecting demand and supply of goods and services in the economy and thereby contributing more to economic performance.

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Demonetization Policy Implementation in Nigeria: Prospects and Challenges

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Abstract

Nigeria is experiencing a currency demonetization after about four decades of the earlier one in 1984. The pronouncement of this policy created tension among various sectors of the economy. Businesses are in dilemma where the confusion in the micro and small scale businesses is on the increase considering the policy is not only on demonetization but coupled with a cashless policy. Micro and small business owners who are considered the key players in the cashless policy implementation in Nigeria are faced with challenges such as less literacy level, low digital literacy, low coverage of telecommunication networks, and lack of adequate awareness among others. However, Central Bank of Nigeria (CBN) felt it necessary to demonetized the currency and introduce cashless policy in order to: curb corruption and black money; control inflation, eliminate or minimize ransom payment to kidnappers and terror financing and achieve a cashless society. Therefore, this paper ex-rayed the economic policy and assess the influence it may have on micro and small businesses in the country.

Keywords: *Demonetization, Cashless Policy, Currency, Micro and Small Business.*

1.0 Introduction

Demonetization is the practice of pulling out of a particular form of currency from circulation (Syamsundar & Sabariga, 2017) which occurs whenever there is a change in the national currency. The old unit of currency must be retrieved and substituted with a new currency notes. It involves either introducing new notes or coins of the same denomination or completely replacing the old denominations with the new denomination which is usually carried out as an ambush on the black money market (Syamsundar & Sabariga, 2017).

Demonetization is not new to Nigeria or to the outside world. Various Governments across the world have decided to ban currency note in circulation, rendering huge amount of cash useless overnights, due to overabundance of reasons. These include fighting counterfeiting, stopping terror activities, battling black money, overcome hyperinflation, bring economic stability etc. The introduction of the Euro currency by the member countries of the European Union is one of the greatest examples of demonetization. Authorities initially established conversion rates for the various national currencies into

Euros in order to transition to the Euro currency. The previous national currencies were demonetized when the Euro was adopted. For a while, though, previous currencies were still convertible into Euros in order to guarantee a seamless demonetization process.

The Central Bank of Nigeria (CBN) announced demonetization of all N1000, N500 and N200 banknotes in October, 2022 and to be fully effective on the 31st of January, 2023. By implication, this approach will revoke such currencies' legal tender status. The smaller denominations of N100, N50, N20, N10, N5, and coins, however, continued to be legal tender. The CBN made this decision in an effort to address some imperative economic issues, including reducing corruption and black money, controlling inflation, ending or drastically reducing ransom payments to kidnappers, stopping the funding of terrorism, and establishing a cashless society (Augustine, 2022). Moreover, tackling the problem of vote buying during the forthcoming general elections of the country occupy the most important reason for the policy. Hence, demonetization accompanied with a cashless policy implementation is intended to achieve several goals, one of which is to reduce the physical movement of money, which will help to address the issue of "vote buying" in the upcoming general election for the nation in February and March, 2023.

To clarify the legitimacy of this action, the CBN is permitted to declare a specific tender prohibited under section 19(A&B) of the CBN Act 2007 with the President's consent. This is not the first time when Nigerian currency is demonetized. Demonetization has been implemented during the first regime of General Muhammadu Burin in 1984, to majorly control black money. However, the current demonetization unlike the first that was announced and appeared to the citizens just like a thunderstorm with a deadline of only three months for the old currency to lost their value.

A lot of businesses and businessmen failed as a result of the 1984 demonetization because they were given only three weeks to mob all their out of bank savings to banks. The 2022 demonetization allowed individuals and corporations to only deposit a maximum of N500,000 and N5 million naira respectively. Hence, traders and businesses that have more than such amount in cash were negatively affected. Therefore, basing with what happened in 1984, Nigerians were worried with the current development of demonetizing the higher denominations of the bank notes. However, the deadline of three months is seen as fair for most people while the more liquid businesses felt it's an attempt to scuttle their business activities.

2.0 Literature Review

This section covers the overview of demonetization in Nigeria before and after independence, in other countries of the world. Emphasis was on benefits and consequences of the policy across the globe.

2.1 Overview of Demonetization in Nigeria before Independence (during British Era)

Demonetizing Nigeria's indigenous currencies was historically a deliberate strategic move implemented by succeeding British governments in the colony starting in 1880. The British colonial government in Southern Nigeria replaced the native currencies between 1880 and 1948 with British money (Hopskin, 1966). Although much has been written about this topic, there is still no adequate full explanation of how this significant transformation was implemented and its effects on the economy and society of Nigeria (Ofonagoro, 1979). In southern Nigeria, where each of the indigenous currencies predominated until British money took hold, Jones (1958) recognized three distinct currency zones. The cowrie zone included the whole region west of the Niger, the eastern Dahomey regions that bordered Yorubaland (now the Benin Republic), the Hausa and Nupe nations of northern Nigeria, and the northern and

western Igboland. The brass rod was used by many ethnic groups in the old Ogoja and Obubra Divisions of Eastern Nigeria as well as the Mamfe Division of Cameroon, including the Efik, some Ibibio sections, the Cross River Igbo, the northern Igbo, the Ekoi, Yako, and Mbembe. The Eastern Delta, the majority of Ibibioland, and southern Igboland were all included in the Manila area (Baker, 1991).

However, it was found that, in 1910, carrying the equivalent of £100 in cowries needed 150 men, making it too heavy for commerce. With regard to the aforementioned, Kirk-Greene (1958) claims that "the Nigerian cowries died a natural death, brought about by a need for a more portable medium of exchange," and that by 1923 they had totally gone from the principal centres of commerce. Johnson (1970) argued that the first currency demonetization in Nigerian history was by legislation in 1904 which he regarded as the superfluous exercise. However, the introduction of British currency had not solved the problems identified by Johnson (1970) as inherent in the transportation of large quantities of low denominations of money. It was observed that the British currency in circulation as at then consists mainly of shillings and it is very bulky business when dealing with them in millions, hence the problem associated with cowries have not been solved consequently, some parts of northern and southern Nigeria experienced high demand of cowries up till 1950 (Ofonagoro, 1979).

2.2 Overview of first Demonetization in Nigeria after Independence

On the 1st of January, 1973 five different currency denominations were introduced by the Central Bank of Nigeria where 50 kobo, 1, 5, and 20 naira notes were launched. However, in an effort to combat money laundering, all naira banknotes underwent a colour change in April 1984. The 50 kobo and 1 note were replaced by coins in 1991, and N50 notes were introduced, thereafter, N100 in 1999, N200 in 2000, 500 in 2001, and finally N1,000 note on October 12, 2005 were also introduced (CBN, 2022).

As part of the economic reforms, the N20 polymer was introduced on February 28th, 2007, along with the N50, N10, and N5 banknotes, N1 and 50K coins, and the new N2 coin. The N20 was also the first banknote to be printed on a polymer substrate. After the successful operation of the N20 on September 30, 2009, the revised N50, N10 and N5 were changed to polymer substrate. Thus, the polymer substrate was used to print all lower value banknotes. Finally, on September 29, 2010, and in December, 2014, the CBN issued the ₦50 commemorative polymer banknote and N100 commemorative banknote as part of its contribution to the nation's celebration of the 50th anniversary of Nigeria's Independence and the 100th anniversary of its existence respectively.

2.3 Reasons for Currency Demonetization

Based on the review of demonetization implementation in various countries of the world, the following are found to be some of the benefits and reasons for resorting to demonetization across the globe:

- i. Curbing black money (found in almost all countries who demonetized)
- ii. Tackle the tenacity of corruption (as in Nigeria in 1984)
- iii. Controlling counterfeit notes (India in 1978 and 2016 and Nigeria in 2022)
- iv. Control of the economy (North Korea in 2010)
- v. Control inflation (Zaire in 1993, Myanmar in 1987 and Nigeria in 2022)
- vi. Eliminate terror financing (India in 1978 and Nigeria in 2022)
- vii. Achieve a cashless society (India in 2016 and Nigeria in 2022)
- viii. Tackle vote buying (Nigeria in 2022)

2.4 Demonetization in some countries of the world

Demonetization is found to have been a tool used by several countries of the world both developed and developing economies. It became the reason for strengthening some economies while some countries experienced serious economic downturned due to demonetization.

2.4.1 Demonetization in USA (1873 and 1969)

One of the earliest examples of demonetization was imposed by the Coinage Act of 1873 in the United States, which called for the abolition of silver and the adoption of the gold standard as the basis of currency. This caused the money supply to decrease, which in turn caused a 5-year economic downturn in the nation. The Bland-Allison Act, which re-monetized silver as legal cash, was put into effect in 1878 as a result of the grave circumstances and pressure from silver miners and farmers (Groww, 2021).

Another occurrence occurred in the USA in 1969 when President Richard Nixon proclaimed all currencies valued at \$100 or more to be invalid in order to combat the use of black money to facilitate the growth of the American financial system. In addition, the \$100 note has been in circulation the longest. The policy was greatly successful and is claimed to have been the starting of development of the American banking system (Groww, 2021). Besides, the \$100 bill is the most widely circulated denomination till date.

2.4.2 Demonetization in India (1946, 1978 and 2016)

India saw three instances of its currency being demonetized, in 1946, 1978, and 2016, respectively. The first occurred on January 12, 1946, a year and a half before independence, when the circulation of the Rs. 1,000, Rs. 5,000, and Rs. 10,000 notes was discontinued in an effort to combat black money. The 1,000, 5,000, and 10,000 rupee notes, however, were all reissued in 1954. The second demonetization took place on January 16, 1978, when a law was passed to gradually phase out currencies with denominations of Rs. 1,000, Rs. 5,000, and Rs. 10,000 in an effort to combat fraud and illicit market transactions. 86% of the cash in circulation in India effectively underwent demonetization (Aparna & Ashok (2019); Dash, (2017); Ganesan & Gajendranayagam (2017); Lahiri (2017); Preethi & Sangeetha (2017); Shirley (2017); Singh & Singh, (2016); Veerakumar (2017)).

Similarly, on November 8, 2016, India's Prime Minister, PM Narendra Modi, shocked the country by announcing that the government will be demonetizing Rs. 500 and Rs. 1,000 currency denominations with immediate effect, demonetizing a total of 86% of the country's in circulation. Holders of demonetized currency had little over two months (until December 31st, 2016) to exchange their stripped notes for newly printed money, which came in denominations of 500 and 2,000 rupees. The Indian government has made this endeavor in an effort to combat the persistence of corruption, dark money, and counterfeit notes (Singh & Singh, 2016).

The policy instantly caused turmoil, and within an hour of the revelation, it is believed that 15 tonnes of gold worth Rs 5,000 crores were acquired. Banks and ATMs quickly ran out of money. After then, the problem only got worse. The decision has an impact on commerce and consumption because the Indian economy is heavily dependent on cash (indicated by a record-low retail inflation rate of 3.63% for November 2016). Growth in cash-intensive industries including real estate, construction, and FMCG suffered short-term setbacks. It took the economy roughly a year to adapt, adopt, and finally switch to digital transactions. But even after two years, currency is still king.

2.4.3 Demonetization in Ghana (1982)

Ghana demonetized the 50-cedi note in order to lower tax evasion and get rid of surplus liquidity. The exercise was a complete failure since people began investing in actual assets and foreign currencies. In addition, the people lost faith in the financial system, and a new currency illicit market emerged (Groww, 2021).

2.4.4 Demonetization in Myanmar (1987)

According to sources from the time, the military dictatorship in the nation invalidated up to 80% of the value of money that was in use in 1987. As with earlier such programs, it was intended to stop the underground market. The first student demonstrations in a long time were one outcome. The next year, growing economic dissatisfaction helped spark widespread uprisings across the country, which sparked a government response that resulted in thousands of deaths. It led to a student protest, which was followed the very following year by a government crackdown (Preethi & Sangeetha, 2017; Shirley, 2017). Demonetization also failed here.

2.4.5 Demonetization in Russia (1991)

In an effort to combat the underground economy, Mikhail Gorbachev's nation pulled big ruble notes from circulation in January 1991 when it was on its final legs. Instead of reducing inflation, the measure mostly contributed to quicken a decline in public trust in the government. In August of that year, Gorbachev was the target of a coup attempt when political squabbling and economic collapse collided, undermining his power and precipitating the dissolution of the Soviet Union the next year. The redenomination of the ruble in 1998, when three zeros were eliminated, proceeded much more smoothly as a result of the lessons learned. Several former Soviet nations, including Kazakhstan and Ukraine, were negatively impacted, causing economic disruptions. As the economy began to drastically slow down, public confidence in the government grew (Preethi & Sangeetha, 2017; Shirley, 2017). Therefore, demonetization failed because Gorbachev was threatened with a coup in August of the same year. Some historians argue that these incidents contributed to the USSR's ultimate dissolution.

2.4.6 Demonetization in Zaire (1993)

When his government implemented multiple currency revisions in the early 1990s, Mobutu Sese Seko faced growing economic problems. The old Zaire (Z) note, however, was selling for nearly 8 million Zs to \$1 when Nouveau Zaires (NZ) was first launched in 1993. By December 1996, the new currency was trading around 140,000 NZ to \$1. Therefore, the demonetization in 1993 was mostly caused by the decline in the value of Zaire currency. However, growing economic turbulence led to Mobutu's overthrow in 1997 (Preethi & Sangeetha, 2017; Shirley, 2017).

2.5.7 Demonetization in Australia (1996)

The Australian government removed all paper-based notes in order to enhance security measures and reduce the amount of illegal money in the economy. Long life polymer-based notes of the same denomination were used in their stead, which were replaced. The change extended the life of the banknotes successfully. Despite the early expenses associated with producing polymer-based notes, this contributed to Australia being a business-friendly nation (Preethi & Sangeetha, 2017; Shirley, 2017).

2.4.8 Demonetization in European Union (2002)

The demonetization of the current currencies of the 12 member nations of the European Union was mandated by the introduction of the single currency, the "Euro," on January 1, 2002. Through 218,000 banks, post offices, and 2.8 million retail locations, almost eight billion notes and 38 billion coins were

dispersed. A significant chunk of the 107 billion national coins and nine billion national notes were gathered simultaneously. This effective currency switchover was the product of early planning that began in mid-1998 and extensive public notification.

2.4.9 Demonetization in North Korea (2010)

In an effort to strengthen economic control and eliminate underground markets, the dictatorship of former Kim Jong-II implemented a reform in 2010 by subtracting two zeros from the face value of the previous currency. The action, according to accounts at the time, caused the nation to experience serious food shortages due to bad harvest. Increasing rice prices sparked uproar, which led Kim to issue an extraordinary apology and, some said, it leads to the execution of the chief of finance for the governing party. As the cost of necessities rose and many vehemently opposed the measure, it backfired. Consequently it resulted to the assassination of the finance minister.

2.4.10 Demonetization in Zimbabwe (2015)

In order to stabilize its hyperinflation-stricken economy, the government chose to switch Zimbabwe's currency to the US dollar in 2015. The hastily executed plan failed because most wealthy people observed a decline in the value of their collected resources. Along with negative consequences on the populace, exports suffered significantly as a result of loss of competitiveness, which had negative repercussions on the economy where hyperinflation exacerbated.

2.4.11 Demonetization in Venezuela (2016)

The administration of Nicolas Maduro declared the demonetization of its 100 Bolivar notes (which make up 77% of the country's currency in circulation) in order to combat the country's increasing 425% inflation rate and address the growing menace of transnational maas breeding. The citizens have a 72-hour window before monetary withdrawal. The Government was compelled to extend the deadline for using old currency as a result of violent protests that included store damage, traffic obstructions, and ATM malfunctions.

3.0 Benefits of Demonetization to Nigeria

Demonetization and cashless policy may benefit the economy in the following areas when the policy is fully implemented:

- i. **Improve in tax net:** Demonetization would mean increased tax net, higher tax collection and a better tax to GDP ratio. Tax evaders especially direct assessment taxpayers and corporate taxes will be identified since large chunk of transactions will be carried out only thereby disclosing their actual revenue to tax authorities.
- ii. **Effect on parallel economy:** By blocking these notes since black marketers won't be able to deposit them in banks, the replacement of N200, N500, and N1000 notes is anticipated to: Remove black money from the economy; Stop the widespread use of fake money for a while, and then cut off the funding for illegal activities like smuggling, terrorism, etc.
- iii. **Effect on Money Supply:** Money supply is anticipated to decrease in the short term as a result of the retirement of the older N200, N500, and N1000 naira bills until the new N200, N500, and N1000 naira bills are extensively used on the market. Reserve money and hence the money supply will forever decline to the extent that black money does not re-enter the system. Money supply will increase, albeit gradually, when fresh notes are distributed on the market and the discrepancy is fixed.

- iv. **Effect on the prices of consumer goods:** Due to a moderating demand, the price level is anticipated to decline. Due to the reduction in demand and the ability to make some transactions using cards and checks, prices are only likely to drop somewhat.
- v. **Effect on Banks:** The N200, N500, and N1000 banknotes, which will no longer be legal cash by January 31st, must be deposited or exchanged at banks in accordance with government directives (subject to a maximum limit of N500,000 for individuals and N5 million for businesses). This will inevitably result in more money being put in commercial banks' savings and current accounts. In turn, this will improve the banks' liquidity position, which may then be used for further lending needs.
- vi. **Effect on Online Transactions and alternative modes of payment:** Alternative modes of payment will become more popular as cash transactions decline. There will be a significant growth in demand for digital payment systems, e-wallets, applications, online banking, and plastic money (debit and credit cards), among other things. This ought to eventually result in the infrastructure needed and such systems being strengthened. Despite the public's protest about system interruptions, this change will ultimately be well-assimilated and be beneficial for the economy in the long term.
- vii. **Sponsoring terrorism:** It was noted that some interest groups who are funding their logistics are fuelling terrorism in the nation. Demonetization would significantly reduce the number of sponsors of terrorism and ransom payments since individuals' withdrawals are limited to N20,000 daily. This is evidenced where some members of ISWAP were spotted distributing old naira notes to commuters along Damaturu-Maiduguri road at the eve of the deadline.
- viii. **Vote buying:** as the country is approaching its general election in less than a month time from the expiration of the deadline for the full implementation of demonetization and cashless policy, the policy will go a long way in mopping up stack of cash from politicians into the formal sector of the economy. This is evidence considering how politicians (Legislators and Governors) are exerting pressure on the CBN governor for the extension of deadline.

4.0 Consequences Associated with Demonetization

- i. **Liquidity:** In the short term, movement of products and money will be hampered. The withdrawal are limited to a maximum of N20,000 daily for individuals while new notes are not allowed to be issued to corporate organizations. Only lower denominations of N100, N50, N20, N10 and N5 notes are allowed to be issued to companies. This restriction will have a significant impact on merchants that purchase items from local marketplaces that require physical cash. Consumer companies would soon be obliged to provide distributors looser credit terms due to the overall tightening of cash-liquidity in the supply chain. We anticipate an increase in their receivables as a result.
- ii. **Effect on Demand of foodstuff and real estate:** It's anticipated that the total demand would be impacted somewhat. The policy made money hoarders store up their hoarded money by way of acquiring landed properties and the purchase of food in the local market for hoarding to safeguard their black money. This led the CBN and EFCC to install checking mechanisms to guarantee no abuse of the policy is encountered in the local markets.
- iii. **Real Estate and Property:** It is envisage that before the deadline for the full implementation of the demonetization program, prices in this industry are generally anticipated to increase. This is due to the fact that people who possess a sum of money that cannot be placed in a bank within the allotted time frame might use it to purchase real estate and other properties, raising demand and, consequently, prices in this sector. However, prices in this sector are anticipated to drop

soon following the full demonetization, particularly for sales of properties where the majority of the transaction is cash-based rather than relying on bank transfers or check transactions.

- iv. **Effect on Various Economic Entities:** Until the new notes are widely circulated and cash transactions begin to decline, some segments of society may see temporary interruptions in the ease of conducting their business. These categories are: households; political parties; professionals including doctors, carpenters, utility service providers, etc.; small merchants; SME; services sector; agriculture and associated sector; and retail establishments.
- v. **Effect on GDP:** This approach might have an adverse effect on GDP by reducing consumer demand. However, the recent increase in festival demand is anticipated to more than make up for this decline in total effect. As part of this demand will merely be postponed and re-enter the stream once the cash situation returns to normal, the anticipated impact on GDP could not even be that big.

5.0 Conclusion and Recommendations

In view of the review of demonetization in various countries of the world Nigeria inclusive it's evidently right for this study to conclude that demonetization has double face (positive and negative. However, the negative effects were severely felt by both citizens and the economy at large hence the positive aspect of demonetization was partially enjoyed by few countries. Demonetization led to death, destruction of properties, dethronement of leaders, divide of Soviets States, hunger, inflation, and devaluation among others. Despite all these mentioned negativities tremendous successes were recorded by some countries and the citizens and the economy is benefitting from that policy after several decades. In view of the above, this study concludes that demonetization in its original form is a good policy however, when and how it's implemented determines the extent of the damage or successes it will record. Nigerian may record success than failure in the current demonetization policy considering the fact that a lot of indicators of economic turmoil that can only be resolve with demonetization have manifested for long. Therefore, 2022/2023 demonetization policy coupled with implementation of cashless policy may lead to:

- i. Curbing black money in the economy (which was experienced as soon as the policy was announced money stored for several years that roasted were discovered in different parts of the country.
- ii. Eliminating or reducing kidnapping for ransom since cash withdrawal is limited to a maximum of N500,000 per week hence government policy of banning ransom payment will be easily implemented and monitored.
- iii. Vote buying which is a menace that bedevilled electioneering in Nigeria will be reduce to its minimum since demonetization coupled with cashless economy will make it very difficult for politicians to obtain enough cash for that purpose.
- iv. Currency appreciation may be experience since demand may go down in the short run resulting to low demand in dollar or foreign currency. Moreover, a mere pronouncement of the policy adjusted the value of Naira favourably.

Considering the trend of events unfolding across different countries of the world the following recommendations are proffer to the Nigerian government in order to record success:

- i. Ensure that cashless policy is strongly implemented in addition to the demonetization policy thereby eliminating or significantly reduce black money in the economy.
- ii. Awareness campaign needs to be taken with all seriousness in order for the citizens to be fully aware of the benefits and equip themselves with how to cope with the potential difficulties that may arise.

- iii. Security personnel to be highly equipped with necessary facilities that can detect any move to create unrest in the country within the transition period and immediately after the full implementation of the demonetization process and cashless policy implementation. Because, if peradventure there is any syndicate that is or will be affected by these policies, security unrest may be triggered or instigated to ensure the failure of the duo policies of demonetization and cashless policy.
- iv. Similar, it is recommended that this study to be conducted empirically by collecting data from the stakeholders in a view to ascertain the actual effect of demonetization in the country.

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Health Care Service Delivery for Rural Areas in the Digital Era: Challenges and Prospects

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Abstract

Public and corporate management in the digital era whether in the urban or rural areas have the challenge of ensuring effective and efficient sustainable service delivery based on global best practices. The aim of this research is to critically examine the challenges that public and corporate management encounter in the bid to deliver quality services in rural areas using modern technological gadgets and machines to enhance their services. The research was carried out using secondary data and descriptive analysis to arrive at the conclusions drawn. The research found out that there are challenges that may hinder the sustainability of the transformational public and corporate management from achieving its aim in this era. These challenges range from power supply to run the machines; tools and equipment; financial constraints of rural dwellers; lack of qualified health personnel and other support staff to operate the equipment and run the health centers where they exist; communication barriers; inaccessible roads to most rural areas, inadequate or lack of physical structures to secure equipment and facilities that could sustain quality, effective and efficient health care service delivery in the rural areas. We therefore recommend that government and its agencies; non-governmental organizations as well as private individuals should collaborate and jointly equip and fund these health service outlets in the rural areas to enable the rural dwellers benefit from the digitized public service delivery in order to maximize the productivity of the rural people for sustainable development.

Key words: *Challenges; Digital era; Public and corporate management; Rural areas; Sustainable health care delivery, Telemedicine.*

1.0 Introduction

A very significant proportion of the global population is made up of urban dwellers. The World Bank record keeps it at 56% making an approximated total of 4.4 billion. It further projects that by the year 2050, that is, about 27 years from now, the figure will astronomically rise such that 7 out of every 10 inhabitant of the world would be an urban dweller. Most of the developing countries of the world including Africa and indeed Nigeria are not left out in this surge of urban migration.

As at 2018, 42.5 per cent, 46.4 per cent and 39.8 per cent of African, West African and Nigerian population respectively live in the urban areas and there are projections that by 2030, an additional 1.4 billion people will be living in cities within Africa (USAID, 2013; United Nations' Department of Economic and Social Affairs, Population Division, 2018). The major infrastructural developments and social amenities, comfortable accommodation, internet facilities, digitized transportation systems, digitized health care services and many other services are in the urban centers. Most of the development programmes and innovations whether in social orientation, provision of infrastructures or healthcare

services including digitized government are often targeted and executed in the urban settlements. (Targomo, 2019; Smitz, 2016) This accounts for the influx of population daily from the *rural* areas into the urban areas in search of better living conditions. Even multinational organizations such as USAID are making frantic effort to improve the facilities in urban areas.

The use of technology has permeated every facet of human existence. We find digitized technology and internet connections in all cities, suburbs and in its limited forms even in rural areas. In developed countries and even in most of the developing ones, one comes in contact with technology. The modern means of transportation involves digitization of their operation. Online booking of flights, trains, buses, cars for both long distance, short distance, town service and out of town transport services are digitized. Today, you can stay in your house and invite a ride that takes you to whatever destination you desire within the urban areas at a negotiable cost.

However when we consider the many diverse areas of the application of digitization, we find them in limited proportions or simply non-existent in the rural areas. Rural residents face daily challenges such as a lack of portable drinking water, inadequate power supply, inaccessible roads where they exist, and insecurity. Health care facilities where they are found are mere reflection of reality because of the deplorable condition of the facilities. The facilities are either dysfunctional or expired and grossly lacking qualified manpower to run them.

The natural outcome of urban concentration of population is the urban concentration of major infrastructural developments and social amenities, comfortable accommodation, internet facilities, digitized transportation systems, digitized health care services and many other services. Most of the development programmes and innovations whether in social orientation, provision of infrastructures or healthcare services including digitized government are often targeted and executed in the urban settlements (Targomo, 2019). While this is good news for the urban dwellers, the case is different for the rest of the population that constitute rural dwellers. They are cut off from such basic facilities. The case is even more critical in the area of the very essential need for health care delivery service. This accounts for the influx of population daily from the rural areas into the urban areas in search of better living conditions. Even multinational organizations such as USAID are making frantic effort to improve the facilities in urban areas at the detriment of the rural dwellers. As this trend continues, it is worrisome what will become the fate of the rural dwellers. Since it is not possible for everyone to have the opportunity of urban migration, then those that are left within the rural areas need to be put into perspective in terms of health care delivery service which is the focus of this discourse. It is for this reason that this paper sets out to consider how health care delivery service can leverage on the many possibilities which the digital era offers in order to maximally reach the rural dwellers. To explore this general objective, the paper is guided by the following objectives:

- i. Identification of the challenges of sustainable health service delivery in rural areas
- ii. Examination of the challenges of public and corporate management in sustaining digitized service delivery in rural areas
- iii. Exploration of the of prospects of sustaining digitized health service delivery in rural areas by public and corporate management.

2.0 Literature Review

2.1 Digital era

The Digital Era can be seen as the development of an evolutionary system in which knowledge turnover is not only very high, but also increasingly out of the control of humans, making it a time in which our lives become more difficult to manage. (Shepherd 2004)

2.2 Rural areas

Different countries define rural areas in their own terms. Some consider size of population, number of buildings, economic activities, such as percentage of the men whose occupation is agriculture and or land mass within which the people are located. (UK Department for Environment, Food and Rural Affairs, 2021); US Census Bureau, 2020) A rural area is a broad strip of land whose occupants and the buildings are few in number and not very many people live in the rural area and also has high poverty index and inequality. In Australia, it is regarded as a place or small town with a population of between 200 to 999 people or lower than 10,000 people residing in it. (Dasgupta, Morton, Dodman, Karapir, Meza, Rivera-Ferre, Sarr and Vincent 2014; UK Department for Environment, Food and Rural Affairs, 2021) A rural area's population density is very low. US Census Bureau defines rural as a leftover of the urban, that is, when you define and carve out urban areas, the remaining undefined area is rural. (US Census Bureau, 2020; US Department of Human & Health Services, 2020; IFAD, 2020) This attitude to rural areas is one of the factors why we find it necessary to advocate for rural areas. Rural areas are considered a leftover of urban areas. Despite the fact that the majority of the land mass is rural and in Africa, the majority of the population live in these rural areas. It is estimated that the rural area is home to about three-quarters of the world's poor and hungry people. (Smitz, 2016)

2.3 Sustainable Health Care Delivery

Health care delivery service is as an old practice almost as old as humanity. In every given human society, humans have always had to take care of their emotional, social, mental and physiological needs. (Bryant, 1998) In Nigeria, health care delivery has been in practice and is classified into first formal and non-formal. The non-formal health care service practitioners are the traditional birth attendants, bone setters, herbalists and naturotherapists. The second class of health care is the formal health care delivery. Here the patients are diagnosed and treated in a formal setting by professionals who have been formally trained to treat diseases,

The formal health care delivery is the one we have purposefully chosen here, Formal health care service delivery is further classified into three major categories: Primary health care, secondary and tertiary health care delivery. The primary health care services deal with the creating awareness and educating the community on certain health hazards, maintenance of basic hygiene and prevention and treatment of endemics, communicable diseases, maternal and child health care among others. Secondary health care goes further and deals with more difficult cases. Here health professionals such as doctors, nurses, pharmacists and laboratory technicians are involved. They attend to the needs of patients referred from the primary health care and handle more complicated health issues such as surgeries, and many others. The patients are attended to in equipped hospitals.

The last category is the tertiary health care delivery. This is more sophisticated than the secondary health care. Cases are brought based on referrals from both the primary and secondary health care service centres. (Nworuh, 1998).

Health care is inevitable and its services cannot be over-emphasized. Societies that thrive in both human capital and economic development are the ones that pay maximum attention to health care services and

they equally ensure that their citizens have the best health services to cater for the populace as at when due. Healthy citizens make the economy viable because of their human capital that they bring as a major factor in wealth creation and sustainable development. (Government of Western Australia, 2022)

Sustainability is the ability to maintain a standard of doing either business or offering goods or services at a particular volume and quality without compromise for an enduring period of time. Instead of the end of such relation between the giver and recipient to end, it is transformed into other similar or better services that would provide the needs of the present and future. Sustainable service delivery succinctly described as “the provision of infrastructure to customers at a standard or level that meets customer needs, regulatory requirements and accepted industry standards and requires the generation and expenditure of sufficient funds to achieve this on an ongoing basis”. (Law Insider).

Public and corporate management must operate outside the comfort zone of maintaining status quo. It's no longer business as usual but all efforts must be put in place by public and corporate management to ensure that health care services are delivered to the rural areas. The bulk of people living in rural areas are a good source of revenue for government if they are able to provide reliable, satisfactory health care services for them at a reasonable rate.

The words of wisdom say “a healthy person is a wealthy person”, which implies that, if rural people are healthy, they will be meaningfully engaged in economic activities and their standard of living and means of livelihood would be guaranteed. Considering the population of rural areas, it further implies that there will be more productive workforce and that in turn would result in the sustainability of the health care services. A nation with healthy citizens is a wealthy nation. The ability to pay for the health care services would no longer be an issue of concern because, the rural areas would be economically viable and the standard and quality of rural life would improve. Sustainable service delivery means is an “approach to service delivery whereby current community service needs are met in a socially, economically, and environmentally responsible manner that does not compromise the ability of future generations to meet their own needs....” (Law Insider). Since “sustainability relies on knowledge turnover.”, the more rural people are educated on the need for digitized system of health care services, the better the achievement of such service for them. The use of digitization such as telemedicine cannot be over emphasized in this digital age.

2.4 Public and corporate management

It is composed of the following among other factors “...efficiency, effectiveness, transparency and accountability, improved gender perception, elimination of quota system and improved ethics orientation could transform the Nigeria’s civil service into an instrument for attaining sustainable development in the twenty-first century” (Dibie, 2003) For public and corporate management to achieve their aim they must be inclusive and up to date with global trends in the quality and sustainable transformation of the services rendered to rural communities. The public sector’s use of information and communication technologies (ICTs) with the aim of improving information and service delivery, encouraging citizen participation in the decision-making process and making government more accountable, transparent, and effective. (UNESCO 2011) Researchers (Asgarkhani, 2007; Dibie, 2019, Nanjundaswamy, 2017; Gil-Garcia et al 2017) have worked on the relevance and importance of digital government and how it enhances effective public management.

2.5 Theoretical Framework

In order to properly situate this study academically, we adopted a few out of the myriad of existing theories because of their direct relevance and implications to this work. One of the first theories that come to mind when discussing issues such as rural inclusion in public management is standpoint epistemology. The standpoint epistemology readily comes to the fore, because of its insistence of viewing things from the perspective of the less privileged and in this study, we mean rural people. Social inclusion and by practice social exclusion, refers to the manner in which society is demographically divided and creates disparity in distributing social amenities and dividend of democracy based on segments of the society by bureaucrats and public in areas not limited to religion; gender; geographical location such as rural and urban places; socio-economic status, health, among others. (Gidley, Hampson, Wheeler and Bereded-Samuel, 2010).

2.6 Telemedicine in Nigeria

Nigeria is no stranger to telemedicine as it has well been practiced since the inception in 2007 when the National Space Research and Development Agency and the Federal Ministry of Health launched their first initiative in six Federal Medical Centers and two teaching hospitals across the nation. (Ankeeta, 2021). Following this, a telecommunications service provider invented the Mobile Doctor concept in 2010, allowing clients to chat with a qualified doctor or member of the medical staff for N100 (about 68 cents) each minute but to the significant costs associated with this service, it has not yet been widely used. (Ukaoha & Egbokhare, 2012) Despite the obvious benefits and promise of this initiative, the vast majorities of Nigerians either do not use it or are unaware of its existence. (Ideozu, 2022)

WHO defines telemedicine as “the delivery of health care services, where distance is a critical factor, by all health care professionals using information and communication technologies for the exchange of valid information for the diagnosis, treatment and prevention of disease and injuries, research and evaluation, and for the continuing education of health care providers, all in the interests of advancing the health of individuals and their communities.” Unfortunately, Nigeria fails to meet WHO standards in practically every index related to health care.

The three most typical varieties of telemedicine are:

- i. Remote patient monitoring: which enables caregivers to keep an eye on patients from a distance using data gathered via portable medical equipment (e.g. blood pressure)
- ii. Store and Forward feature: Here, providers can exchange patient information with practitioners no matter where they are.
- iii. Real-time communication: between patients and doctors is made possible via interactive medicine.

Interactive medicine is that practice of medicine in which patients speak with doctors in real-time over calls or texts. It is the most popular type of telemedicine in Nigeria.

3.0 Challenges of Telemedicine In The Rural Areas Of Nigeria

The Rural Health Information Hub (RHI Hub) contextualized the word ‘access’ to mean the availability and obtainability of healthcare services in a timely manner. (RHI Hub, 2023). Going by this definition, there is a strong case to be made for the expansion of telemedicine in Nigeria seeing that despite the availability of adequate healthcare service supply, rural residents still encounter certain challenges in this regard. Based on empirical review by earlier studies (Nworuh, 1998; Sustainable Health Review, 2019), the following challenges have been harvested:

- i. Poor or lack of funding to acquire facilities and ability to directly communicate with the rural people as at when needed poses some difficulty
- ii. Language barriers: Most rural persons communicate in their mother tongue which may not be the official language of communication and as such it breaches the communication between the health care givers and their patients
- iii. Some of the patients in the rural areas are skeptical about the efficacy of the services offered them and do not have faith in the services given, due to cultural and even socio-religious reasons
- iv. Socio-cultural factors such as gender and marital status pose some great difficulties in administering health care in rural areas. Male health care givers attending to women and vice versa is not readily acceptable.
- v. Inadequate workers to serve in rural areas

4.0 Prospects For Healthcare Delivery In The Rural Areas

There are gadgets that can enable a patient can use at home to manage his/her health without necessarily coming to the hospital or depending on the availability of health care givers. Some of these can be worn on the body of the patient. Some other technologies that are to be used by the health care practitioners and even researchers to enable them deliver better treatment to their patients. There are educated and enlightened rural people who are proficient in IT and can help to run the medical facilities for themselves and others in need even when there is no physical doctor or nurse in case of emergencies.

The availability of solar-powered gadgets and mobile phones serve as opportunities to take advantage for fast and easy communication. Yet there are some technologies that are designed to give the health care services more efficiency through an easier movement of information and data that enhances service delivery. At present, electronic prescriptions has attained at least a 60 per cent success rate of reducing errors of prescription. (Digital health: transforming healthcare service delivery - GOV.UK (www.gov.uk)). Technologies that enable a patient, health personnel and even researchers translate a document to the language of his/her choice to ensure the information is understood by the users.

5.0 Conclusion and Recommendations

Public and corporate government has enormous responsibility of transforming the health service delivery system in the rural areas to serve the large rural population of Nigeria. The current methods that the rural areas are familiar with are failing due to a number of reasons. First of all, lack of power supply and alternative means of powering the facilities for effective, efficient and sustainable health care service delivery. Poor funding and low attention given to these rural areas by international bodies such as WHO, United Nations, World Bank and International Monetary Fund (IMF) is an alarming need.

Rural areas have the greatest untapped resources that urban areas depend and need. Some of these resources are agriculture, mineral resources, and vast land for development, among others. Therefore, it is expedient to “make our rural regions fit for the future. We must ensure that our rural regions offer people stable livelihoods and serve as the focal point for sustainable development”. (Smitz, 2016). The public and corporate management should therefore stop taking loans for urban development at the expense of rural development. Funds and efforts should be directed towards digitizing the health services of the rural areas and other services because of their potential for sustainable development. that is left in the hands of policy makers to decide.

We are able to identify a number of challenges in providing adequate and digitized health care services in rural areas in Nigeria. We shall also provide some way of escape out of them by way of recommendation.

- i. Multi-national organizations, government (federal, state and even local); non-governmental organizations and private individuals should jointly provide adequate funding of rural health care to acquire the desired and needed environment for up-to-date quality health care services of rural areas.
- ii. There should be a deliberate training of personnel to run the rural health care facilities both remotely and physically as the situation warrants. (Nworuh, 2018); These personnel should be fully employed, adequately remunerated and equipped with the needed technology to impact the people. The trained medical personnel should in turn retrain rural people on how to use, and maintain the technologies and to use them for sustainable health service delivery.
- iii. Power supply which is paramount in digitization is a dire need to power and maintain the technologies. Solar energy is a good alternative and needs to be tapped. Fortunately, here in the tropics, it is in high supply.
- iv. A deliberate and easily achievable means to enable rural people access digitized healthcare without missing any vital information is by translating the manual of the instructions to their local languages. It enhances learning, communication, builds confidence and reduces administrative bottlenecks associated with second language users. Learning and instruction in one's mother tongue serves as a good empowerment force for the people because, knowledge is power and an informed person is liberated to discover things and apply them to his/her advantage. (Savage, 2022)
- v. Considerations and attention should be given to the cultural background of the rural people in order to gain their acceptability of the services to be rendered. There should be both male and female medical practitioners to attend to them based on their perceived gender needs to avoid resistance. Furthermore, orientation and awareness should be carried out regularly by the responsible government bodies saddled with such duties. In some other instances, the village head or traditional administration should be involved always for acceptability.
- vi. In order to tackle skeptics, the audio visuals of previous or ongoing successful digitized health care service programmes held in other rural areas should be shown them. This could help to gain confidence of rural people in the efficacy and reliability of the health services provided. Some cultural people find difficulty in accepting the use of technology and not physical touch by a known health practitioner as not effective and unreliable.
- vii. Train the local people to help train others on the use of technology and the benefits inherent in them most especially as they tackle emergency cases where medical personnel is unreachable.
- viii. Telemedicine is discovered to be very effective and efficient in many places including Nigeria. However, we need to have it in rural areas and not in the urban areas only
- ix. There should be regular training and retraining to get more hands that can understand and administer the digitized methods of health care delivery. There is a need for learning these new technologies, unlearning old habits and stereotype on the old medical practice as the only way for health care delivery and relearning of the benefits of digitized health care services for rural areas. Give constant orientation and booster orientation until majority understand and make adequate use of digitized system of health care service.
- x. Finally, "public officials need to show that they are able to create a smart and sustainable future for their citizens". (Targomo 2019) including people living in rural areas and also in providing them all the necessary services and social amenities that they need for sustainable development and to meet up with living in this digital era.

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Effect of Financial Capacity on the implementation of PHC Programmes in Katsina State

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Abstract

Health is wealth; it is fundamental for the survival of humanity. For healthcare services to be effectively provided, finances must be adequately appropriated and released. The paper examined the effect of financial capacity on the implementation of Primary Health Care programmes (PHC) in Katsina State from 2011 to 2021. The problems investigated by this paper was examining whether there is adequate budgetary provision and released as required by the Abuja declaration (2015) of 15% minimum requirement for the implementation of PHC in Katsina State. The objective of this study is to assess the effect of financial capacity on the implementation of PHC programmes in Katsina State. To achieve this objective, mixed method design was adopted and data were generated from both primary and secondary sources with questionnaire and interview as instrument for generating the primary data. The populations of the study were people of Katsina, Funtua, Daura, Chiranchi, Danja and Bindawa local governments (i.e.1,181,644). Krejcie and Morgan table was used and arrived at the sample size of 384. The study revealed that, there is adequate budgetary provision for the implementation of PHC programmes. It was also revealed that there is no released for the funds appropriated. Budget performance was found to be below the minimum requirement. The study established that financial capacity has a positive and significant effect on the implementation of PHC programmes in Katsina State. The study recommended that adequate budgetary provision should be improved for the implementation of PHC programmes. There should be strong Civil Society Organisations (CSO) to monitor the budget implementation in the PHC sector. Financial discipline should be improved to ensure compliance with due process in incurring expenditure on PHC.

Keywords: Primary Healthcare, Health Financing, Auditing, Budget Appropriation

1.0 Introduction and Problem in Context

National health systems aim to improve population health, ensure fair financing, and be responsive to population needs (WHO, 2000, Dalhatu, 2000). Such goals are critical to the attainment of Universal Health Coverage, which aims to guarantee that all persons are able to access needed and effective healthcare without facing financial ruin by using services (WHO, 2013, Ukpong, 2000). To achieve universal coverage goals, National Health Systems need to function in such a way that in a sustainable manner, people who need health care obtain services of appropriate quality at a cost they can afford, with payment made based on their ability to pay. Nigeria's national health financing policy recognises the need to mobilise revenue for healthcare through prepayment strategies that enhance efficiency and equity, to pool and manage financial risks in a way that protects vulnerable groups from financial ruin due to healthcare use, and to ensure efficient purchasing arrangements for health services (FMOH, 2006).

The global commitment to change the direction of health care services from curative to preventive health care led to a new concept known as Primary Health Care (PHC). The idea was popularized during the Alma-Ata declaration of 1978 which agrees that concentration should be given to preventive and rehabilitative than the curative. To achieve this, the Federal Government established the National Primary Healthcare Development Agency (NPHCDA) under the Decree No. 29 of 1992 to provide support and logistics for the provision of PHC services. A deliberate attempt to adapt and nationalize the entire components of the PHC system started in 1986 in 52 pilot Local Government Areas (LGAs), which culminated in the adaption of the National Health Policy by the armed forces ruling council in 1987 and launched in 1988.

The Nigerian health system is weak and has been evolving over the years with misplaced priorities and the focus on health inputs rather than outputs. The design and adoption of several policies have contributed little to strengthening the health system towards improvement in health outcomes. Decentralisation and fragmentation of the health system with duplication of responsibilities among the three tiers of government have affected effective health care financing. State and Local Governments Budgets implementation of PHC Programmes has never been closed to the standard of 15% as approved by the Abuja declaration (Sani, 2017 and Aregbesola, 2017). Empirical evidences also showed that there has never been adequate provision that meet the requirement of Abuja Declaration. Worst is the capital expenditure which suffer from non-released for several years (Sani, 2017). The released also revealed that budget implementation has been the critical issue undermining the success of PHC objectives.

The State and Local Governments made a relatively adequate financial provision for the implementation of PHC programmes. The State Ministry of Health (MOH), the Ministry for Local Government (MFLG), the State Primary Health Care Development Agency, the Local Government Service Commission (LGSC). The Local Government and some Non-Governmental Organizations had all have budgets on Primary Healthcare (PHC). However, the provision is one thing and release of funds for the implementation is also another thing. Even where the funds were released, there is also a question of accountability, control, utilization and records which is also fundamental for the implementation of PHC Programmes.

Therefore, this paper is designed to answer question on how financial capacity affects the implementation of PHC programmes in the selected LGAs of Katsina State. The objective of this paper is to determine the effect of financial capacity on the implementation of PHC programmes in Katsina

State. The paper hypothesized that the financial capacity of the Local Government has no significant effect on the implementation of PHC programmes in Katsina State. The rest of the paper is organized into four sections. Section two presents a review of related literature healthcare finance and Primary Healthcare. Section three discusses the methodology adopted by this paper. Section four is on results and discussions. While, section five presents a summary, conclusion and recommendations arising from findings of the study.

2.0 Literature Review

This section covers the concept of healthcare funding and Primary Healthcare and the review on healthcare expenditure

2.1 Literature Review on Healthcare Financing

Healthcare expenditure have many dimension involving public spending, private spending through NGOs, budgetary allocation, capital spending, recurrent expenditure, expenditure research and development as well as expenditure on individual healthcare programme. Each of these dimension has the specific requirement. The study examined the public health expenditure on PHC programmes by looking at budgetary allocation and compliance with the Abuja declaration (2015).

National health expenditures are defined to include health care services and supplies, research, and construction supplies related to health care. Health care services and supplies include personal health care services, the cost of administering private and public health insurance programs, and government public health expenditures. Personal health services are by far the largest component of National Health Expenditures (Ukpong, 2016).

The methods used to finance personal health care service play a major role in shaping a country's health care system. Personal health care includes services such as hospital care, physician care, dental services, and drugs that are provided directly to individuals. How this care is financed influences how people access health care, the types of health care provided, and the mechanisms used to allocate health care services. Financing methods also influence how the costs of health care are distributed among members of society by income and by health status (Ukpong, 2016).

The nature of health care financing systems varies widely across developed countries. With the exception of the United States and South Africa, all of the developed countries have implemented some kind of National Health Insurance System (NHIS); that is, they have established programs to ensure that majority of their citizens have access to health care services with minimal cost-sharing. Some countries (such as Germany and France) require employers to offer and employees to purchase a health insurance plan with payroll taxes as the major source of funding for this. In other countries, such as Canada, general tax revenues supply the major source of funding for their health insurance systems (Omoloke, 2015).

Health care financing has been a major challenge in the Nigerian health system from the initiation of the country at independence in 1960. Health system in Nigeria is financed through general tax revenue, donor funding, social health insurance, private voluntary health insurance and Out-Of-Pocket (OOP) payments. In the 1980s, there was call by the International Monetary Fund (IMF) for the introduction of user fees in African countries due to macroeconomic difficulties. Base on this call, most African countries and governments introduced user fees for Public Health Care services. Nigeria introduced user fees within the framework of the Bamako Initiative Revolving Drug Fund. User fees reduced access to

health care for lower income households and the countries trying to achieve universal basic health care were advised to remove or reduce user fees which were OOP for funding health care. In order to address the effects of user fees, the Nigerian government beginning in the year 2000 removed user fees for the treatment of some diseases for children under five years of age and pregnant women. This was initiated on a state by state basis with some states having more free services for women and children than others. However, the removal of user fees at the hospital level means there is no running cost to buy supplies leading to a situation where patients and their families buy all inputs for health care including sometimes gloves and syringes (Onoka, 2010). These inputs are what money from an effective health insurance scheme would provide to the health care centres. After several attempts to introduce health insurance beginning in the 1960s, legislation establishing the National Health Insurance Scheme (NHIS) was passed in 1999 and the program launched in 2005 (after delays due to political instability and the opposition of some interest groups to its implementation). In spite of the implementation of the NHIS since 2005, the provision of equitable health care financing towards UHC remains a challenge. Over decade, NHIS has been fraught with corruption and lack of transparency and accountability. This has hindered the achievement of the goals and objectives for which it was established. Enrolment in the NHIS is very poor with only less than 5% of the Nigerian population covered under this scheme (Aregbesola, 2017 and WHO, 2020). These are mainly federal workers and their families, one spouse and up to four children; workers for large corporations and multinationals who either provide health services at company clinics and hospitals or pay health insurance for employees to access private health insurance; and the people in the military.

The NHIS is yet to provide health insurance coverage to people in the informal sector of the economy who constitute the bulk of the Nigerian population. Lack of accurate data on the actual rate of enrolment remains a problem. Over the decades; government health spending has been generally low. There is inconsistency in government health expenditure as a percentage of the GDP. Government health spending as a percentage of total health expenditure has been below 40%. Health sector allocation as a percentage of total federal budgets has also been inconsistent. As majority of the health budget goes into wages and salaries of health workers, this affects the level of funds available for the provision and development of health care services. PHC is funded through extra budgetary means while donor funding is the major source of finance for disease programmes such as malaria, HIV/AIDS and tuberculosis. PHCs have largely remained underfunded over the decades (WHO, 2020). About 85% of annual budget for health is allocated to the running of federal teaching and specialist hospitals that are mostly technically curative rather than preventive and rehabilitative.

3.0 Methodology

The study adapted quantitative research design. The population of this study comprised the entire people of the sampled local government areas under study i.e. 1,181,644. The sample size for the study is 384, Krejcie and Morgan (1970) table was used in arriving at sample size. The sample size was proportionately distributed among the six (6) selected LGAs Katsina State. This is represented in the table below:

Table 1: Proportional Distribution of the Sample Size

Local Government	Sample Size	Percentage
Katsina	101	27%
Daura	73	19%
Funtua	73	19%
Charanchi	45	11%
Bindawa	50	13%
Danja	42	11%
Total	384	100%

Source: Field Survey, 2022

In all, there are 293 health facilities in the study areas out of which 67 health facilities ($67/293+100=23$) representing 23 % of the health facilities in the LGAs under study were selected. For the rural local governments, 1 PHC Centre, 4 PHC Clinics and 6 Health Posts were selected respectively. The PHC Centre came from the local government headquarter, 4 PHCs from 4 different political wards and 6 Health Posts from the political wards other than the selected wards for PHCs. In all, 67 health facilities were selected comprising 7 PHC Centers, 27 PHC Clinics and 33 Health Posts (HPs). This can be presented below:

Table 2 Distribution and category of sampled health facilities

No. of Health Facilities Available and No. Selected	Katsina	Daura	Funtua	Charanchi	Bindawa	Danja	Total
No. of PHC Center Available	5	1	2	1	1	1	11
<i>No. of PHC Center selected</i>	2	1	1	1	1	1	7
No. of PHC Clinic available	10	8	10	12	11	10	61
<i>No. of PHC Clinic selected</i>	5	5	5	4	4	4	27
No. of HP available	18	14	41	51	43	45	212
<i>No. of HP selected</i>	5	5	5	6	6	6	33
<i>No. of Health Facilities Selected per LGA</i>	12	11	11	11	11	11	67

KSPHCDA (2021)

Data for the study were collected from primary and the secondary sources. Stakeholders of PHC in the study area and the beneficiaries of PHC remain the sources of primary data for this study. The secondary sources of information for this research are files, annual estimates, store received and store issued voucher, medical records and M and E registers. Surveys from National Demographic Health Survey (NDHS, 2013 and 2018) were also used.

Questionnaire was administered to the healthcare providers randomly selected in the PHC Clinics. Although the number of patients in the facility are not known, but a proportion of respondents (324 or 84.4%) from the sample size of 384 and 60 Staff were issued with the questionnaires.

4.0 Results and Discussion

Table 3: Local Government Financial Capacity for the Implementation of PHC programmes.

Items	LGA	N	Min	Max	Mean	Std Duration	Decision
Local Government provides funds for the implementation of PHC programmes.	Katsina	5	1	5	2.80	1.300	Agreed
	Funtua	5	2	5	2.98	1.237	Agreed
	Daura	5	1	5	2.46	1.047	Agreed
	Chiranchi	5	1	4	2.37	1.282	Agreed
	Bindawa	5	1	5	2.15	1.038	Agreed
	Danja	5	1	5	2.91	1.173	Agreed
The funds appropriated are released for the implementation of PHC programmes.	Katsina	5	1	5	3.03	1.300	Disagreed
	Funtua	5	2	5	3.83	1.237	Disagreed
	Daura	5	1	5	3.66	1.302	Disagreed
	Chiranchi	5	1	5	3.45	1.370	Disagreed
	Bindawa	5	2	5	3.45	0.987	Disagreed
	Danja	5	1	5	3.26	1.067	Disagreed
Funds released for the implementation of PHC programmes are expended accordingly.	Katsina	5	2	5	2.91	1.184	Agreed
	Funtua	5	1	5	2.82	1.237	Agreed
	Daura	5	1	5	3.28	1.386	Disagreed
	Chiranchi	5	1	5	2.92	1.650	Agreed
	Bindawa	5	1	5	3.44	1.379	Disagreed
	Danja	5	1	5	3.43	1.290	Disagreed
Funds expended for the implementation of PHC programmes are accounted for	Katsina	5	1	5	2.97	1.306	Agreed
	Funtua	5	1	4	1.93	0.57	Agreed
	Daura	5	1	5	3.18	1.357	Disagreed
	Chiranchi	5	1	5	2.71	1.754	Agreed
	Bindawa	5	1	5	2.41	1.095	Agreed
	Danja	5	1	5	3.03	1.671	Disagreed
Expenditure of the Local Government on PHC follow due process	Katsina	5	1	5	2.07	1.306	Agreed
	Funtua	5	1	5	1.87	1.065	Agreed
	Daura	5	1	5	2.98	1.413	Agreed
	Chiranchi	5	1	5	2.71	1.754	Agreed
	Bindawa	5	1	5	2.29	1.250	Agreed
	Danja	5	1	5	2.23	1.330	Agreed
Adequate budgetary provision were made for PHC services	Katsina	5	1	5	2.43	1.435	Agreed
	Funtua	5	1	5	2.78	1.595	Agreed
	Daura	5	1	5	2.86	1.413	Agreed
	Chiranchi	5	2	4	2.47	0.687	Agreed
	Bindawa	5	1	5	2.99	1.609	Agreed
	Danja	5	1	2	1.97	0.169	Agreed
Funds budgeted and	Katsina	5	1	5	3.06	1.442	Disagreed
	Funtua	5	1	5	3.78	1.303	Disagreed

released were well audited.	Daura	5	1	5	3.23	1.401	Disagreed
	Chiranchi	5	1	5	2.76	1.532	Agreed
	Bindawa	5	1	5	3.22	1.370	Disagreed
	Danja	5	1	5	2.57	1.399	Agreed

Source: Researchers Survey, 2022

The Table shows that respondents agreed with the assertion that the local government provides funds for the implementation of PHC programmes with mean scores of 2.80 in Katsina, 2.98 in Funtua, 2.46 in Daura, 2.37 in Charanchi, 2.15 in Bindawa and 2.91 in Danja LGAs. However, observation, interview and information from the secondary data show that the local government provides funds for the implementation of PHC programmes. Respondents were also asked whether funds appropriated were released for the programmes. The mean scores of 3.03 in Katsina, 3.83 in Funtua, 3.66 in Daura, 3.45 in Charanchi, 3.98 in Bindawa and 3.26 in Danja LGAs show that funds appropriated are not released for the implementation of PHC programmes. This is in line with the budget documents at the MFLG, which shows funds were allocated for capital projects but not released entirely between 2017 and 2018. Also, 2.91 in Katsina, 2.82 in Funtua and 2.92 in Charanchi are the mean score on the assertion that funds released are expended accordingly. This means that the respondents agreed on the assertion that funds are spent accordingly. This also indicated the elements of financial discipline as shown by the respondents. The Table also shows mean scores of 3.28 in Daura, 3.44 in Bindawa and 3.43 in Danja LGAs. This means that respondents in these LGAs did not agree with the assertion that funds are spent accordingly. However, observation shows that due process is considered in these LGAs.

The Table showed 2.97 in Katsina, 1.93 in Funtua, 2.71 in Charanchi and 2.41 in Bindawa LGAs as the mean scores of the assertion that funds expended are accounted for in the PHC sector of the local government. This means that the respondents agreed with the above assertion. It also shows that there is a proper record system in the PHC department of the LGAs. This means that there is concern for financial regulations and the procurement act in incurring expenditure in the PHC sector. However, respondents in Danja and Daura LGAs disagreed on the above view with mean scores of 3.03 and 3.18, respectively. Observation reveals that there is no proper records keeping in these LGAs as some books like the DVEA Book did not records any expenditure for over 6 years. The Table also showed a mean score of 2.07 in Katsina, 1.87 in Funtua, 2.98 in Daura, 2.71 in Charanchi, 2.29 in Bindawa and 2.23 in Danja LGAs of which means respondents agreed that due process is taken care of in incurring expenditure in the PHC sector of the local government.

Respondents were also of the opinion that adequate budgetary provisions were meant for PHC Programmes with mean score of 2.43 in Katsina, 2.78 in Funtua, 2.86 in Daura, 2.47 in Charanchi, 2.99 in Bindawa and 1.97 in Danja LGAs. This mean that funds budgeted are adequate for the implementation of PHC programmes. However, response from the interview in the LGAs disagreed with the above assertion. Likewise, the budgetary allocation for the PHC of the LGAs has never been 15%, as agreed by the Abuja Declaration. These are sufficient to reject the above response and agreed that there is inadequate budgetary provision in the PHC sector.

The Table also showed that funds released were not audited with mean scores of 3.06 in Katsina, 3.78 in Funtua, 3.23 in Daura and 3.22 in Bindawa LGAs. The response is also not clear, as the interview, secondary data and observation showed auditing of funds even before release. Staff salary and overhead always pass through different stages of auditing from MFLG to Office of the Auditor General for Local Government (OAGFLG) to the Accountant General Office. Therefore, the recurrent expenditure of

salary and overhead used to be properly audited. The Table also shows mean scores of 2.76 and 2.57 for Charanchi and Danja LGAs, respectively. These means that opinion in these 2 LGAs is contrary with the other LGAs by revealing that there was no auditing in the PHC sector of the LGAs.

Summarily, all the respondents from the six LGAs under study seem to be in agreement that Local Governments provide funds for the implementation of PHC Programmes, funds appropriated are not released for the implementation of PHC Programmes and the expenditure of the PHC followed due process. There is adequate budgetary provision for the implementation of PHC Programmes. Respondents from Katsina, Funtua and Charanchi LGAs agreed that funds released for PHC programmes are expended accordingly. However, those from Daura, Bindawa and Danja LGAs disagreed with the assertion that funds released are not expended accordingly. Also, respondents from Katsina, Funtua, Charanchi and Bindawa held the view that funds expended are accounted for. Whereas those from Daura and Danja LGAs disagreed with the assertion. Katsina, Funtua, Daura and Bindawa LGAs held the view that funds are not audited. However, respondents from Charanchi and Danja are of the view that there is auditing in the PHC sector of their LGAs.

Having presented the responses of the respondents in Table 3, it is pertinent to support the view with secondary data to affirm or dispute the financial capacity or otherwise of these LGAs under study. As a matter of emphasis, let us start with the Health sector budget of Katsina State. The presentation will be followed with the analysis based on the percentage allocated to the health sector from the state budget and the amount appropriated for recurrent and capital expenditure as well as the actual expenditure incurred in the former and the latter. This will show the States financial commitment in the health sector from 2015 to 2017. Data for 2011 to 2014 and 2018 to 2019 was not available to the researcher. Therefore, a three (3) year analysis of the state budget will be made here. Although for the individual local governments under study, there is data for 2015 to 2018 (4 years). This will also be presented later.

Table 4: Katsina State Health Sector Budget Analysis (2015 - 2017)

EXPENDITURE	2015	2016	2017
Total budget of the state	110,080,741,165.00	114,034,251,670.00	140,162,092,690.00
Approved capital for the Health Sector	1,806,890,190.00	5,468,948,725.00	6,729,361,995.00
Approved Recurrent for the Health Sector	5,971,105,020.00	5,835,777,850.00	6,082,284,605.00
Total Allocation for the Health Sector	7,777,995,210.00	11,304,726,575.00	12,811,646,600.00
Actual for the capital in Health Sector	637,341,243.00	2,042,135,908.00	2,079,681,199.00
Actual for recurrent in the Health Sector	5,643,085,434.00	5,906,143,049.17	5,488,370,821.35
Total Actual for the Sector	6,280,426,677.40,7.07%	7,948,278,957.17	7,568,052,020.00
% Allocation for the Health Sector	7.07%	9.9%	9.1%
% of Actual for the Health Sector	80.7%	70.3%	59.1%

Source: MNCH² (2018)

The above Table 4 shows the amount allocated for the entire budget of the state from 2015 to 2017. It also shows the capital expenditure for the health sector and its approved recurrent budget for the period of 2015 to 2017. The Table also explains the total allocation for the health sector (Recurrent and Capital). Actual capital and actual recurrent expenditure incurred between 2015 to 2017 were also revealed in the Table. This gives us the total actual expenditure for the health sector. More importantly on the Table is the percentage of the money appropriated for the health sector and the actual expenses incurred in the sector. As a matter of analysis, let us have a look at the components of the above Table in a more in greater depth.

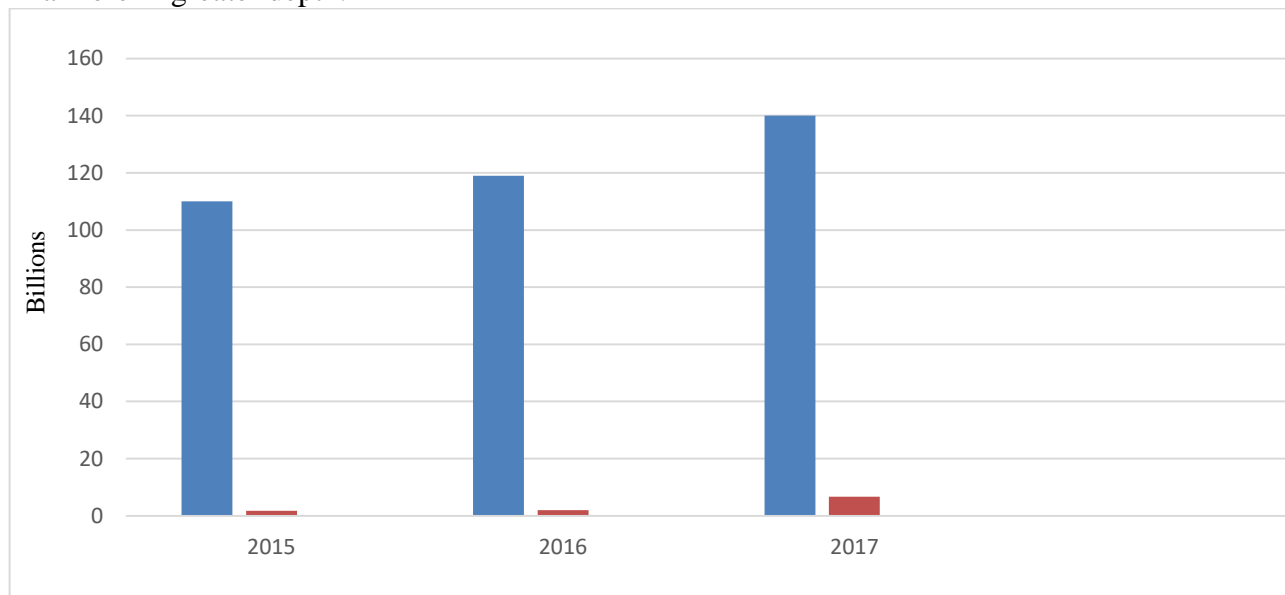


Figure: 1 Total Allocation to Health Sector and the KTSG Budget.

Source: Annual Estimates (various) and MNCH² (2018)

From the above Figure 1, it can be seen that the state and healthcare budgets have been increasing from 2015 with ₦110 million to ₦140 million in 2017 while for healthcare from ₦1.8 billion in 2015 to ₦6.7 billion in 2017. This shows the arithmetic increases in the budgets. To determine the adequacy of funding or otherwise, we need to go to the next Table to see the percentage allocated to health whether it is in line with the minimum requirement of healthcare financing, i.e. 15%, as recommend by the Abuja Declaration (2001). This will help to determine how committed the government is in terms of Healthcare.

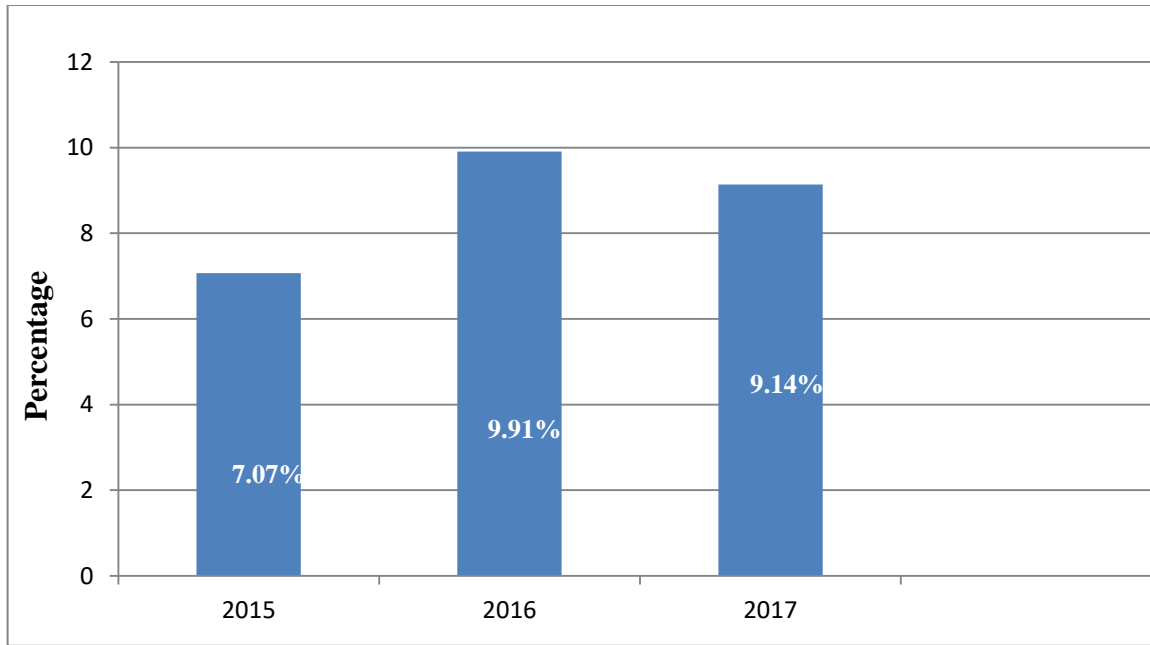


Figure 2 Percentage of Funds Appropriate to Healthcare 2015 - 2017

Source: Annual Estimates (various) and MNCH² (2018)

The above Figure 2 shows the percentage of healthcare in the state budget from 2015 to 2017. The Table shows that in 2015, there was only 7.07% of the state budget allocated to healthcare. By 2016, it recorded an increase of 2.9% (i.e. from 7.07 to 9.91%). Moreover, it slightly decreased by 0.77% in 2017 to 9.14. However, all the allocations are below the requirement of 15% recommended by the Abuja Declaration. This signifies that, much needs to be done in the healthcare financing of the state. This concern towards healthcare may be attributed to the change of leadership in the state in 2015.

Having money appropriated is one thing, while releasing the funds to incur expenditure is also another thing. This is because there are many instances where the money approved in the budget is far different from the money released. For this reason, let us have a look at the actual expenses incurred in percentages between 2015 to 2019.

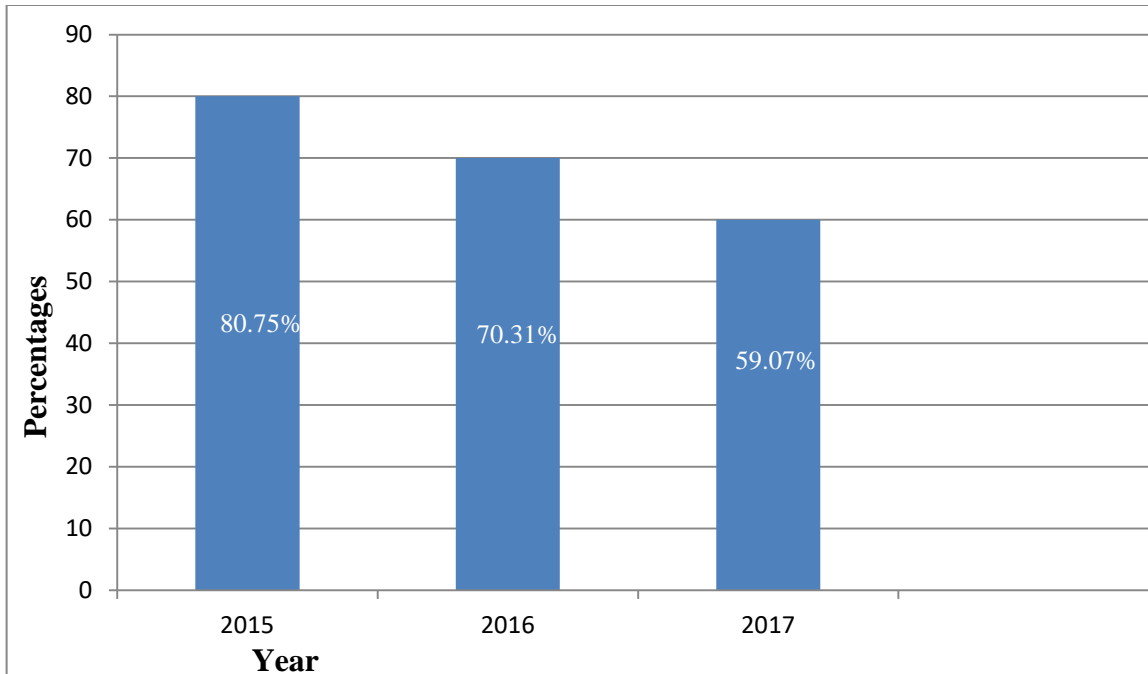


Figure 3 Percentage of Actual Expenditure Incurred (2015-2017)

Source: Annual Estimates (various) and MNCH² (2018)

The above figure 3 shows that the percentage of the actual expenditure incurred in 2015 was far better than in 2016. Also, the 2016 actual expenditure incurred was better than that of 2017. The Table reveals the continuous decrease in the state expenditure on health by not less than 10%. This unfortunate situation makes healthcare financing worrisome. We may recall that the previous Table shows improvement in the appropriation to healthcare, which in this administration is far better than in the previous one. But this Table provides us with another dramatic revelation by depicting such a continuous decrease in public expenditure in the healthcare sector of the state. To have a clear picture of the issue, it is also pertinent to present another Table to show the approved and actual capital expenditure:

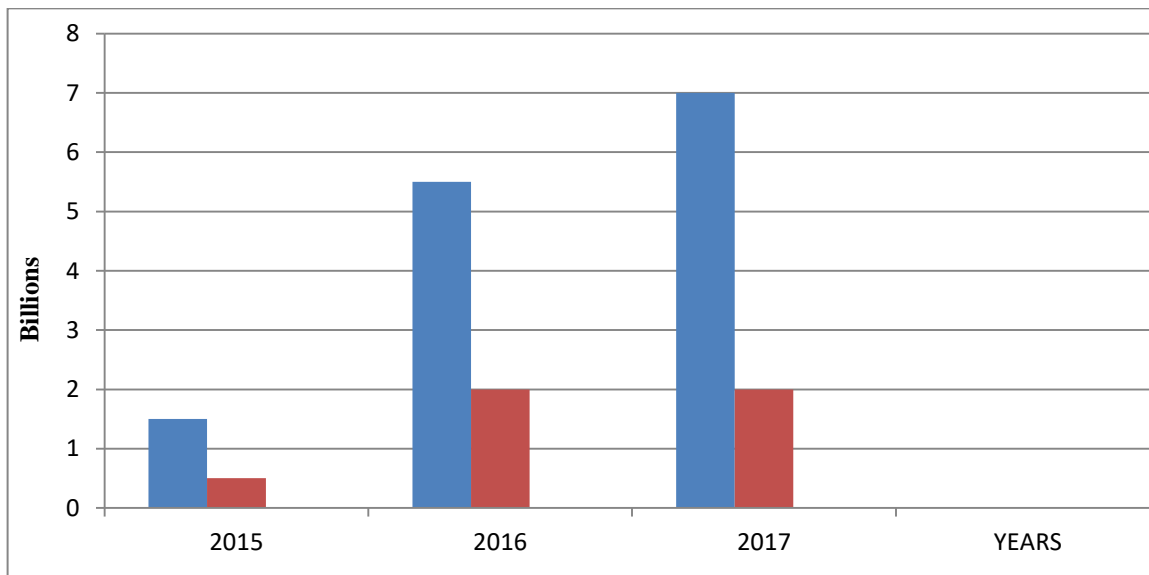


Figure 4 Approved and Actual Capital Expenditure.

Source: Annual Estimates (various) and MNCH² (2018)

The above 4 shows the continuous increase in the state budget in capital (approved and actual) expenditure. It shows that as capital expenditure (approved) increased, the actual also increased side by side from 2015 to 2017. This shows the increase in the commitment towards healthcare. However, it also depicts the state is concern on the capital expenditure in health to be low. This was part of the factors responsible for poor health infrastructures, consumables, drugs, tools and equipment, as revealed by the respondents during interviews. Having analyzed the approved and actual recurrent expenditure, it is also pertinent to analyze the recurrent expenditure appropriated and the recurrent incurred. This will enable us to make the analysis of the approved total budget and the actual incurred.

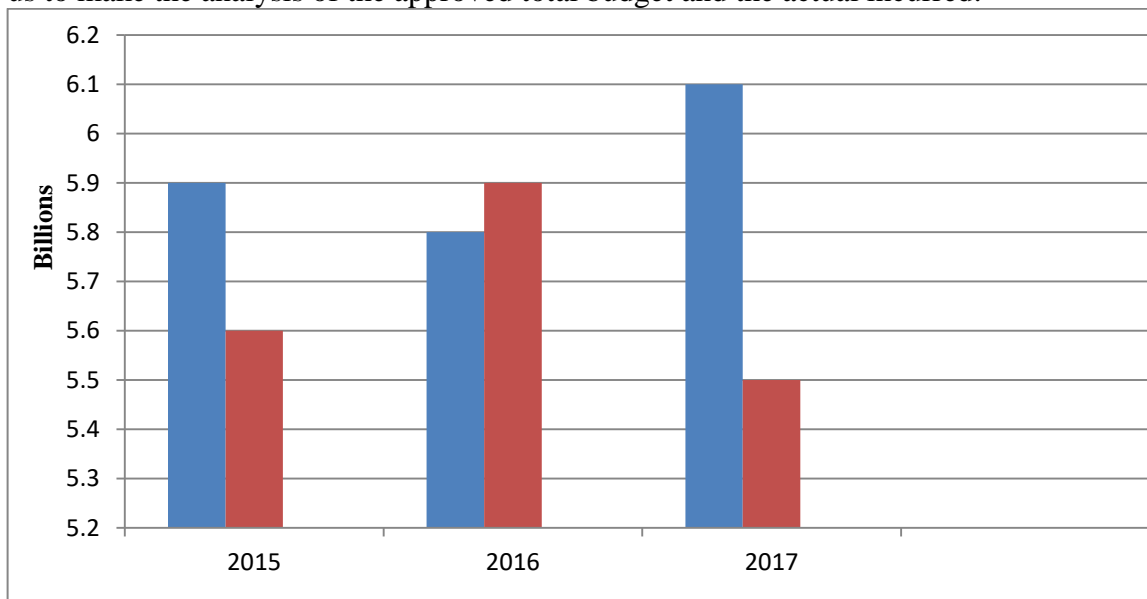


Figure 5 Approved and Actual Recurrent Expenditure.

Source: Annual Estimates (various) and MNCH² (2018)

From the above Figure 5, it can be seen that the recurrent expenditure on healthcare was implemented 70% in 2015 and 40% in 2017. However, for 2017, the recurrent incurred was more than what was approved in the Appropriation Act. This was due to the supplementary expenditure incurred in the year, particularly on the reversal of the suspended consolidated salary of healthcare workers and the activities of various committees set up to determine the new direction of healthcare service delivery, including funding researches in healthcare and intervention services on immunization.

To compare the Approved Total Budget and the actual expenses incurred in 2015 to 2017, the following Table is very necessary for such comparison, so that we can establish the clear gap between the funds appropriated and the fund released for the healthcare sector in the state from 2015 to 2017.

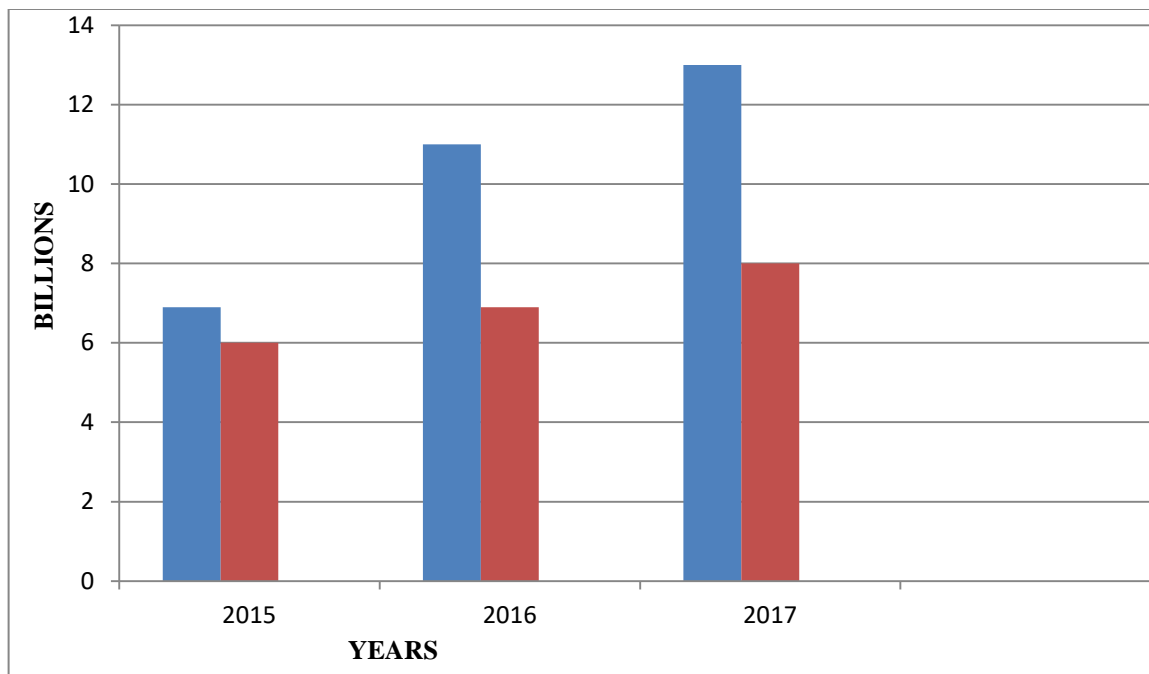


Figure 6 Approved Total Budget and Actual Incurred

Source: Annual Estimates (various) and MNCH² (2018)

The above Figure 6 shows that actual expenditure in health sector has never been 75% of the approved one. It shows the budget performances in 2015 to record the highest of the expenses incurred, which was closed to 76% of the total budget for the health sector. The Table also shows a 59% of the approved expenses was incurred in 2016. The actual expenses incurred in 2017 was also around 60%. This means that beyond the Appropriation Act, there was also the issue with the release of funds the approved. This also revealed the non-compliance with the budgetary allocation while incurring the expenses. As usual this will be explained by the response of the interview with stakeholders on the subject matter.

From the above analysis, it can be agreed that there is adequate funding in the Healthcare Sector of Katsina State. It also shows that the Abuja Declaration of 15% of the budget to health care sectors has not been adhered to, but the naira quantum allocated if judiciously used can be enough to properly implement PHC programmes. In the same vein, it depicts that even the little sum allocated to the health sector was not been fully incurred (released). The analysis also revealed that recurrent expenditure always took the largest share in the health sector budget of the state and shows the full implementation of the recurrent expenditure against the capital expenditure. This also is not in line with the Abuja Declaration of 50% (minimum) allocated to capital expenditure in healthcare. As we said earlier, there is the need to analyses the healthcare financing of the local governments under study. This will give us the picture of the percentage of healthcare from the budget between 2015 to 2018.

Table 5: Budgets of Selected LGA and PHC Departments under study in Katsina State

LGAs	2015	2016	2017	2018
Daura PHC	1,587,911,030 301,844,982 (19.0%)	3,759,604,929 308,844,982 (8.2%)	1,520,629,455 89,323,443 (5.9%)	1,630,629,455.7 88,000,000 (5.4%)
Katsina PHC	1,267,814,530 234,508,997 (18.5%)	4,553,873,745 402,240,050 (8.8%)	1,653,094,994 89,323,443 (15.3%)	1,653,094,994 334,615,666, (20.2%)
Funtua PHC	3,098,708,589 257,791,385 (8.3%)	1,634,697,896 244,833,236 (14.9%)	1,177,017,097 169,455,711 (14.3%)	1,176,016,097 226,601,986 (19.4%)
Danja PHC	2,517,016,427 328,896,944 (13.0%)	1,605,801,192 297,490,934 (18.5%)	1,096,368,521 246,593,599 (22.4%)	1,096,368,521 192,668,116 (17.5%)
Charanchi PHC	4,640,698,096 172,906,364 (3.72%)	2,634,270,570 207,345,713 (7.9%)	1,227,907,463 189,719,534 (15.4%)	1,117,907,453 208,108,720 (18.6%)
Bindawa PHC	2,335,315,500 238,276,132 (10.2)	2,639,359,581 252,814,936 (9.5%)	1,764,313,736 262,898,416 (14.9%)	1,623,168,637 251,355,916 (15.4%)

Source: Annual Estimates (2015 to 2018)

From the above Table 5, it can be seen that the budget of Daura Local Government on Primary Healthcare was 19.0% in 2015 which was even more than the minimum benchmark set by the Abuja Declaration, i.e. 15%. In the year 2016 there was a dramatic decrease to 8.2% (about a 58% reduction from 2015). It further went down to 8.9% and 5.4% in 2017 and 2018, respectively. Katsina LGA allocated 18.5% in its budgetary estimates to PHC in 2015. This drastically reduced to 8.8% in 2016 and then rose to 15.3% and 20.2% in 2017 and 2018 respectively. This depicts a remarkable progressive increase in the allocation to the PHC sector over the years by the LGAs as against Daura LGA that recorded a continuous decrease in the allocation.

Funtua LGA allocated 8.3% in 2015. The percentage progressively rose to 14.9% in 2016, slightly dropped to 14.3% in 2017 and then drastically appreciated to 19.4%, which is remarkable in 2018. Danja LGA assigned 13.0% in its budgetary estimate to PHC in 2015. The percentage increased to 18.5% in 2016 and further to 22.4% in 2017 but suddenly fell to 17.5% in 2018. Although the LGA has the highest percentage allocation to the PHC sector in all its budgetary estimates from 2015 – 2018, which is far above the 15% Abuja Declaration minimum standard, yet the percentage allocation over the year is not progressive and suggests an unsteady health financing situation to the LGA.

Chiranchi Local Government recorded 3.7% allocation to the PHC sector in 2015. It rose to 7.9% in 2016, 15.4% in 2017 and further to 18.6% in 2018. This shows a progressive increase in the allocation over the years. It is pertinent to know that Chiranchi local government also has a large number of health facilities (i.e. 58), which means more was expected to be allocated to the PHC sector of the local government. Although, the LGA has tried to allocate around the minimum standard of the 15% Abuja declaration, because of the many health facilities in the LGA, the amount could not make a significant impact. This is noticeable in the poor physical condition of many health facilities in the LGA.

Last, but not the least on the Table is Bindawa Local Government which shows a budgetary allocation to the PHC sector in 2015 as 10.2%. It drops to 9.5% in 2016, rose to 14.9% in 2017 and further to 15.4% in 2018. This shows that apart from 2018, the LGA is operating far below the 15% Abuja Declaration minimum standard, which is quite very low and inadequate. On comparative terms from this presentation, it revealed that Katsina LGA is doing better in terms of healthcare financing followed by Danja LGA and then Funtua LGA. Whereas the worst LGA in terms of healthcare financing is Daura, followed by Bindawa while Charanchi, which is on the average.

Having analyzed the funding of the PHCs at the local governments under study, it is also pertinent to provide an additional Table showing the financial support from the SPHCDA and development partners. This is because the state budget on PHC did not capture the one from development partners and SPHCDA.

Table 6, Budgets of The SPHCA from 2011 to 2019

Expenditure	2011	2012	2013	2014	2015	2016	2017	2018	2019
Recurrent Exp.	139,040,500	187,040,500	139,040,500	156,109,900	385,861,950	120,200,110	120,200,110	122,604,110	122,604,110
Personnel Cost	221,988,099	364,655,768	436,655,768	339,861,951	314,209,786	397,389,055	417,258,400	518,761,320	469,947,960
Capital Exp.	600,000,000	600,000,000	333,936,363	496,831,628	333,936,365	221,735,185	221,735,185	274,887,030	123,712,880
Total from state	961,028,599	1,151,696,268	909,632,631	992,803,479	1,034,008,099	739,324,350	759,193,695	916,252,460	716,264,950
Donor org.	996,000,000	998,000,000	1,000,023,221	1,100,000,000	1,000,13,211	1,221,000,000	987,000,000	918,988,866	918,988,866
Total	1,957,028,599	2,149,696,268	1,909,655,852	2,092,823,479	2,034,121,310	1,960,324,350	1,746,193,695	1,835,241,326	1,635,253,816

KSPHCDA (2020)

From the above Table 6, it can be seen that apart from the LGAs budget on PHC, the State coordinating body (i.e. SPHCA) has a budget on PHC. This budget comprises personnel cost, overhead and capital expenditure. Capital expenditure involves funds for the renovation of PHC Centres as they are responsible for maintenance. The Table shows the SPHCDA budget at almost 1 billion Naira annually from 2011 to 2019 respectively. In addition to that the Table also shows the financial contribution of the donor agencies led by WHO, UNICEF, Global Fund, Bill and Melinda Gate and Clinton Health Initiatives. They equally contributed almost 1 billion Naira annually to support the implementation of PHC programmes. Altogether there is almost 2 billion Naira budgeted to support the implementation of

PHC programmes from the SPHCDA. Although, there is no data on the State's budget on healthcare to determine the financial contribution in the implementation of PHC programmes from the State, the Naira quantum of the money budgeted is huge enough to agreed that there is a significant contribution from the state in PHC financing.

Consequent to the above presentation on the financial capacity for PHC implementation, we come to the realization that all the LGAs under study have financial capacity, but the release of the funds is the critical issue challenging the implementation of PHC Programmes. There is adequate budgetary provision of the PHC programmes. The MFLG is the body twisting the funding of PHC in the State. Therefore, we can conclude that there is no adequate financial capacity for the implementation of PHC Programmes.

4.2 Test of Hypothesis

To test for the hypothesis formulated in this research, simple linear regression was used to determine the effects of the independent variable on the dependent variable.

Table 7, Regression Output

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	5.308	5	1.062	15.473	.000 ^b
Residual	21.889	319	.069		
Total	27.197	324			

Source: SPSS Output, 2022

Table 4.5 shows, the results from the regression analysis which tests the effects of the independent variable on Primary health care programmes. The F-statistic which measures the adequacy and fitness of the model used in the study stood at 15.473 with a p-value of 0.000^b which is significant at 5%; this shows that the model is fit for the data.

Table 8: Regression Output

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.442 ^a	.195	.183	.2619479

Source: SPSS Output, 2022

Table 8 shows the summary of the regression analysis. The empirical findings show that R, the multiple correlation coefficient stood at 0.442 which indicates a moderate correlation between the independent variables and the dependent variable. R², the multiple coefficient of determination of the variables stood at 0.195 indicating that about 19.5% of the total variation in primary health care programmes is explained by variations in the 'independent variable captured in the study; while other variables not captured in the study will explain 80.5% of the variations in primary health care programmes. The adjusted R² being 0.183 also indicates that the independent variable will still explain 18.3% of the variations in primary health care programmes even if other variables were added to the study.

Table 9: Regression Output

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
Model	B	Std. Error	Beta			
1	(Constant)	1.224	.172		7.130	.000
	Financial Capacity of the Local Government	.043	.037	.060	1.163	.246

Source: SPSS Output, 2022

Table 9, shows the outcome of the respective independent variables on primary healthcare programmes. The study presented the test for the assumptions of linear regression.

Ho i. The financial capacity of the Local Government in managing PHC services has no significant effect on the implementation of PHC programmes in Katsina State.

The coefficient of this independent variable stood at 0.128 which is positive. This implies that an increase in the current financial capacity of the local governments would lead to an increase in the implementation of primary health care programmes in Katsina State. This depicts a healthy state of financial capacity in relation to primary health care services. However, the significance of this can be judged from the t statistics and its significance. The *t statistics* of the independent variable stood at 3.606 with a p-value of 0.000. The p-value is less than 0.05, indicating that the relationship depicted in the model is insignificant at 95% confidence level. This implies that the study does not have enough statistical evidence to accept the null hypothesis H_{0i} in order to reject its alternate H_{1i} ;

Based on the above analyses the study rejects the null hypothesis, H_{0i} , which states that there is no significant relationship between the financial capacity of the Local Government and the implementation of PHC programmes in Katsina State; and accepts its alternate hypothesis, H_{1i} , which states that there is a significant relationship between the financial capacity of the Local Government and the implementation of PHC programmes in Katsina State.

4.3 Discussion of Findings

The study also established that the current financial capacity of the Local Government has positive (coefficient 0.068) and significant (p-value 0.048 less than 0.05) effects on the implementation of PHC programmes in Katsina State. It was found that budgetary allocation was close to the benchmark set up by the Abuja Declaration (2001). Of course, huge amount of funds was appropriated to the implementation of PHC programmes. However, release and management of funds are lacking in the PHC sector. The finding also showed that the excessive budgetary control exercised by the MFLG on the LGAs negatively affected the financial capacity of the LGA. It was found that funds appropriated are not released accordingly. This finding is in line with the findings of the NIPPS report (2019) and Haruna (2021) on the implementation of PHC in Nigeria. They revealed that poor financial management and budget indiscipline are the two factors bedeviling the implementation of PHC programmes in Nigeria.

5.0 Conclusion and Recommendations

In view of the data presented and analyzed as well as the hypothesis tested, it was found that LGAs in Katsina State lacks adequate financial capacity for the implementation of PHC programmes. The State government should try to simplify the bureaucratic process of accessing funds by the LGAs through

MFLG. This will improve the financial capacity of the local government. This can be achieved by reducing the bottleneck of applying to the commissioner MFLG, who is to also take the request to the executive council for approval as enshrined on the local governments by the MFLG. In addition to that, there should be concern on the budgetary allocation of the PHC of the LGA to cover at least the minimum requirement of 15% budgetary allocation to the PHC sector. Financial discipline is also desirable for the realization of PHC programme objectives. This can be achieved through independent Civil Society Organizations (CSOs) to pay close monitoring of budget implementation. Budget implementation needs to be closely monitored by the autonomous CSOs to ascertain the performances of health care expenditure. Beyond the internal control instilled by the internal audit at the local government level, there should be a stronger internal mechanism through tax force committee and private consultancy firms to oversee the expenditure in the healthcare sector. Development partners should set this as part of their condition during signing Memorandum of Understanding (MoU) with the State government. There is also need for budget tracking from the community.

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Impact of Government Intervention Loans on Agricultural Practices and Crop Yield in Niger State Nigeria

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Abstract

To boost agricultural production and reduce dependency on the oil economy, the Federal Government of Nigeria rolled out different agricultural intervention loans (GIL). Some agricultural interventions include Agricultural Credit Guarantee Scheme Fund (ACGSF), the Interest Drawback Programme (IDP), Trust Fund Model (TFM), Commercial Agriculture Credit Scheme (CACs), and Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) and Anchor Borrowers' Programme (ABP). This study focused on the impact of Government Intervention Loans on the agricultural sector in Nigeria. The study used secondary data from the Central Bank of Nigeria and online sources. The collected data were sorted using Microsoft Excel and analysed using one-way ANOVA, correlation, regression and neural network analysis at a 95 % confidence level (p -value ≤ 0.05). The results of the analysed data were reported as mean plus/minus standard error of mean determined for quantitative variables. The result indicated a significant increase of about 2.2 % in the acreage of land use for crop production between 2014 and 2015 and an 11.53 % increase over the six years, representing roughly a 2 % yearly increase in cultivated land. There was a strong positive correlation between total cultivated land and crop yield per hectare is 0.911, while that of crop produced and crop yield per hectare is 0.963. Also, there was a strong correlation between fertilizer application and crop yield per hectare is 0.940, while the correlation between the number of agricultural extension workers and crop yield per hectare is 0.843. This study concludes on the strong positive correlation between these farm management practices and crop yield per hectare that agricultural loan interventions impact yield.

Key words: Agriculture Practices, Government Intervention Loans, Impacts on Yield, Agricultural sector.

1.0 Introduction

The global economic activity around the world was \$42.29 trillion in year 2000 and by year 2010, the officially recognized economic activity stood at \$74.60 trillion international dollars (The World Bank, 2020a). Countries like the U.S., China, Germany, Japan and others already had large economy in 2000 while others Nigeria, Singapore, Malaysia, and Vietnam among others had smaller economy. Between 2000 and 2010, global economic activity increase by 22.0 % and national average GDP increased from \$3,015 billion in 2000 to \$10,128 billion international dollars in 2010, a rise of 236% (The World Bank, 2020b). According to anecdotal evidence agriculture play a critical role in national economies of developing countries. Experts feel that the development of the agriculture sector is critical to the overall economic global growth (Awokuse and Xie, 2015). Compared to the United States, the gross domestic

product (GDP) per capita in Sub-Saharan Africa and Latin America has been extremely low during the last three decades. Between 1990 and 2010, Sub-Saharan Africa and Latin America had GDP per capita increase of 2.1 and 1.6 percent respectively while Asia had a phenomenal 6.9 % per year during the period. Several Asian economies like China and Thailand witnessed phenomenal development with agriculture accounting for a significant portion of the GDP, which is about 20 % more than the GDP of most African nations (Awokuse and Xie, 2015).

In Nigeria, the oil sector constitutes a substantial amount of export earnings, but the GDP from the oil sector is lower compared to GDP from non-oil sector. Despite the higher GDP recorded from the non-oil sector, the sector receives less attention and financial support. The country's oil fortunes have been on the downward trend in recent years with dire consequences on the economy. The contribution of crude petroleum and natural gas to the nation's GDP, for instance, declined from 14.95 % in 2011 to 9.61 % in 2015 while the agricultural sector contributed 23.35 % as at 2011 and declined to 23.11 % in the said periods (CBN, 2015 as contained in Coker *et al.*, 2018). In addition, oil refining contributes less than 0.5 % to the nation's GDP as the oil price is determined exogenously. Unfortunately, crude oil price has been on the decline in the last four years from an average of US\$ 113.5 per barrel of crude oil in 2012 to less than US\$50.00 in 2015 and most part of the year 2016 (CBN, 2014 and 2016, as contained in Ayuba *et al.*, 2020). It is against this backdrop that the need for diversification of the Nigerian economy from oil to non-oil sectors became pertinent. Because the Agricultural sector have potential to deliver quick results in the quickest time possible in the Nigerian-government quest for economic diversification, the country decided to go all out for agriculture. The decision to boost the agricultural sector was further enhanced by availability of agricultural resources such as lands, manpower (labour) and other resources as well as the need to bridge the gap between farmers and agro-processor or the agro-industries.

Further, the bulk of the Nigerian population earn their living from the non-oil sector particularly from agriculture which provide over 70 % employment for the Nigerian's populace. Thus, the agricultural sector is the largest employer of labour and a key contributor to wealth creation and poverty alleviation in the country. The fact that large percentage of the population derive their income from agriculture and related activities suggest the country's economic will do better with more investment in agro-inputs. Over the years, however, the rate of development of the agricultural sector has been dwindling and could not keep pace with the needs of a rapidly growing population. This resulted to a progressive rise in import bills for food and agricultural-based industrial raw materials. For instance, import of food and live animals grew from N1.8 billion (constituting about 14.1 % of total imports in 1981) to N2,885.4 in 2011 (representing about 20.2 %) (CBN, 2015 as contained in Coker *et al.*, 2018). Similarly, animal and vegetable oil/fat import for major raw material in the food industry grew from N0.1 billion in 1981 to N144.7 billion in 2015, representing 0.8 and 1.3 % of total imports respectively (Evbuomwan and Okoye, 2017). The potentials of the agri-business sector as a major employer of the growing labour force and as earner of foreign exchange was also undermined. The direct result was that a large majority of the population living in the rural areas remain poor or even become poorer. The direct effects are unemployment and food insecurity while the indirect effects are national insecurity as well as economic instability. This state of affairs in the Nigerian agricultural sector has been traced to a number of factors militating against the effective performance of the agricultural sector programmes. Prominent among them are small size of farms holding, low level of mechanization or use of farm inputs, poor agricultural infrastructure, high level of pre- and post-harvest losses to pests and diseases, poor transportation facilities, processing technologies as well as storage facilities (Sisipo *et al.*, 2021).

These resulted in the country importing agricultural products such as wheat, milled rice, raw cane sugar, whole milk powder as well as fish and fish products, most of which can be produced locally. Food and Agricultural Organization (FAO) of the United Nations estimated Nigeria's cereal import (mostly rice and wheat) for 2015 at over 7.5 million tonnes and, Nigeria is said to be the largest rice importer in Africa. Over the years, various financing policy initiatives were instituted to improve the performance of small-scale farmers in Nigeria and transform the agricultural sector (Evbomwan, 2004). However, the desired goals are not achieved because of some of the peculiarities of the problem smallholder farmers faces. Prominent among these are their poor access to finances and lucrative markets to sell off their farm produces leaving them in vicious cycle of poverty (Evbomwan *et al.*, 2020) due to losses of farm produces. In light of the above and in line with the Central Bank of Nigeria (CBN) developmental function, the apex bank established the Anchor Borrowers' Programme (ABP), a non- or low-interest loans, to serve as a booster to small scale farmers. The Programme launched November 17, 2015 was intended to create a linkage between anchor companies involved in the agricultural product processing and small holder farmers (SHFs) of the key agricultural commodities. The prod of the ABP was the provision of farm inputs in kind and cash (for farm labour) to small holder farmers to boost production of farm commodities, stabilize inputs supply to both agro-processors and farmers as well as address the country's negative balance of import payments on food and food-related items.

Despite the high hopes that greeted the ABP's launch, with poverty alleviate prospects and increase income through profitability by beneficiary farmers, no empirical data to actually verify the project impact (Coker *et al.*, 2018). This study evaluates the impact of the CBN's anchor borrowers programme (ABP) on farm output among the small-scale farmers in Niger State.

2.0 Literature Review

This section covers the concept of agricultural intervention loans, anchor borrowers, the Central Bank of Nigeria (CBN) is responsible for the overall management and administration of the anchor borrowers' programme. The CBN organizes the Project Management Team (PMT), a body setup at the state level on project basis. The PMT is responsible for the operational management of projects and the body comprise of key stakeholders under the ABP. There are two windows for accessing funds under the programme, namely Private Sector-led window and Public Sector-led Window. Representatives of the participating financial institutions (PFIs) – Chairman; Head DFO, CBN and representative of Anchor/Commodity Association/ Cooperative/State Government - Co-Chairman (CBN in Garba *et al.*, 2016).

2.1 Theoretical Framework

The theoretical framework for this research work is based on the results-based management (RBM) system, which ensures that all activities of an entity contribute to the achievement of desired results. The approach hinges on defined accountability for results and requires systematic monitoring and self-assessment and reporting. According to Coker *et al.* (2015), the results based management took prominence in Nigeria in the 1990s through the operations of the development projects and programmes, but the real efforts directed at implementing the concept in the public sector in Nigeria was initiated in 2012, with the institutionalization of Performance Management System (PMS) in the public service through the National Planning Commission (NPC).

Šūmane *et al.* (2018), highlighted the key benefits of the RBM to include helping organization members to stay focused on outcomes, building a stronger results-oriented organizational culture, encouraging managers to think ahead, proactively choosing new ways of reaching higher levels of performance while helping to empower frontline staff through morale boosting, greater organizational agility, increased customer satisfaction and making them accountable. Coker *et al.* (2018) noted that when the Results Based Monitoring and Evaluation (RBME) is implemented properly, they provide a continuous flow of information feed back into the system which helps policy makers in achieving results. Hence, this theory had led to increase in programme implementation, especially in the agricultural sector of the economy. This is largely because of their financial contribution to agricultural innovations.

2.2 Contribution of Financial Intervention to Agricultural Innovation

Financial industry are nowadays concerned with a variety of services including agricultural lending and In principle, the government should be a more willing lender than the private sector as it is less risk-averse and has greater powers of coercion and hence ability to obtain repayment. However, it is generally disadvantaged relative to the private sector in terms of local knowledge and loyalty from borrowers, leaving it exposed to an adverse selection (FAO, 2006 in Anginer *et al.*, 2020) problem and unwillingness by borrowers to repay loans.

2.3 Supply of Rural Financial Services

Many of the problems relating to financial industry have derived from a misunderstanding of the nature of the effective demand for these services (Joint FAO/WHO, 2006 in Gudgeon *et al.*, 2020). The first misconception was that farmers and other rural dwellers mainly needed credit for agricultural production purposes. In fact, an effective demand for credit, backed up by a willingness and ability to pay, can exist to smooth out a variety of situations where income and consumption streams are poorly phased. Credit for non-agricultural purposes may be as important as agricultural loans (Awotide *et al.*, 2015). Indeed, for many rural dwellers the most important reason for demanding credit is as a consumption loan to meet the costs of living in the months before the next harvest is due, not to purchase inputs to raise agricultural productivity (Sher *et al.*, 2021). The second misconception was that the majority of poor farmers were too poor to pay for credit, which is, there was a need for credit but little effective demand. The evidence now is that poor households are both willing and able to service loans if they borrow for their own perceived needs and are adequately screened and monitored (Postelnicu and Hermes, 2018).

Garba *et al.* (2016) discuss a series of special factors that are likely to influence the supply of agricultural finance. These include the high financial transaction costs of attending dispersed and small farm households. Also, the seasonality and the importance of opportune timing of on-farm finance for cultivation practices, input application, harvesting (and related output marketing), the heterogeneity in farmers' lending needs (seasonal and term lending) and the relative long duration of agricultural lending contracts (De Janvry *et al.*, 2017). Other factors may dependence on sustainable natural resources management and the relative low profitability of on-farm investments, the various weather and other production risks (Westhoek *et al.*, 2016). Marketing risks related to agriculture requiring appropriate risk management techniques are important for both producers and financial intermediaries. The limited availability of conventional bank collateral that farm households can offer, that highlights the need to increase the security of existing loan collateral or develop appropriate collateral substitutes. The reality that farm households are confronted with emergency needs and that their loan repayment

capacity is highly dependent on consumption and social security contingencies and the need for adequate training of both bank staff and farmer clients (Subbarao and Coury, 2004; Ayinde *et al.*, 2018).

2.4 The Central Bank of Nigeria's (CBN) Anchor Borrowers' Programme

In Nigeria, the ABP was launched by President Muhammadu Buhari in Kebbi State on November 17, 2015 to initially boost local production of rice and wheat, two of the four products that dominate the country's food import bill (Fani *et al.*, 2016). The programme was initiated by the CBN in its economic diversification drive to achieve a strong and viable agricultural base with more integrated value chains, enhanced food security, fewer imports and higher productivity. The programme was directed at supporting the FGN's key strategic plans of economic diversification; self-sufficiency in food production; stoppage of estimated N3.96 trillion annual import bill on wheat, rice, sugar and fish; stoppage of unbridled expenditure of foreign exchange and the 40 billion naira rice and wheat farming under the CBN's ABP (CBN, 2016).

The programme will also diversify Nigeria's economy away from oil, and into agriculture, manufacturing, services, and other non-oil sectors. The key objectives of the programme were to (i) create an ecosystem to link out-growers to integrated millers (ii) ramp up domestic rice production to replace imported rice (iii) increase operating capacity of integrated rice millers; and (iv) increase banks financing to the rice sector; (v) build capacity of smallholder farmers; (vi) target commodities which the country has comparative advantages to produce. The expected outcomes are (i) increased ratio of agricultural lending from 3.72% of total bank lending in 2014 to 7 per cent; (ii) increased capacity utilisation of rice mills from the current level of less than 50 per cent to not less than 80 per cent; and (iii) empowerment of at least one million farmers in each of the selected produce under the programme and (iv) creation of at least 2,000,000 direct and indirect jobs in the processing segment of the above value chains; and reduction of Nigeria's import bill on the identified commodities by at least 30 % annually over the specified period.

According to Emefiele (2015), the programme was conceived to complement the Growth Enhancement Support (GES) Scheme, implemented under the Agricultural Transformation Agenda and advance the status of many subsistence GES small-holder farmers to commercial or large contract growers, with attendant increase in agricultural productivity and farm income. The programme cost is put at N20 billion, sourced from N200 billion the Micro, Small and Medium Enterprises Development Fund (MSMEDF), disbursed to participating farmers at single digit interest rate of nine per cent per annum. The programme commenced with a pilot phase in Kebbi State and based on the successes recorded, it initially covered 13 states and was later expanded to 29 states, with 13 participating institutions, covering 233,000 hectares and 8 commodities.

The programme is expected to link over 200,000 rice and wheat farmers with reputable millers for off-take of every grain of paddy produced. It will further connect over 600,000 smallholder farmers, comprising 100,000 beneficiaries each in the rice, wheat, oil palm and fish value chains and 200,000 in the cotton value chain within 5 years. It will create at least 1,000,000 direct and indirect jobs in the processing segment of the value chains of selected commodities (comprising rice- 300,000, oil palm - 200,000, wheat-100,000, cotton-300,000 and fish - 200,000) in the next five years (Suwandi, 2019). The programme is structured into three components, namely out-grower support, training and risk mitigation. Anchor Borrowers' Programme initiative on agricultural development is not limited to

Nigeria. In Malawi for instance, the Bill Clinton Initiative supported an Anchor Farm Project which is working with over 56,000 smallholder farmers. The project integrates commercial farming with smallholder farmers and links them to agro-inputs, agronomic knowledge and markets. The commercial farm on its part process access to affordable and quality inputs to serve 56,000 farmers, while the Clinton Development Initiative, which is the donor, provides technical assistance in the usage of agro-inputs, implanting climate smart agriculture and investing in agro-input while demonstrating advanced agronomic technique (Steiner and Hanks, 2016).

2.5 Challenges of the Anchor Borrowers' Programme (ABP)

Despite the high hopes that greeted the launch of the Anchor Borrowers' Programme (ABP), there are many challenges facing (1) the programme (2) the borrowers and (3) the lenders with poverty still on the rise and poverty alleviate prospects eluding the country. Also, smallholders' income and profitability lack empirical data to actually verify the project impact. Some of the challenges of the programme are highlighted in paragraphs bellow.

According to the CBN's 2020 fourth-quarter economic report, only N118 billion has been repaid of the N497 billion disbursed to 2.5 million farmers (Adesugba and Mavrotas, 2020). Reasons for the repayment issue can be traced to incessant bandit attacks on farmers in the Northern region, farmer-herders' crises in the Southern region, climate change, and natural disasters like flooding. Farmers often repay loans from sales made from harvested produce, but when productivity is affected, payment becomes an issue. Consequently, this can hamper the sustainability of the programme and the CBN had continued to charged beneficiaries of the programme to repay their loans. In a bid to encourage the participation of PFI's (participating financial institutions like Non-Interest Microfinance bank and Development Finance Institutions) in the programme, the CBN bear 50 percent of the cost, if a farmer defaults in payment. This must be after every means of loan recovery has been exhausted. The PFIs also bear the credit risk of the balance. Given the array of factors currently affecting agricultural productivity, it is only a matter of time before the overload of defaulters' starts to burden both the CBN and PFIs (Kara *et al.*, 2019).

Insecurities have different dimension on the CBN Anchor Borrowers' Programme (ABP). While banditry and farmer-herders clash displace farmers, climate change distorts seasonal rainfall and weather patterns which affect Nigeria agricultural sector which is largely a rain-fed agricultural system. In order to ensure the intervention programme does not crumble, there should be a conscious effort by the CBN, through the Federal Government of Nigeria to address the most pressing challenge of insecurity to create an enabling environment for farmers (Ayuba *et al.*, 2020). Over the years Nigeria has been grappling with food insecurity and its attendant consequences leading to hunger, massive importation, and social disorders among others. In order to overcome the challenges posed by food insecurity so many agricultural programme were introduced with the sole aim of boosting food production, and stemming the tide of food insecurity. However, experience show that introducing programme alone are not enough, except enabling environment are created to ensure effective implementation and encourage sustainability (Adesugba and Mavrotas, 2020).

One of the major problems associated with the ABP is bureaucratic procedure which lead to the emergence of delay, conflicts within the systems, lack of control, and inadequate supply of inputs. The world is ever changing and needs swift decision-making and reaction devoid of bureaucratic bottlenecks. Rigidity in the operation of ABP's bureaucratic systems also causes a waste of resources through

duplication of duties in different areas and missed opportunities. It makes simple tasks of inputs distribution to smallholder farmers difficult and procedures complicated, and it eventually lacks the desired goals. One of the characteristics of the Anchor Borrowers' Programme (ABP) is that the system has a bureaucracy procedure and distinct hierarchy defining the roles of every individual. These roles are controlled and communicated by authority figures within the apex of the ABP who do not understand exactly farmers' needs and timings. In addition, there is intensive division of labor in tasks assignment, which follow set formal rules. These roles are specialized, limited and overseen by senior persons in the management team. Often bureaucracy implements the laws of the state, handles the routine paperwork of government operations, and designs rules and regulations that layout daily implementation of laws (Okeke *et al.*, 2019).

According to the study of Ayuba *et al.* (2020) the major challenge ABP beneficiary farmers faced in acquiring ABP intervention is the bureaucratic procedures that are involved which has the highest percentage of 487 (97.4%). The result is in consonance with studies by (Obih and Baiyegunhi, 2018) who reported that cumbersome protocol is the major constraint to accessing farm credits in Bauchi Metropolis, Nigeria and whose study revealed that complex credit procedure is the major constraint affecting access to credit in their study on factors influencing credit demand by farmers in in Bokkos Local Government of Plateau State, Nigeria (Okeke *et al.*, 2019). However, the study is in disagreement with the findings of Coker *et al.* (2018), whose investigation revealed that compulsory savings with the banks and high interest charged by the bank are the major problems encountered in accessing credit facility for women agricultural entrepreneurs in Gombe Microfinance Bank, Gombe Metropolis, Nigeria. The study reveals that delay in release of inputs to farmers is the next major challenge that ABP beneficiary rice farmers faced which has a percentage of (92.4 %). It further revealed that 89.8 % of respondents encountered the challenge of inadequate incentives. It was further revealed that other constraints ABP beneficiary farmers faced in ABP loan acquisition include small or inadequate quantity of fertilizer which has a percentage of (86.2 %). Opening of account by the ABP beneficiary was another challenge reported with a percentage of (63.6 %). Thus, the respondents (ABP beneficiary) were faced with the issue of certified seed been very costly as revealed by 40.6 % of the ABP beneficiary (Ayuba *et al.*, 2020).

3.0 Methodology

This study used secondary data obtained from the Central Bank of Nigeria (CBN) office in Minna and online goggle searches. A structured request form was used to gather data from the Central Bank of Nigeria (CBN) while online goggle searches were used to gather data on extension workers. The request form was addressed to the programme manager of the anchor borrowers' programme, Central Bank of Nigeria (CBN) director of information and records. The request form was used because of the difficulty of accessing the smallholders' farmers, majorly small cooperative. The secondary data obtained and/or extracted include data on the total land area cultivated, total volume of crop produced, fertilizer intervention inputs and total number of agricultural extension workers. Data of farm input (fertilizer) supplies made available to the small-holder farmers through the ABP and other agricultural interventions, cash loans given to the farmers and the produce farmers' returns by the farmers.

The data collected from Central Bank of Nigeria and those collected from other sources were sorted and analysed using Statistical Package for the Social Sciences (SPSS) version 23.0 and Microsoft Excel for the descriptive and numeric analysis. First the data of the total land area cultivated (TLC) and the total volume of crop produced (TVCP) as well as land area and volume of each crop produced were

analysed using the SPSS ANOVA. The bar chart comparison plot of the total land area cultivated (TLC) to total volume of crop (TVC) produced was plotted using MS Excel. Then the ratio of total crop produced to total land area cultivated was plotted on the MS Excel sheet to determine the crop yield per hectare (YPH). Correlation, regression and neural network analysis were carried out on the TLC, TVC, YPH, total fertilizer application (TFA) and total agricultural extension workers (TAEW) using Statistical Package for Social Sciences (SPSS) to establish the relationship between the variables. Results were reported as mean plus/minus standard error of mean determined for quantitative variables. The one-way ANOVA, the correlation, the regression as well as the neural network analysis were conducted at 95 % confidence level or significant level compare at $p\text{-value} \leq 0.05$ alpha.

4.4 Results and Discussions

The results in Figures 1 and 2 show the comparison between the total land areas used for crop production and the total volume of crop output between 2014 and 2020. The land area cultivated each year increased significantly in a progressive manner. There was about 2.2 % increase in the acreage of land put into crop production between 2014 and 2015 and 11.53 % increase over the six-year period which is about 2% yearly increase in the cultivated land according to the CBN data. Also, the total volume of crops produced per year between 2014 and 2020 significantly increase each year while the percentage change in crop production ranges 0.67 to 4.88 per year. The percentage change between 2014 and 2015 was 3.30%, while that of between 2015 and 2016 was 4.88%, 2016 and 2017 was 3.64%, 2017 and 2018 was 2.3%, 2018 and 2019 was 1.8 while between 2019 and 2020 was 0.67%. The average percentage change in crop production per year was roughly 2.8%. The total volume of crop output was higher than the total land area cultivated for each year under study. The ratio of total volume of crop output to that of total land cultivation was used as index for the determination of crop yield per hectares of land as illustrated in Figure 2.

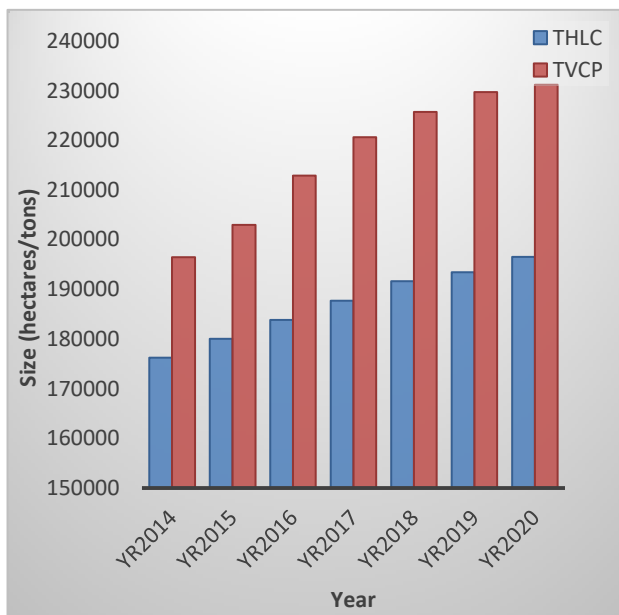


Figure 1: Comparison of Total Hectares of Land Use for Crop Production and Total Volume of Crop Output

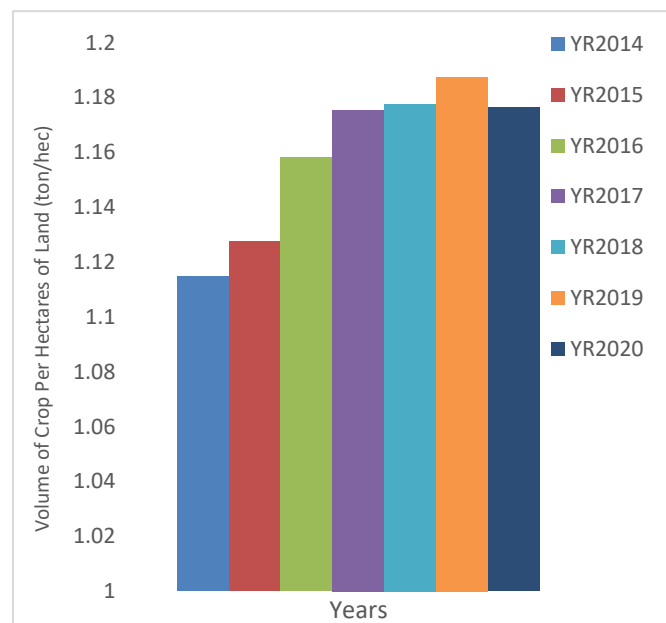


Figure 4.1b: Crop Yield per Hectares of Land Cultivated between 2014 and 2020

The mean of the total land cultivated (TLC) within the seven years covered in this study is 187044.2 hectares with standard deviation of 7411.2, while the mean of the total crops production (TCP) is 217058.2 thousand metric tons with the standard deviation of 13466.6 tons. Also, the mean total fertilizer applied is 1794541.4 with standard deviation of 3932.3 while the mean total number of agricultural extension workers was 7374.6, with standard deviation of 301.2. The mean value of crop yield per hectare of land which is the dependent or derived variable is 1.159 with standard deviation is 0.029.

Table 1: Mean and Standard Deviation of Analysed Variables between 2014 and 2020

Variables	Mean	Std. Deviation	No of Sample
TLC	187044.2143	7411.17908	7
TCP	217058.1929	13466.61612	7
TFA	1794541.429	3932.299	7
TAEW	7374.571	301.234	7
YPH	1.159	0.029	7

TLC = Total Land Cultivated, TCP = Total Crop Production, TFA = Total Fertilizer Applied, TAEW = Total Fertilizer Applied and YPH = Yield per Hectare of Land

The study found a strong positive correlation between the independent and dependent variables Table 2. The correlation between total land cultivated and crop yield per hectare is 0.911 while that of total crop produced and crop yield per hectare is 0.963. Also, the correlation between fertilizer application and crop yield per hectare is 0.940 while the correlation between number of agricultural extension workers and crop yield per hectare is 0.843.

Table 2: The Correlations between the Major indicators, the Dependent Variables

Variables	TLC	TCP	TFA	TAEW	YPH
TLC	1.000	0.988**	0.977	0.939	0.911**
TCP	0.988**	1.000	0.983	0.924	0.963
TFA	0.977	0.983	1.000	0.873	0.940**
TAEW	0.939	0.924	0.873	1.000	0.843**
YPH	0.911**	0.963	0.940**	0.843**	1.000

Data were significantly correlated at two tails. TLC = Total Land Cultivated, TCP = Total Crop Production, TFA = Total Fertilizer Applied, TAEW = Total Fertilizer Applied and YPH = Yield per Hectare of Land.

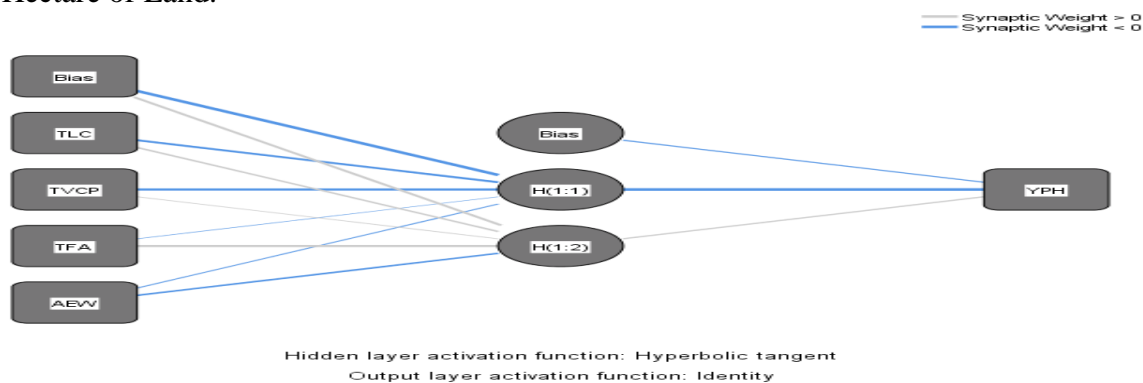


Figure 3: Neural Network Analysis of the Predictor and the Predicted Variables

The predictor variable with the strongest influence on the predicted variable is bias, followed by total land cultivated (TLC) and the total volume of crop produced (TVCP) as indicated by the thick blue lines. Agricultural extension worker (AEW) and fertilizer application (TFA) have the least positive influence on the predicted variables in the hidden layer. In the output layer, H(1:1) which combined the bias, total land cultivated (TLC) and Total volume of crop produced (TVCP) have the greatest positive influence on the predicted variable yield per hectare (YPH) of land cultivated (Figure 3).

The significant annual increase in the hectares of land cultivated suggest engagement in the agricultural sector. This may be as a result of the increased investment in the agricultural sector through the different agricultural loans such as the Central bank of Nigeria (CBN) Anchors Borrowers Programme (ABP), the agricultural credit Guarantee Scheme (ACGS), the interest drawback Programme (IDP) and the commercial Agricultural Credit Scheme (CACCS). Other factors that may have resulted in this increase in the cultivated land are interventions such as the increase in fertilizer input supply and agricultural extension services. Further exploration revealed that there was a strong correlation between interventions such as the increase in fertilizer input supply and agricultural extension services, increase in agricultural loans and the hectares of land cultivated annually. This finding agrees with the finding of the study of Nwanze and Fan (2016) where increased land cultivation and intervention were strongly positively correlated. According to Nwanze and Fan (2016) agricultural support to smallholders such as the ABP led to increase farm input supply, hectare of land cultivated and output. For instance, Nwanze and Fan (2016) felt that the increased crop productivity and higher agricultural growth engendered in the anchor borrowers programme (ABP) model will help achieve eradication of poverty. Similarly, the SDG goals of zero hunger can be reached through increasing food availability, accessibility, affordability, acceptability, and quality of nutritious foods. This will improve food security and solve the problem of malnutrition.

Also, the investigation of the staple crops production over the period of seven years revealed that staple crops production was on the increase on a yearly basis. The increase was significant for all the staple crop types. This significant increase can be linked to the investment in the agricultural sectors such as the ABP or other agricultural interventions like the fertilizer supply through subsidy programme and improved extension services. The growth observed in this study was consistent with the goal of the CBN ABP and the fertilizer subsidy investment programme. According to Evbuomwan and Okoye (2017), the aim of the programme broadly to diversify the Nigerian national economy from oil-based export into non-oil or agricultural sector economy. Since both land cultivation and crop production recorded a significant increase on crop yield per hectare of land cultivated, agribusinesses in Nigeria will become the engine room (centre) of economic growth. The study of the Anchor Borrowers' initiative (ABP) which is one of the agricultural intervention programme seeks to provide the smallholder farmers with improved seeds, fertilizer input supply and best practices in farm management through extension service while at the same times linking them to buyers and processors certainly accelerate agricultural productivity. Evbuomwan and Okoye (2017) posited that creating wealth and reducing poverty and unemployment would translate into economic growth. The investment in the agricultural sector as observed in this study can create a sustainable economic development in Nigeria in the nearest future if sustained by all the stakeholders.

In a study by Ayuba et al. (2020), the CBN Governor, Godwin Emefiele, was reported to put the total beneficiaries of the Anchor Borrowers Programme (ABP) at about 3,107, 949 farmers cultivated 3.8 million hectares of land in 2016. In another study by Okeke et al. (2019) the ABP was reported to boost local production of rice with the unveiling of 13 rice pyramids which housed 200 thousand bags of rice (50 kg each) in Kebbi and Gombe state, and a rice pyramid in Ekiti state. Although the data source used for this study did not differentiate the source or sources of the increase in rice and other crops production, the study however observed an increase in rice and other crops production which agreed with the report of Ayuba et al. (2020) (Table 4.2). Experts such as Evbuomwan and Okoye (2017), Coker et al. (2018) and Ayuba et al. (2020) believed that a sustained implementation of the ABP is based on the full commitment of all the stakeholders. The initiative needs to be supported by increased investment on agricultural research and development as well as the continuous training of the smallholder farmers. This is a role government and its development partners should continue to play in other

to improve agricultural practices and assure increased profitability. Thus, if the agriculture sector is made attractive, increasing productivity in the sector becomes easier, either through improved research and development, better extension services, improved farmers' farming skills and improved agricultural inputs all of which are crucial to improving productivity in the agricultural sector in the long-run.

Although there was no specific focus in the yield per hectare of land in this study but previous studies, Ayuba et al. (2020) revealed the average estimated yield per hectare of paddy rice for beneficiaries of Anchor Borrowers' Programme (ABP) was 3.94 metric tons per hectare. This reported average yield was greater than the estimated national average of 2.5 metric tons per hectare and slightly less than the world average yield of 4.1 metric tons per hectare (IRRI, 2013). Olanrewaju et al. (2020) and Ayuba et al. (2020) linked this high average yield to quality of farm inputs which led to the increase in farm output and possible increase in the level of income of the farmer. The correlation result from this study revealed that there was a strong positive correlation between the total hectares of land cultivated and the total volume of crops produced. The two were also strongly positively correlated with population growth which was introduced as a second factor that can lead to increase in land cultivation as well as crop production. This implies the factors were all strongly correlated, such that a positive change in one of the factors will lead to a positive change in the others and vice versa.

The neural network analysis further buttressed the fact there was stronger correlation between total land cultivation, total volume of crop produced and the yield per hectare. Although, fertilizer supply and agricultural extension services to farmer were reported to be inadequate by Emmanuel *et al.* (2016), these inputs/interventions still have influence on yield per hectare. As found in this study, it can be said that fertilizer supply/application and the services of extension workers are influencers of yield per hectare as the correlations are both strongly and positively significant. Hence, more intervention in fertilizer supply to farms and the reach of agricultural intension workers' service will lead to the increase in yield per hectare.

5.0 Conclusion and Recommendations

This study concludes based on the strongly positive correlation between these farm management practices and crop yield per hectare that agricultural loan interventions impact on yield. The increase in land cultivation and crop output as observed from this study was a pointer that the Anchor Borrowers' Programme had contributed to improvement in crop yield, particularly rice yield and also increased farmers' income. There was a correlation between agricultural investment, land cultivation and crop output which shows a complement effect of agricultural investment program. It should be noted that farmers training by agricultural extension workers and agricultural input distribution can increase yield per hectares of land as farmers' mastery of farming activities improve and their knowledge of both local and international market conditions are improved through training and introduction of new farming technique and inputs. Nevertheless, it also has its shortcomings such as late arrival of approval and disbursement of funds. Therefore, the study calls on governments to bridge the gap between the potential and attainable crop yields by increasing farm supply such as fertilizer for rice and other crop cultivation but for the generality of the agriculture sector.

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Tax Revenue Administration and Economic Growth in Nigeria

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Abstract

The Finance Act 2021 was enacted in furtherance of the Federal Government's progressive reform of the business climate in Nigeria, and the need to constantly restructure the tax system to align and conform same with international best practices, and toward economic growth in Nigeria. This study examines tax revenue administration and economic growth in Nigeria. Secondary Data from the Central Bank of Nigeria Bulletin (CBN) for the period (1985-2019) was adopted. The study employed correlation analysis to establish the relationship between each of the measures of tax revenue and economic growth in Nigeria; Regression Analysis and applied Autoregressive Distributed Lag (ARDL) was employed to explain both long and short run effect of measures of tax revenue on economic growth in Nigeria. The study revealed that Petroleum Profit Tax and Custom and Excise Duty has a positive impact on economic growth in Nigeria. Company Income Tax has a positive and significant effect on economic growth in Nigeria and value added tax has a significant negative impact on economic growth in Nigeria. The paper recommends that Nigeria Government should focus on reforms, policies and measures that foster good tax revenue administration, take issue of corruption seriously by not just witch-hunting and given room for impunity and embark on measures that will increase aggregate supply to avoid inflation; doing these will enhance economic growth..

Keywords: *economic growth, Petroleum Profit Tax, Custom and Excise Duty, Company Income Tax, value added tax*

1.0 Introduction

The Finance Act 2021 was enacted in furtherance of the Federal Government's progressive reform of the business climate in Nigeria, and the need to constantly restructure the tax system to align and conform same to international best practices, and make it respond effectively to the changing socio-economic landscape. The thrust of the legislation includes boosting government revenue, preventing base erosion, streamlining areas of regulatory conflict and clarifying ambiguities in extant laws and regulations, as well as providing fiscal reliefs to small and medium enterprises and entities involved in key or priority areas of the economy, among others.

Taxation is an important fiscal policy instrument at the disposal of governments to mobilize revenue and promote economic growth and development. Governments use tax revenue to carry out their traditional

functions such as the provision of public goods and services; maintenance of law and order; defense against external aggression; and regulation of trade and business to ensure social and economic maintenance. Effective tax revenue mobilization reduces an economy's dependence on external flows which have been found to be highly volatile. Taxation also allows governments' greater flexibility in designing and controlling their development agenda; conditions states to improve their domestic economic policy environment, thus creating a conducive environment for the much-needed foreign direct investments; and strengthen the bonds of accountability between governments and the citizens.

However, the need for tax payments has been a phenomenon of global significance as it affects every economy irrespective of national differences (Oboh & Isa, 2012). Tax payment is not for the direct exchange of good and/or services but a transfer of resources and income from the private sector to the public sector in order to achieve some of the nation's economic and social goals (Okpe, 2000). Such goals may be in for high level of employment, stable prices, rapid growth of gross national product, favourable balance of payments position, promotion of a free market economy, satisfaction of collective demands, equitable income redistribution, promotion of infant industries, the encouragement of priority sector, encouragement of balance population development and promotion of labour and capital development (Onoh, 2013). The level of tax to be paid by the citizens and the items to be taxed is determined by the government.

According to Stupak (2019) the goal of fiscal stimulus is to increase aggregate demand within the economy. However, if fiscal stimulus is applied too aggressively, or is implemented when the economy is already operating near full capacity, it can result in an unsustainably large demand for goods and services that the economy is unable to supply. When the demand for goods and services is greater than the available supply, prices tend to rise, a scenario known as inflation. Another major challenge Nigeria is combating with in the area of taxation is corruption. According to Ibadin and Kemebradikemor (2020) tax fraud is a longstanding problem that has affected the government's ability to mobilise revenue needed to enhance growth and development, billions of naira has been reported lost to tax fraud. **Undoubtedly, the tax system remains crude and unable to keep pace with modern trends epitomised in technology use to detect leakages and mobilise revenue in real time.** According to Dwivedi (2004), economic growth is a sustained increase in per capita national output or net national product over a long period of time. It implies that the rate on increase in total output must be greater than the rate of population growth. **Hence, this paper** examines tax revenue administration and Economic Growth in Nigeria.

2. Literature Review

2.1 Tax Revenue Administration

Modern tax revenue administrations attempt to collect adequate revenue while keeping tax administration and compliance costs low and treating taxpayers fairly. The most cost-effective systems are those that convince the vast majority of taxpayers to meet their tax obligations voluntarily, so that tax officials can concentrate on the small number who does not comply. Features of the tax administration that encourage compliance include a service oriented attitude that educates and assists taxpayers in meeting their obligations, effective audit programs and consistent use of penalties as strong deterrents to non-compliance, and transparent administration of the tax laws that is viewed as honest and fair (Okello, 2014). According to Theo bold (2017) in most developing countries, tax revenue administration has been the critical and most important aspect in ensuring that there is enough revenue for the operation of the government. Various measures have been taken to ensure that people pay taxes

to their government and that there is effective administration of tax to ensure enough government revenue. Tax revenue management involves the procedures, principles and strategies adopted by any government in order to achieve effective tax planning, compulsory levying of tax, easy collection and proper accounting and utilization of the revenue collected (Aguolu, 2004; Appah and Oyadonghan, 2011; Appah, 2014). Tax and Revenue Management for Public Sector provides a service enabled, configurable, upgradable solution that supports an end to end tax administration lifecycle. (Minesh, 2020). However, arguments over tax abuses and inadequate tax policies with persistent corporate tax scandals and the continuous use of tax havens by elites continue to gain prominence in Nigeria. It is imperative that existing tax policies and practices work to end any form of structural discrimination.

2.2 Economic Growth

Another quantification of economic growth is that national output should be composed of such goods and services which satisfy the maximum want of the maximum number of people. Economic growth can be determined by four important determinants namely, human resources, national resources, capital formation and technological development. The theories of economic growth can be examined under the Harrod-Domar theory of growth, Kaldor model of distribution, Pasinetti model of profit and growth, Joan Robinson's model of capital accumulation, Meade's Neo Classical model of economic growth and the Slow model of long run growth. All these models of economic growth are the various views of scholars on the most suitable explanation of growth. To the author, Economic growth is the marginal increase in per capital output in relation to the national population.

2.3 Tax Revenue Administration and Economic Growth

Lately, Nigerians are in confusion on the rationale of paying tax due to the inability of the government to let taxpayers feel the impact of paying tax. These unethical practices have made some Nigerians want to evade tax wholly or partially. All and sundry still limbo in doubt as to whether the tax could ever be flexible or efficient; and if yes, can they deliver the economic growth that has eluded Nigeria for decades (Adewale, Amos & Oladimeji, 2022). Pearce and Onyejekwe (2021) observed that literature has shown that Nigeria has an exceptionally low rate of tax compliance and with the increasing decline in oil revenue; it has become imperative for the government to focus on tax in order to meet its obligations to the people and equally meet up with sustainable development goals (SDGs). Taxes remain a reliable means through which governments can generate funds required to provide goods and services.

Many studies argue the relationship between tax policy and the economic growth and how it could affect each other. Amalu, Ukwueze and Olife (2020) examines short-run and long-run relationships shared by product taxes and economic growth in Nigeria for the period, 1981 to 2019, results reveal that product tax revenues and economic growth co-integrate in the long-run; while product tax revenues exert a significant positive effect on economic growth both in the short-term and long-term. Ogbonna and Appah (2016) examine the effect of tax administration and revenue on economic growth of Nigeria, concludes that tax administration and revenue does affect the economic growth of Nigeria for the period under study. Chigbu, Akujuobi, and Appah (2012) examined the relationship between tax revenue and economy in Nigeria. Muibi and Sinbo, (2013) analyzed the level of economic growth that has impacted positively on tax revenue in Nigeria. The general conclusion is that macroeconomic instability and degree of economic activities are the main drivers of tax buoyancy and tax effort in Nigeria. The paper found that taxation is an important instrument to improve economic growth. Canicio and Zachary (2014) showed that there is independence between the economic growth and government

tax revenues. The study finds that 30% speedier relationship of adjustment in the short run towards equilibrium level in the long run.

2.4 The socio-political theory of Taxation

Adolph Wagner advocated that social and political objectives should be the deciding factors in choosing taxes. Wagner did not believe in individualist approach to a problem. He wanted that each economic problem should be looked at in its social and political context and an appropriate solution found thereof. The society consisted of individuals, but was more than the sum total of its individual members. It had an existence and entity of its own which needed preservation and taking care of. Accordingly, a tax system should not be designed to serve individual members of the society, but should be used to cure the ills of society as a whole. Wagner, in other words, was advocating a modern welfare approach in evolving and adopting a tax policy. He was specifically in favour of using taxation for reducing income inequalities.

2.4.1 Neoclassical Growth Theory

The Neoclassical Growth Theory is an economic model of growth that outlines how a steady economic growth rate results when three economic forces come into play: labor, capital, and technology. The theory postulates that short-term economic equilibrium is a result of varying amounts of labor and capital that play a vital role in the production process. The theory argues that technological change significantly influences the overall functioning of an economy. Neoclassical growth theory outlines the three factors necessary for a growing economy. However, the theory puts emphasis on its claim that temporary, or short-term equilibrium, is different from long-term equilibrium and does not require any of the three factors.

3.0 Methodology

This study adopts the exploratory and ex-post facto design. The population of study is Nigerian economy measured by the Gross Domestic Product and Tax Revenue for a period of thirty-five years (1985-2019). Secondary data were adopted, the secondary data were obtained from the 2019 statistical bulletin of the Central Bank of Nigeria and reports of Federal Inland Revenue Service (FIRS) for the period between 1985 and 2019.

3.1 Model Specification

The purpose of this study is to examine Tax Revenue Administration and Economic Growth in Nigeria. To achieve this, two variables were identified in the study, these are: independent and dependent variables. The independent variables are the Tax revenue generated in Nigeria in the following dimensions as surrogates: Custom and Excise Duties (CED), Companies Income Tax (CIT), Petroleum Profit Tax (PPT), Value Added Tax (VAT) and Oil Revenue (OILR). The dependent variable on the other hand is Economic Growth (EG) measured by Gross Domestic Product (GDP) of Nigeria for the period under study.

The following models were adopted.

$$Y = f(X)$$

$$Y = y_1$$

$$X = x_1, x_2, x_3, x_4, x_5$$

Where;

$$Y = \text{Economic Growth (EG)}$$

$$y_1 = \text{Gross Domestic Product (GDP)}$$

- X = Tax Revenue (TR)
- x1= Custom and Excise Duties Tax (CDT)
- x2 = Companies Income Tax (CIT)
- x3= Petroleum Profit Tax (PPT)
- x4= Value Added Tax (VAT)
- x5 = Oil Revenue (OILR)
- Log(GDP)_t = α₁ + β₁ Log(CDT)_t + μ₁1
- Log(GDP)_t = α₂ + β₂ Log(CIT)_t + μ₂2
- Log(GDP)_t = α₃ + β₃ Log(PPT)_t + μ₃3
- Log(GDP)_t = α₄ + β₄ Log(VAT)_t + μ₄4
- Log(GDP)_t = α₅ + β₅ Log(OILR)_t + μ₅5

The main model

ARDL model

$$\text{Log(GDP)}_t = \alpha_0 + \beta_0\text{Log(GDP)}_{t-1} + \beta_0\text{Log(CDT)}_{t-1} + \beta_0\text{Log(CIT)}_{t-1} + \beta_0\text{Log(PPT)}_{t-1} + \beta_0\text{Log(VAT)}_{t-1} + \beta_0\text{Log(OILR)}_{t-1} + \mu_0$$

Long run form

$$\text{Log(GDP)}_t = \alpha_0 + \beta_0\text{Log(CDT)}_t + \beta_0\text{Log(CIT)}_t + \beta_0\text{Log(PPT)}_t + \beta_0 \text{Log(VAT)}_t + \beta_0\text{Log(OILR)}_t + \mu_5$$

3.2 Data Presentation and Analysis

The research employs only quantitative method of data analysis. This was done in four folds: firstly, the descriptive analysis was performed using the mean, maximum, minimum, skewness, kurtosis and the probability of jarque-berra statistics. Secondly, trend analysis was carried out to determine the trend of each of independent variable on the dependent variable. Thirdly, the study examined the relationship between each of the measures of tax revenue and economic growth through correlation analysis. Lastly, the study employed the simple linear regression analysis to determine the extent to which each of independent variables contributes to the dependent variable and coefficient of determination (R²) was employed to know the degree to which each of the independent variable explained the effect on economic growth in Nigeria.

3.3. Presentation of Data and Analysis of Result

3.3.1. Preliminary Test Descriptive Analysis

Table 1

	GDP	CDT	CIT	PPT	VAT	OILR
Mean	35356.16	142321.6	309784.1	909978.0	209246.7	2549.239
Median	25267.54	108040.5	68700.00	525100.0	80283.50	1591.676
Maximum	69810.02	438300.0	1409214.	3201319.	828819.1	8878.970
Minimum	13779.25	1616.000	517.0000	4762.000	1.000000	8.107300
Std. Dev.	19555.21	129243.0	422808.9	1021080.	267227.0	2733.764
Skewness	0.631210	0.590623	1.221360	0.815768	1.115498	0.744849
Kurtosis	1.849363	2.413090	3.172628	2.357067	2.789233	2.268101
Jarque-Bera	4.254933	2.537215	8.745164	4.484771	7.323407	4.017526
Probability	0.119139	0.281223	0.012619	0.106205	0.025689	0.134155
Sum	1237466.	4981257.	10842442	31849231	7323635.	89223.35
Sum Sq. Dev.	1.30E+10	5.68E+11	6.08E+12	3.54E+13	2.43E+12	2.54E+08
Observations	35	35	35	35	35	35

Source: Researcher’s compilation (2023) using E-views 10.0

From the above table 1 which shows the descriptive of the variables involve in the study, the mean of GDP, CDT, CIT, PPT, VAT and OILR are N35, 356.16, N142,321.60, N309,784.1, N909978.0, N209246.7 and N2549.239 respectively this shows the average amount collected by Nigeria government for the period under study. Also their standard deviation are N19555.21, N129243.0, N422808.9, N1021080, N267227.0 and N 2733.764 respectively. The p-value for jarque-Bera test for the individual normality are 0.119139 for GDP, 0.281223 for CDT, 0.012619 for CIT, 0.106205 for PPT, 0.025689 for VAT and 0.134155 for OILR, this shows that all the data for the individual variables are normally distributed except CIT and VAT which made us to log the variables so as to attain normality of the variables. Also the above table 3.3.1 shows the median, maximum, minimum, skewness, kurtosis, sum, sum square of deviation and the number of each observation for each variable.

3.4. Pearson Correlation Co-efficient Matrix

Table 2

	GDP	CDT	CIT	PPT	VAT	OILR
GDP	1.000000					
p-value	-----					
No. of obs.	35					
CDT	0.882641	1.000000				
p-value	0.0000	-----				
No. of obs.	35	35				
CIT	0.948086	0.757693	1.000000			
p-value	0.0000	0.0000	-----			
No. of obs.	35	35	35			
PPT	0.844661	0.717282	0.762475	1.000000		
p-value	0.0000	0.0000	0.0000	-----		
No. of obs.	35	35	35	35		
VAT	0.863824	0.848728	0.788319	0.715262	1.000000	
p-value	0.0000	0.0000	0.0000	0.0000	-----	
No. of obs.	35	35	35	35	35	
OILR	0.845880	0.739302	0.754039	0.986870	0.752274	1.000000
p-value	0.0000	0.0000	0.0000	0.0000	0.0000	-----
No. of obs.	35	35	35	35	35	35

Source: Researcher's compilation (2023) using EViews 10.0

The Pearson coefficient correlation presented in Table 4.2 revealed the interaction between the studied variables. Correlation Coefficient Matrix Analysis shows that Custom and Excise Duty Tax (CDT) has strong correlation link with Economic Growth (EG). Company Income Tax (CIT) has a strong correlation against Economic Growth (EG), Petroleum Profit Tax (PPT) has a strong correlation with Economic Growth (EG), Value Added Tax (VAT), also has a strong correlation with Economic Growth (EG) and Oil Revenue (OILR) has a strong correlation with Economic Growth (EG). The overall result of the matrix shows that there is positive and significance links between the entire variables under

investigation. The positive and significance links between the entire variables under investigation is established at 1%. To this end, there is the need for further empirical investigation as correlation analysis is not sufficient.

3.4.1. Unit Root Test

Augmented Dickey-Fuller (ADF) unit root test was conducted to ascertain the order of integration as itemized in table 2. The stationary test shows that at level form only CDT and CIT were stationary at 10% percent and 5% level of significant respectively. The results turn out to different after the first difference where Gross Domestic product (GDP), Petroleum Profit Tax (PPT), Value Added (VAT) and Oil Revenue became stationary I(1) at 1% percent level of significance with constant specification included in the test equation. However, since only Custom and Excise Duty Tax and Company Income Tax were found to be stationary at level I(0) while all other variable became stationary only at first difference, it therefore indicates a mixed order of integration which suggest the adoption of the dynamic ARDL bound test approach.

Table 3.ADF Test of Unit Root

Statistics (Level)	LGDP	LCDT	LCIT	LPPT	LVAT	LOILR
τ_T (ADF)	-0.0442	-2.7082*	-1.4899	-1.4412	-1.4324	-2.0571
τ_μ (ADF)	-2.1648	0.5556	-3.5555**	-1.6884	-1.2921	-1.1097
τ (ADF)	2.3807	1.7372	2.4689	1.8908	0.2896	1.8319
Statistics (First Difference)	LGDP	LCDT	LCIT	LPPT	LVAT	LOILR
τ_T (ADF)	-3.2275**	-3.3270**	-8.8829***	-5.6576***	-5.5099***	-5.8525***
τ_μ (ADF)	-3.1995	-4.4952***	-3.1488	-5.0093***	-5.5905***	-6.0336***
τ (ADF)	-2.0442**	-3.1752***	-4.2351***	-5.0846***	-5.3311***	-4.9449***

Notes: (*)Significant at the 10%; (**)Significant at the 5%; (***) Significant at the 1%. and (no) Not Significant.

Source: Researcher’s compilation (2022) usingEviews 10.0

All of the series are at their natural logarithms. τ_T represents the most general model with a drift and trend; τ_μ is the model with a drift and without trend; τ is the most restricted model without a drift and trend. When using PP test. Both in ADF and PP tests, unit root tests were performed from the most

general to the least specific model by eliminating trend and intercept across the models. *, ** and *** denote rejection of the null hypothesis at the 1 percent, 5 percent and 10 percent levels respectively.

3.5. Test of hypotheses

**Table 4. ARDL Result RGDP=f (CDT, CIT, PPT, VAT, OILR)
Short Run**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(LCDT)	-0.035601	0.023082	-1.542360	0.1489
D(LCIT)	0.045592	0.018472	2.468122	0.0296
D(LPPT)	-0.051137	0.025680	-1.991314	0.0697
D(LVAT)	-0.014757	0.006186	-2.385629	0.0344
D(LOILR)	0.054198	0.029590	1.831619	0.0919
ECT	-0.556008	0.073972	-7.516425	0.0000

Long Run				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
LCDT	0.037548	0.047533	0.789921	0.4449
LCIT	0.304697	0.029056	10.48671	0.0000
LPPT	0.105725	0.050677	2.086249	0.0590
LVAT	-0.056885	0.008178	-6.955892	0.0000
LOILR	-0.100137	0.051461	-1.945870	0.0755

Table 5 .ARDL Bound Test

Test Statistic	Value	K
F-statistic	5.380632	5

Critical Value Bounds

Significance	I(0) Bound	I(1) Bound
10%	2.331	3.417
5%	2.804	4.013
2.5%	2.88	3.73
1%	3.9	4.15

Source; Author Computation Eview version 10.0

Table 5 above presents the short and long run analysis between the variables. The speed of adjustment is 55% and it is statistically significant at 1% degree of freedom which determines the speed of adjust of Economic Growth. Though it took on negative sign therefore short run relationship is not guaranteed though the bound test confirmed long run relationship.

Hypothesis I

Ho: Custom and Excise Duty Revenue does not have significant effects on Economic Growth in Nigeria.

From the table 4 above, in the short run Custom and Excise Duty Tax has a negative coefficient of 0.035601 but not significant on gross domestic product (Economic Growth) but in the longrun it has a positive coefficient of 0.037548, also not significant. This means that 1% increase of custom and excise duty tax will result in an increase of approximately 38% increase in the Nigeria GDP (Economic Growth), which shows that Custom and excise duty has a long term impact on the gross domestic product of Nigeria. This is in agreement with the work of Onakoya&Afintinni (2016) and Inimino, Abuo&Bosco (2018) and Mathew (2014).

Hypothesis II

Ho: Company Income Tax Revenue does not have significant Effects on Economic Growth in Nigeria.

From Table 4 above, company income tax has a positive coefficient of 0.045592 and significant impact on gross domestic product in the short run. Also in the long run (Economic Growth) it has a positive coefficient of 0.304697 and significant impact on gross domestic product. This means that in the short run 1% increase in company income tax will lead to about 5% increase in gross domestic product and in the long run 1 % increase in company income tax will increase the gross domestic product by 30% which is very significant (Economic Growth), this shows that company income tax has been one of the major aspect of revenue that really contribute to the gross domestic product of Nigeria. This is consistence with the works of Ojijo and Oluwatosin (2018) and Arnold (2011).

Hypothesis III

Ho: Petroleum Profit Tax does not have significant effects on Economic Growth in Nigeria.

From the table 4 above, petroleum Profit tax has a negative coefficient of 0.051137 and not significant in the short run, but it has a positive coefficient of 0.105725 in the long run (Economic Growth) but not also significant which means that in the long run 1% increase in Petroleum profit tax will lead to 10% increase in gross Domestic Product. Although from our result it was shown that in last year at lag 1 and 2, Petroleum Profit Tax was significant at 0.0010 and 0.0129 respectively. This means that Nigeria Government should look into the problems and find solutions to the problems that cause the drop in the Petroleum Profit tax. This is consistent with the work of Emmanuel and Charles (2015) and Afolabi (2017).

Hypothesis IV

Ho: Value Added Tax does not have significant effects on Economic Growth in Nigeria.

From the table 4 above, it was shown that value added tax has a negative coefficient of 0.014757 and significant impact on the gross domestic product with a p value of 0.0344 which means that 1% increase in value added tax will lead to a decrease of 1% in the gross domestic Product of Nigeria in the short run. The long run result also confirmed this, the coefficient of Value Added tax was negative at 0.056885 with a p-value of 0.0000 which is also significant. Which means that value added tax has a negative significant impact on Gross Domestic Product. This in association with the work of Oshiobugie and Akpokerere (2019 and Ironkwe and Agu (2019).

3.6. Regression Diagnostics

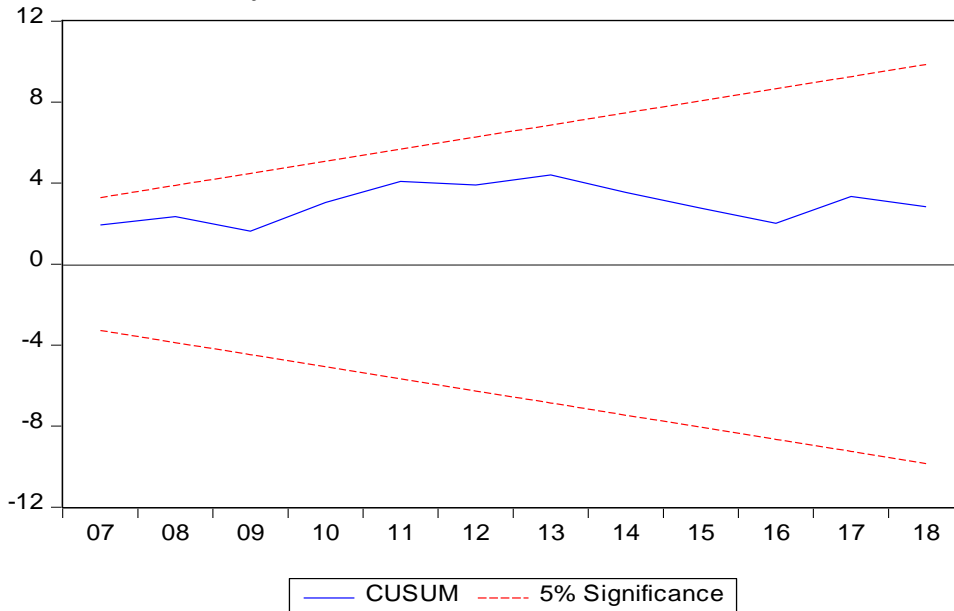
Table 6

<i>B-G LM test for serial Corr</i>	
<i>F-statistic</i>	0.802357
<i>Obs*R-squared</i>	4.424999
<i>Prob.</i>	0.4751
<i>Prob. Chi-Square</i>	0.1094
<i>Heteroskedasticity Test: White</i>	
<i>F-statistic</i>	0.369575
<i>Prob (f)</i>	0.9744
<i>Scaled explained SS</i>	1.125524
<i>Prob. Chi-Square</i>	0.8905
<i>Ramsey Reset Test</i>	
<i>t-statistic</i>	0.9980
<i>f-statistic</i>	0.9980
<i>Likelihood</i>	0.9172
<i>Normality Test:</i>	
<i>Jarque-Bera</i>	1.195354
<i>Prob.</i>	0.550088

Source: Researchers compilation (2023)

The regression diagnostics is presented in the table 7 above and the Breush-Goffery LM test for serial correlation test for the presence of stochastic dependence between the errors across time and as can be observed, the probability value of the F-stat (0.4751) confirms that the null hypothesis of no serial correlation in the residuals is accepted at 5% level. The white test for Heteroskedasticity also shows that the p-value (0.9744) of the F-stat (0.369575) confirms that the null hypothesis of homoscedastic errors is accepted at 5% level, the Ramsey specification test also confirms that the appropriateness of the functional specification of the model and finally the normality test of residuals using jarque-bera shows a probability of 0.550088 which shows that the residuals are normally distributed.

3.7 Model Stability test residuals is examined below;



Visual examination of the graphs of the recursive parameter estimates can be useful in evaluating the stability of the model. The test finds parameter instability if the cumulative sum goes outside the area between the two critical lines. As observed from the figure, the lines for the cumulative sum lie within the 5% critical lines and hence this suggests that the parameters of the model are stable.

If the model's parameters are not stable then the model we estimated will not be very useful, regardless of how well it was estimated. And, if the model's parameters were unstable over the sample period, then model was not even a good representation of how the series evolved over the sample period. To investigate the stability of our regression model, the CUSUM test (Brown, Durbin, and Evans, 1975) based on the cumulative sum of the recursive

4. Discussion of Findings

Custom and Excise Duty has a negative impact on Nigeria Gross Domestic Product in the short run but a positive impact on the long run. This is consistent with work of Onakoya and Afintinni (2016) their findings indicated that a long run relationship existed between taxation and economic growth in Nigeria. The result also, revealed a significant positive relationship at 5% level of significance between Petroleum profit tax, Company Income tax and economic growth, but a negative relationship between economic growth and customs and Excise Duties. However, the tax components are jointly insignificant in impacting the Nigerian economic growth

Company Income Tax has a both positive and significant effect on Nigeria Gross Domestic Product at both short run and long run and this is in line with the work of Ojijo and Oluwatosin (2018) examined taxation and economic growth in resource rich country, a case of Nigeria. They found out that company income tax has a significant effect on real GDP growth rate on the long run. Petroleum Profit Tax has a negative impact on the Nigeria Gross Domestic Product in the short run but has a positive impact on the long run. This also is in line with work of Emmanuel and Charles (2015) studied the impact of taxation on the Nigerian economy for the period 1994 -2012. The results of the statistical analysis reveal that positive relationships exist between the explanatory variables (Custom and Excise Duties, Company

Income Tax, Personal Income Tax, Petroleum profit tax and Value Added Tax) and the dependent Variables (Gross Domestic Product, Unemployment). But, the individual explanatory variables have not significantly contributed to the growth of the economy; The dependent variables used in the model includes: Gross Domestic Product (GDP) as a parameter for measuring economic growth, inflation and unemployment. Finally, the work of Ironkwe and Agu (2019) is in connection with the result obtained from the effect of value added and sustainable development. They analyzed the relationship between value added tax revenue and economic growth in Nigeria. Time series data from 1986-2016 were collected from Central Bank of Nigeria statistical bulletin, Federal Inland Revenue Service and National Bureau of Statistics. Their results indicated that there is significant positive relationship between value added tax revenue and unemployment in Nigeria.

5. Conclusion and Recommendations

This study has examined tax revenue administration and economic growth in Nigeria for a period of thirty-five years. Companies Income Tax Revenue has a positive and significant relationship with the dependent variable, economic growth; Customs and Excise Duties Revenue and Petroleum Profit Tax Revenue both has positive but insignificant relationship with the dependent variable, economic growth while Valued Added Tax Revenue has negative but not significant relationship with the dependent variable economic growth.

The paper concluded that there has been increased in aggregate demand on the economy within the period of coverage which has impacted Company Income Tax positively and invariably gross domestic product on the long run. Also the insignificant positive impact of both Custom and Excise Duty Revenue and Petroleum Profit Tax Revenue is not unconnected with the galloping foreign exchange rate and leakages through corruption which has impacted on these revenues and makes it insignificant. The researcher also concluded that Value Added Tax Revenue has a negative and insignificant impact on the dependent variable economic growth due to weak administrative capacity, diversion and poor application of the proceed by the government.

The researcher therefore recommended that government should create an enabling environment for increased production to meet the aggregate demand because when the demand for goods and services is greater than the available supply, prices tend to rise, a scenario known as inflation. Also increased local production capacity which resulted into export of goods reduces pressure on foreign exchange demand and hence reduced exchange rate; government should equally take the issue of fight against corruption seriously and stop witch-hunting and tolerating impunity.

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Hybrid Multi-Step Smote-ENN Algorithm for Enhanced Breast Cancer Machine Learning Classification

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Abstract

Early detection of breast cancer is essential to prevent and reduce patient death roll, cost of operation on a patient, and provide early awareness for quick treatment. Researchers have proposed various methods for diagnosing and preventing breast cancer in women. It's identified that prediction accuracy highly depends on the size, quality, and distribution of the dataset class (balanced or unbalanced data class), considering the health sector most public data available including the breast cancer dataset is still imbalanced and those that are addressed using oversampling techniques could lead to the addition of noise in the source data. Hence this study aims to adopt a hybrid multi-step oversampling SMOTE-ENN (Synthetic Minority Oversample Technique and Edited Nearest Neighbor) to improve the quality of the breast cancer dataset and limit the possibility of noise in the data. As a result, this improves the dataset used to train the machine learning model, and 0.99% accuracy is achieved during model evaluation.

Key words: cancer, oversampling, machine learning, smote, ENN, accuracy, dataset

1.0 Introduction

Actually, there are more than a hundred distinct forms of cancer, in which every tissue in the body has a chance of developing cancerous cells, some even create several different types. It identifies that each type of cancer has unique characteristics. However, it appears that these diverse tumors are caused by largely comparable underlying mechanisms. In general, cancer is a disease that is developed as a result of a few body cells that multiply uncontrollably and spread to various parts of the body. Cancer can surge anywhere among the trillions of cells in the human body, and new cells emerge via cell multiplication and growth (Haldorsen et al., 2019).

Breast cancer is a type of tumor that emerges in the breast cell or tissue of women around the globe, which causes major fatalities among women. Breast cancer is known to be the second most cancer that

results in death in Taiwan (Huang et al., 2008). The advancement of biomedical and computer technology has led to the recording of a number of clinical features associated with breast cancer. Many researchers have thought about using patient clinic data to forecast breast cancer for patients in order to combat the sharp rise in breast cancer cases.

Artificial intelligence is the domain of study that focuses on the development of an intelligent system to perform an intelligent task that is previously done by humans (Chen et al., 2020). However, machine learning is a subdomain in artificial intelligence which has the capacity to analyze data and draw relationships and essential features from a dataset. Machine learning can also be used to create computational models that more accurately explain data. Another critical need is for machine learning to be able to automatically detect cancer in order to assist doctors in reliably performing comparable tasks in huge numbers (Bakri et al., 2021). Considering the predictive capability and success rate that has been identified in the adoption of machine learning, large number of researchers and scientist are picking interest in the utilization of machine learning. However, medical domain is now adopting the predictive capability of machine learning due to the easy usage for diagnosing patient by medical professional.

An Imbalance Data set is said to be imbalance if the class proportions are skewed due to an uneven classification data set. Classes that account for the most sizeable portion of the data collection are referred to as the "majority classes." Unbalanced data may be used to illustrate a dataset's classes, such as a fraud and non-fraud data in which they are not equally distributed (Ali et al., 2019). In real word dataset majorly in the field of health data suffers from the issue of imbalance distribution of data sample from various data point categories. The most know traditional approach of addressing the issue of data imbalance is the use of Sampling Techniques. the oversampling of minority class and under sampling of the majority class is part of the traditional approach of tackling data imbalance. They various approach used for oversampling and under sampling data includes; cross fold validation, Synthetic Minority Oversampling Techniques (SMOTE), Cluster-Based Over Sampling (CBO), Edited Nearest Neighbor (ENN) Decision Tree, Naïve Bayes, and support Vector Machine (Domingues et al., 2018). The minority class is oversampled in the SMOTE algorithm by using each minority class sample and adding synthetic examples along the line segments connecting any or all of the k minority class nearest neighbor (Hasib et al., 2020).

This study identifies that early detection, classification and diagnosis of breast cancer patient will significantly minimize and prevent many deaths of cancerous patient. It's essential to develop automated approach for efficient detection and classification of breast cancer in patient (Murtaza et al., 2020). In the domain of health, the issue of data imbalance has become problem face by many researchers, which hinder the performance of machine learning algorithm precision. (Susan & Kumar, 2019) identify that the oversampling of minority class introducing noises (irrelevant data) to the main data and there is high possibility of duplicate features in the dataset, as a result of this, overfitting of data occurs. The adoption of oversampling techniques such as ADASYN or SMOTE do not fully address the issues identified while generating synthetic data. Hence, this study introduces a more sophisticated approach thus, the multi-step SMOTE-ENN techniques.

Primarily, this study proposes a hybrid Multi-Step Minority Over Sample Techniques and Edited Nearest Neighbor for balancing breast cancer dataset class distribution, and to improve the diagnosing capability and prediction accuracy of machine learning algorithms. It's essential to collect breast cancer dataset from an online repository and balance the data class distribution using SMOT-EENN multi-step

approach, the resulted data is adopted for training the machine learning algorithm and finally an evaluation is carried out to test the performance of the developed model using standard performance metrics thus, accuracy, precision and recalls.

The significant application of this knowledge contribution is countless, most especially in medical field. Hospitals and health related center could utilize the improve model for accurate diagnosing and predicting the present of cancerous cell in women breast. This study will help various nation to address the high death rate that are cause due to lack of quick, early and accurate prediction of breast cancer. Adopting this model in real life will significantly decrease the expense of purchasing machinery or equipment used in the diagnosing breast cancer. However, this research work only considered the use of machine learning algorithm to develop the breast cancer prediction model. The use of deep learning algorithm is not considered in this sturdy.

2.0 Literature Review

Based on the research work of (Kothari et al., 2020) which identify that the tissue of adipose is a complex organ in the endocrine, which play a significant role in both cancer and obesity. It is commonly known that the female breast has a lot of adipose tissue, which is typically associated with excessive body fat. The adipose tissue organ encompasses adipocytes which is an extracellular matrix and immune cell, which take part in the dynamic change of woman breast ranging from puberty stage, pregnancy, lactation and involution. The researcher carried out a comprehensive review on adipose tissue in other to reveal the essence of adipose tissues in the development cycle of breast. The biology of breast adipose tissue is also compressively understood. Due to the multiple layers of adipose tissue in biological structure, and only few of the layer are known while many other parts are still not understood. It's concluded by the researchers that it's advised maintain a good healthy lifestyle and intake of energy is a very essential factor.

An hybrid principal component analysis (PCA) and related data mining models is proposed by (Wang & Yoon, 2015), which employs a principle component analysis method to reduce the feature space, to test the impact of feature space reduction. Two frequently used test data sets, Wisconsin Breast Cancer Database (1991) and Wisconsin Diagnostic Breast Cancer (1995), are used to assess the performance of these models. This study compares various patient clinical records to find an accurate model that can predict the likelihood of developing breast cancer. Support vector machines (SVM), artificial neural networks (ANN), Naive Bayes classifiers, and AdaBoost trees are the four data mining models used in this paper. The outcomes of this analysis show a thorough trade-off between the adopted strategies and also give a comprehensive analysis of the models.

Its identify that the country such as American contain significant high record of breast cancer case and comes second in the death rate of women with breast cancer. A variety of methods have been used in data mining classification task to create an accurate prediction model and analyze the noteworthy risk factors. Many domains have utilized data mining techniques to gain hidden knowledge from that, this domain include the engineering, science, medicine and business. With the help of anthropometric information and parameters gathered during routine blood testing, this study aims to predict the trace of breast cancer. The researcher used different variety of classification methods, including K-NN, ANN, Decision Trees, and Naive Bayesian, and discovered that artificial neural networks (ANN) classify the attribute with the highest accuracy of (80.00%) (Ghani et al., 2019).

(Chaurasia et al., 2018) reveal that the second most occurring type of cancer in woman recorded in the world is the Breast cancer, in 2004 alone, there were about 1.1 million cases reported. This research paper's goal is to present a report on breast cancer in which the researchers adopted the most recent technological developments to create prediction models for the prognosis of the disease. The researchers adopted a large dataset (683 breast cancer cases) for developing the prediction models using three well-known data mining algorithms thus, Naive Bayes, RBF Network, and J48. The results showed that the Naive Bayes is the best predictor model with 97.36% accuracy on the holdout sample (this prediction accuracy is better than any reported in the literature), RBF Network came in second with 96.77% accuracy, and J48 came in third with 93.41% accuracy (based on the average accuracy Breast Cancer dataset).

One of the most prevalent illnesses affecting women worldwide is breast cancer. Numerous studies have been carried out to forecast the survival indicators, but the majority of these analyses were mostly carried out using fundamental statistical techniques. Prediction models were created using decision tree, random forest, neural networks, extreme boost, logistic regression, and support vector machines to identify the significant prognostic factors of breast cancer survival rate. All algorithms produced close results in terms of model accuracy and the calibration measure, with the lowest result coming from decision tree (accuracy = 79.8%) and the highest result coming from random forest (accuracy = 82.7%).

3.0 Methodology

This section introduces the use of Multi-Step Data Sampling Techniques using conceptual diagrams to illustration of the adopted approach, tools used, data collection and data analysis approach.

A. Multi-Step SMOTE-ENN

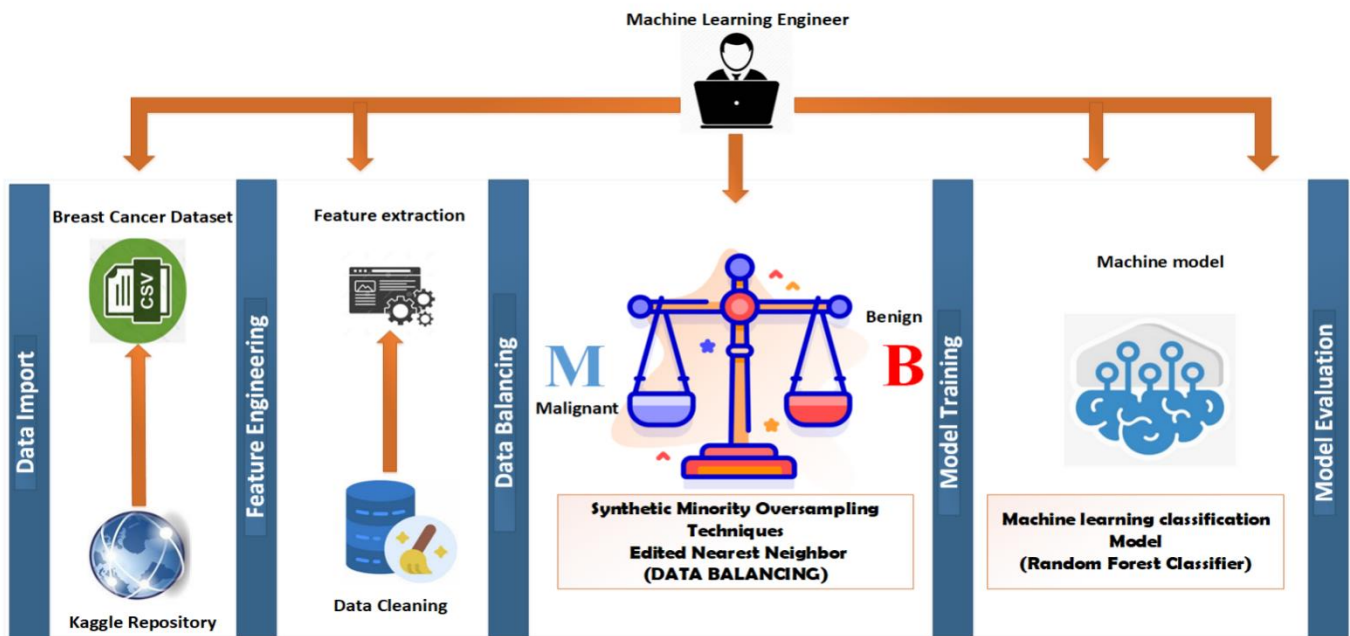


Fig 1. Multi-Step Breast Cancer Prediction Model Architecture

The figure 1 comprehensively illustrates the conceptual idea of the proposed Multi-Step SMOTE-ENN data balancing techniques for efficient and high accuracy prediction model. Based on figure 1 it's depicted in the first stage that the dataset is collected from an online data science repository call Kaggle, and the dataset is downloaded locally on the system in a csv format. The next stage involves data cleaning and feature extractions, which tends to remove columns and data point with empty, inconsistent and noisy data in the dataset. However, it's essential to extract and transform the dataset to format that is easily understood and processed by that system. Furthermore, the pre-processed data is balanced using the propose Multi-Step SMOTE-ENN data balancing techniques, this approach uses the hybridization of Synthetic Minority Oversampling Techniques and Edited Nearest Neighbor strategy to generate synthetic sample of the minority class distribution. The balanced breast cancer dataset can now be utilized in the training of machine learning algorithm, thus random forest classifier for prediction and diagnosing breast cancer patient. Finally, the machine learning developer is indicated with the avatar at the top of the figure which shows how machine learning engineering perform action and stages of the development of breast cancer prediction model.

3.1 Tool Used

The developed breast cancer prediction model using the multi-step SMOTE-ENN data balancing approach and it's implemented within the Jupyter notebook integrated development environment. Python is considered as the choice of programming language in this study due to the large number of machine learning module available for performing machine learning operations. Module such as Numpy, Pandas, and Sklearn are popularly used for artificial intelligent operations. Other tools used in this study includes Microsoft Visio for designing the various conceptual diagram and Mendeley for academic reference and citation.

3.2 Data Collection

The breast cancer dataset is downloaded from the popular online open source data science repository call Kaggle (Casper et al., 2020). The dataset is downloaded in Comma Separate Value format and it's imported into the jupyter notebook environment using the panda module. The breast cancer dataset contains 567 data sample (rows) and 33 feature (columns). The diagnosis attribute indication the depended variable or the predicted attribute Malignant (for non-cancerous prediction) and Benign (for cancerous class prediction), both diagnosis class contain inequivalent number of data distribution based on data exploration.

The figure 2 below shows the dataset sample records within the jupyter notebook environment.

```

: import pandas as pd
df = pd.read_csv('breast_cancer.csv')
df.head()

```

	id	diagnosis	radius_mean	texture_mean	perimeter_mean	area_mean	smoothness_mean
0	842302	M	17.99	10.38	122.80	1001.0	0.1184
1	842517	M	20.57	17.77	132.90	1326.0	0.0847
2	84300903	M	19.69	21.25	130.00	1203.0	0.1096
3	84348301	M	11.42	20.38	77.58	386.1	0.1425
4	84358402	M	20.29	14.34	135.10	1297.0	0.1003

Fig 2. Breast Cancer Sample Dataset.

The figure 2 show five sample record from the breast cancer dataset. It identifies that the dataset contains an id, diagnosis, radius means and lot more up to 33 feature sample. Its visually shown that most of the data entry are floating point in number, while the diagnosis attribute entry contain 'M' for Malignant and 'B' Benign as values. The class distribution is visually explored in the figure 2 below showing the class distribution indicating unbalance dataset.

```

5]: # preproceeing the prediction classes (m=1 , b=0)
m , b = df.diagnosis.value_counts()
print(f' M class is {m} size')
print(f' B class is {b} size')

M class is 357 size
B class is 212 size
    
```

Fig 3. The Diagnosis Class Distribution

4.0 Methodology

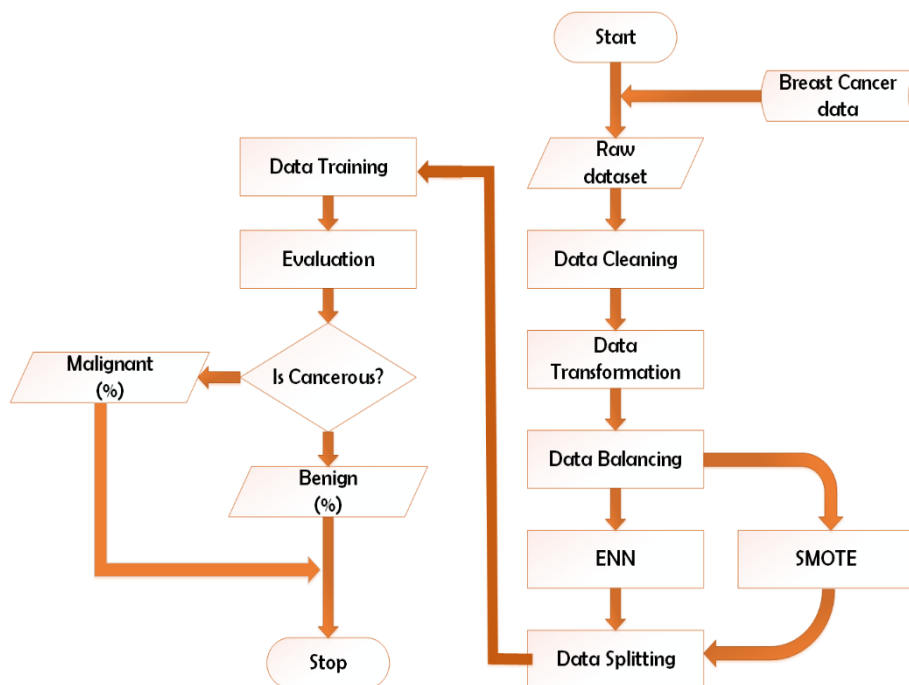


Fig 4 Conceptual Flow Data Diagram for Multi-Step Breast Cancer Prediction Model

The designed figure indicates the algorithm step carried out for the development of breast cancer dataset. Based on the figure the raw dataset is loaded from the database into the jupyter environment and data cleaning operation take place. The data cleaning helps in removing inconsistent, and noisy data from the raw dataset. The next step is the data transformation, thus converting the dataset into numerical and standard format for machine learning understanding and efficient classification. The diagnosis attribute is transformed into numerical (M=0 and B=1). Furthermore, it's essential to balance the breast cancer

dataset and reduce the probability of introducing noise into the dataset. This research adopted the multi-step SMOTE-ENN approach for balancing the breast cancer dataset by generating synthetic samples using SMOTE and filtering synthetic data based on K-nearest neighbor algorithm. The data balancing stage is immediately followed by data splitting, model training using Random Forest classifier and finally model evaluation using standard performance metrics (Accuracy, precision and recall).

4.1 Results and Discussions

This section introduces the training process of the breast cancer prediction model using the balanced dataset generated with the Multi-Step SMOTE-ENN algorithm, and the result gotten will be discussed in this section, finally a comparative analysis will be done with existing study.

```
In [4]: from imblearn import over_sampling
# smote = over_sampling.SVMSMOTE(sampling_strategy='minority')
# x_b , y_b = smote.fit_resample(x_scaled, y_encode)
# Over-sampling using SMOTE and cleaning using ENN.
# Combine over- and under-sampling using SMOTE and Edited Nearest Neighbours.
from imblearn.combine import SMOTEENN
sme = SMOTEENN(random_state=42)
x_b , y_b = sme.fit_resample(x_scaled, y_encode)

print(f' Class M(0) = : {len(y_b[y_b == 0])}')
print(f' Class B(1) = : {len(y_b[y_b == 1])}')

Class M(0) = : 357
Class B(1) = : 357
```

Fig 5. SMOTE-ENN Data Balancing Techniques

The figure 5 above shows the python implementation of the Multi-Step SMOTE-ENN Data Balancing Techniques using the Python Imblearn module. After balancing the breast cancer dataset, it can be seen in the figure above that the diagnosis prediction variable class distribution is balanced with a data sample of 357 in each class.

The balance dataset is used for training the machine learning algorithm, for evaluating the balance dataset the Random Forest Classifier is used to develop the breast cancer prediction model and the figure below show the performance measure of the adopted techniques.

```
In [150]: r, c = evaluation_report('Random Forest', ensemble.RandomForestClassifier(), )
plt.title('Random Forest Classification report')
sn.heatmap(c, annot=True, fmt='d')
```

Prediction Score from Random Forest is : 0.99				
	precision	recall	f1-score	support
0	1.00	0.98	0.99	46
1	0.98	1.00	0.99	54
accuracy			0.99	100
macro avg	0.99	0.99	0.99	100
weighted avg	0.99	0.99	0.99	100

The figure 6 shows the performance measure of the random forest classifier model using the balance breast cancer dataset. The sturdy considers Accuracy, Precision, Recall and F1-score for measuring the

performance of the developed machine learning model. Its identity that the developed model achieved an accuracy of 0.99%.

Table 1. Comparative Analysis of Result's

S/N	Machine learning techniques	Data balancing techniques	Accuracy
1	Random Forest (Bakri et al., 2021)	Cross-fold validation	0.99%
2	Support Vector Machine (Bakri et al., 2021)	Cross-fold validation	0.98%
3	Logistic Regression (Bakri et al., 2021)	Cross-fold validation	0.93%
4	Random Forest Classifier (Proposed)	None	0.97%
5	Random Forest Classifier (Proposed)	Proposed SMOTE-ENN	0.99%

The table 1 shows significant importance of data balancing in existing work and the proposed method.

5.0 Conclusion and Recommendations

Generally, data balancing techniques has great significant impact on improving the quality of dataset used for machine learning algorithm. The machine learning will be learning from dataset that has equal numbers of data point distribution from each prediction class. As a result, the prediction accuracy of the machine learning algorithm tends to increase. This study adopts the multi-step data balancing techniques that hybridize Synthetic Minority Oversampling Techniques SMOTE and Edited Nearest Neighbor (ENN). The study carried out an evaluation using Random Forest classifier with the raw dataset without balancing and an accuracy of 79% is achieved. However, the same Random Forest Classifier is trained using the balance dataset generated using the Multi-step SMOTE-ENN and an accuracy of 99% is achieved. Hence, the experiment proved that the proposed data balancing techniques efficiently improve the Machine Learning performance.

Furthermore, its highly recommended for medical domain to adopt AI in diagnosing breast cancer in women, this can significantly reduce the death rate statistic of any economy. However, most proposed and existing method for predicting, and diagnosing breast cancer are based on machine learning algorithm and not deep learning algorithm. This occurs as a result of limited dataset available on breast cancer. It's recommended to hybridize multiple dataset with similar feature for training a more robust model using deep learning.

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Ethno-Religious Narratives and Development Traps in Nigeria: A Narrative Matrix Analysis

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Abstract

This paper examined the nexus between the explosively-salient ethno-religious narratives and the dwindling democratic values such as accountability, transparency and rule of law in Nigeria. The central argument is that unbridled competition for power, and the failure of government to deliver democratic dividends, has resulted to a dangerous trend of narratives and counter narratives across ethnic and religious lines which continues to endangered the country's drive toward sustainable development. The paper is a product of extensive review of scholarly journal articles and media reports (from 2016-2022) which were subjected to content and matrix analysis. The result of the review has shown how ethno-religious (narratives) propaganda and misinformation assumed the status of reoccurring decimals in the country. The attendant consequence of the prevalence of such narratives is that they have conferred on the Nigerian state a combination of mutually reinforcing factors that limit further progress of the country. For instance, the "son of the soil" narrative has taking preference over merit and other democratic values in choice of a leader, the "indigene and settler" narrative has equally lead to in-group identification and out-group categorization thereby creating further disintegration of the country, the "we versus "them" narrative on the other hand has institutionalized schism, mistrust, rancor and animosity across religious and regional boundaries and the "Boko-Haram" narrative has virtually eroded all sorts of legitimacy of constituted authorities among some section of youths thereby legitimizing taking up arms against the state. It is the conception of this paper that such narratives have invariably become development traps which requires co-ordination and/ or collective action to be overcome. The paper therefore advocated the institutionalization of effective (pro-development) counter narratives to these dominant anti-development narratives by both government agency and civil society organizations.

Keywords: *Ethno-Religious Narratives, Development traps, democratic values, Nigeria*

1.0 Introduction

Nigeria as it is constituted today is characterised by a shallow depth social formation where stable political culture and orderly political processes have extremely become difficult to be developed and nurtured, owing to the lack of enduring political orientations. These have culminated in the absence of responsive and accountable institutions, existence of a ramshackle security network, manifestation of a brutally butchered justice system, poor political participation, lack of inclusiveness in governance, gross violation of human rights, subdued civil society and castrated media outlet. Because of poor or lack of checks and balances by citizens who prefer to understand and interpret governance through ethno-religious lenses with refractions on ethno-religious narratives (Qader, Masum, Rahaman, & Usman , 2016). The limited observable evidence shows that most Nigerians think of themselves as Nigerians in some way, however, their ethno-religious identity is more important as a source of pride and, more importantly, as a source of likes and dislikes (Ogu, & Areji, 2022).

The citizens are more preoccupied with their ethnic and primordial enclaves to an extent that they tend to have a negative perception of any democratic value that does not correspond with their primordial and parochial narratives (Agbo, Nnamani, & Nnadi, 2021). Given this brief overview, we can easily see two problems for any nation seeking to achieve sustainable development. Firstly, the sense of national identity or integration is at most minimal and grudging in Nigeria. Ethnic and regional affiliations are the principles that matter most to most people in the country, leading them to define who they are politically based on where they stand on certain sub-national, conflicting and polarizing cleavages. Secondly, individuals and groups across ethno-religious boundaries do not have much faith and trust on one another (Abbo, & Bashir, 2020). Many northerners are afraid their way of life will be disrupted by southern cultural traditions and economic practices, there exist also a pocket of strong local resistance to liberal democratic values because it is considered as threat to both religion and culture. By comparison, Southerners fear that a northern majority will seize power and leave them with a permanent and aggrieved minority (Abbo, & Madu, 2020).

Ethno-religious values thus become the basic political orientations, which an average Nigerian hold tenaciously and the unwillingness to alter these orientations leads to poor orientation toward democratic values (Eze, 2021). The absence of national identification and consciousness thus makes it impossible to nurture an ideal condition for a sustainable development. The citizens observe politics as a struggle between ethnic groups for power where the question of democratic principles and values are irrelevant (Abbo, & Bashir, 2020). Most adult Nigerian citizens acquired certain basic political attachments to their ethnic groups before Nigeria as an independent nation came into being. They still maintain those parochial orientations and are unwilling to develop new allegiances and primary identifications with the Nigerian nation. The general attitude toward politics is a mixture of emotion, violence, indifference, no reflectiveness, and fatalistic resignation to political events. Legally, democratic Government have been established in Nigeria but citizen's orientations and ethnic attachments have not been brought into line with the new arrangements. The persistence of the previously acquired habit of parochial political behavior frustrates the attempt to bring the citizens to political participation, socialization, and national awareness that can galvanize development. The culture for national integration and the sentiment and the emotion to evolve national identification is lacking (Eze, 2022).

Nigerian pupils pledge allegiance to the national flag, but what their teachers teach them at school, what their parents teach them at home, what they personally observe in the society are profoundly conflicting and contradictory. In school the pupils recite the names of Nigerian states and capitals, sing the national anthem, praise the moral goodness of some political heroes. However, at home the pupils learn from their parents about how people from other religions and regions should not be trusted and so on. The religious leaders who are supposed to teach moral integrity, respect for constituted authority have virtually transform their podiums into an avenue for curse, divisive campaigns and breeding rancor and acrimony in the minds of the citizens.

An average Nigerian is a product of sectarianism with high propensity to hate anything that does not conform with his/her sectarian narrative (Abbo & Madu, 2020). The formal democratic institutions therefore become too weak in transforming and developing the society in the sense that the principles governing these formal institutions cannot work on the psyche of the citizens because it has collided vehemently with the sectarian narrative and dispositions that was deeply engraved in their minds. The result of this collision lead to poor internalization of democratic values such as transparency and accountability, free and fair elections, human rights protection, non-discrimination, independent media,

participation and inclusion which are all entrapped by ethnic and regional loyalties. The primacy of region, clan, ethnic or primordial attachment over national loyalty underlies the tendency of political leaders to turn over public offices and resources to themselves or members of their group.

The repercussions of ethno-religious narratives on Nigerian Development is that many of the negative forces emanating from them have reshaped people's lives and the manner in which political and bureaucratic institutions respond to their needs (Ugbem, 2019). However, the nexus between ethno-religious narratives and development predicaments in Nigeria appeared to be implicitly and explicitly ignored by the mainstream literature where it has been argued in the past that many problems currently besieging Nigeria emanate from the wanton exploitation by imperial European nations of the country's human and natural resources for more than four centuries (Babalola, 2022). It is further argued that this exploitation and subjugation still continues today although in a subtler and refined way (Adeyeri, & Adejuwon, 2012). Mainstream literature posit that even though political or "flag independence" has been attained there has been insignificant progress in areas of economic emancipation. This has led to the re-colonization of the region through conditional aid and the regulation of prices of the country's exports by former imperial nations (Joseph, 1978, Cookey, 1980, Adeyeri, & Adejuwon, 2012, Noah, 2013, Egwu, 2014, Olanrewaju, 2015, Akinyetun, 2016, Omoera, & Obekpa, 2019, Mekoa, 2019, Cookey, 2022). Although this conspiracy thesis was accepted for some time, especially during the anti-colonial struggles of the 1950s, 1960s and 1970s (Chiamogu, A. P., & Chiamogu, 2022). However, some Nigerians today have also come to terms with the fact that many of the problems facing the country are self-inflicted (Alyebo, N. O., & Tyogema, 2022). Indeed, the blatant and senseless killing of Nigerians by ethno-religious militias, such as IPOB and Boko Haram, has reawakened both scholars and activists to the reality that such factors contributed immensely to the country's current poor performance in areas of human development. Therefore, when we analyse the current Nigeria's political and economic catastrophes it is clear that one self-inflicted misery that is central to the country's current predicament is that of ethno-religious narratives.

2.0 Literature Review

2.1 The Concept of Narrative

Prince (1982) defined narrative as "The representation of one or more real or fictive events communicated by one, two or several . . . narrators . . . to one, two or several narratees." He invokes a certain type of logical relation when he further argued that "Narrative is the representation of at least two real or fictive events in a time sequence, neither of which presupposes or entails the other."

Abbott (2002) opined that "Narrative is the representation of events, consisting of story and narrative discourse, story is an event or sequence of events (the action), and narrative discourse is those events as represented. Onega and Landa (1996) regard causality as the cement that turns sequences of events into stories: "The semiotic representation of a sequence of events, meaningfully connected in a temporal and causal way."

2.2 Ethno-religious Narratives

Any story and information that place much emphasis on the salient feature of a group that regards itself as in some sense (usually, in many senses) distinct. . . . Once the consciousness of being part of an ethnic group is created, it takes on a self-perpetuating quality and is passed from one generation to the next. Ethno-religious narrative are types of narratives which conceptualizes and place much emphasis on identity, difference and similarities between groups, individuals and societies as constructed by linking

the past, present, and future into a coherent life story (McLean, Syed, Pasupathi, Adler, Dunlop, Drustrup, & McCoy, 2020).

The main assumption of narrative researchers is that the impact of experiences on individuals' identity development depends not just on what happens to people, but on the meanings they make of events in narrative. In the process of narrating experiences, people can explore the meanings events hold about the kind of person they are and about the nature of their group, and can find features of the group about which to be proud.

2.3 Democratic Values

Democratic values refer to those values that reflect a society's democratic way of life. It includes values like accountability, transparency, openness, social equity respect, equality, fairness, and freedom.

2.4 Development Traps

The literature has consistently used the image of a "trap" to illustrate certain dynamics that leave countries stuck with a particular development challenge (Rohner, & Thoenig, 2021). The concept of development trap used in this paper therefore, refers to a combination of mutually reinforcing factors emanating from ethno-religious narratives such as disunity, hatred, mistrust in-group identification, out-group categorization that limit further progress of the Nigerian state. Such traps conferred on the Nigerian political and bureaucratic institutions cyclical and self-reinforcing dynamics of retrogressive tendencies such as poor political leadership and administrative corruption that limit the capacity of the country to move forward.

2.5 Salience

In the sense that religion and ethnicity are two contending forces that evoke emotive sentiments and are crises laden in many senses of our collective existence more than anything else, ethno-religious narratives are forces that have continued to drive and polarize integration and cohesion of the Nigerian state. These have continued to weaken democratic principles in the nation and have resulted in a variety of crises and acts of violence with various dimensions, magnitudes, repercussions, and outcomes. For instance, the Boko Haram ideology was anchored on the "democracy is non-Islamic" narrative while the sporadic violent confrontation in places like Adamawa, Benue, Plateau, and Taraba states were primarily premised on the "indigene and settler" narrative in the same vein the constant agitation, accusations and counter accusation by the Arewa Consultative Forum, The Middle Belt Forum, IPOB, Yoruba Self-Determination Group, CAN and MURIC are principally motivated by the "we versus "them" narrative and finally the constant verbal warfare between the Igbo and the Yoruba in Lagos state is deeply rooted in the "son of the soil" and the "indigene and settler" narratives.

2.6 Ethno-Religious Narratives and Development

Development is a multifaceted process that could be enhanced or impeded by a myriad of factors. There is no consensus on what should be understood by development. Neither is there agreement on how development can best be brought about nor why it has proved so difficult for most of the poor countries in the developing world to achieve any kind of improvement for the large majority of citizens (Udogu, 2018). But we usually assume a positive transformation of people's lives that is both quantitative and qualitative when engaging in debates about development (Vaughan, 2021). Adjectives that may denote development are: improvement, enhancement, elevation, progress; to mention a few. Ideally

development should be a process that raises the material and living conditions of people. For development to take place, therefore, other kinds of improvements that can catalyze the developmental process must be present. These include improvements in education, health, access to credit facilities, social welfare and security. There should also be institutions that protect both human as well as property rights (Ugbem, 2019). Development also means improved access to life chances and opportunities such as employment and social security. When these life chances have to unfold in countries where good governance abounds, because fair play and social justice must be entrenched by the state, thus keeping ethnicity in check at the national level.

In the present Nigerian contexts where there is hardship in the country, the state is the prime mobilizer of resources for the people. But when the state is perambulating between frustrating political and economic conditions and senseless killing of citizens by ethno-religious militias, such as IPOB and Boko Haram development cannot take place in such turbulent environment because one of the pillars of development is stability. Ethno-religious narratives have undermined development pursuits in Nigeria by providing a fertile ground for anarchy and insurgency. The ethnic tensions in Nigeria in the 1960s culminating in the Biafra war and the Boko Haram insurrection depict important cases against ethno-religious narratives. For instance, Boko Haram insurrection has been argued to deter direct foreign investment into Nigerian economy (Chiluwa, & Chiluwa, 2022). In many instances potential foreign investors have shelved investment initiatives initially earmarked for Nigeria because of the unstable and volatile social and political conditions caused by ethno-religious tensions (Jegede, 2019). Furthermore, ethno-religious narratives lead productive human beings into channeling their energies into ethnic clashes instead of using them to develop their country (Williams, 2019). It results in a situation where members of ethnic groups are unable to relate with others outside their group without suspecting their intentions. This does not enhance peaceful co-existence and can in turn hinder meaningful development from taking place. Social interaction is a critical aspect of social existence in society but the dominant nature ethno-religious narratives in Nigerian Government and politics results in creating meanings and suspicions even when they do not exist.

Ethno-religious narratives at the group and individual level promotes mutual suspicion by promoting allegiance to the ethnic group at the expense of the Nation where citizenship of the state has apparently no meaning without allegiance to ethnic groups. There appears to be a pull from Nationhood or to ethnic enclaves. In Nigeria today, it is very easy to mobilize a group of people once ethnic narratives are introduced. This situation has implications for development in the sense that level of allegiance to Nationhood by Nigerian citizens is an important precondition for development to take place. But emphasis on ethnic divide has been the bane of development over the years.

3.0 Methodology

By relying on secondary data and experientially triggered observations, this work utilizes a qualitative content analysis where the publications reviewed for the research (from 2016-2022) has shown how ethno-religious (narratives) propaganda and misinformation have assumed the status of reoccurring decimals in the country where issues about communal clashes and separatism feature prominently in both academic and media publications. The content analysis was conducted through an extensive review of scholarly journal articles and media reports such as Premium Times; The Punch; Daily Trust; The Guardian; Channels TV etc.

4.0 Results and Analysis of A Narrative Matrix

Narrative Architecture	Key Research Questions	Evidence/Description
Narrative	<ul style="list-style-type: none"> ● What are the core narratives that undermine development in Nigeria? ● What are the core narratives that could bolster underdevelopment? 	<p><i>The narratives that undermine development in Nigeria revolves around the "we versus them" narrative that have institutionalized schism, mistrust, rancor and animosity across religious and regional boundaries and the "Boko Haram" narrative which has virtually eroded all sorts of legitimacy of democratic institutions thereby legitimizing taking up arms against constituted authorities. The "son of the soil" narrative that has taking preference over merit and other democratic values in choice of a leader, the "indigene and settler" narrative that lead to in-group identification and out-group categorization thereby leading to further disintegration.</i></p> <p><i>underdevelopment could be bolstered by the "Boko Haram" narrative when it leads to capturing or overrunning territories by non-state actors such as ethno-religious militias like Boko Haram thereby establishing an anarchical social order.</i></p> <p><i>The "we versus them" narrative could lead to the creation of highly combustible and inflammable situation in the country's political landscape thereby limit further progress of the country.</i></p> <p><i>The polarization across ethnic lines informed by the "indigene and settler" and "son of the soil" narratives could further fracture the country's social formation leading to the emergence of ethnic war lords like Nnamdi Kanu who are hell-bend in promoting separatism and civil war.</i></p>
Context	<ul style="list-style-type: none"> ● What is the context or circumstances in which this narrative is advanced or takes place? 	<p><i>Ethno-religious narratives are mostly advance in political context where Separatist groups are becoming more active in projecting and promoting ethno-religious induced narratives. Every clan, religion, and region is actively manifesting gross dissatisfaction with the country's political configuration where most of the debate and struggles are hinged on ethno-</i></p>

		<p>religious narratives. Concerns regarding self-determination exist, albeit they are not bound out of nationalism but sectarianism². There are several factions agitating for sectarian interest. Boko Haram's agitation has always been focused on overthrowing the Nigerian state and replacing it with a strictly Islamic one. According to a survey conducted in 2018, 80.45% of Igbos wanted a Biafran Republic and to secede from Nigeria³. Sunday Igboho, a self-described Yoruba activist, announced Yoruba to be a separate country in March 2021 and called for the South-West states to secede from Nigeria. The constant and sporadic clashes between indigene and settlers in places like Jos (Plateau state), the Ekaju/osokom conflict in Cross-rivers state, the Tiv-Jukun and Jukun-Kuteb in Taraba state and the Hausa-Bachama in Adamawa state the Lunguda-Waja in Gombe/Adamawa states are all upshots of ethno-religious narratives.</p>
<p>Values</p>	<ul style="list-style-type: none"> ● What are the core values underpinning each core narrative/being triggered by the narrative? ● What are key values-drivers of different population segments that interact with the core narrative? 	<p>The core values underpinning such narratives are minimal and grudging national identity, conflicting and polarizing cleavages as means of self-definition, primordial attachment to region and ethnic groups, ethnic identity as more important sources of pride, ethnic and religious norms serving as standard for assessing public policies and lack of enduring political culture.</p> <p>The key values-drivers has virtually transcended the cluster and segment of the population with each class having its distinct value-drivers, for the leaders in each narrative-domain their key values-drivers revolves around them being the conflict entrepreneurs who inflame ethno-religious narratives for their own ends (access to power) while the followers in each narrative-</p>

² https://www.google.com/url?q=http://www.eajournals.org/wp-content/uploads/Ethno-Religious-Conflicts-And-Democracy-In-Nigeria.pdf&sa=U&ved=2ahUKEwi_iIrIkZv5AhXHsaQKHYB9Be0QFnoECAsQAQ&usg=AOvVaw0MwU4b_8HbAA7ogi2Lb0yt

³ <https://www.google.com/url?q=https://www.vanguardngr.com/2018/03/opinion-poll-shows-overwhelming-igbo-majority-wants-biafra/&sa=U&ved=2ahUKEwiX34TjkZv5AhVMVvEDHRTbBfwQFnoECACQAQ&usg=AOvVaw2bw5eEnQuQTG25cIH MfMtL>

		<p>domain, their key values-drivers are the intrinsic joy and satisfaction they gain by the perceive dominance and superiority of their ethnic or religious groups.</p>
<p>Stories</p>	<ul style="list-style-type: none"> • What are the exemplar stories that convey each narrative? 	<p><i>Story 1:</i> The indigene versus settle narrative was at the heart of the communal clash in Takum area of Taraba state where there is always claims and counter claims of who are the natives and who are the settlers in Takum between the Kutebs and the Jukuns. This lead the state governor to direct the stoppage of all cultural festivals. However, trouble started on Saturday 26 March 2022 when security agents stopped the procession of the Kuteb cultural group in Takum town for their annual cultural day celebration. The planners of the cultural day, it was learnt, ignored the orders of the security agents and went ahead with their procession leading to a confrontation between them and security agents. The confrontation later turned into an ethnic clash between Kuteb and Jukuns, leading to the killing of many people and the burning of several residential buildings in the town. three Kutebs were gunned down by the security agents during the confrontation Bissaula town of Kurmi local government area.⁴ https://www.sunnewsonline.com/many-killed-in-taraba-communal-clash/</p> <p><i>Story 2:</i> The we versus them narrative was quite instrumental in fueling the misinformation about the clash in Abuja Building Material Market, Dei Dei in the Federal Capital Territory where there are wide speculations in Social Media that the outbreak of crisis at Dei Dei Timber Market in Abuja was between Hausa-Fulani and Igbos which allegedly led to the destruction of goods worth billions of Naira.</p> <p>The Dei-Dei International Market clash was a clash between commercial motorcyclists and traders after a woman fell from a motorbike and was crushed by a trailer. The claim that it was a Hausa-Fulani vs an Igbo clash or a fight between</p>

⁴ <https://www.sunnewsonline.com/many-killed-in-taraba-communal-clash/>

		<p>Muslims and Chriatain is therefore False and misleading.⁵</p> <p><i>Story 3: The boko haram narrative underscore the Yussufiyya struggle in the sense that in 2002, Mohammad Yusuf formed the group as a Sunni Islamist sect to oppose Western and secular political institutions by establishing an Islamic state in Nigeria. The group has carried out numerous attacks since 2009, including the 2011 bombing of the U.N. headquarters in Abuja, but is best known for the 2014 Chibok schoolgirl kidnapping, when the group abducted over 300 young Nigerian girls. Its primary base of operation is northeastern Nigeria, but it has conducted limited operations in Cameroon and Niger. In March 2015, Boko Haram became an affiliate of the Islamic State (IS). In August 2016, leadership struggles led to a split within Boko Haram, pitting the Islamic State’s West Africa Province (ISWAP) against Jama’atu Ahlul-Sunnah lil-Da’awati wal-Jihad (JAS).⁶</i></p> <p>https://cisac.fsi.stanford.edu/mappingmilitants/profiles/boko-haram</p>
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⁵<https://www.google.com/url?q=https://prnigeria.com/&sa=U&ved=2ahUKewjxb2Gkpv5AhW5XvEDHfRyDXkQFnoECAgQA&usg=AOvVaw1arwTb5EEvpV2TSw2Xbd5g>

⁶ <https://cisac.fsi.stanford.edu/mappingmilitants/profiles/boko-haram>

<p>Counter-narratives</p>		<p><i>Counternarrative 2:</i> There were counter-narratives debunking the claims that many ethno-religious separatist and warlords are in essence representing the core values of the majority of their sect members. For instance, there are several captions, such as “Boko Haram is non-islamic” "Miyyeti Allah does not represent all fulani," "IPOB leader Kanu does not represent the Igbo Interest," "Sunday Igbo does not represent the interest of the prole of Yoruba," etc. These opposing narratives imply that they lack the authority to speak on behalf of their people.</p> <p>Zulum: Fighting Boko Haram with Boko Halal - The Sun Nigeria www.sunnewsonline.com › zulum-fighting-boko-haram-with-boko-halal</p> <p>IPOB Leader, Kanu Does Not Represent Igbo Interest – Ohanaeze Asiwaju Bola Tinubu - Nnamdi Kanu (headtopics.com)</p> <p>Secession: Igboho does not represent the interest of the people, Yoruba elders declare (withinnigeria.com)</p> <p>Miyetti Allah Does Not Represent All Fulani - The NEWS (thenewsnigeria.com.ng)</p> <p>Selfish And Greedy Ohaneze Does Not Speak For Ndigbo By Laurretta Onochie Sahara Reporters</p> <p>Fulani Forum to NEF: You Do Not Represent The Good People of North Nigeria (newsrescue.com)</p>
<p>Frame and Supporting Messaging</p>	<ul style="list-style-type: none"> ● How is the narrative defining the problem and solution of development? ● What are the benefits and costs that the narratives convey to different stakeholder segments and different populations (for example, national, regional, local, communal, ethnic, religious)? 	<p>The proliferation of such narratives has given rise to ethno-religious nationalism that culminated into an explosive social identity and serious agitations in the country. This has destroyed all the rudiments of development by relegating the sense of nationalism and patriotism to the background. Consequently, more social identities emerged as infra-state militant groups such as the Boko Haram, the Niger Delta</p>

		<p>Avengers and the BIAFRAN agitators such as IPOB with all asserting their authority over their respective people, aggressively and violently campaigning for the dismemberment of Nigeria and proposing the creation of states based on ethno-religious lines.</p> <p>The cost of this divisive narrative is that it has given rise to incidence of social identity and violent agitations for self-governance by various ethno-religious groups which invariably posed a serious challenge to the progress of the country.</p>
<p>Policy Impact</p>	<ul style="list-style-type: none"> ● How does the narrative have an impact in terms of advancing certain types of policies and supporting or countering certain social norms? ● How are narratives connected to maintaining or gaining political power (shifts in party control, regime change, legitimizing top-down changes - dismissing parliament/courts, etc.)? ● How does the narrative create fertile ground for disinformation; how is it fed or shaped by disinformation; how does it increase believability of disinformation? ● How are narratives utilized to advance broader political, economic and geopolitical goals? ● Are there observed policy impacts, including draft or ratified legislation, change in voting access, etc., constraining democratic institutions and norms, political power dynamics, etc.? 	<p><i>The ethno-religious narrative provides the fault-lines for propagandists, religious bigots and ethnic jingoist to further balkanized the country by constant ethno-religious profiling of political and social issues.</i></p> <p>Ethno-religious narrative has invariably undermined the workability of government policies and public bureaucracies in the sense that such narratives created a shift in social norms such as changing the position of trust, eroding objectivity, violation of democratic tenants and gross disregard of lied-down procedures in pursuing and promoting sectarian narratives and interests.</p> <p>The narratives are connected to maintaining or gaining political power in the sense that the political elites use the tides of propaganda and disinformation emanating from such sources to further preserve the status quo because they are concerned that free and fair internal competition will lead to a reduction in their chances of gaining political power.</p> <p>The narrative creates fertile ground for disinformation because people define who they are politically based on where they stand on certain sub-national, conflicting and polarizing cleavages. Individuals and groups across ethnic, religious, and regional boundaries do not have much faith and trust on one another which translate into lack of supports for government policies by those whose ethnic or religious</p>

		<p>champions are not in power or are defeated in an election. Most Nigerians think of themselves as Nigerians in some way. Their ethnic identity, however, is more important as a source of pride and, more importantly, as a source of likes and dislikes.</p> <p>The significance of observed policy impacts goes down to the administrative level where important administrative processes such as recruitment, training, promotion, etc. are influenced by considerations for ethnic representation. This is often attained at the expense of the basic requirements for knowledge, competence, experience and efficiency. This is a departure from the ideal Weberian construct of bureaucracy. The primacy of region, clan, ethnic or primordial attachment over national loyalty underlies the tendency of administrators of public organizations to turn over public offices and resources to themselves or members of their group.</p>
Additional Elements	Key Research Questions	Evidence/Description
Messengers	<ul style="list-style-type: none"> ● Who are the key messengers, what is their reach, who are their audiences and how effective are they? ● How are these different in different regions or with different population subgroups? 	<p>The key messengers are real purveyors of ethno-religious narratives such as family, clerics, religious, cultural and regional associations, and reference groups such as celebrities for instance in so many case some Nollywood stars have openly identified with IPOB.</p> <p><i>In terms of family, clerics, religious, cultural and regional associations there is no differences in population group or region. However, the influence of celebrities such as actors is less effective in the North especially in religious dimension..</i></p>
Mediums	<ul style="list-style-type: none"> ● Which channels, platforms and mediums are the most effective in promoting the core narratives? ● How are these different in different regions or with different 	<p><i>The core narratives are promoted through, through the socialization process of the family, through indoctrination by cultural and ethno-religious association. The social media like Twitter, Facebook, Google, Instagram, Tik-Tok, Internet websites, and WhatsApp are used</i></p>

	<p>population subgroups?</p> <ul style="list-style-type: none"> • Which priority stakeholder segments utilize and are influenced by which mediums? Which key stakeholders' narratives and messaging are the mediums carrying/amplifying? • Size of audience/subscribers and/or active users the medium reaches. 	<p><i>severally in promoting the narratives example bloggers such as Biafra digest. The print media is also promoting this narrative through ethnic-profiling of criminals.</i></p> <p><i>The stakeholders are the key messengers' family, clerics, religious, cultural and regional associations, and reference groups, that have substantial influence upon the generality of citizens within their ethnic or religious cycles irrespective of their educational background and status.</i></p> <p><i>Most narratives on religion are carried and amplified through the informal medium such as sermons, indoctrination, cooptation and discipleship though social media platform such as WhatsApp are used severally in promoting religious narratives. Narrative on ethnicity is deeply rooted in the socialization process though highly amplified by both traditional and social media</i></p>
<p>Stakeholders</p>	<ul style="list-style-type: none"> • How are different stakeholder segments communicating about the issue, and through which platforms? • Which stakeholder groups are most/least aligned with bolstering development values? • Which stakeholder groups have the most influence on other stakeholders and on social norms? 	<p><i>Stakeholders communicate issues, mainly through the traditional mediums which in most cases provide fertile ground for the propagation of such narratives, but they also use the social media to amplify their messages.</i></p> <p><i>Stakeholders that promote development values are mostly the academics and civil society organizations.</i></p> <p>In most of the South, where, for example, Yoruba Muslims appear to behave politically as Yoruba's more often than as Muslims, religion is nowhere near as important as ethnicity therefore ethnic stakeholder have the most influence on other stakeholders and on social norms. In the north, however, the influence of religion and ethnicity is difficult to disentangle since so much of the culture is characterized along religious lines this makes religious associations groups have the most influence on other stakeholders and on social norms</p>

5.0 Conclusion

The discussion in this paper hinges on the notion that Nigerian development problems cannot be divorced from the negative ramifications of ethno-religious narratives. Nigeria must first deal with ethno-religious narratives before tackling problems of political misrule, poverty and human misery. Development efforts in the country must be preceded by the political will on the part of Federal governments to bring forth tangible solutions to the question of ethno-religious narratives.

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