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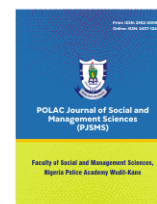
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CONTRIBUTORY PENSION SCHEME AND PENSION FUND ADMINISTRATION CHALLENGES IN NIGERIA (2014 Pension Reform Act in Focus)

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Abstract

The study mutually assesses the features, prospects and challenges of the new Contributory Pension Scheme 2014 enacted as an important aspect of retirement planning. To achieve this, the study adopts the qualitative method of enquiry while depending on secondary materials for data. The study equally juxtaposed in terms of challenges, principles and core values the new pension scheme with the past pension schemes. The values of the new pension scheme are ideally laudable and superior to those of the past schemes, giving that the scheme consolidated on the loopholes in the previous schemes especially in creating a uniform system of pension administration in the private and public sector. In this light, the National Pensions Commission (PENCOM), which regulates the activities of the two principal agents in the new pension scheme: Pension Fund Custodians (PFCs) and Pension Fund Administrators (PFAs) should determine to be anti-corrupt, so as to be able to regulate the activities of PFCs and PFAs, more so, with zero tolerance for any form of financial misappropriation. The study found that beyond throwing tantrums to the government for enacting The Pension Reform Act (PRA) 2014, the Act is faced with very sensitive challenges that has impeded on the actualization of its initial goals. The study found that the Act was silent about the pension of organizations with a workforce of 3-14. Secondly, it was found that Pension scheme and gratuity are not mutually exclusive in the CPS 2014.

Keywords: Administration, Contributory, Employer, Fund, Pension, Organization

1. Introduction

Pension holds a global recognition as an integral part of a nation's socio-economic development, its vitality is strategic in keeping the wellbeing of pensioners and the entire population of a nation (Jonathan, 2014; Chukwuemeka et al, 2019). Nevertheless, pension is one of the most contented issues in Nigeria; it is both a legal and moral obligation of an employer to its employees at the point of their retirement. However, the absence of an available financial wherewithal has impeded on the actualization of the projected retirement package to a pensioner. Globally, the evolution of pension is pillared on the importance alluded to the subject in society, giving that it involves the psychological, financial and emotional wellbeing of probably the most vulnerable population in any

nation. Garba and Mamman (2014) brilliantly posited that pension is a lifeline after retirement when they took into cognizance the financial, emotional and psychological concerns of workers after retirement. The pension relationship like farming is a two staged flow the first stage, encompasses the planting stage that requires time, skills and dedication that an employee commits to an organization during the time of service, and the second, represents the harvest time known as pension. In capitalist nations, pension is existing in different forms for instance in the United States, pension is referred to as social security which is further categorized under old age insurance, retirement pension, old-age survivor's insurance, widows and orphan's pension, old-age survivor's disability insurance, supplementary security income among

others (Robolino 2006; Profile pension, 2023). The relevance ascribed to pension globally has provided grounds for numerous reforms with the sole aim of providing retirement benefits to employees in both the private and public organizations when they leave office (Aja, 2015). Pension in Nigeria is a colonial creation. It was legally enacted in 1951 and believed to have been practice much earlier than that, 1948 to be precise. There have been several reforms to the pension scheme that extends into Nigeria's post-colonial dispensation in order to seamlessly prepare workers for retirement ahead of times (Aja, 2015).

The 1999 constitution is the source of all pension laws in Nigeria. Prior to the enactment of the Pension Reform Act of 2014, which established a Contributory Pension Scheme for employees and employers in Nigeria on June 25 2014, there existed schemes such as the Defined Benefit (DB) or the Pay-As-You-Go (PAYG), National Provident Fund of (1961), and the Nigerian Social Insurance Trust Fund (1993) scheme which was largely unfunded, non-contributory, and was also referred to as Pay-As-You-Go (PAYG) Scheme (Lekaga, 2020). Under the DBS, the total Pension obligation was the responsibility of the government, where the accumulated pension at retirement is based on a pension plan in which an employer/employee contribute in varying percentages to build a retirement fund for an individual. Civil servants bore no direct responsibility by way of payroll tax for the provision of pension, instead pension benefits were paid through budgetary allocations to be kept in the Consolidated Revenue Fund. The Pension Reform Act (PRA) 2014 became necessary to manage the weaknesses of the Defined Benefit pension scheme. The Act introduced a defined contributory system that is fully funded, privately managed and based on individual accounts for workers in both the public and private sectors. Ahmed (2008) highlighted that Corruption, inefficiency, non-transparency, perpetual verification, poor administration and non-remittance of gratuity and other related benefits have been a major downside to the entire pension scheme enacted in Nigeria since 1999. The Pension Reform Act of 2014, which is widely held to be an upgrade of the 2004 Pension Reform Act, shares in the reticence of other pension schemes in Nigeria's history. Taking into cognizance 9 years since the revision of the 2004

Pension Reform Act, this study aims at assessing the extent to which the amendment has aided in the alleviation of the wanton suffering of pensioners in the private and public sectors. The study also aims at assessing the challenges encountered in the course of implementing the 2014 pension reform act. The paper is written in the structure thus: abstract, literature review, theoretical framework, conclusion and recommendations.

2. Literature Review

Most times, there are misconceptions on the concepts of pension and severance package even though they are oceans. The former is a lump sum that is paid usually on monthly basis depending on the agreement between the employer and the employee. The latter, on the other hand, is paid once in a lump sum (William 1997; Chukwuma & Pretoria, 2018). Pension according to (Ayegba et al cited in Lawal et al, 2018) is a formal contract between an employer and his/her employees for a fixed sum to be paid regularly after retirement. In the same vein, Chukwuma and Pretoria (2018) argued that pension is a formal arrangement that is aimed at providing people with an income when they are no longer capable of earning a regular income or employable. Pension cannot be paid when an employee is still in service. Ozor (2006) posited that pension consists of the chunky amount of money that is paid to an employee at the point of discharge from service. Pension can be found in both the public or private sectors, it can be arranged on a contributory and non-contributory bases, individually or collectively, insured or trustee based, single or multitier (Anazodo et al, 2014). The arrangement may involve an arrangement where the pensioner pays a part of his earning during his working days into a pension scheme that would later become his pension benefit during retirement (Robelo, 2002). Pension scheme in Nigeria is contributory and voluntary. In other words, the potential pensioner may or may not decide to key into the scheme of pension. Some scholars argued that many Nigerian workers are dismayed with the idea of pension, even when the 2004 pension scheme was promulgated and believed to handle the weakness of previous schemes (Ayeni, 2004). Akinade (2006) cited in Anzado et al (2014) holds that many potential pensioners accepted the pension policies without really understanding the nitty-

gritty of its provisions, terms and conditions. Corroboratively, Omoni (2013) holds that a number of would-be-retirees are retarded by the fear of non-reimbursement even after their retirement- what good is the savings if one cannot access his funds as at when due or inaccessible at all? This tendency for corruption and non-reimbursement of a pensioner's fund is hypothetically an uncertainty that comes with the subject of pension. According to Anzado et al (2014), all pension schemes in post-colonial Nigeria were aimed at solving the pension challenges. The amendment of the Pension Act 2004 according to Ahmed (2005) explicates a number of challenges that was prior encountered in the cause of formulation and implementation. Corroboratively, Anzado et al highlights that the 2014 Pension Act, provide a mandatory clause where pension is obligatory for all workers in the private and public sector, and this would be done in such a manner where contribution would be collaboratively contributory- a shared percentage from the employer and the employee. In Nigeria, there are four main classifications pension that in all makes up the pension scheme. Adebayo (2006); Ugwu (2006) and Chukwuemeka et al (2019) cooperatively identified them as Compensatory pension, retiring pension, superannuating pension, and compassionate allowances: The compensation pension refers to the pension made available for workers whose place of employment or post is demolished by natural or some manmade disaster and are unable to find another Job or placement. This type of pension is mostly applicable to public servants. Compensatory pension according to Law Insider (2023) is simply a pension admissible to a government employee who is discharged from service on the abolition of his post and cannot be adjusted against any other post including the post of lower pay scale. Retiring pension is conditioned on both age and years of service. The Collin dictionary captures this aptly, "A retirement pension is a pension given to person who has retired from regular employment whether paid by the state, arising from the person's former employment, or the product of investment in a personal or stakeholder pension scheme. Lastly, the superannuating pension is applicable to people who have attained a certain age of service. In Nigeria, the conditionality for retirement is that person must have either attained the age of 60 or an unbroken 35 years of service. Superannuating

pension is perhaps the most common pension in the public service. More so, it bears mentioning that the 2012 Harmonization Act set the retirement age for judicial workers at 70 and, academic staffs of tertiary institutions at 65 years. Garba and mamman (2014) shares that the justification for such disparity is because, the longer they stay in service the better for their respective offices. Garba and Mamman's view is haphazardly true simply because age comes with its deficiencies that inhibit productivity hence their experience of service should not be the justification for elongation.

2.1 Theoretical Review

The central idea of pension is preparing and securing the future of an employee. Thus Pension, to an employee who is in service is the inspiration and the motivation needed to effectively perform his/her duty without fear of an unsecured future. (Amien & busomwa, 2020) corroborated this line of thought when they postulated that hardly would you see an average Nigerian who doesn't dream of having a government job, simply because he/she looks forward to having a pension at retirement.

Abraham Maslow Hierarchy of needs

This theory is adopted as the theoretical underpinning for this study. The hierarchy of need theory was developed in 1940 by psychologist Abraham Maslow (1943) and Goldstein (1940). The theory explains human psychological motivation. The major submission of the theory is that human are motivated to fulfil their needs in a hierarchical order which begins with the most basic need of all (Corporate Finance Institute [CFI], 2023).

Maslow proposed five main levels of needs which are represented in a hierarchical order. At the base of the hierarchy is the physiological need. It comprises of all the most basic things that are needed for survival for instance, water, food, shelter, warmth, rest and health. Following the physiological needs is the safety need which according to Maslow (1943) is the safety or security needs. He believes that when an individual is able to secure the first needs under the physiological base, he then progresses to secure everything so as to feel safe. The third need according to Maslow is the love and belonging needs. He draws from the idea that

humans are social beings and desire to be feel loved and accepted. According to CFI (2023), this stage in the Maslow's hierarchy needs outlines the need for friendship, intimacy, family, and love and when deprived of this needs they may be subjected to depression and loneliness. This need is followed by the Esteem need, which refers to the need for recognition, status and respect. The moment an individual fulfills their love and belonging needs, self-esteem comes next. CFI (2023) holds that the need for respect is in two ways- from others and from oneself. Finally, Maslow crowns the theory with what he refers to as the self-actualization: the aim of all humans is to reach the level of self-actualization that is the realization of one's full potential. CFI (2023) holds that deficiency in any of the first four needs means there wouldn't be an aspiration for self-actualization.

This theory is pertinent to this study because it clearly highlights that the importance of a good pension scheme has a multifaceted impact, firstly, to an organization and secondly, to the individuals in question. Onukwu (2021) capture aptly on his paper Lecturers' perception of contributory pension scheme implementation and job commitment in South-South Nigerian Universities when he posited that "lecturers in their active stage or career path hoped to get better package as retirement benefit to be self-fulfilled and happy for their meritorious service to the universities." Onukwu's postulation confirms that when an individual is psychologically assured of a future, in this case, a pension, productivity and commitment would be voluntarily given. The negotiation of favorable pension scheme is pivotal in avoiding economic instabilities and union protest and strikes that cloud the Nigerian socio-political space (Ahmed et al, 2016). Nigeria perhaps has the highest number of industrial strikes in history that can be linked to the pension and gratuities. Hence, in line with Maslow's theory of needs, needs are hierarchical and individuals are most productive when their physiological needs are met and assured. It is against this background that this study argues that the Nigerian pension scheme is pivotal in determining the level of productivity in the Nigerian labour market. Holistically, the need for security is paramount to achieving self-actualization and determination to be one's best self. Hence, it is in the interest of the both public and private employees to

take pension seriously. So assessing the challenges of the past and present schemes would answer the why question, about the nonchalance and unproductivity in the public and to some degree the private sector. Ultimately, the challenges of the 2014 pension scheme would point the conditions that pensioners are subjected to in the course of assessing their retirement packages.

3. Methodology

The study adopts qualitative method of enquiry while depending on secondary materials for data. The study equally compared in terms of challenges, principles and core values of the new pension scheme with the past pension schemes. Personal interviews were also carried out in some cases for affirmative information.

4.2 Result and Discussion

History of pension in Nigeria: (Assessing Impediments through the historical lens 1946-2004)

Pension in Nigeria was a colonial creation. The colonialist in 1946 introduced a pension scheme intended to cater for the needs of those in the Public service – it was meant to cover pension and gratuity. However, it was until 1951 that a legislative document to legitimize the process was produced (Ahmed, 2006). In 1961, a year after the nations independence, the first indigenous pension scheme was enacted to manage the challenges of pension in the past fourteen years. The National Provident Fund (NPF) scheme was put in place. The scheme is described as the social protection scheme however, pension was non-existent in the private sector and the scheme was equally silent about the sector. Again, it was more or less a savings initiative where both the employee and the employer pay an equally amount of four naira, which at the end of the day would be paid at once to the pensioner (Chukwuma & Pretoria, 2018).

Giving the numerous challenges of the 1946 or 1951 pension scheme, the 1972 pension scheme was again enacted. Following these amendments, with the intent of finding a substantive solution, the Udoji committee was set up to assess the magnanimity of the problem and to also advice the Nigerian government regarding pension and gratuity. As a part of the recommendations of the Udoji committee in 1974,

about 113 pension laws were repelled (Chukwuma & Pretoria, 2018). The Udoji recommendations later became a reference for subsequent amendments such as the Pension Act of 1976, 1979, the Pension Right of Judges Act No. 5 of 1985, The police and other Government Agencies Pension Scheme in 1987 and the Local Government Staff Pension Board of 1987 (Chukwuma & Pretoria, 2018).

ON 1st July 1994 the National Security Insurance Trust Fund (NSITF) replaced the redundant NPF scheme. The NSITF was to manage, age of employment, death among other pension related matters in both the public and private sectors of the economy (Ahmed, 2006; Balogun, 2006; Chukwuma and Pretoria, 2018) This was followed by an amendment, that allowed for organizations to be a part of the pension decision making process (planning, rules, standards) through the appointment of a Board of Trustees (BOT). Chukwuma and Pretoria (2018) clarified that Board of Trustee had the legal right to decide on a particular insured pension arrangement. The 2004 Pension Scheme is described as an important moment in Nigeria's history simply because it was intended to holistically reform the pension narrative especially in the terms of formation and implementation, for both the private and public sector of Nigeria. The provision of the Act was believed to guarantee the prompt payment of pensions to retirees, eliminate long queues and ultimately improve the standard of living of the old and tired pensioner's population (Aja, 2015). Garba and Mamman (2014) holds that the challenges of the 2004 pension's scheme spams from demographic, structural and institutional. The impediments of the schemes manifests differently. For instance, under the 2004 Pension scheme, there was a high leveled corruption at the pension board, giving room for the colossal mismanagement and embezzlements of funds intended to pay pensioners. Under the 2004 pension scheme, there are numerous cases of psychometric situations where civil servants who are unable to access their retirement benefits are unable to afford the most basic physiological needs. Again, the physical impediments of age refute them the ability to search for other job even if they wanted to. These accounts for most cases of sudden death as seen under the 2004 pension scheme (Abubakar, 2023; Garba and Manmman (2014). Adejoh (2013), Ijeoma

et al (2013), Ahmad (2008) assessed the challenges of the 2004 contributory pension some key questions drawn from the fairlure of previous pension schemes: In the case of a political change in the democratic context what legal frameworks are put in place by the government to ensure its continuance and sustenance? How can the effective implementation of the scheme be guaranteed and how can the high and mighty that default be brought to book? How can the pension reform commission monitor and administer the implementation of scheme? Getting the major stakeholders - employers, firms, employees to remit to the Retirement Savings Account may be problematical.

Pension challenges according to Ahmed (2008) are mostly associated with the public service. Meanwhile, the private sector is giving less contemplation. Though these challenges are tied to the corporate governance of pension in Nigeria, the National Pension Commission does not have the adequate sanction breaches. This accounts for the history of bad corporate governance. It is worthy to note that one of the major differences between the Defined Benefit Scheme and the 2004 Contributory Pension Scheme is the removal of queues for verification and collection of their monthly pension. The contributory pension scheme makes room for a direct payment into a pensioners account (Ahmed, 2008).

Assessing the Contributory Pension Scheme 2014

The general objective of the 2014 Contributory Pension Scheme is to guarantee the payment of all retirement benefits of retirees in both the private and public sector respectively and as when due. The scheme was created to uniformly administer the retirement benefits in the private and public sector, especially in the rules and regulations that guides all pensions across the country (Ihejirika, 2020). The Contributory Pension Scheme 2014, which repealed the Pension Reform Act of 2004, incorporated the reviews which led to the exemption of military personnel and the Department of State Security Personnel's from the Contributory Pension Scheme 2014. Ihejirika (2020) posited that the 2014 contributory Pension Scheme incorporated some salient reviews such as The University Provision Act 2012- the act contains the reviewed age and benefit retirement of universities and professors. The review

equally incorporated the Third Alteration Act which delegates pension related matters to the National Industrial Court. The National Pension commission (2014) highlights the following as the main objectives of the Contributory Pension Scheme 2014:

- i. The institution of a uniform set of standards, rules and regulation for the administration and payment of all public and private servant's retirement benefit at the federal, state, and local government levels respectively.
- ii. To institute a suitable mechanism for the execution and proper operation of the

contributing pension scheme in both the private and public sector.

- iii. To ensure that every individual who worked either in public service of the Federation, Federal capital territory, the public service of state government, public service of the local government council or the private sector receives his retirement benefits as and when due.
- iv. Assist improvident individuals by ensuring that they save in order to cater for their livelihood during old age (National Pension Commission, 2017).

Table 1: A tabular comparison between the old and new Contributory Pension Scheme (CPS 2014)

S/N	Characteristic	Old Scheme	New Scheme
1.	Type	Largely defined benefit	Defined contribution
2.	Funding	Mostly unfunded and pay as you go (PAYG)	Contributory and full funded
3.	Membership	Voluntary in private sector	Mandatory for all employees in public and private except pensions and those with 3 years to retire
4.	Pension Portability	Not portable	Personalized and very profitable
5.	Management	Largely state and management union	Private sector and individual choice
6.	Retirement benefit	Discriminatory	Uniform application
7.	Supervision	Fragmented and unregulated (SEC, NAICOM and JTB)	Strictly regulated by PENCOR
8.	Pension liability	Implicit and transparent	Explicit through retirement bond and capped
9.	Tax exemption	Limited	Contribution and retirement benefits
10.	Insurance policy	Voluntary and mostly in private sectors	i. Mandatory for all employers ii. Three times the employees emolument
11.	Dismissal from service	No pension benefits	Full pension rights
12.	Collateral for loans	Benefits could be used as collateral	Benefits cannot be used as collaterals
13.	Deductions from benefits	Benefits can be subjected to deductions especially employers in any financial obligations in the employee	Contents of RSA can be used for payment of retirement benefits only
14.	Claiming retirement benefits	Cumbersome	Straight forward
15.	Minimum service years	Generally 5 years for gratuity and 10 years for pension	Month of employment for all benefits subjects to minimum age
16.	Gratuity	Provided to those qualified	Provision for lumps sum withdrawal
17.	Risk management	No provision	Adequate provision

Source: Amiens, O. E., Abusomwa, R.A. (2020); Admad, M.K. (2008)

In assessing the strength of the Contributory Pension Scheme 2014, Chukwuemeka et al (2019) wrote that

the Act upholds clearly the legal framework for professionalism and deterrence by empowering

PENCOM to and for the institutionalization of criminal proceedings against employers who fail to either deduct or remit pension contributions from their employees. Through this framework, individuals who are caught in the act of mismanagement or diversion of pension funds are brought to face the full wrath of the law; the penalties upon conviction may be imprisonment, fine or both. In the same vein, under the new pension Act, the employees are mandated to contribute a part of their basic salary, allowances (housing and transportation), jointly, the employers are obliged contribute a pre-agreed amount on behalf of their employees, 8 percent and 10 percent respectively. The rationale for this percentage is to ensure that there is a substantive improvement in the life of pensioners through the improvement of their monthly pensions (Chukwuemeka et al, 2019). The Contributory Pension Scheme 2014 is an expanded and consolidated on the strengths of the 2004 Defined Contributory Pension scheme in the private sector, the rate of contribution was raised from fifteen to eighteen percent and made provision for voluntary contribution of the employees.

Challenges of the Contributory Pension Scheme 2014

Sadly, the amendment process of pension laws in Nigeria's history has been a non-consultative one. From the colonial dispensation to the present fourth republic, this is regardless of the so called Board of Trustee initiative. There has not been any substantive consultation in regards sensitive policies like pension. Thus, there is no consultative definition of what constitutes a pension; the 10% for employers and 8% for employees as enshrined in the CPS 2014 should have been a product of collective negotiation and agreement and not just a one-sided decision. Oyedele (2014) brilliantly writes the challenge of the amended Contributory Pension Scheme by assessing the effect it has on employers who may be unable to afford the 10 % employer contribution rate. Bashir (2014) brilliantly posited that the Act state clearly in instances where the employer chooses to fund the whole contribution, He/she would contribute 20%. The rationale behind the scheme in this regard is ill informed. All these would nullify the intent of the amendment because the result would translate to the retrenchment of workers-potential pensioners. In state level, the feasibility of the Contributory Pension Scheme 2014 is highly

probable. Another disturbing challenge of the scheme was captured by James (2017) while assessing the introduction of the Contributory Pension Scheme in Nigeria's state universities, found that the recurring history of governments noncompliance to salaries, remuneration and pensions would not only depend on the amendment but largely on their compliance to the act. For instance, the Act focuses on pension and leaves out the gratuity packages to deserving pensioners (James, 2017). Gratuity is usually a lump sum of money that is paid by the employer to an employee based on the number of years in service. Gratuity is mainly a challenge in the public sector, however, in the private sector; gratuity is dependent on negotiation and collective agreement. Thus, in the private sector there isn't a legal backing to the enforcement of a gratuity after retirement. Taking into cognizance the provision of section 173 of the 1999 constitution FRN; which states that "the right of a person in the public service of the Federation to receive pension or gratuity shall be regulated by law" section 2 states that:

Any benefit to which a person is entitled in accordance with or under such law as is referred to in subsection of this section shall not be withheld or altered to his disadvantage except to such extent as is permissible under any law, including the Code of Conduct.

The Contributory Pension Scheme 2014 and gratuity are not mutually exclusive (Bashir, 2014) Though PenCom's has posited that the "upon retirement, an employee can draw a lump sum from the balance standing to the credit of his/her RSA provided the balance after the withdrawal could provide an annuity or fund monthly payments that would not be less than 50% monthly pay as the date of retirement (Pencom, 2023). It is silent about the gratuity. The reality is that this is disadvantageous especially on the part of the federal government employees because the CPS scheme does not in practicality ensure the total non-funding of the Redemption fund against the annual projected pension liability, arising from voluntary and mandatory retirement, death of employees in service and the right of pensioners to pension review as stated in section 173 (3) of the 1999 FRN constitution ("Pension Scheme and its Many Challenges", 2021). Section 2 (1) of the Pension Act 2014 clearly states

that the provision of the Act is binding to any employee in the public and private sectors. On this note, section 2 (2) puts that the Pension Scheme is only applicable to employees who work in an organization where there are 15 and above employees. The challenge here is that the scheme is not ambiguously loud on the issues of pension and gratuity in organization who have less than 14 employees. Already the informal sector in Nigeria lacks a coherent structure and has an unwieldy composition, its integration into the new scheme is very herculean and difficult. How can one determine that an employer truly has less than five employees, or how do we ensure that informal sector employers do not declare less employees than they have, simply to avoid participation in the new scheme? According (Bashir, 2014) the omission of organizations with less than 15 employees is due to typographical inadvertency, or perhaps an intentional omission. Under the previous Pension Scheme, the eligibility number of employees was 5 and above. However, in all fairness, the only justification for alluding to the omission argument would be that the feasibility of organizations with less than 14 employees to pay the 10% employee contribution is highly unfeasible. Besides this it should be taken that the silence of the CPS 2014 in this regard is due to a typographical inadvertence.

In assessing the impact of the CPS 2014 on the public and private sector pensioners (“Pension Scheme and its Many Challenges”, 2021) the article outlines a plethora of challenges that inundates the proper implementation of the CPS 2014 in Nigeria in the past nine years. Many organizations of government and other employers of labour have been defaulting on the regular remittances of contributions of workers to their pension fund administrators, which is affecting the philosophy of the scheme”. The pension scheme has

numerous challenges that must be addressed and tackled immediately to avoid the mistakes of the past. According to Afolayan (2017), the 2014 pension act had abolished the right of the pensioners under this scheme to earn gratuity, thus denying the employees the chance of getting the usual lump gratuity by the employer to his employee at the time of retirement. Again, section 11 3(b) that “the employer shall not later than 7 working days from the day the employee is paid his salary remit an amount comprising the employee’s contribution and the employer’s contribution to the RSA...” The governments which is expected to uphold the constitutional provision are forefront defaulters. Bakare and Tijani (2018); Lekaga (2020) and Chukwuemeka et al (2019) holds that the federal government and many state governments have been defaulting and had not kept to its own obligation of ensuring regular remittance to the employees’ retirement savings account (RSA).

Membership under the Contributory Pension Scheme

As at 31 December 2021, there are a total of 9,215,684 members under the CPS scheme, which represents a growth rate of 3.40% in absolute terms (PENCOM, 2021). According to a report by PENCOM, there are numerous identifiable factors responsible for such a growth; which includes the increase in the level of compliance by the public and private sectors as a result of the various steps taken by the commission to improve compliance and coverage. This is equally backed by the extensive acceptance of the micro pension plan by informal sector which accounts for a total of 73,691 in 2020 (PENCOM, 2021). Below is the breakdown of the registration under the Contributory Pension Scheme by pension fund administrators (PFA) in 2021.

Table 2: RSA registration count by PFA from inception to 31 December 2021

SN	PFA	Total RSA Registrations	%
1	AIICO Pension Managers Limited	255,445	2.68
2	Apt Pension Funds Managers Limited	158,999	1.67
3	ARM Pension Managers (PFA) Limited	852,416	8.95
4	Crusader Sterling Pensions Limited	359,212	3.77
5	FCMB Pensions Limited	456,959	4.80
6	Fidelity Pension Managers Limited	317,148	3.33
7	First Guarantee Pension Limited	278,321	2.92

8	IEI-Anchor Pension Managers Limited	151,773	1.59
9	Investment-One Pension Managers Limited	84,838	0.89
10	Leadway Pensure PFA Limited	660,825	6.93
11	Nigerian University Pension Mgt Co.	25,096	0.26
12	NLPC Pension Fund Administrators	338,716	3.55
13	NPF Pension Fund Managers	302,244	3.17
14	Oak Pensions Limited	219,533	2.30
15	Pensions Alliance Limited	583,412	6.12
16	Premium Pension Limited	751,713	7.89
17	Radix Pension Managers Limited	38,445	0.40
18	Sigma Pensions Limited	747,864	7.85
19	Stanbic IBTC Pension Managers Limited	1,924,611	20.20
20	Tangerine Pension Limited	93,429	0.98
21	Trustfund Pensions Limited	777,441	8.16
22	Veritas Glanvills Pensions Limited	150,687	1.58
	Total	9,529,127	100.00

Source: PENCOM annual report 2021.

Omoni (2013) and Akinade (2006) both while referring to the 2004 Act lament over the lack of sensitization and awareness over the scheme. Same was corroborated by Amiens et al (2020) on the new pension scheme and this had increased fears and dissatisfaction with the management of the Contributory Pension Scheme. However, following the report by Ahiuama-Young (2015) in 2015, a year after the assent of the Contributory Pension Scheme, there are about 6 million members into the scheme (Ahiuama-Young, 2015). Kojusola (cited in Anazado et al, 2015) argued that pensioners under the present contributory pension scheme are not better off because their contribution are mismanaged by the pension Fund Administrators. However, in all fairness, while PENCOM, the regulatory body shares in the blame because it fails to exercise perform its constitutional role of arresting such persons and stop the situation from further escalating. PENCOM has sufficient laws to regulate any activities of every PFAs and PFCs. The hallmark of the Contributory Pension Scheme 2014 was looking into the lakunas of the old scheme as well as to ultimately ensure that retirees get their pension as at when due. Again, Anazo et al (2015) laments that some retirees under the new pension scheme still grapple with late short payment or non-payment of their retirement benefits. Hence, the scheme has not entirely elated the

sufferings by improving the lives of the retirees when compared with the old scheme.

5. Conclusion and Recommendations

Evidently there are a plethora of challenges confronting pension and pensioners in Nigeria respectively. This standpoint is clear either in the non-contributory and contributory pension schemes that have been adopted over the years in the country. Unjustifiable delays in payment of pensions and gratuities, coupled with an artificial frustration during screening exercises have negative implications on pensioners' welfare though these challenges necessitated the introduction of the Contributory Pension Scheme in 2014. The study in this regards assessed the impact of the new pension scheme in regards its challenges; silence about organizations with a workforce of 3-14. It was found that Pension scheme and gratuity are not mutually exclusive in the CPS 2014. Again, the payment of the estate of deceased employees under both schemes has been another major challenge. Lastly, the scheme is flawed even before its adoption, giving that the scheme does not represent the interest of all the relevant stakeholders involved in the making the implementation of pension acts a success. It is only as though, the formulation and implementation of the act is a replication of the hegemonic character expressed

by the colonial masters prior to the nation's independence.

- i. All relevant stakeholders of the contributory pension scheme should be involved in the review of the issues like percentages of employers' contribution to improve on the pool of savings in the retirees RSA to enable retirees cater for their livelihood at retirement.
- ii. The pension Commission should ensure a diverse, lucrative and safe investment portfolio to invest the contributed funds in, to improve on the returns on investment so as to increase the amount of what the individual will get during the time of his retirement.
- iii. There should be prompt and regular remittance of deductions to all pensioners

Retirement Savings Accounts (RSA) so as to create confidence among pensioners about the scheme. This shouldn't be a problem giving the power saddled on PENCOM.

- iv. The Government should as a matter of urgency work out effective modalities to ensure that the area of gratuity is captured and defined clearly by the Contributory Pension Scheme 2014, and are remitted to the respective pension fund custodians promptly.
- v. Government should provide low income earners with subsidies to their pension as a way of supplementing their self-funded defined contribution. This will encourage greater participation and savings contribution from low income earners in the informal sector.

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SOCIAL STRUCTURAL CAUSES OF DRUG TRAFFICKING IN THE NIGERIAN STATE

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Abstract

The study reviewed the social structural factors in society that amplify trafficking in drugs. It is intended to gain an improved and thorough understanding of contemporary challenges and policies for combating drug trafficking. The paper adopts a sociological approach mainly from Robert Merton's theory of deviance in exploring how the interconnected social structural organization of the Nigerian society, its economic and political institutions, groups, and individuals interact to create drug trafficking. Through literature search and review of relevant databases, as well as online repositories of information, the study finds that social, structural, economic and nature of political power interplayed to amplify the drug trafficking phenomenon in Nigeria. Therefore, it recommends that the government grant full autonomy and powers to prosecute by all security agencies, strictly monitor all funds transfers, and enforce honesty, transparency, patriotism, sincerity and self-discipline among security agencies and citizens of the country at large in mitigating the scourge of drug trafficking. The first chapter introduces the concept of drug trafficking and its sociocultural held meanings, with chapter two providing details of drug trafficking and its social, moral and economic implications on society. Chapter three spells out the methodology while chapter four detailed Results and discussion while chapter five reveals summary, conclusion and recommendations.

Keywords: Social Structure, Drugs, Drugs trafficking,

1. Introduction

There is no doubt that since after the Second World War, Nigeria has been experiencing what is referred to in criminological literature as a 'drug crime problem', i.e., when a particular crime, in terms of its frequency of occurrence and severity, passes from normal or tolerable level to pathological and becomes a 'social problem' (Wroblewski, & Hess 2003). However, this is true of drug trafficking and its attendant increase in crime rates because drug trafficking is usually associated with money laundering, terrorism, mafia cliques and couriers, having ripple effects on all facets of Nigeria's national life. The cost and consequences of these crime problems to the population and for the government are social realities.

It is pertinent to define drug trafficking from a multi-disciplinary perspective. From the law and legal perspective, drug trafficking refers to selling and distributing illegal drugs. Penalties for federal drug trafficking convictions vary according to the quantity of the controlled substance involved in the transaction. A drug trafficking conviction could also lead to denial of federal benefits and forfeiture of personal property and real estate (U.S.S.G. S2 L1. (b) (1) 2001). Under the federal sentencing guidelines, a drug trafficking offence is an offence under federal, state, or local law that prohibits the manufacture, import, export, distribution or dispensing of a controlled substance (or a counterfeit substance) with the intent to manufacture, import, export, distribute or dispense (U.S.S.G. S2 L1. (b) (1) 2001).

According to the United Nations Office on Drug Control (U.N.O.D.C., 2010),

'Drug trafficking is a global illicit trade involving the cultivation, manufacture, distribution and sales of substances subject to drug prohibition laws'.

It is, however, necessary to acknowledge that illicit drug trafficking is the crucial link in the chain of production and consumption. Hence, for drugs to be trafficked, they must have been produced and target consumers (drug users and abusers). In this submission, drug trafficking obeys the laws of production and the chain of command, which includes manufacture, distribution, and consumption necessary for demand and supply. Thus, to meet this requirement, a commodity must have economic value (profit maximization) and interest value (consumer need). The risk factors are challenges seen in every legal and illegal transaction, drugs included.

It is therefore against this backdrop that this study intends to shed light on issues regards the social structural causes and implications of drug trafficking on the system. The study is segmented into five sectors each covering related issues as put forward in the body of the presentation.

2. Literature Review

Nigeria has been regarded as a transit point for heroin, cocaine, and other related drugs since its formal incorporation into the world capitalist system, and it is intended for European, East Asian and North American markets. Since 2004, drug traffickers have been increasingly using West African countries, including Nigeria, for trafficking large amounts of cocaine from South America into Europe and North America. In addition, the country has a relatively high rate of drug abuse due to the continued availability of illicitly manufactured and diverted pharmaceutical products containing psychotropic and narcotic substances (U.N.D.C.P., 1996).

Candace (2008) alluded that, increasingly, traffickers are using Africa as a trans-shipment point for drugs due to its porous border. Notwithstanding the counter-narcotic effort by N.D.L.E.A., large quantities of illicit drugs still pass through the Nigerian borders.

An International Narcotics Control Strategy report (2013) released by the United States government said, 'Nigeria remains a major drug trans-shipment point and a significant centre for criminal financial activities'. According to the report, schemes adopted by drug traffickers to repatriate and launder their proceeds include importing commodities such as luxury cars, textiles, computers, and mobile telephones. However, the same will not be said at the airports in Nigeria, as drug traffickers have adopted more sophisticated, technologically advanced methods to avoid detection, such as ingestion, insertion through the private part, and others in cosmetic containers and surgical incisions.

The predisposition to use drugs does not explain use; it is a necessary but insufficient condition. The availability of drugs is another pre-condition. How drugs are distributed, how drugs get from point A to point B, what is distinctive about buying and selling illicit products, and what the 'social world' of drug sellers is like are the frequent debates among sociologists and urban anthropologists today (Williams, 1992; Bourgeois, 1995; Jacobs, 1999).

All over the world, the increasing number of traffickers has been subject to international concern; this phenomenon distorts the trade balance, production, infrastructural maintenance, and economic development of the country. Hence, governments tried to adopt proactive measures to curb the menace on the health of societies. The increase in international concerns is the number of Nigerians involved in drug trafficking in their countries. Thus, an average Nigerian doing business outside the country is perceived as a drug trafficker.

The problem of concern to the public and specific groups about the increasing rate of drug trafficking and associated criminal behaviors, economic meltdown and poor health status of the working class are exasperated by government, law enforcers and agencies' failure in several countries to fight, detect and control drug trafficking. Hence, the malfeasance phenomenon could be traced to many social, cultural, political, and economic factors that manifest in everyday life.

The order and magnitude of the illicit drug trade shall be established in the light of at least two of the unique characteristics of illicit drugs; first, they are all addictive substances, a fact that sometimes blurs the dividing line both between use and abuse as well as between consumption and addiction. Secondly, though commodities are trafficked, they are distinguished by low volume but enormously high unit cost and value. One indicator of the magnitude of the problem from an economic perspective is the estimates of the turnover of the global illicit industry. For example, in the 1980s in America, the market value for a kilogram brick of cocaine was from \$12,000 to \$35,000. George Jung and his network of traffickers realized a profit of \$100M during his career (www.undoc.org).

A UNDCP report 1995 pointed out that the profit generated by illicit drug producers and traffickers in developing countries encourages the distribution and sale of drugs to every part of the world. As a result, drug barons can make legitimate investments worldwide, yielding attractive returns.

2.1 Theoretical Framework

The paper adopted and adapted the anomie theory to explain the social structural causes of drug trafficking in Nigeria. The paper section briefly presents the links between drug trafficking, social structure, anomie, and deviance within the social system.

According to Robert K. Merton's theory of deviance, the discontinuity between culture and structure has dysfunctional consequences leading to deviance within societies. Hence, anomie is the discontinuity between cultural goals and legitimate means to attain them, leading to 'strain'. Consequently, individuals in society develop 'adaptations' to 'the strain'. Such imbalance produces conformity, innovation, ritualism, retreatism and rebellion.

Conformity is the attainment of societal goals by socially approved means. Most individuals are obedient and hence struggle to keep the norms despite economic crises and challenges. On the other hand, innovators find and create their means of attaining societal goals (benefits of drug trafficking); most of the time, these new ways are considered socially unacceptable.

Merton (1938) argued that the real problem is not created by a sudden social change, as Durkheim proposed, but rather by a social structure that holds out the same goals to all its members without giving them equal means to achieve them. The poor and rich have the same goals, but the means are not equally available. Thus, drug trafficking serves as a means to an end (since the ends justify the means in this situation).

Ritualists have given up hope in life and chances of succeeding and thus dedicate themselves to their current lifestyle. They play by the rules and have a daily life routine (our daily bread), even if it means begging to survive societal challenges.

Retreatism occurs when cultural goals and legitimate means are rejected. To this group, so far as the drug trafficking business is more lucrative than any other legal trade available, they tend to be drawn to it and acquire the necessary wealth. To this group, having a job does not stop their involvement in drug trafficking, e.g., barons.

Rebellion is the combination or rejection of societal goals and means and the substitution of other goals and means. Rebellious drug traffickers cause a higher threat to society, especially when government policies become unfavorable to them. They pump money into terrorism and other criminal activities that cause danger to the citizens and society, disorganize the nation and divert attention away from them.

Other theories on drugs, such as social control and self-control, also explain the predisposition to drug trafficking in the social structure of society. To this postulate, crime is a normal phenomenon; what is abnormal is the adherence to norms, laws and rules. To them, every individual is susceptible to error, but errors or deviant behavior is controlled through existing norms and values inculcated by the existing social structures in society.

Hence, without crime, there cannot be negative reactions to bridge these rules, regulations, policies, agencies, or even adopting improved technologies to fight them. Here also, it is when crime which is regarded as normal, reaches pathological levels that it can be viewed as a social problem (domestic and trans-

border effects of drug trafficking and organized crimes on society.

3. Methodology

The methodology adopted for this study is through systematic literature reviews which were relevant to the objectives of this paper. A careful review was carried out to determine the appropriateness of the data collected from various sources. Secondary data were obtained from various sources to frame a lucid picture of the social structural causes of drug trafficking in Nigeria.

4. Results and Discussion

Social Structural Causes of Drug Trafficking

The structure of the society (social, cultural, economic) and the nature of political power enable drug trafficking in the country. The structure of the Nigerian society and African sub-regions generally is a change from a subsistence economy to capitalist industrial monopolies, globalization, trade liberalization, and modernization, all of which have precipitated social problems in actual practice.

The above structure of society has engendered competition, mass production, and determinant of market forces. The result is high poverty, unemployment and social disorganization in third-world countries, especially Nigeria. Industrialization also comes with establishing several institutions and attracting businesspersons from everywhere with different morals and values than was in the previous economy.

Social disorganization is a fall in society's socially approved norms, morals, and values that affects the individual, family, culture, community, health, organizations, and society's general political and economic fabric. Factors prominent in social disorganization include but are not limited to poverty, unemployment/underemployment, low-income family ties, depression, stress, divorce, poor or lack of trans-border management, bribery and corruption, poor regulation, logistics and infrastructure, hence the concomitant criminal behavior and drug trafficking prominent in the suburbs and urban cities in Nigeria today.

The social, cultural, and political mindset in Nigeria is one in which money is the precipitating factor for recognition, respect, prestige, power, and authority. Titles are given, and political power is badly sought, which gives the ability to escape justice and punishment, achieved through godfatherism, wealth and political power. Drug trafficking is acknowledged as only bad if caught and prosecuted, not the act itself. Hence the coinage "Do it as long as you are not caught".

Push and Pull Factors

In urban and regional studies, there are several causes of migration, and in this study, the focus is drug trafficking. One such cause is the search for greener pastures, and in this bid, drug trafficking, for traffickers, becomes a necessary, unavoidable way of achieving this purpose. The push factors are economic meltdown, unfavorable living conditions, and societal expectations. In contrast, the pull factor involves the attractive benefits of trafficking, notwithstanding its risks and punishment.

Furthermore, this clearly, is revealed by the readiness of suppliers and traffickers to operate in illicit markets. Producer and trafficking countries, however, tend to pay a high social and political price for short-term economic gains. Poverty and the absence of attractive alternative economic opportunities are the main factors contributing to growers' continued involvement in drug production.

The main drug-growing regions are the most impoverished and economically stagnant in the world. In many of them, life expectancy is declining while living standards are low partly due to the resultant effect of structural adjustment programs. In many rural areas, illegal drug growers can make 10 to 50 times more in producing for the drug markets than in any agricultural pursuit. Thus, it is unsurprising that growers cultivate coca, opium, and cannabis. Although producing drug crops involves risk, the high returns they yield make these crops preferable to other less risky agricultural activities for many people (U.N.R.I.S.D., 1994).

It is important to note that a few large, vertically integrated multi-national illicit drug distribution

organizations existed as early as the 1930s. As such, sophisticated organizations increasingly facilitate trafficking. Thus distribution techniques can counter the current technology available to law enforcement agencies. Moreover, evidence of substantial organized production and marketing networks exists for the principal consuming countries and many processing transit regions.

Success in the Business

Three phenomena have aided traffickers over the years; first, raw materials are easy to obtain because, as noted above, rural poverty and the failure of rural development have attracted many poor farmers to drug crops. Secondly, the low salaries and delay in payment to the local, national and sometimes international officials involved in fighting drug trafficking, compared to the amounts traffickers are willing to offer as bribes, have increased their ability to corrupt such officials. Third, drug processing is facilitated by a lack of effective control over necessary chemicals—both on the part of under-developing countries, North American and European countries where these chemicals originate.

Nature of Political Power

Every policy of a country, whether to enforce or prohibit a particular substance if not adequately regulated or shown serious attention, does not stop its escalation; hence, the influence of political willpower on its eradication. For a policy to be effectively implemented, community awareness, community involvement, proper advanced technologically enhanced logistics, training, quality, and corrupt free officials are necessarily put in place and financed adequately because a lack of those insinuates a weak government or political power.

In Nigeria, apart from the porous border management, large population and geographical location, the initial perception is the absence of coherent articulate drug crime prevention and policing by the drug law enforcement agencies that permit weak accessibility, drug production, and processing to be sited in very remote areas relatively outside the control of the state.

When international markets are tightened, traffickers work to improve the quality of their products and

modern technology has aided them in this process. Therefore, they aim to reduce their products' detectability and weight-to-price ratio to ease smuggling.

5. Summary, Conclusion And Recommendations

The several dimensions of social structural causes of drug trafficking have been enlisted in the paper as the trade's impact on the lives of individuals and society. It was established that social, cultural, political, and economic factors have continued to shape and drive the illegal drug trade. A new approach to counter the trade is therefore eminent if society is to progress further. Thus, This is because the rate of drug intake is increasing, especially among the youth who form the bulk of the workforce. The government has been charged to rise to the occasion by adequately financing autonomous agencies set up to fight drug trafficking and abuse.

In conclusion, it has been established that social structural factors play a key role in proliferating drug trafficking and abuse. Thus, the need for reforms of the modus operandi of various security agencies is saddled with the responsibility of securing the state and its interest, which includes drug trafficking and abuse. The traditional means of social control can also be adopted to check this malaise. The strengthening of collapsed family values should be reinvigorated, especially by the various agents of socialization. However, this will help to instill the needed moral values in the minds of citizens to abhor drug trafficking and abuse.

Based on the finding resulting from the discourse, it is recommended that:

- i. Government should reform the existing laws regarding drug trafficking and abuse.
- ii. Government should grant full autonomy to agencies set up for the fight against drug abuse and trafficking.
- iii. Government should grant powers to prosecute to security agencies, as most times, when a person is arrested and taken into police custody, such individuals are usually freed,

especially whenever they can pay for their release.

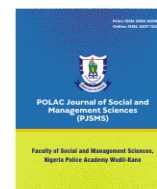
- iv. Laws regarding the transfer of funds should be strictly enforced to forestall the use of such funds for drug trafficking.
- v. Individuals should be patriotic to report any suspected transaction in illicit substances within their environment to security agencies.
- vi. Security agencies must discharge their responsibilities with sincerity, honesty and

social justice, as this will create the right attitude to work.

- vii. Other legitimate sources of income should be made available to drug convicts after serving their jail terms, and they must be adequately rehabilitated to this effect. In addition, the stigma associated with prison sentences often discourages them from engaging in legal business.

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ACCEPTABILITY OF MOBILE MONEY AMONG UNIVERSITY STUDENTS: THE MODERATING EFFECTS OF PEER GROUP INFLUENCE

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Abstract

The study explores the factors that influence acceptability of mobile money among the undergraduate students of Federal University Dutse. The study employed the use of Technology Acceptance Model with a modification paving the way to the incorporation of other variables. The moderating effect of peer group influence was tested along. Data were primarily collected using Self-administered questionnaire from the 300 students as sampled participants across the six faculties of the Institution. The analysis from Smart PLS-SEM indicates positive and significant relationship between perceived ease of use, perceived usefulness, peer group influence and mobile money acceptance. All direct relationships with the exception of Knowledge and mobile money acceptance were found positive and significant. However, for the indirect relationships, that is the moderating effect of peer group influence on the independent variables and dependent variable were found to be insignificances. The study has practical implication it shows that there's high acceptability for mobile money among University students. Thus, small businesses operating within University should be automated to enable them take various digital and cashless transactions.

Keywords: Mobile Money, Acceptability, Peer Group Influence

1. Introduction

Globalization has made it possible for the introduction of mobile money in all countries of the world for secure and ease financial transactions among customers. Mobile money generally refers to payment services operated under financial regulation and performed from or via a mobile device. as against the predominant method of cash and cheque. A customer can use a mobile to pay for a wide range of services and digital or hard goods (Potnis, Demissie, & Rahman 2017). Also, Mobile money describes financial transactions that are conducted using a mobile phone, where value is store virtually (e-money) in an account associated with sim

card, mobile money systems have the potential of extending the reach of financial services to population not served by the traditional banking sector (USAID, 2013). Equally, mobile money and mobile banking enables only one person-to-person (P2P) payments and mobile banking enables all kinds of transactions with addition to other services, through mobile money one can pay receive and store money with the help of mobile phone and internet.

Many researchers have conducted studies on the acceptability of mobile money, as such the justification of undertaking this research was, the researcher did not

come across any study that combine these variables in a single model of study as the ongoing investigation did. The motivating factors of this research are, first many research were made on the acceptability of mobile money but students were not chosen as sample and equally researchers made use of different moderators such as risk, social influence, and technology type (Yahaya & Haji-Othman 2014).

The proliferation of mobile money services in developing economies has positively impacted the financial inclusion of the unbanked residents (Alhassan, Guryanov, & Kouadio (2021)). The convenience and low cost of mobile money services have made them particularly popular among university students in developing countries (Potnis, Demissie, & Rahman, (2017)). However, the acceptability of mobile money services cannot solely be attributed to the individual characteristics of users, as the social context in which mobile money services are used must also be considered.

Therefore, this paper will analyse the moderating effects of peer group influence on the acceptability of mobile money services among university students. The paper consists of six parts, which are the introduction theoretical framework, methodology, analysis and discussion recommendations and references.

2. Literature Review

Mobile money services are digital financial services that enable users to access various banking services via their mobile phones. They are particularly popular in developing economies, such as Kenya, where the mobile money system has been very successful. In Kenya, for instance, mobile money is a very popular financial platform almost utilized by everyone due to its simplicity and accessibility. The rapid growth of mobile money services in developing countries can be attributed to the convenience and low cost of the services (Ahmed & Ahmad, 2019).

Many studies have shown that the acceptance and adoption of mobile money services are influenced by individual factors such as trust, perceived usefulness, and convenience (Khan & Raza, 2020; Singh & Purohit, 2018). However, peer group influence is also a significant factor, as individuals are likely to adopt the behaviour of others in their social circle. Research has shown that peer groups can influence individuals'

attitudes towards technology adoption, with peer pressure being a significant factor in shaping the acceptance or rejection of a particular technology. Therefore, peer group influence is likely to have moderating effects on the acceptability of mobile money services among university students.

This study employs Technology Acceptance Model (TAM) developed by Davis (1989). Some modifications were made to suit the needs of the study. The dependent variable for this research as the acceptability of mobile money among the university student. The independent variables for this study are the factors that the researchers perceived as important in acceptability of mobile money among the university students are perceived ease of use, perceived usefulness, peer group influence and knowledge. Other demographic factors considered as control variables are age, gender, program of study faculty and department.

Perceived Ease of Use and Acceptability of Mobile Money

Perceived ease of use (PEOU) has been defined by Davis (1989) as "The degree to which a person believes that using a particular system would be free from effort". If the technology is easy to use, then the barriers conquered. If it is not easy to use and the interface is complicated, no one has a positive attitude towards it.

Specifically, Omol, Abeka, and Wauyo (2017) found that perceived ease of use as a significant factor on the acceptability of mobile money among the variables used in the study in Kenya.

Ezeh and Nwankwo (2018) confirmed that perceived ease of use, perceived financial cost, and Amount of information about mobile money are the important influencer for the intentions to accept mobile money. However, perceived usefulness, perceived credibility, perceived expressiveness and self-efficacy are not important in predicting the intentions of south-east customers to accept mobile money. Their study provides new information about an emerging market and technology to the practitioners, government and academics. The study extends the understanding of TAM to newly emerging contexts such as the mobile money in South east of Nigeria.

Despite many studies that examined the influence of perceived ease of use on the acceptability of mobile money few studies were conducted in Nigeria and to

the best of the researcher's knowledge no study was found to be conducted in North-Western Nigeria especially among university student. Therefore, in line with this gap in the literature, the following hypothesis is developed.

H1: Perceived Ease of Use has a significant positive influence on students' acceptability of mobile money
Perceived Usefulness and Acceptability of Mobile Money

Perceived usefulness (PU) is the degree to which a person believes that using a particular system would enhance his or her job performance (Abd. Hamid, Abdul Razak, Abu Bakar, & Wong Abdullah, 2016; Davis, 1989). It means whether or not someone perceived that technology to be useful for what they want to do. Previous studies established a relationship between perceived usefulness and acceptability of technology.

It is also found that Structural assurance greatly influence behavioural intention to adopt the use of mobile money for the promotion of mobile banking in under developed countries. In line with that, Bangazi and Lau (2017) found that structural soundness of service providers of mobile money and their ability to upgrade the service with low perceived risk in Uganda mobile money.

More so, Belanger and Carter (2008) established that absence of trust might affect the widespread acceptance of mobile money. Likewise, Kumar, Martin, and O'Neill (2011) widespread acceptance of mobile money in India was as a result of simplicity and usefulness. However, despite all the literatures on influence of perceived usefulness on acceptability of mobile money to the best of researchers knowledge no study was undertaken using these same variables and peer group influence as moderator it was based on this literature gap this hypothesis is developed.

H2: Perceived usefulness has a significant positive influence on student acceptability of mobile money.
Knowledge and Acceptability of mobile money

Knowledge refer to fact, information and skills through experience or education; the theoretical or practical understanding of a subject.

Specifically, Yahaya and Othman (2014) in their study titled determinants of Attitude of Customer towards

usage of Islamic Credit Card as new technology. After the regression analysis they found that trust is significant factor on Islamic credit card users and out of five variables used, financial cost, trust and knowledge expressed the different attitude among the users of Islamic credit card. While perceived usefulness and perceived ease of use have no influence in forecasting attitude in subscribing the use of Islamic credit cards in Malaysia.

Christiane and Tsanga (2018) found significant factors of social influence, cost mobility, speed and perceived usefulness were positive factors and age and quality as negative factors and established that knowledge and mobile phone sensitization will help in accessibility of mobile financial services of Kambewa Division in Kenya.

Rebecca et al (2018) in their study revealed that relative increase in mobile phones skills results to the adoption mobile money, functions and applications were used and found that English literacy has no influence on the adoption as well as application.

Despite the fact that many studies that examine influence of knowledge on the acceptability of mobile money, however, to the best of researchers' knowledge no studies was conducted using peer group influence as moderator and was not conducted in this geographical area of North-western Nigeria especially among university students, it is based on this research gap this hypothesis was developed.

H3: Knowledge has a significant positive influence on student acceptability of mobile money.

Peer group influence and acceptability of mobile money

Peer group influence refers to peer pressure or influence is when you do something you wouldn't otherwise do, because you want to feel accepted and valued by your friends. Peer influence can be positive or negative. Coping well with peer influence is about getting balance right between being yourself and fitting in with your group.

A group of people who share certain social characteristic, such as age, class, occupation or education, and interact on a level of equality. An individual may be a member of several peer groups, including friends, schoolmates, and co-workers. Peer groups are important in specialization, as individuals attempt to conform to the expectations of their peer groups.

Kim and Song (2009) their study empirically examined the research model attempting to explain factors influencing individuals' adoption intention and actual use of blueberry. The result of the study revealed that all independent variables had a significant impact on the likelihood of blueberry adoption, as well as actual use of technology. In the study of Lema (2017) found that significant influencers of the adoption of mobile financial services were perceived cost, social influence and perceived usefulness where perceived trust, perceived risk and perceived ease of use were insignificant factors on the usage of mobile financial services.

In this research, peer group influence is used as a moderator and to find out which of these variables have the most influence on students acceptability of mobile money.

Technology Acceptance Model (TAM) is one of the most utilizes models for studying acceptance of new technology (Davis, 1989). The model suggests that when users are presented with a new technology, a number of factors influence their decision about how and when they will use it notably.

Technology Acceptance Model is an information system theory that models how users come to accept and use a technology. The actual system use is the end point where people use the technology. The behavioral intention (BI) is influence by the attitude (A) which is generally impression of the technology

Perceived ease of use (PEOU) Davis (1989) defined it as "the degree to which a person believes that using a particular system would be free from effort". If the technology is easy to use then the barriers conquered. If it is not easy to use and the interface is complicated, no one has a positive attitude towards it.

External variables such asocial influence, peer group influence are also important factors to determine the attitude, when this things (TAM) are in place people will have the attitude and intention to use the technology. However the perception may change depending on age and gender because everyone is different (Davis, 1989).

According to Lema (2017) in his study on factors influencing the adoption of mobile financial services in the unbanked population. The study revealed that perceived usefulness, perceived cost and social influence had a significant influence on the adoption of mobile financial services. Perceived ease of use, perceived risk and perceived trust were found to have an insignificant influence on the adoption of mobile financial services.

More so, Munir and Idrus (2013) used the TAM model with perceived ease of use and perceived usefulness to study the acceptance of mobile financial services in Makassar city. The result revealed that perceived ease of use and perceived usefulness have a significant influence on the adoption of mobile financial service. Where perceived usefulness have a greater influence on the adoption behavior than perceived ease of use.

Using TAM Sayid, Echchabi and Aziz (2012) studied in Somalia on mobile financial services adoption. They added security, perceived risk and social influence and their study found that perceived usefulness and social influence are the only significant factors influencing the adoption of mobile financial services. But their finding on the perceived ease of use was inconsistent with many studies conducted on the basis of TAM which has shown a significant influence on adoption.

Dass and Pal (2011) also used TAM in exploring the factor affecting the adoption of mobile financial services by the rural under banked in India. Their model has seven constructs which are: Hardship, financial services and demand for banking faced in existing channel of banking, perceived usefulness of mobile financial services (MFS), Trust, Technology readiness, Ease of use and perceived financial cost. The study found that absence of trust; financial cost and technology were significant factors to mobile financial services adoption.

According to Ezech and Nwanko (2018) they found that perceived ease of use, perceived financial cost and amount of information about mobile money are the important factors influencing for the intent of the acceptability of mobile money in south east of Nigeria.

Baganzi and Lau (2017) examine Trust and Risk in mobile money acceptance in Uganda they found that

mobile money customers depend on structural soundness of mobile money service providers and their ability to provide the efficient service with low perceived risk, performance expectancy, perceived risk

and structural assurance significantly influenced behavioural intention to accept mobile money.

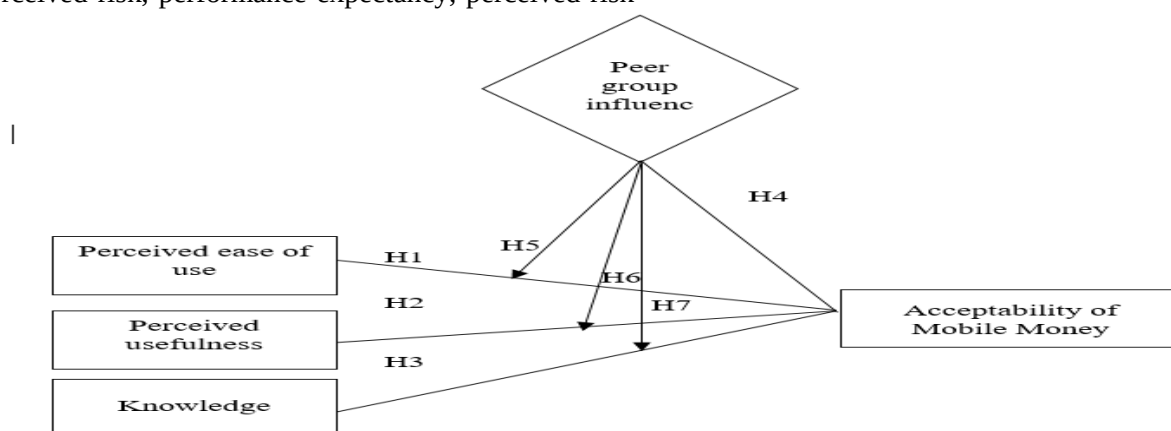


Figure 1: Research Framework

3. Methodology

This research is a cross-sectional design that focused on collecting of data at one point in time. The survey used a structured questionnaire which was distributed to the respondents who are the students of Federal University Dutse, the total number of 300 students were sampled across the six faculties of the institutions involving the students from all levels. The questionnaire was design based on five 5 Likert scale ranging from 1- poor, 2- fair, 3- good 4 and 5 representing very good and excellent respectively.

The questionnaire was distributed to the respondents through self-administered method which was choose in order to give the respondents room for any query and clarification offered. The items of the questionnaire were adopted from the study of Yahaya and Othman (2014) with a little modification to cater for the peculiarity of this study, the data were analysed using SPSS and PLS-SEM.

4. Result and Discussion

This section presents the results of the study for both the preliminary analyses in terms of response rate and demographic analysis of the respondents and Partial Least Squares Structural Equation Modelling (PLS-SEM).

4.1 Response Rate

The total of three hundred questionnaires was distributed to the target respondents. Two Hundred and Thirty-Four (234) were retrieved and out of the retrieved questionnaires (60) sixty were found uncompleted and therefore not considered for inclusion in the analysis. The (174) One Hundred and Seventy-Four dully completed questionnaires were used for the analysis. This gave us the response rate of (78%) Seventy Eighty percent which is far greater than the minimum threshold of (30%) (Shekaran, 2003). The table below summarize the response rate analysis.

Table 1. Respond Rate Analysis

S/N	Distributed Questionnaires	Number	Percentage
1	Total number of questionnaire distributed	300	100%
2	Total number of retrieved questionnaires	234	78%
3	Total number of un-retrieved questionnaires	66	22%
4	Total number of dully completed questionnaires	174	58%
5	Total number of uncompleted questionnaires	60	20%

Source: Survey

4.2 Demographic Profile of Respondents

This section discusses the demographic profile of the respondents in terms of gender, age, faculty and level of the respondents.

Table 2 Demographic Profile of Respondents

Demography	Category	Frequency	Percentage
Gender	Male	123	70.7
	Female	51	29.3
Age	18-20	37	21.3
	21-24	100	57.5
	25-30	31	17.8
	Above 30	6	3.4
Faculty	Agriculture	34	19.5
	Art and Social Sciences	23	13.2
	Basic Medical Sciences	29	16.7
	Computing	23	13.2
	Management Sciences	44	25.3
	Sciences	21	12.1
Level	Level 100	8	4.6
	Level 200	76	43.7
	Level 300	35	20.1
	Level 400	48	27.6
	Level 500	7	4.0

Source: Source: PLS-SEM out-put

Out of the total number of dully completed questionnaire, One Hundred and Twenty-Three (123) were male representing 71% of the respondents while 51 representing 29% were female this signifies that the gender distribution of the respondents is skewed to male category with the above percentage of 71% as against 29% of the female.

The age distribution of the respondents which is categorized under four (4) groups (18-20) brackets of age has the total number of (23) participants indicating 21% the next group of (21-24) age brackets has total number of hundred (100) participant indicating 58% while the group (25-30) age bracket has the total number of 31 indicating 18% and last group of (above 30) as six participant indicating 3%.

The distribution of the respondents by faculty is 33 participants from faculty of Agriculture representing 20%, 23 participants from the faculty of art and Social Science representing 13%, from the faculty of Basic Medical Sciences the number of participants was 29 indicating 17% of the total respondent other respondent are 23,44 and 21 representing 13%, 25% and 12%.

From the faculty of Computing, Management Science and sciences respectively. The distribution of respondent by level of studies is 8 participants from level 100 representing 5%, 78 from 200 Level representing 44 participants and 35 from level 300 representing 20%. Others are 400 level, 48 participants representing 28% and 500 level with 8 participants representing 4%.

4.3 Partial Least Squares Structural Equation Modelling

Analysis using Partial Least Squares Structural Equation Modelling (PLS-SEM) is conducted using two-step process recommended by Hair, Sarstedt, Hopkins, and Kuppelwieser (2014). These processes required the evaluation of measurement and structural

models. The measurement model is used to evaluate the validity and reliability. Thus, upon confirming the validity and reliability of the data through measurement model, then, structural model is deployed to test the hypothesis and evaluate the fitness of the model.

4.3.1 Measurement Model

In measurement model

Table 3: Indicator Reliability, Composite Reliability and Average Variance Extracted (AVE)

Constructs	Indicators	Loadings	Composite Reliability	AVE
Acceptability of Mobile Money	AMM1	0.84	0.92	0.74
	AMM2	0.92		
	AMM3	0.87		
	AMM4	0.79		
Knowledge	KNW1	0.83	0.869	0.69
	KNW3	0.82		
	KNW4	0.84		
Perceived Ease of Use	PEU1	0.82	0.91	0.716
	PEU2	0.91		
	PEU3	0.88		
	PEU4	0.76		
Perceived Usefulness	PU1	0.62	0.77	0.64
	PU2	0.95		
Peer Group Influence	PGI1	0.71	0.87	0.63
	PGI2	0.91		
	PGI3	0.80		
	PGI4	0.74		

Source: PLS-SEM out-put

PLS algorithm was used for the measurement model in order to test indicator reliability, composite reliability and average variance extracted from the output indicators reliability were found to be more than minimum acceptable threshold of 0.7 for all the indicators loadings, with exception of one item from perceived usefulness PU 1 which loaded 0.62 which is also accepted according to

The reliability of the measures was tasted using composite reliability in which all the construct surpassed the minimum threshold of 0.70 (Hair et al

2014). This indicates the attainment of internal consistency reliability.

The table 3 above further indicate that the convergent validity which test the extent to which items that should be related to each other are really observed to be related to each other is attained with the outer loading of the indicators ranging from 0.62 – 0.95 this indicate that the lowest loading which is 0.62 is more than the minimum threshold of 0.40 that must be deleted from the scale in accordance with (Hair et al 2014). Furthermore, the average variance extracted for the construct were all above the minimum acceptable plaintiff of 0.50

Table 4: Heterotrait-Monotrait Ratio (HTMT)

Constructs	AMM	KNW	PEU	PGI	PU
Acceptability of Mobile Money					
Knowledge	0.46				
Perceived Ease of Use	0.74	0.52			
Peer Group Influence	0.50	0.38	0.48		
Perceived Usefulness	0.62	0.90	0.67	0.48	

Source: PLS-SEM out-put

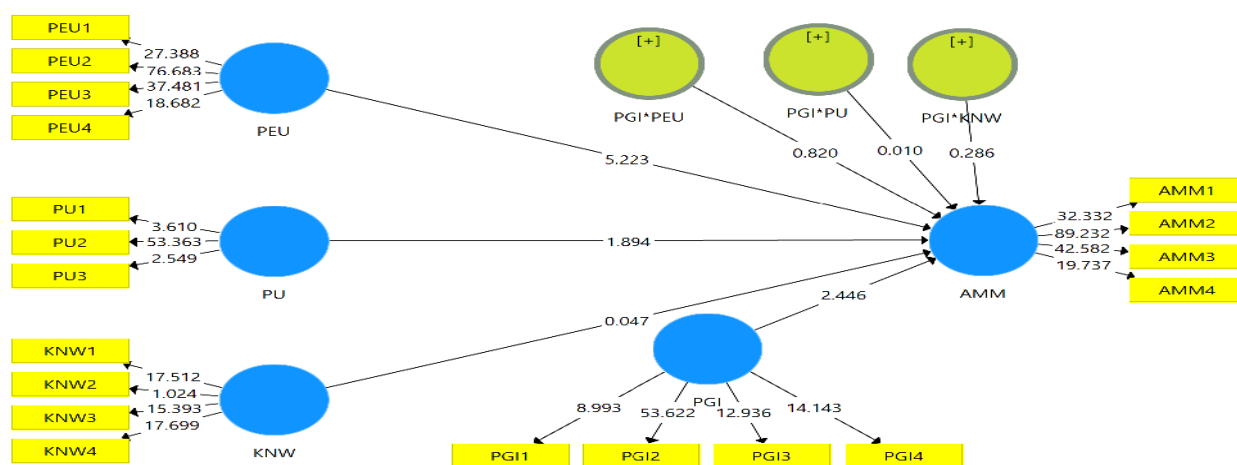
4.3.2 Structural Model

Figure 2: Structural Model

Table 5: Assessment of Path Coefficient for Hypotheses Testing

Hypotheses	Beta	SE	T Stat	P Values	Decision
Knowledge -> Accept of Mob Money	0.00	0.09	0.03	0.49	
Per Ease of Use -> Accept of Mob Money	0.51	0.09	5.67	0.00	Supported
Per Usefulness -> Accept of Mob Money	0.15	0.09	1.66	0.05	Supported
Peer Group Infe -> Accept of Mob Money	0.20	0.08	2.45	0.01	Supported
Peer Group Inf *Knowledge -> Accept of Mob Money	-0.04	0.10	0.42	0.34	
Peer Group Inf*Per Ease of Use -> Accept of Mob Money	0.06	0.08	0.84	0.20	
Peer Group Inf*Per Usefulness -> Accept Mobile Money	0.01	0.11	0.12	0.45	

Source: PLS-SEM out-put

The variance of the independent variable explained by each of the dependent variable is indicated in the values under path coefficient so knowledge has zero coefficients which indicate non-existence of relationship with acceptability of mobile money and therefore not supported the hypothesis.

However, Perceived ease of use with beta of 0.51 T-statistics 5.67 and p value of 0.00 indicate a strong significant relationship between the variable supporting the hypothesized relation earlier mentioned.

More so, Perceived usefulness has the beta value 0.15 and T-statistics of 1.66 with P values of 0.05 revealing

the positive and significant relationship between the variables. This result supported the hypothesize relationship.

Likewise, the moderating variable, Peer group influence with beta result of 0.20, T-Statistics of 2.45 and P values of 0.01 also indicated a significant relationship between peer group influence and acceptance of mobile money and therefore the hypothesis relationship was supported.

The path coefficient indicates that all the moderating prediction of peer group influence on the relationship between perceived ease of use and acceptance of mobile money; perceived usefulness and acceptance of mobile money fails. Peer group influence appeared not to have moderated the relationship the above mentioned variables with very low beta values and T-state values with high P values. Therefore, all the hypothesize relationship of the moderating was not supported.

Table 6: Assessment of Coefficient of Determination (R^2)

Dependent Variable	R Square	R Square Adjusted
Acceptability of Mobile Money	0.48	0.47

Source: PLS-SEM out-put

The coefficient of determination (R^2) present the predictive power of the model it is the overall contribution of the independent variable on the prediction of the independent variable on the prediction of the dependent variables the R^2 value of 0.19 indicate a low predictive value, R^2 value of 0.33 indicate a

moderate influence of the model while the R^2 value of 0.67 indicate a substantial influence of the model (Chin 1998)

The R^2 value in this model as indicated in the table 6 is 0.48 which means the model has a moderate influence.

Table 7: Assessment of Effect Size (F^2)

Constructs	Effect Size (F^2)
Knowledge	0.001
Perceived Ease of Use	0.331
Peer Group Influence	0.049
Perceived Usefulness	0.026

Source: PLS-SEM out-put

The part coefficient discusses above gave us the relationship and individual contributions of the independent variable on the explained variable, but the effect size of the individual independent variables on the dependent variable was not captured. The effect size assessment therefore provided the impact of each of the independent variables on the dependent variable. According to (Cohen, 1988), the effect size F^2 is categorized into three (3) each representing the predictive power of a particular variable with 0.02, 0.15 and 0.35 as small, moderate and substantial predictive power respectively.

Therefore, in this model knowledge with 0.001 has no any significant effect size. Perceived ease of use on the other hand has effect size of 0.331 which is slightly below the substantial impact of the independent variable (perceive ease of use) on the dependent variable (Acceptance of Mobile Money). Peer group influence with 0.049 effect size and perceived usefulness with 0.026 effect size both have small predictive impact on the dependent variable.

Table 8: Assessment of Predictive Relevance (Q^2)

Dependent Variable	SSO	SSE	$Q^2 (=1-SSE/SSO)$
Acceptability of Mobile Money	696.00	458.14	0.34

Source: PLS-SEM out-put

The predictive accuracy of the model was examined using Q^2 value which provides the extent of the models predictive relevance. According to (Hair et al. 2014) the Q^2 value indicates a predictive capacity of a model if it is larger than zero.

The Q^2 of the model in this study as indicated in the table 8 is 0.34 which is larger than zero and hence indicate the predictive relevance of model.

5. Conclusion and Recommendations

The study examined acceptability of mobile money among University students with moderating effects of peer group influence. The finding reveals that perceived ease of used, perceived usefulness, peer group influence have significant influence on acceptability of mobile money among University students. However, knowledge did not have effect on the acceptability of mobile money among University student likewise peer group influence fail to serve as a moderator in these relationships.

The study has number of implications. Firstly, the study has implication to theory specifically it contributes to

the expansion of Technology Acceptance Model through the integration of knowledge and peer group influence as additional variable to the model. Interestingly the study confirmed that peer group influence is an important variable to consider when deploying TAM in student samples.

Secondly, the study has implication for future research. In thus, future researcher should explore the moderating effect of PGI in other context especially among less educated youth. The fact is that peer group influence may fail to moderate TAM relationships among educated students considering their self-regulatory efficiency in addition offer moderators such as education level should be explored as potential moderators in TAM relationships.

Lastly, the study has practical implication it shows that there's high acceptability for mobile money among University students. Thus, small businesses operating within University should be automated to enable them take and various digital and cashless transactions.

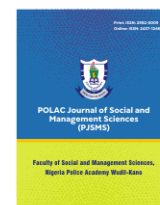
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INTERNAL AUDIT AND FINANCIAL PERFORMANCE OF LISTED FIRMS IN NIGERIA

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Abstract

Many businesses all over the world are collapsing today. However, there are many factors that could lead to the collapsing of firms; the study examined the impact of internal audit on financial performance of listed firms especially in Nigeria because of the vital role it plays in safeguarding the resources of businesses. The findings of the most of the studies reviewed had shown that internal audit had a positive significant effect on financial performance of listed firms in Nigeria. Thus, the study recommends that Institute of Internal Auditors in Nigeria should put place a strong internal auditing mechanism and procedure so as to ensure the continued existence of all areas of business in Nigeria, the internal auditors in Nigeria should look at the complete internal control system and see in what way they can work effectively to ensure the sustainability of firms in Nigeria, the Institute of Internal Auditors in Nigeria should strongly sensitize their members on dangers of involving themselves in an unethical behavior in the course of carrying out their audit assignments in order to prevent businesses in Nigeria from collapsing.

Keywords: Internal, Audit, Firms, Performance, Financial, Nigeria.

1. Introduction

Financial performance is crucial to investors and other stakeholders. This is because they use it in measuring the general financial conditions of businesses within a particular period of time as well as comparing the companies that are producing goods or providing services that are looking alike (Eshna, 2022, Abdulwahab, et al. 2023). Financial performance is an indication that a firm is doing well (Angelia et al., 2021). It is believed that through financial performance, shareholders could know the successes of managers in managing the activities of firms for a specific time.

Fatihudin et al. (2018) stated that the financial performance was actually studied in order to know ideal principles that were made available with the data that were imputed from the practical truth of the company. They believed that the financial performance could describe the well-being of the firm in running its resources. The financial variables of performance were observed as the yardstick for a company assessment and performance (Bouteina &

Abdeslam, 2021). Financial performance is fundamental to managers because it is the outcome that an employee or staff in a company have accomplished in connection with their responsibility and authority to achieve the objective lawfully, not in violation of law as well as not in unethical and immoral manner (Hansen & Mowen, 2005).

Internal audit function plays an important part in helping firms to accomplish their goals and protecting their resources (Alqudah et al., 2019). It is an important tool used by management in achieving control in businesses (Eulerich & David, 2019). Al-Matari et al., (2014) have claimed that suitable firm decisions of managers at all level are dependent on the uprightness, genuineness and dependability of operating and business information that are obtained from various business units. Ljubisavljevic and Jovanovi (2011) have stated that internal audit report was a means through which managers and internal audit could pass information and vital strategies which would result in successful management of the firm. Shaban and Barakat (2023) have asserted that internal

audit serves as guiding principles for internal auditors to follow in discharging their statutory functions

Numerous studies have been carried out on the relationship between internal audit and firm performance and in those studies to the best of knowledge of the researchers, most of them revealed that internal audit had a positive significant impact on firm performance and some of those studies are (Hutchinson & Zain, 2009; Newman & Confort, 2018; Enekwe et al., 2020). However, surprisingly, a negative significant association was found between internal audit and firm performance in the study conducted by (Muchiri & Jagongo, 2017).

Internal Audit Function in Nigeria had been open to problems and dangers to neutrality and autonomous (Adeyemi, 2022). Adeyemi asserted further that intimidations, personal relationship and social pressure were some of the threats that internal audit function were exposed to in Nigeria.

Oji (2018) reported in Business News, the Guardian Newspaper that the Institute of Internal Auditors had acknowledged that registered poor internal auditing was the main danger to the sustainability of firms in Nigeria. According to the Institute, Oji says that auditors in Nigeria needed to enhance their oversight responsibilities particular in the areas of internal control systems so as to decrease threats connected with businesses failure to a reasonable level. Adebayo (2021) has reported in Independent Newspaper, Nigeria that Dr. Jackson Okpachui, chairman of the Heads of the Internal Audit forum to have said that quacks had been evading standards and ethics of their professions thereby reducing the quality of internal audit. The rest of this paper is structured as follows: Section two reviews the literature and theoretical framework. Section three discusses the research methodology. Section four discusses the results and section five discusses the conclusions and recommendations.

2. Literature Review

2.1 Conceptual Issues

Internal Audit

Abdulwahab, et al. 2023, Botez and Melega (2020) have described internal audit as the third streak of

protection. Gupta (2001) has observed internal audit as autonomous assessment established in a business to evaluate its activities as a service to the firm. Shaban and Barakat (2023) have defined it as a vital function in a firm which aids in ensuring compliance with the rules, recognize possible threats and enhance business productivity. Lenz and Hoos (2023) have defined the term internal audit as an independent, unbiased assurance and consulting activities planned to enhance worth and increase the operations of the firm.

Financial Performance

Precious et al.(2022) have defined financial performance as a biased measure of how better a business is able to utilize its resources from its main mode of trade and make returns for investors. Mwangi (2016) has described performance as a method of determining the outcomes of operations and guidelines in financial term. Chukwu et al., (2022) have referred to financial performance as an indication of how healthy a firm is. Midecha (2022) has defined financial performance as the outcome that was achieved because of the activities that are added by individuals and components of the firms.

Internal Audit and Financial Performance

El-Bannany et al., (2022) have studied the impact of internal audit on financial performance of companies in United Arab Emirates. The results of their study showed that the correlation between internal audit and financial performance was significantly positive.

Jude and Paago (2022) have examined the effect of internal audit practices on business performance of listed manufacturing companies in Nigeria and it was found that internal audit had a positive correlation with performance.

Midecha (2022) investigated the impact of internal auditor's role on firm performance of firms in Kenya in which the study showed that there was a positive association between internal audit and firm performance.

Muchiri and Jagongo (2017) have evaluated the effect of internal audit on financial performance of public establishments in Kenya. The results revealed that there was no significant positive relationship between the two variables i.e internal audit and performance.

Newman and Comfort (2018) examined the relationship between audit value creation and its impact on financial performance. The results showed a positive association between internal audit and firm performance.

Ezeiofor and Erhirhie (2018) have assessed the impact of audit quality on firm performance of deposit money banks in Nigeria and the findings of their study revealed a positive correlation between audit quality and financial performance.

Bengrich and El Ghadouia (2020) have studied the effect of internal audit on the total firms in the Souss Massa region in Morocco and it was found that internal audit had significant impact on financial performance.

Enekwe et al (2020) have analyzed the influence of internal audit quality on performance of registered manufacturing businesses in Nigeria and it was discovered that internal audit had a positive connection with firm performance.

Hazaea et al (2020) have carried out a study on effect of internal audit quality on performance of Yemen deposit money banks. The findings revealed a positive significant of internal audit on performance.

2.2 Theoretical Framework

Agency Theory

Jensen and Mickling (1976) propounded the agency theory. The theory explains the relationship between the principal and the agent. The audit serves the interests of shareholders and the management and if shareholders and management seek to maximize their utility, the agents may perhaps prioritize their interests over the interests of the shareholders.

Policeman Theory

Adams (1974) propounded the policeman theory. The theory states that internal auditing is responsible for searching, detecting and preventing fraud. It focuses on a designed internal audit to safeguard the assets of the firms and aid in the verification of accounting information for decision purposes.

3. Methodology

This study reviewed existing studies on the impact of internal audit on financial performance of some listed firms especially in Nigeria from 2001- 2023. The study used previous studies on the impact of internal audit on financial performance as the sources of data for this study.

4. Results and Discussion

The researchers have reviewed many studies relating to internal audit and financial performance. The findings of almost all the studies reviewed by the researchers have shown that internal audit had a positive correlation with financial performance but surprisingly the study conducted by Muchiri and Jagongo (2017) which had assessed the influence of internal audit on financial performance of public establishments in Kenya showed that there was no significant positive relationship between internal audit and financial performance. In the course of reviewing relevant studies on what financial performance was, the researchers had discovered that there were divergent views on the definition of financial performance by researchers. Internal audit functions in Nigeria are completely not independent and as a result they would not be able to do their audit work effectively and efficiently. The researchers have also discovered in the course of their study that some internal auditors in Nigeria had been involved in immoral and unethical behaviors in the course of discharging their audit assignments thereby risking the resources of businesses.

5. Conclusion and Recommendations

The researchers have concluded based on the results of the studies reviewed on the correlation between internal audit and financial performance that internal audit has a positive significant effect on financial performance of listed firms particularly in Nigeria.

The following recommendations are made based on the findings of the reviewed studies on the effect of internal audit on the financial performance of listed firms particularly in Nigeria:

(i) The Institute of Internal Auditors in Nigeria should put place a strong internal auditing mechanism and procedure so as to ensure the continued existence of all areas of business in Nigeria.

(ii) The internal auditors in Nigeria should look at the complete internal control system and see in what way they can work effectively to ensure sustainability of firms in Nigeria.

(iii) Internal audit function should be completely free and should be distributed excellent resources for effectiveness.

(iv) The Institute of Internal Auditors in Nigeria should strongly sensitize their members on dangers of unethical behavior in the course of carrying out their audit assignments to their clients in order to ensure the survival of firms in Nigeria.

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EFFECT OF TRAINING AND MANPOWER DEVELOPMENT ON EMPLOYEE PERFORMANCE: EVIDENCE FROM UNITED BANK FOR AFRICA MAIDUGURI BORNO STATE, NIGERIA

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Abstract

The study examines the effect of training and manpower development on employee performance at United Bank for Africa Maiduguri, Borno State. The data was collected using a questionnaire distributed to different levels of employees, with 64 respondents. The study found no significant relationship between on-the-job training and employee performance with a significant level of 0.608, but off-the-job training had a moderate direct impact with a significant level of 0.009. Coaching and simulation had a positive relationship with employee performance, with a significance level of 0.025. The study recommends that UBA bank emphasize both off-the-job training and coaching and simulation for staff, with a pay-less focus on on-the-job training. Staff training should be seen as a right, not a privilege, and effective strategies should be adopted to evaluate the results of training. Training should not be seen as a routine activity but as an important aspect of personnel management, a constant and continuous exercise.

Keywords: Training and Manpower Development, Employee Performance, UBA Bank Maiduguri.

1. Introduction

In accordance with the Association for Talent Development (ATD), businesses with extensive training programmes outperform businesses without institutionalized training by 218 per cent in terms of revenue per employee. However, compared to companies that invest less in training, these companies have a 24 per cent higher profit margin. It makes sense to continue investing in training and development even when the economy is struggling (Berger & Berger 2003). The chance to pick up new skills and advance in one's career is one of the most alluring perks for a worker. The organization gains from investing in training and development for staff because employees are better prepared to handle any problems at work. The likelihood that a person will stay in their present position is significantly increased by a company's growth prospects (Miller & Kaufman 2017).

Undoubtedly, provided with the necessary training to complete tasks effectively and efficiently, employees

are prone to be very dedicated to their work. Additionally, staff development and training boost commitment to the organisation while also improving employee job satisfaction (Mohr, Troltsch & Gerhards 2015). Several organisations think that investing in their workers through training is essential to enhancing employee competency and obtaining a substantial return on their human capital investment by means of increased job commitment and high employee retention (Khan, 2021).

Building a strong internal training programme and offering opportunities for career advancement not just aid in building an excellent team of current employees, but they are also effective tools for luring and keeping top talent (Banks, 2020). Organisational performance is heavily dependent on employee performance because a company's human resource capital is essential to its development and success. To put it another way, employees should receive appropriate training and development to improve their performance (Khan & Khan, 2011). Additionally, managers must first

recognise the advantages of training for both the organisation and its staff members, then emphasise the training needs of the employees, and finally have a successful training plan that is at the core of the organization's goals and objectives (Hutchinson, 2018).

UBA Maiduguri's human resource development is undervalued, with low priorities for short-term training and employee empowerment. Insufficient HRD efforts and inadequate assessment of training needs hinder organizational functioning and productivity. Any organisation that trains its human resources to be creative, innovative, and inventive will ultimately improve performance and gain a competitive advantage in today's competitive society (Jelena, 2007). Employee performance is significantly influenced by training and development. It aims to raise both their present and future performance (Anam et al., 2013). However, this study examines the effect of training and manpower development on employee performance at United Bank for Africa Maiduguri, Borno State, Nigeria, focusing on on-the-job training, off-the-job training, coaching, and simulation aspects.

Research Objectives

This study aim to investigate the effect of on-the-job training, off-the-job training, and coaching and simulation on employee performance at United Bank for Africa Maiduguri Borno State.

2. Literature Review

2.1 Conceptual Issues

Training and Development

The majority of corporate training initiatives have historically taken place in classroom settings. The majority of an employee's knowledge and skills, however, are actually acquired through work. The creation and administration of efficient on-the-job training programmes, also known as organised on-the-job training, are a challenge for many businesses and human resource professionals (Ahadi & Jacob, 2017).

On-the-Job Training (OJT)

On-the-job training is a practical method for teaching staff organizational systems and job-specific skills, boosting productivity and performance. This approach significantly impacts organizational growth, positioning companies to compete and maintain their top position

(Maurya, 2020; Jagero et al., 2012). On-the-job training equips employees with skills relevant to their specialization, providing a unique perspective on the business world, work environment, employee mind-set, and organizational culture for new employees to adapt to (Bernardo et al., 2014).

On-the-job training involves developing business skills and abilities for employees to perform specific jobs in the workplace, requiring them to apply their knowledge (Vasanthi & Basariya, 2019). Although daily OJT experience is very important, employees should be aware that they cannot choose the cases they will encounter or the kind of experience they will gain. They would struggle to be competent if they solely relied on OJT due to differences in experience. It would take a long time to transfer knowledge and develop new skills (Yokoyama, 2019). It was further explained that on-the-job training includes job rotation, coaching, mentoring, apprenticeship, and understudying. Rotation of Jobs (Vasanthi, & Basariya, 2019).

This approach describes the process by which a trainee gains proficiency in a variety of jobs or duties within an organisation over time. The trainee follows the schedule or timetable as they move from one task to the next (Adeleye et al., 2014). Job rotation involves trainees switching between creative tasks, acquiring new skills and acquiring general knowledge, increasing job satisfaction and productivity (Tuei & Saina 2015; Saravani & Abbasi, 2013).

Off-the-Job Training (OFJT)

This training approach includes workshops on communication, T-group and laboratory training, as well as "board trips" outside the country. This tactic seeks to make sure that workers are fully cognizant of both their own behaviour and how it is viewed by others. The "participants" become more conscious of and embracing of their differences as a result. In this type of training, it is common to put together small teams of eight to fourteen strangers with the assistance of a trainer. During the conversation, staff members talk about themselves, their emotions, and the group process (Kum et al., 2014).

Coaching and Simulation

For a long time, coaching has been viewed as a one-on-one learning and development strategy that entails a cooperative, reflective, and goal-oriented relationship in

order to help the coachee reach their professional goals (Smither, 2011). According to Grant (2012), coaching is a chosen, predetermined intervention that helps staff members achieve and maintain optimistic changes in their personal growth and leadership behaviour.

Training/Development and Employee Performance

This study takes into consideration related literature to the variables under study that used related organizations as case studies. For instance, in Zenith Bank Plc, the relationship between productivity and manpower training was studied by Bature et al. (2013). Chi-square analysis was used to gather the data from the questionnaire and to analyse it. Simple regression analysis was used to analyse secondary data that was taken from Zenith Bank's annual report and financial statements. The study found a link between Zenith Bank Plc's productivity and the cost of training its workforce.

Verma and Goyal (2011) investigated the effects of insurance training on worker output. Techniques for correlation and regression analysis were used to analyse the study's data. The outcome demonstrates that Life Insurance Corporation's training programme is average, and employee perceptions of training and development are similar. Through the Tertiary Education Trust Fund's (TETFund) Academic Staff Training & Development 2010 Sponsorship of a few chosen Nigerian higher education institutions. Gambo (2015) investigates the relationship between training and worker productivity. The findings showed that programmes for training and development enhance employees' technical know-how to meet modern-day challenges, as well as their skills and performance at work.

The study by Dang Kum, Cowden and Karodia (2014) investigates how ESCON employees performed after receiving training and development. For this study, which used a quantitative approach, participants were chosen through a random sampling method. As a result, information was gathered using a questionnaire. The results show that poor working conditions and a lack of resources have an impact on an employee's training and development. Ameer-ul and Hanif (2013) conducted a further study on training, employee development, and performance in the Pakistani city of Lahore's hotel sector. The managers of the Savoey Hotel conducted the interview, and various hotel managers also received

the questionnaire. The outcome demonstrates unequivocally that training affects employee performance directly and tends to raise the general actual performance of employees.

Singh (2015) investigates the impact of training and development initiatives on Bharat Heavy Electricals Limited employees' output. According to the study, BHEL's training and development programmes have a positive impact on employee productivity. Elnaga and Imran (2013) conducted yet another study on the impact of training on employee productivity. The study found that training is crucial to helping both new and experienced employees develop the competencies they need to do their jobs well.

Using First Bank of Nigeria Plc as a case study, Malaolu and Ogbuabor (2013) examined the effects of training and manpower development on employees' productivity and organisational performance in Nigeria. The 75 participants in the study were selected using simple random sampling, and they completed structured questionnaires. Using a descriptive statistical analysis the study found that, the majority of respondents (70%) agreed that training and human resource development had improved their effectiveness and output at work. Ghafoor Khan, Ahmed Khan and Aslam Khan (2011) examine how training and development affect the effectiveness of the organisation. The findings indicate that organisational performance is significantly influenced by training and development, on-the-job training, training design, and delivery methods, all of which have a positive impact. Asfaw et al. (2015) 2015 studies the effect of employee performance and effectiveness on training and development at the District 5 Administration Office in Addis Abeba, Ethiopia. A cross-section institutional-based quantitative research design was used for the study. A hundred (100) employees' data were gathered using the Likert scale tool after participants were chosen employing a systematic random sampling technique. The study found that employee performance and effectiveness were positively correlated with training and development.

Similarly, Amin, et al. (2013) demonstrates a favourable correlation between all of the study's variables. Development, on-time training, organisational policies, on-the-job and off-the-job training, and job performance all have a positive and

strong relationship with training benefits. On-time Training, organisational policies, On-the-Job and Off-the-Job Training, and Job Performance all have a positive and strong relationship with Development. The relationship between on-time training and organisational policies, on-the-job and off-the-job training, and job performance is positive and strong.

Falola et al. (2014) analyse the impact of employee performance and organisational competitive advantage on training and development in the Nigerian banking sector. A simple random sampling technique was used to select 223 banks in Lagos State, South-West Nigeria, to complete questionnaires as part of a descriptive research method for the study. The outcome demonstrates a significant link between employee performance, training, development, and competitive advantage. Chen (2014) investigated how training affected employee rehire. The study discovered that training improves organisational performance and organisational strategy, which in turn influences employee retention and the expansion of human capital. Additionally, he discovered that not enough money is being spent on training initiatives because some employers view training as a costly risk.

2.2 Theoretical Literature

Human Capital Theory

The underpinning theory for this study is Human Capital Theory. The theory suggests human capital, including knowledge, abilities, and skills, is valuable for productivity and economic expansion. Investments in employee training and development improve performance. Businesses benefit from Human Capital Theory by providing development and training opportunities, enhancing employee productivity,

Independent Variable

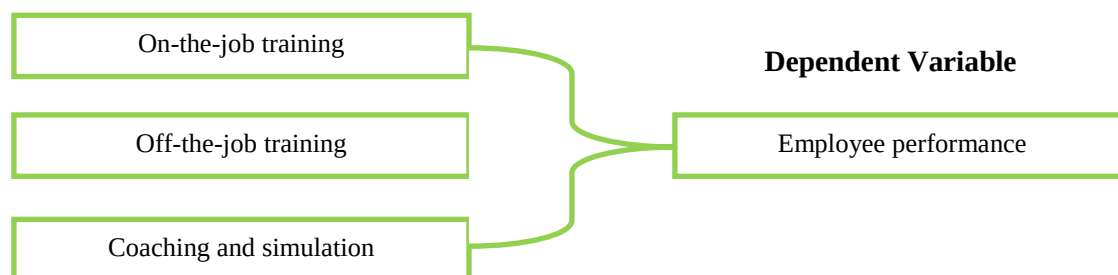


Figure 1: Conceptual Framework of variables

This study's conceptual framework is based on the idea that training and development methods, such as off-the-

job training, on-the-job training, and employee mentoring and coaching, are independent variables that

efficiency, and effectiveness, leading to improved performance outcomes. Several studies have shown a connection between employee performance and training and development, which is consistent with the tenets of the human capital theory. For instance, a study conducted by Javed, Raziq, and Khan (2017) looked at the effect of training and development on worker performance in Pakistan's banking industry. The study found a link between training and development programs and employee performance. Similar to this research, Wani and Malik (2015) looked at the connection between employee performance in the Indian banking industry and training and development practices. Fekete-Farkas, Farkas, and Mati (2018) also looked at the effect of training and development on worker performance in Serbia's hospitality sector.

These studies show that investments in training and development have a positive effect on employee performance, which empirically supports the Human Capital Theory. Organisations can improve their human capital and achieve better performance outcomes by providing employees with new skills, knowledge, and competencies.

2.3 Conceptual Framework

UBA Banking Organization requires employee training and development to maintain productivity and competitiveness. Understanding organizational performance and knowledge transfer factors are crucial for human resource development (HRD), promoting a better work environment and increased productivity (Ichniowski, 2014).

job training, on-the-job training, and employee mentoring and coaching, are independent variables that

influence employees' performance, the dependent variable.

3.0 Methodology

3.1 Research Design

The study used a descriptive survey design to collect demographic data and survey responses. Using inferential statistical techniques, it investigated the relationship between training and manpower development variables and employee performance. SPSS was used for data analysis. The population of the study is made up of seventy (70) employees. A sensor sampling technique was used because the sample size and population were equal. A total of 64 questionnaires were retrieved due to difficulties in retrieving distributed questionnaires.

3.2 Data and Sources

Primary data served as the study's main source of data. This primary data was gathered from United Bank for Africa PLC employees in Maiduguri, Borno State.

3.3 Method of Data Collection

The primary data was obtained through oral interviews and questionnaires. Questionnaires are the main instrument on which the research survey was conducted. The questionnaires utilized a five-point Likert scale namely; strongly (SA), Agreed (A), Undecided (U), strongly Disagree (SD) and Disagreed (D).

3.4 Method of Data Analysis

Data coding of the questionnaires distributed was conducted using Microsoft Excel. The data collected were analysed using descriptive statistics such as frequencies, percentages, mean, and standard deviation. The study employed SPSS (Social Sciences Statistical Package) version 25 to analyse the data, using regression analysis.

4.0 Results and Discussion

Table 1. Descriptive Statistics

	Mean	Std. Deviation	N
Employee Performance	22.6875	1.35547	64
On-the-Job Training	22.0000	1.36858	64
Off-the-Job Training	20.7656	1.57099	64
Coaching and Simulation	21.8906	1.34657	64

Source: SPSS Output

All the dimensions of training and manpower development presented in Table 1 shows that all have an effect on employee performance. The dimensions which include: on-the-job, off-the-job, coaching and simulation all have mean values of 22.00, 20.77, and

21.89 respectively. This implies that they play an influential role on employee performance. Hence, it can be assumed that all the explanatory variables play an important role in determining employee performance of UBA Maiduguri, Borno State.

Table 2: Correlation between Dependent and Independent variables

		Employee_ Performance	On_the_Job_ Training	Off_the_Job_ Training	Coaching_and_ Simulation
Pearson Correlation	Employee_Performance	1.000			
	On_the_Job_Training	.077	1.000		
	Off_the_Job_Training	-.326	-.199	1.000	
	Coaching_and_Simulation	-.254	.181	-.027	1.000

Source: SPSS Output

The correlation coefficient indicates the strength and direction of the relationship between two variables. Pearson correlation was used to determine the relationship between training and manpower

development dimensions such as on-the-job with employee performance, off-the-job with employee performance, and coaching and simulation with employee performance.

The value of coefficient relation between variables 0.70–1.00 very strong association, 0.50–0.69, substantial association, 0.30–0.49 moderate association, 0.10–0.29 low associations, and 0.01–0.09 negligible association (Alwadaei, 2010).

As shown in Table 2, each of the dimensions of training and manpower development has a significant positive relationship with employee performance. These are on-the-job with employee performance ($r = 0.077$, $P < 0.001$), off-the-job with employee performance ($r = -0.326$, $P < 0.001$), coaching and simulation with employee performance ($r = -0.254$, $p < 0.001$).

4.1 Hypothesis Testing

Table 3. Model Summary

R	R Square	Std. Error	R change	Square	Sig. F Change	Durbin-Watson
.423 ^a	.179	1.25869	.179		.008	1.844

Predictors: (Constant), coaching and simulation, off-the-job training, on-the-job training

Dependent Variable: employee performance

Source: Extracted from SPSS Output

This analysis was done to find out how coaching, simulation, on-the-job training, and off-the-job training affect employee performance. Considering the findings from Table 3 above, the R² value is 0.179, which means that while 80.4% of the variation in the dependent variable is explained by factors outside the model, 17.9% of it is explained by the independent variables. It is clear from this that the explanatory variables were effective predictors of the dependent variables. The employee performance, the dependent variable and the set of independent variables including coaching and simulation, on-the-job training, and off-

The following preceding hypotheses were tested in the multiple linear regression analysis models by examining the relationship between coaching, simulation, on-the-job training, and off-the-job training and employee performance:

H₀₁: There is no significant relationship between on-the-job training and employee performance at UBA Bank Maiduguri.

H₀₂: There is no significant relationship between Off-the-job training and employee performance at UBA Bank Maiduguri.

H₀₃: There is no significant relationship between coaching and simulation on employee performance at UBA Bank Maiduguri.

the-job training were positively correlated, as indicated by the R-value of 0.423, which is 42%. The significant F-test demonstrates that the relationship between the independent and dependent variables is significantly predicted overall as ($P < .000$). Additionally, the Durbin Watson score (1.844) is now within the accepted range of 1.5 to 2.5. The Durbin-Watson value, which for these data is 1.844, is better the closer it is to 2. Which is so close to 2, demonstrating that the assumption of the error term's independence has almost certainly been satisfied.

Table 4. ANOVA

Model	Sum of squares	Df	Mean square	F	Sig.
Regression	20.693	3	6.898	4.354	.008 ^b
Residual	95.057	60	1.584		
Total	115.750	63			

Dependent Variable: employees' performance

Predictors: (Constant), coaching and simulation, off-the-job training, on-the-job training

Source: Extracted from SPSS Output

In relation to the aforementioned ANOVA Table 4, the overall model is significant, and the level of significance is .008 ($f(3, 60) = 4.354$, $p < .05$), which

indicates that the study's analysis of variance complied with acceptable standards. This demonstrates how well the model fits the study.

Table 5. Model of Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	33.104	4.256		7.778	.000
On-the-job training	.062	.120	.063	.516	.608
Off-the-job training	.277	.103	.321	2.686	.009
Coaching and simulation	.276	.120	.274	2.303	.025

Source: SPSS Output

Table 5 gives the following conclusions: The coefficient analysis shows the relationships between the dependent variable and the independent variables. Specifically, on-the-job, off-the-job, and coaching and simulation were found to be statistically significant at the 1% level, which supports the research hypothesis. This suggests that these factors have a significant impact on improving employee performance.

Therefore, an expression for the relationship between the dependent and the independent variables can be obtained in the form:

$Y = a + bv + e$ Where; Y= dependent variable which stands for employee performance in UBA Maiduguri
 a = constant, representing the unstandardized Beta coefficient (B) with value 33.10

b = the slope, which is the standardized Beta coefficient. However, when the variables above are substituted the following is determined:

$$Y(EP) = 33.104 + 0.062OT + 0.277OFFT + 0.276CS + e_1$$

Where: EP= employee performance, OT= on-the-job training, OFFT = off-the-job training and CS = coaching and simulation

In spite of the existence of other employee performance determinants, the regression equation above demonstrates that employee performance will be dependent on a constant factor of 33.104. Every additional unit of on-the-job training will result in a 0.62% (0.062) increase in employee productivity. Employee performance will be increased by a factor of 27.7% (0.277) for every unit added to off-the-job training, yet by a factor of 27.6% (0.276) for each unit added to coaching and simulation. On-the-job training, off-the-job training, coaching, and simulation are the proxies of the independent variables that help in

explaining variation in the dependent variable (employee performance), as shown in Table 5. The outcome demonstrates a favourable and significant relationship between the dimensions of training and manpower development and employee performance. This shows that off-the-job training, coaching, and simulation have a direct impact on the performance of UBA bank employees and that these variables are negligibly associated with employee performance. While the P-value for on-the-job training is insignificant (0.608).

Decision

The Hypothesis is tested at a 0.05 level of significance with a rule to reject the null hypothesis if the P value is ≤ 0.05 .

H_{01} : There is no significant relationship between on-the-job training and employee performance at UBA Bank Maiduguri. The P value for this study is 0.608 which is above 0.05 hence leading to a conclusion to accept the null hypothesis, which implies that on-the-job training does not have a significant statistical effect on employee performance.

H_{02} : There is no significant relationship between off-the-job training and employee performance at UBA Bank Maiduguri. The P value for this study is 0.009 which is below 0.05, hence leading to the conclusion to reject the null hypothesis. This implies that there is a statistically significant effect of off-the-job training on employee performance at UBA Bank in Maiduguri.

H_{03} : There is no significant relationship between coaching and simulation on employee performance at UBA Bank Maiduguri. The P value for this study is 0.025 which is below 0.05 hence leading to a conclusion to reject the null hypothesis. This implies that there is a statistically significant effect of coaching and simulation on employee performance at UBA Bank in Maiduguri.

4.2 Discussion and Findings

This study examines the effect of training and manpower development on employee performance at UBA Bank Plc Maiduguri Borno State. Results show coaching and simulation, and off-the-job training significantly improve performance, while on-the-job training does not. The results are presented below:

Table 1 gives the descriptive statistics results. The dimensions of the proxies of the explanatory variable have the following mean values: 22.00, 20.77, and 21.89 respectively, which shows that they have influence on employee performance. The Inter correlation between variables of the study indicates that there is a negligible relationship between all the study variables of training and manpower development and employee performance. The finding aligns with the empirical work of Alwadaei (2010); Shem and Ngussa (2017); Adeyi et al. (2018); Landa (2018); Nassary (2020); Nzowa (2020) and Kuruppu et al. (2021). The regression analysis R values for the regression model was determined as 0.423. This indicates the explanatory variables; on-the-job, off-the-job, and coaching and simulation have an effect on the level of employee performance that accounts for 42.3% of performance. Therefore, on-the-job, off-the-job, and coaching and simulation are good explanatory variables of the performance level of employees of UBA bank in Maiduguri.

The level of significance of the study is indicated by the probability of the f-statistic. The standard states that if the p-value is less than 0.05, the result is significant. The p-value in this study is 0.000, which is less than 0.05, showing that the model of the research is statistically significant. Training and manpower development are significantly correlated with employee performance and productivity. Finally, it is clear from the standardised values of the aforementioned tables that the training and manpower development in this study has a favourable effect on employee performance.

5. Conclusion and Recommendations

The success of every financial service providers relies heavily on employee performance, and training and manpower development has become an essential key for productivity. Banks, like all service providers, depend on employee performance to build and maintain its success. One of the ways to achieve high employee

performance is by giving workers a high-quality training. This study aimed to evaluate the level of employee performance with various dimensions of training and manpower development related to the theoretical model. The major findings are presented below.

The level of employee performance was found to be very high, with a mean value of 22.69 on a 5-point Likert scale. The major predictors for improving employee performance were identified as on-the-job, off-the-job and coaching and simulation with a mean of: 22.00, 20.77 and 21.89 respectively.

According to the findings presented in the report above, the adjusted R-square values for the regression model were found to be 0.179. This value indicates that the explanatory variables - on-the-job, off-the-job and coaching and simulation - used in the study explain approximately 17% of the variation observed in the level of employee performance. The remaining 83% of the variation in employee performance is explained by other variables that were not included in the model. According to the results of the study, there is no significant relationship between on-the-job and employee performance, indicating a negligible relationship which supports the hypothesis. While off-the-job, coaching and simulation was found to have significant relationship with employee performance which reject the hypothesis. Specifically, an increase in off-the-job, coaching and simulation training lead to an increase in customer satisfaction by 6.3%, 32.1%, and 27.4%, respectively. These findings are statistically significant with a precision level of 1%.

The findings of this study have important implications for both academics and managers of the bank under study. The significant relationship between off-the-job, coaching and simulation and employee performance highlights the need for banks to pay close attention to these variables as they impact the productivity of the bank. It is recommended that UBA bank should emphasize both on off-the-job training and coaching and simulation for staff, with a pay-less focus on on-the-job training. Staff training should be seen as a right, not a privilege, and effective strategies should be adopted to evaluate the results of training. Training should not be seen as a routine activity but as an

important aspect of personnel management, a constant and continuous exercise.

Suggestion for Further Research

Further research should be conducted to explore factors that affect the remaining 83% of the level of UBA

employee performance. These factors include work-life balance, motivation and leadership styles. Lastly, there is a need to uncover whether the results apply only in a Maiduguri context, Borno State.

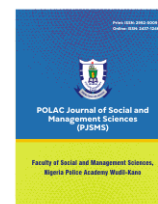
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IMPACT OF CLIMATE CHANGE ON ECONOMIC GROWTH IN NIGERIA

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Abstract

The study examined the impact of climate change on growth in Nigeria, employing the error Correction Model and ordinary least squares (OLS) estimation technique using data for the period 1981-2021. Changes in temperature and carbon emission were used to capture climate change, while energy consumption was used as a control variable. The results indicate that in the long run, carbon emissions affect growth adversely. In addition, energy consumption impacts positively growth in the short run and long run. These results imply that the Nigerian government should evolve and implement policies to curb carbon emissions. In particular, a National Climate Change Commission is required in Nigeria to deal with all climate change issues. Furthermore, the finding that energy consumption stimulates growth in Nigeria means that policymakers/governments at all levels in Nigeria should evolve and implement policies to encourage these desirable outcomes

Keywords: Carbon Emission, Temperature, Energy Consumption, Error Correction Model, Nigeria.

1. Introduction

Climate change refers to an alteration in the climatic and atmospheric conditions that distorts the frequency and patterns of the weather (Batten, 2018). The ozone layer loss on Earth has been attributed to climate change. Rising temperatures and modifications in the duration and intensity of the rainfall cycle, which can raise water levels and increase the frequency of natural disasters like storms, floods, and droughts, are examples of how climate change manifests itself. Extreme weather situations will undoubtedly impact various types of economic activity, so climate change is a prime example of an externality that dominates every political and media agenda (Tol, 2009).

Globally, most economies rely heavily on weather conditions as their base of production. Climate change is known to change these conditions, making economies vulnerable. According to the National Emergency Management Agency, in 2019, floods forced nearly 1.9 million Nigerians to leave their homes (Adejumo, 2021). Nigeria will lose between 6% and 30% of its GDP due to climate change by 2050, or between \$100 billion and \$460 billion, according to research done by the Department for International Development (DFID) in 2009. The body of research that attempts to quantify the impacts of climate events (temperature, energy

consumption, carbon emission, and other weather aspects) on economic performance (agricultural production, labor productivity, commodity prices, health, conflict, and economic growth) is relatively recent and primarily focused on short-run effects; see Stern (2007). In Nigeria, Efe (2009) looked into how climate change could affect people's ability to feed themselves and maintain their way of life in many Nigerian states, and Ubachukwu (2005) looked into how it might affect the productivity of crops in the Niger Delta. They learn that crop yields, seed availability, access to food, and food use are all significantly impacted by climate change. Odjugo (2005) examined the impact of climate change on Nigeria's socioeconomic development and found that it will have a severe impact on low-income and marginalized poor people in Nigeria. It will also make it more difficult to eradicate poverty because of the adverse effects that climate change will have on economic growth, the livelihoods and assets of the poor, and the level of risks to which they are exposed. The study investigates how climate change will affect Nigeria's economic growth; this paper structure includes the introduction, literature review, methodology, discussion, findings, conclusion, and recommendation.

2. Literature Review

2.1 Conceptual Review

Economic Growth: Economic growth, according to Dwivedi (2004), is an ongoing rise in national output or net national product per person. This means that the rate of growth in total output must outpace the rate of population growth. The most common metric for measuring economic growth is the gross domestic product, which can be real or nominal. The real GDP is the monetary value of goods and services after taking inflation into account, as opposed to the nominal GDP, which is the monetary value of goods and services produced in a given period.

Climate Change: The statistical distribution of weather patterns, such as temperature, precipitation, and so forth, undergoes long-term changes over a period ranging from decades to millions of years. It is described as statistically significant variations that last for a long time, typically decades or longer, by the Intergovernmental Panel on Climate Change (IPCC) in 2007. It is regarded as one of the greatest threats to humanity in the twenty-first century, and because of the impact it has on many different economic sectors, there has been much policy debate even on a global scale.

Measures of Climate Change

Temperature: It is possible to express how hot or cold something is using one of several scales, such as Fahrenheit or Celsius. The direction, in which heat energy will spontaneously flow, from a hotter (higher temperature) body to a colder (lower temperature) body, is indicated by temperature (Britannica, 2011). The international standard for measuring temperature in science is the Kelvin (K) scale. It is a scale of actual temperature, obtained by shifting the Celsius scale by 273.15°, making absolute zero coincide with 0 (K) (Britannica, 2011).

Carbon Emission: Carbon Emissions: greenhouse gas, carbon dioxide (CO₂) is a colorless, odorless, and non-poisonous gas produced by the burning of carbon and in the respiration of living things. Emissions are the amounts of greenhouse gases and/or their precursors that are released into the atmosphere over a predetermined area and time.

Energy Consumption: Kilowatt hours (kWh) are used to measure energy consumption, which is the entire amount of energy required for a specific procedure. This covers the use of gas, diesel, oil, electricity, and biomass. In reality, calculations based on estimates of global energy consumption by 2030 show that 496,805

square kilometers (191,817 square miles) of solar panels, working at a 20 percent efficiency, would be sufficient to meet all of the world's energy needs (Encyclopedia 2023).

2.2 Theoretical Review

Neo-Malthusian Theory: The Neo-Malthusian Theory will serve as the foundation for this study. According to this theory, tensions have increased as a result of long-lasting droughts, extensive deforestation, floods, water scarcity, and other climate-related problems. The theory has strong support because it is recognized that the overuse of finite natural resources as a result of population growth affects economic results.

2.3 Empirical Literature

Musibau (2021) examined the potential impacts of climate change on Nigeria's economic growth using time series data (1980-2017). To achieve this, a growth model modified from the Solow growth model was used after an econometric model based on theoretical and empirical literature in climate change economics was constructed. The study found that both the short- and long-term impacts of annual average rainfall on economic growth are substantial. The relationship between carbon emissions, foreign direct investment, gross fixed capital formation, and economic growth was also very positive and significant. The results also showed that the relationship between climatic variables and economic growth is stronger over time. Ogbuabor and Egwuchukwu (2017) looked into how climate change might affect Nigeria's overall economic expansion. With data from 1981 to 2014, the ordinary least squares (OLS) estimation method was applied. Changes in government spending, domestic private investment, and the exchange rate served as the controls while changes in annual rainfall, carbon emissions, and forest depletion were used to quantify climate change. The results show that carbon emissions have a negative long- and short-term impact on growth. Deforestation also has a short-term detrimental effect on growth. The Nigerian government should create and put into effect policies to reduce carbon emissions and forest depletion, according to these findings. In order to understand future prospects for agricultural and labor performance and expected losses as a result of the nation's aggregate income, consumption, and investment as a result of the much-anticipated rise in sea level, Elshennawy, Robinson, and Willenbockel (2016) critically examined the relationship between

climate change and economic growth in Egypt. They did this by using an intertemporal general equilibrium simulation analysis. The results of the simulation analysis were startlingly significant. They demonstrate that the absence of workable adaptation options will result in a 6.5% decline in the nation's GDP by 2050, as opposed to a 2.6% decline in GDP when meaningful adaptation policies are in place. People who are most susceptible to climate change should be cushioned and given assistance in adapting in order to combat this climate-induced impulse. Investments in diversification and irrigation should be heavily marketed.

3. Methodology

3.1 Research Design:

The data collected were sourced from the CBN Statistical Bulletin, World Bank Development Index and the Nigeria Meteorological Agency respectively for the period of 1981-2021. The data were analyzed using Descriptive Statistics, Correlation Analysis, Error Correction Model, and the Ordinary Least Square (OLS) techniques. Unit Root Test and Cointegration were used for the preliminary investigation.

3.2 Model Specification:

A model will be developed to conduct analysis properly and produce pertinent findings. We'll modify the model

developed by Ogbuabor and Egwuchukwu (2017). The model is specified as follows:

$$RGDP_t = \beta_0 + \beta_1 PRC_t + \beta_2 TEMP_t + \beta_3 HUM_t + \beta_4 CO_{2t} + \varepsilon_t \quad (1)$$

Real gross domestic product is used in the model as a function of precipitation, temperature, humidity, and a control variable to suit the goals of this study (carbon footprint). As a result, the model for this study is stated in its functional form below

$$RGDP = f(TEMP, CO_2, ENC) \quad (2)$$

The above model is econometrically represented below

$$RGDPPC = \beta_0 + \beta_1 TEMP + \beta_2 CO_2F + \beta_3 ENC + \varepsilon \dots (3)$$

Where:

RGDPPC = Real gross domestic product per capita

TEMP= Temperature

CO₂= Carbon Emissions

ENC = Energy Consumption

β = Beta coefficients

Where;

β₀ = constant term

β₁ = coefficient of precipitation β₂ = coefficient of

temperature β₃ = coefficient of humidity

3.3 Measurement of Variables

The theoretical and conceptual variables of interest are converted into a collection of particular studies.

Table 1: Variables

VARIABLES	VARIABLE TYPE	MEASUREMENT	SOURCE
Economic Growth	Dependent Variable	Economic growth is measured by the growth of domestic product per capita	Olowofeso, Adeleke and Udoji (2015)
Temperature	Independent Variable	Temperature is measured using annual temperature	Dell, Jones and Olker (2012)
Carbon Emission	Independent Variable	Carbon footprint is measured using CO ₂ emissions which are either caused directly or indirectly via the accumulated activity of a product	Lenzen (2006)
Energy Consumpti	Independent Variable	Energy consumption is measured using kilowatt	Ali et.al, 2021

Source: Authors' Compilation, 2022

4. Results and Discussion.

Descriptive statistics are used to provide the initial characterization of the data. The econometric analysis extends the statistical analysis with the aim of performing the empirical analysis and obtaining estimated coefficients that are valid enough to test the hypotheses of the study. Initially, we conduct descriptive statistics, correlation analysis, unit root test, and co-integration test for the four (4) variables. As

indicated in the previous chapter, Error Correction Model (ECM) and Multivariate Ordinary Least Squares (OLS) are employed in the econometric analysis.

The Eviews 8.0 econometric software was employed for the estimations.

4.1 Descriptive Statistics

The annualized descriptive summary statistics for the variables is presented in Table 2

Table 2: Descriptive Statistics

	RGDPPC	TEMP	CO2	ENC
Mean	1882.277	0.830744	0.696282	728.9907
Median	1685.201	0.841000	0.670000	721.8140
Maximum	2688.267	1.515000	0.874000	803.4300
Minimum	1388.535	-0.048000	0.481000	671.9070
Std. Dev.	466.2366	0.367026	0.097150	42.30981
Skewness	0.462134	-0.113227	0.276769	0.316123
Kurtosis	1.577292	2.545205	2.281307	1.736610
Jarque-Bera	4.677352	0.419444	1.337251	3.243317
Probability	0.096455	0.810810	0.512412	0.197571
Sum	73408.82	32.39900	27.15500	28430.64
Sum Sq. Dev.	8260310.	5.118907	0.358646	68024.55
Observations	39	39	39	39

Source: Author's Computation, (2022).

The descriptive statistics show that the mean economic growth value (RGDPPC) is 1882.277. The maximum value of 2688.267 is higher than the mean value and it suggests that the economy has developed better in some years than other years in the sample. This dissimilarity is further understood by the wide gap between the maximum (2688.267) and minimum (1388.535) values. The standard deviation value of 466.2366 is lower than the mean value (1882.277). This is an indication of high variability in terms of economic growth for the various years in Nigeria. The data set for RGDPPC is positively skewed to the right. Meanwhile, the Jarque-Bera values of 4.677352 reveal that RGDPPC clearly fails the significance test at the 5 percent level as shown in the probability value, an indication that RGDPPC is normally distributed.

In terms of the explanatory variables in the descriptive statistics, the mean values for the explanatory variables, that is, temperature (TEMP), carbon emission (CO2), and energy consumption (ENC) are 0.830744, 0.276769 and 0.316123; with their respective maximum values higher than their mean values. This goes to show that the climate change variables (temperature and carbon emission) and the control variable (energy consumption)

utilized in this study have moved above average for the period under study. These, however, were associated with high variability as demonstrated by the high values of their respective standard deviations. Their summary statistics for their respective skewness values 0.113227, 1.397582, and 0.215826 seems to be positively skewed to the right for carbon emission and energy consumption while that of temperature was negatively skewed; while their Jarque-Bera (J-B) statistic values fail the significance test at the 5 percent level. It implies that the probability of the data set for temperature (TEMP), carbon emission (CO2), and energy consumption (ENC) are normally distributed.

4.2 Unit Root Testing

The Augmented Dickey-Fuller (ADF) test is employed in order to analyze unit roots. This enables us to determine in, comparative terms, the unit root among the time series and also to obtain more robust results. Table 3 presents the results of the ADF test in levels and the first difference: the level is without taking into consideration the trend in variables. The reason for this is that an explicit test of the trending pattern of the time series has not been carried out.

Table 3: Unit Root Tests for Variables in Levels and First Difference

In Levels				At First Diff.			
Variable	ADF Test Statistic	95% Critical ADF Value	Remark	Variable	ADF Test Statistic	95% Critical ADF Value	Remark
RGDPPC	-0.0869	-2.9458	Non-Stationary	RGDPPC	-3.1861	-2.9540	Stationary
TEMP	-1.6457	-2.9411	Non-Stationary	TEMP	-8.6155	-2.9411	Stationary

Δ CO2	-3.3965	-2.9369	Stationary	Δ CO2	-9.7241	-2.9389	Stationary
Δ ENC	-0.9345	-2.9369	Non-Stationary	Δ ENC	-5.8619	-2.9411	Stationary

Source: Author's Computation, (2023).

The results show that the variables have one ADF value (GRRGDP) that is less than the 95 percent critical ADF value (in absolute values). The implication of this is that these time series are non-stationary in their levels. But for the first difference, it is seen that the ADF test statistic for each of the variables is greater than the 95 percent critical ADF value (in absolute values). With this result, these variables are adjudged to be stationary. This implies that the variables are stationary after the first difference, thus, we would accept the hypothesis that the variables possess unit roots as they are integrated of order one I[1].

4.3 Co-integration Test (Engle-Granger Two-Stage Residual Test)

Having established that the series in the analysis are not stationary in their levels (i.e. possess unit roots) but stationary in their first difference, the test to determine if they are cointegrated is performed. Accordingly, if the residuals from a linear combination of non-stationary series are stationary, then the I(1) series are co-integrated. Similarly, if the deviation of this long-run relationship is stationary, it implies that the variables are co-integrated. The Engle and Granger two-stage residual approach is utilized for the analysis. The results of the cointegration test are presented in Table 4.

Table 4: Engle and Granger Residual Based Cointegration Tests Results

Variable	Test Statistic	95 Percent Critical Value	Remark
Residual Vector	-3.5372**	-3.1199	Stationary

** (***) denotes rejection of the hypothesis at 5% (1%) significance level.

Source: Authors' computation (2022)

As can be observed from the Table 4., the test statistic of -3.5372 is greater than the 5 percent critical value of -3.1199, an indication that the residuals are stationary. This implies the existence of a long-run equilibrium relationship between financial climate change and economic growth in Nigeria. Given the existence of cointegration, the requirement for fitting in an Error Correction Model (ECM) is satisfied.

4.4 Parsimonious Error Correction Model (Short-Run) Analysis

The avenue through which the short-run dynamic model is linked with the long-run counterpart is referred to as the Error Correction Model (ECM). To account for the short-run relationships, we estimated an error correction model, and the results are shown in Table 5

Table 5: Error Correction Model (Short-Run) Regression Result

Dependent Variable = DRGDP			
Variables	Coeff.	t-stat	Prob.
C	-115.5888	-0.961582	0.3448
DRGDPPC(-1)	1.030415	33.26550	0.0000
DTEMP	75.76919	1.059159	0.2989
DCO2	18.42652	0.047282	0.9626
DENC	4.936513	2.860788	0.0081
ECM(-1)	-0.453831	-2.422678	0.0224
R ²	0.981194		
Adj R ²	0.977712		
F-stat	281.7472		
Prob.	0.000000		
D.W Stat.	1.535135		

Source: Author's Computation, (2022).

The model has a very high predictive ability as is shown in the R squared value of 0.98. This shows over 98 percent of the systematic variations in economic growth (RGDPPC) in Nigeria are captured by changes in the explanatory variables. The adjusted R-squared value of 0.97 is also very high and it implies that the model's predictive ability is very high, hence, it can be concluded that over 97 percent of the short-run systematic variations in economic growth (RGDPPC) are explained by the explanatory variables during the reference period. Hence, the adjusted R^2 shows that the regressors have adequately accounted for the variations in the dependent variable. The overall significance of the model including the reliability of the explanatory power is further confirmed by the f-value of 281.7472, which passes the significance test at the 1 percent level. Thus, the hypothesis of a significant linear relationship between economic growth (RGDPPC) and the independent variables is confirmed. The ECM coefficient has the correct sign and was significant at the 2% level. Thus, the model is able to correct for any deviation in economic growth from a short-run equilibrium situation to a long-run equilibrium. The coefficient of the ECM with a value of -0.453831 indicates that the speed of adjustment is about 45% which implies that the speed of adjustment in the long run when there is a temporary disequilibrium would be about 45 percent. The Durbin-Watson Statistic which is approximately 2 is in line with the theoretical expectation

which indicates the absence of autocorrelation in the model.

The relevance of each of the variables in the RGDPPC model is determined by considering the individual coefficients of the variables in terms of significance and signs. A close examination of the individual coefficient in the model reveals that the coefficient of 1 period lagged economic growth [DRGDPPC(-1)] is positive and statistically significant. This means that the previous period's lagged economic growth [DRGDPPC (1)] is a relevant factor to be considered in the determination of the current period of economic growth in Nigeria. The coefficient of temperature (DTEMP) is positive, though it is not statistically significant even at the 10% level. We find that the impact of carbon emission (CO2) is positive and not statistically significant, at least at the 10% level. Also, the coefficient of the control variable – energy consumption (DENC) is positive and statistically significant at the 1% level.

4.5 Long-Run Analysis

Following the establishment of the short-run relationship between the variables, we estimated the long-run relationship of equation 1. The multivariate ordinary least squares (OLS) results are shown in Table 6.

Table 6: Ordinary Least Squares (Long-Run) Regression Result

Dependent Variable = RGDPPC			
Variables	Coeff.	t-stat	Prob.
C	-3244.898	-4.018185	0.0006
TEMP	147.5762	1.464640	0.1572
CO2	-1312.548	-2.670734	0.0140
ENC	8.008205	7.716597	0.0000
AR(4)	0.439652	3.059231	0.0057
R^2	0.913082		
$Adj R^2$	0.897279		
F-stat	57.77820		
Prob.	0.000000		
D.W Stat	1.658300		

Source: Author's Computation, (2022).

The result shows that the serial correlation in the OLS results was corrected using the Concrate-Ocult Autoregressive AR (4). Convergence was achieved after 22 iterations with 27 observations included after

adjustment. The result shows an R^2 value of 0.913082 which indicates that about 91 percent of the total variation in the dependent variable (RGDPPC) is accounted for by the explanatory variables [i.e.,

temperature (TEMP), carbon emissions(CO₂), and energy consumption(ENC)]. This result remains robust even after adjusting for the degrees of freedom (df) as indicated by the value of adjusted R², which is 0.897279 (i.e. $\approx 89\%$). Thus, the regression has a good fit. The F-statistic, which is a test of the explanatory power of the model is 57.77820 with the corresponding probability value of 0.0000, which is statistically significant at 1%. This implies that the three explanatory variables (TEMP, CO₂, and ENC) have a joint significant effect on economic growth in Nigeria. The Durbin-Watson statistic of 1.658300 indicates we can completely rule out autocorrelation. A close examination of the individual coefficient in the model in the long run reveals that temperature fails the significant test at the 5 percent level; which means that temperature does not have any impact on economic growth in Nigeria in the long run. However, carbon emission exerts a significant negative impact on economic growth while energy consumption exerts a significant positive impact on economic growth in Nigeria in the long run.

4.6 Discussion of Findings

We summarize the main findings as follows. Out of the two climate change variables in this study, only carbon emission impacts negatively on the overall output growth of the Nigerian economy in the long run. This suggests that the Nigerian government must evolve and implement policies that will reduce the amount of carbon emissions in the country, especially those coming from the consumption of fossil fuels and gas flaring. The impact of temperature was not statistically significant at the 5% level in both the short run and the long run. This shows that this climate change variable is not an important climate change variable that affects economic growth in Nigeria. Contrary to expectation, the impact of

the control variable – energy consumption is positive and statistically significant in both the short run and the long run. This may be due to the surge in the demand for energy; the unrelenting increase in energy has helped swell economic growth in Nigeria. Consequently, this study will favor the continuation of efforts toward enhancing energy consumption in Nigeria.

5. Conclusion and Recommendations

This study examined the impact of climate change on economic growth in Nigeria. The OLS estimation technique was used on data for the period 1981-2021. Changes in annual temperature and carbon emission were used to capture climate change, while energy consumption was used as a control variable in order to obtain robust estimations. The study estimated an error correction model in order to account for both long-run and short-run relationships. The results indicate that in the long run, carbon emissions affect output growth in Nigeria adversely. In addition, energy consumption impacts positively on national output growth in Nigeria in the short-run and long run. the results imply that the Nigerian government should evolve and implement policies to curb carbon emissions. Government should evolve policies to encourage the use of environmentally-friendly equipment, machines, infrastructure, and technologies that generate minimal greenhouse gases, such as improved road and rail transport as well as the use of biofuels and energy-saving devices. A NCCC is obviously required in Nigeria to deal with all climate change issues. Furthermore, the finding that energy consumption stimulates output growth in Nigeria implies that policymakers and governments at all levels in Nigeria should evolve and implement policies to encourage these desirable outcomes.

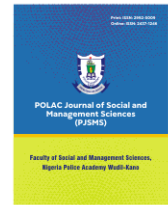
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INVESTIGATION OF SEXUAL ABUSE AMONG GIRL CHILD IDPS IN HOST COMMUNITIES IN JERE LOCAL GOVERNMENT AREA, BORNO STATE

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Abstract

The study investigates sexual abuse among girls' child IDPs in host communities in Jere LGA of Borno State. Girl-child sexual abuse has become a major issue of concern in most States affected by insecurity because the public, government and civil society organizations CSOs were outcry about it. The paper aims to examine the prevalence of sexual abuse among girl children, assess contributing causes of sexual abuse and evaluate reporting cases of sexual abuse among girl child IDPs in host communities in Jere LGA. The study employed a qualitative research design; 12 participants, including parents and stakeholders, were purposively selected. The data gathered from the field was analyzed using a narrative. The study found that all the stakeholders and parents were aware and revealed that sexual abuse was prevalent in the communities. The study further revealed many factors responsible for sexual abuse, such as local beliefs that the perpetrators would become rich if engaged in abusing children, settlers without their wives being present, Natural human urge and those looking for cheaper sex. The study also further revealed that parents were not reporting sexual abuse cases until or unless the situation became severe because of the fear of stigma. The study recommends that sensitization be made to people aware that sexual abuse attracts punishment, and government, religious/community leaders, and civil Society Organizations have to intensify efforts to curtail the menace of sexual abuse. It also recommended that Parents and guidance should not allow their girl child to move alone, particularly at night or in places without other people.

Keywords: Sexual Abuse, Sexual Violence,

1. Introduction

The insecurity erupted in the capital city of Borno state; later, it diffused to neighboring local governments, states, the northeast, and Nigeria as a whole. Therefore, the situation forced many residents to leave their original home abode and relocate to the Maiduguri Metropolitan and environs to save their lives. The menace created by the insurgents in that part of the country affected women and children the most. In addition, the situation brought many other antisocial vices among humanitarian crises in the form of a rise in human casualties, internally displaced persons, refugee debacles, food insecurity, the spread of various diseases, and sexual abuse among children, particularly girls' child IDPs living in the host communities. The World Health Organization (WHO) described child sexual abuse means "includes a child

who is unable to give consent, under compulsion, fear or any other circumstances, not prepared physically, mentally or emotionally for sexual activities, any illegal activity, other activity which not relates with the moral values of the society, child trafficking, child prostitution, child pornography, and many other similar acts, which are done against the will of the child in it". Gupta and Garg (2020) described sexual abuse of children as not a new phenomenon but have been prevailing worldwide since time immemorial. Every day, many children are sexually abused within the sphere of their own families. The major problem with the child abuse saga, it leaves many bad effects on victims, which include pain, fear, self-harm, sexual health, physical health, emotional and mental harm, guilt and shame, post-traumatic, stress disorder, impaired brain development, suicide attempt,

difficulties during adolescence, abusive behavior, and sexually transmitted diseases. In addition, the victim finds difficulty in making interpersonal relationships and intimate relationships with others due to unforgettable past experiences (Gupta & Garg, 2020: 1).

Despite the awareness campaign against sexual abuse by various governments, Civil Society organizations (CSOs), traditional rulers, religious bodies and security agents, the perpetrators continue harassing and abusing girl children. The essential causalities of child abuse are broken family children, Internally Displaced Person children, street children and poor children. Both boys and girls are vulnerable to child sexual abuse. As a result of this, research was conducted, and the result indicated that:

Girls are abused three times more often than boys, whereas boys are more likely to die or be seriously injured by their abuse. Sexual abuse can lead to trauma and stigma for a child and their family. The long-term health of a sexually abused child usually depends on the support of the family or community and protection from further harm (Lawler & Talbot, 2012).

They have reported Sexual abuse among women and girls living in internally displaced persons (IDP) camps in Borno, Yobe, and Adamawa states. Still, with the recent development of returning the IDPs living in various camps to their original localities by the government of Borno State, the perpetrators turned their activities on the girl child IDPs residing in the host communities within the capital city and environs. The victims had been displaced from several towns and villages. Inwalomhe (2021) argued that sexual abuse has a history that almost equaled to the history of man's creation. It is on record that the first recorded incidence of sexual abuse in the Bible was also in the Book of Genesis. Likewise, Islamic rape refers to unlawful sexual intercourse (Zina) with usurpation and without consent. However, there is a serious outcry among the government, Civil Society Organizations (CSOs), and the general public on the sexual abuse among children in Jere local government, particularly the girl child IDPs in the host communities.

Security challenges in the area of this Study (Jere Local Government Area) put women and girls into

serious psychological trauma and confusion. Because apart from the loss of lives of many of their loved ones and the failure of property; but recently, they are suffering sexual abuse at the hands of security agents whose were deplored to protect them in the camps and those residing within the host communities. The sexual abuse among girl child IDPs living in the host communities over the years has not only been perpetrated by their host, but their counterpart male IDPs within also perpetrates them sexually. Government at all levels were campaigning against sexual violence against women and girls; international, national and local NGOs also have championed the campaign on sexual violence against women and girls, yet the sexual abuse among girls' children persisted. What is the prevalence of sexual abuse in the eyes of the stakeholder? What are the predisposing factors led to the persistence of sexual abuse among girl child IDPs? Does cases of sexual abuse among girl child IDPs reported to the constituted authorities? All said and done, the problem with this study is the investigation of sexual abuse among girl child IDPs residing in the host communities in Jere Local government area, Borno State.

The objective of the study

The study's main objective is to investigate sexual abuse among girl children Internally Displace Persons (IDPs) in host communities within Jere local government, Borno State. The specific goals are to:

- i. Examine the prevalence of sexual abuse among girl Child IDPs in host communities in Jere Local Government Area;
- ii. assess the contributing factors for sexual abuse among girl child IDPs in host communities in Jere local government Area,
- iii. evaluate the reported cases of sexual abuse among girl children of IDPs in host communities in the Jere local government area.

2. Literature Review

2.1 Conceptual Issues

Concept of Sexual Abuse

Over the years, the state, religious clerics, security agents, and civil society organizations have warned and campaigned concerning sexual abuse and

exploitation against women and girls, but the situation persisted. Sexual abuse was rejected not only by the parents and constituted authorities but scriptures denied it. To bolster the persistent effect of sexual abuse, Gupta and Garg (2020) stated that it is not always in the news, the reason behind poor reporting of child abuse cases is the fear and the impact of the incident on the child's mind, which restrain the child from talking about the incident.

As a result of many forms of childhood sexual abuse, the act is very difficult to define. For example, Hall and Hall (2011) posit that "the sexual abuse can involve seduction by a beloved relative or a violent act committed by a stranger. Sexual abuse can be hard to define because of the many different forms it can take on, the different levels of frequency, the variation of circumstances it can occur within, and the different relationships that it may be associated with". On the other hand, Malts (2002; cited in Hall and Hall 2020) argued that sexual abuse occurs whenever one person dominates and exploits another using sexual activity or suggestion.

Any sexual abuse actor, attempt to obtain a sexual act, unwanted sexual comments or advances, or acts to traffic or otherwise directed against a person's sexuality using coercion by any person, regardless of their relationship to the victim, in any setting, including but not limited to home and work is considered sexual abuse.

Concept of Sexual Violence

Sexual violence against young girls is a pervasive multifaceted phenomenon which embraces several different forced sexual acts, including attempted and completed rape, sexual coercion and harassment, and sexual contact with force or threat of force (Barbara et al., 2022). In a variant view, World Health Organization (WHO, 2004) defined sexual violence as an act that encompasses acts ranging from verbal harassment to forced penetration, and an array of coercion, from social pressure and intimidation to physical force. World Health Organization also identified some predisposing factors that kept the victims from reporting their experience of sexual violence. There are many logical reasons women do not report sexual violence, including:

- i. inadequate support systems;
- ii. shame;
- iii. fear or risk of retaliation;
- iv. fear or threat of being blamed;
- v. fear or danger of not being believed;
- vi. fear or risk of being mistreated and socially ostracized.

Though male violence against women and girls is the most widely discussed from gender-based violence, it is also broadly recognized that teenagers and minors are often targeted for violence based on their gender, usually by young and older males. Several vulnerability factors are reported to be associated with an increased risk of sexual violence. In particular, young age, a history of rape or other forms of sexual violence, living in foster care, the presence of physical and mental disability, abuse of alcohol or other drugs, and experiencing an abusive intimate relationship expose them to a higher risk of sexual victimization (Barbara et al., 2022).

Prevalence of Sexual Abuse

More specifically, that review found that the average prevalence of reported childhood sexual abuse among females was around 7–8% in studies conducted by the World Health Organization (2004). However, the estimated prevalence was as high as 28% in parts of Eastern Europe, the Commonwealth of Independent States, Asia–Pacific, and North Africa. In general, child sexual abuse was more common among girls than boys; however, recent studies from Asia have found boys to be as affected as girls. The statistical analysis of Society- Crime & Law Enforcement (2018) indicated that Nigeria's average prevalence of sexual abuse was nine percent. In Gombe, the incidence was the highest in the country. According to the survey, 45 percent of individuals living in the state had experienced sexual violence. The second in the survey was Bauchi State with 21 percent, Ebonyi State came third with an 18 percent prevalence of sexual abuse, and the least sexual abuse prevalence was Taraba State with 12 percent.

According to the report by News & Press Release (2020), "about 3 in 10 Nigerians (26 percent) disclosed that they know someone who has been raped in the past, and the rape victims were particularly minors and young adults aged between 1 – 15 years (72 percent) and 16 – 25 years (24 per cent) respectively. This statistic implies that one in every three girls would

have experienced at least one form of sexual abuse by the time they reach 25 years". While they lament over women and girls whose violations occur within the purview of law and order, one wonders about the magnitude of rape and other forms of sexual abuse in our various conflict zones. Here, women and girls are easily captured, turned into sexual intercourse and violated at will. For example, on 7th May 2013, insurgents seized four women and eight children from a police barrack in Bama in Borno state.

Causes of Sexual Abuse

Many studies prove that only single factors are not responsible for child sexual abuse, but other factors are also accountable collectively for this repulse crime. For example, Gupta and Garg (2020) identified many factors that led to sexual abuse as follows: such as exploitation, poverty, stress, lack of education, poor health problems, hopelessness, unemployment, acquaintances, and age of parents as some of the factors responsible for child sexual abuse.

In another study, Hall and Hall (2011) described other factors responsible for childhood sexual abuse had been correlated with a higher level of depression, guilt, shame, self-blame, eating disorder, semantic concerns, anxiety, dissociative problems, repression, denial, sexual problems and relationship problem.

Despite the widespread outcry over the rising cases of rape in Nigeria, there seems to be no end to the nemesis. There is no day in the country without a reported case of sexual violence, especially rape, in the media. One contestable reason for the apparent rise of sexual violence in Nigeria could be that sexual violence victims are becoming more encouraged to report such crimes. However, there could also be an increase in the rate of sexual violence in Nigeria.

Problems of Reporting Cases of Sexual Abuse

Much sexual abuse in Nigeria is not adequately reported because some parents and victims are not reporting it to the appropriate authorities; in short, only a few are being reported. Russell, Dalby and Hart (2017) point out that "as with sexual violence against girl's child, however, these prevalence rates may be low due to reporting issue: in developed setting, where reporting is typically stronger, the most broadly cited prevalence rates of child sexual abuse is in 6 for boys

approximately 17% compared to 1 in 4 girls approximately in 20%".

Chandran, Bhargava, and Kishor (2018) stated that sexual abuse cases were underreported in Nigeria and worldwide. Child sexual abuse remains an underreported crime worldwide, despite extensive research and resources committed to improving investigative techniques and helping children disclose their experiences. They further stated also that.

Even underreporting, India has the world's largest child sexual abuse cases, so one can only imagine the real numbers. Every 155th minute a child is less than 16 years and for every 13th-hour child under ten is raped. One in every ten children is sexually abused at any point in time.⁴ Studies propose that over 7,200 children, including infants, are raped every year, and it is believed that several cases go unreported. In addition, it is estimated by the government that 40% of India's children are susceptible to threats like being homeless, trafficking, drug abuse, forced labour, and crime (Chandran, Bhargava, & Kishor 2018; p57).

The cases reported that about 335 persons had experienced different forms of Sexual and Gender-Based Violence (SGBV) in Nigeria's first four months of 2022. Gender-based violence is a phenomenon that stems from gender inequality and remains one of the most serious human rights violations in all nations. "Gender-based violence is violence directed against a person because of their gender. Both women and men experience gender-based violence, but most victims are women and girls, (Adegdigba, 2022)".

2.2 Theoretical framework

This study adopted the rational choice theory, known as choice theory or reasonable action theory, which is a framework for understanding and often formally modelling social and economic behaviour. Hayward (2007) traced its origin to the eighteenth-century classical ideas of Cesare Beccaria (1764-1963) and Jeremy Bentham (1789-1882), who were inspired by the then-radical utilitarian philosophies of Locke and Hume. The theory assumes that an individual has preferences among the available alternatives that allow

them to state which option they prefer. These preferences are supposed to be complete (the person can always say which of the two alternatives they consider preferable or that neither is preferred to the other) and transitive (Wikipedia, 2017). The rational choice theory involves the belief that crime is a direct result of the choices made by offenders based on their perceptions and calculations of the risks and rewards or benefits to be gotten from that (Brown, 2013). He noted that offenders often commit without much long-term thought or planning and choose their victims/targets based on the chances of getting caught (risks & rewards).

This theory suggests that offenders put much more effort and thought into the crime than in actuality or consequences. The offence is usually performed to meet the specific needs of the offender. In this case, it could be the perpetrator's choice or desire for sexual gratification, while on the victim's part; it could be to discipline or deal with the lady. Whichever way, it is assumed to be a choice. Brown further argued that the offender is usually preoccupied with the desire for short-term, simple benefits with little cost and accessibility rather than thinking critically about long-term implications and rational thought. Sexual abuse, therefore, appears more important at the moment than getting caught or going to prison later. Elements of opportunity, such as being with a female acquaintance in a lonely or dark place and (or) unguarded behaviour of the target who may be walking unaccompanied at night, could explain why people rape or become victims. The possibility of being a perpetrator or victim of sexual abuse in these instances could be perceived as a choice based on the opportunistic situation.

3. Methodology

The study is qualitative, with data sourced from stakeholders, such as Police, Nigerian Security and Civil Defense Corp (NSCDC), Civil Society Organizations (CSOs), Academia, traditional, religious, women, youth leaders and some selected parents (both males and females) in the study area. This study adopted a qualitative design to discover a wide range of issues and roles of stakeholders and parents in the sexual abuse among girl child IDPs in host communities in the Jere local government area.

Unlike quantitative studies, qualitative studies have no strict sample size and selection rules. Mahesh et al. (2011) stated that in qualitative research, the researcher's primary goal is understanding social processes rather than obtaining a representative sample.

The study was conducted in the Jere Local Government Area of Borno State. The Local Government Area was carved out of Maiduguri Metropolitan Council (MMC) in 1996. It lies within latitudes 11°40'N and 12°05'N and longitudes 13°50'E and 12°01'E, and it occupies a total landmass of 160 square kilometres. Jere has twelve (12) wards: *Dala-Lawanti, Dushman, Gamboru, Gomari, Gongulong, Koshebe, Lawanti, Maimusari, Mairi, Mashamari, Masu, Ngudda, Tuba*. Lawanti and Mashamari were selected as the study area due to the number of IDP settlements in the host communities.

The sampling design was based on a purposive selection of participants and discussants from various organizations. This sampling technique is justified by Alaba (2007), which shows that purposive sampling implies that a researcher should use some elements of his judgement in selecting an appropriate sample; it should also be based on the characteristics of a population and the objective of the study.

A total of 12 respondents participated in the study, including stakeholders and parents. The researchers collected primary data through an In-depth interview (IDI) with male and female parents. The study also generated data through key informant interviews (KII) conducted with Police, NSCDC, and CSOs academic representatives. Other interviewees were traditional, religious, youth, and women leader representatives. The researchers further gathered secondary data from Books, Journals, Published and unpublished materials, report from the government and CSO and the internet, respectively. Finally, the data collected from IDI and KII interviews were transcribed and analyzed in the form of report writing through a prose style.

4. Results and Discussion

Prevalence of Sexual Abuse

Part from the insecurity in Borno state put in many residents, the post-insurgency era came with another devastating phenomenon called sexual abuse. Sexual abuse among children has become a serious social

problem in many communities in Jere's local government. The study revealed that all the interviewed participants were aware of the sexual abuse among girl child Internally Displaced Persons (IDPs) in host communities in Jere local government. In an interview with a police officer on the question of whether his awareness about the happening of the sexual abuse among girl child IDPs in host communities, he revealed that:

Yes, because sometime last month somebody came here with the nine (9) year old girl who was sexually abused by somebody who is advanced. We initiated the investigation process and took both victims and suspects to the hospital for medical examination (Police officer, 13th 10 2022).

This situation sometimes happens by force, or the perpetrators would take this chance to conduct their antisocial activities towards the girl's child, that is, sexual abuse. In the word of a community leader in a KII interview:

My reason for saying so if you look at the situation, those IDPs found themselves are residing within the host communities. Some of the men or boys outside would take the chance because these people living within their community are a settler; that is why, whether by force or the victim like it or not, they tend to have forced them to accept this request. But for the mature one among girl child IDPs, if they lack something and the perpetrator possesses what they lack, they would take or be influenced to be exposed or allow themselves to be abused (word head, 16/10/ 2022).

This result shows that all parents and stakeholders know about the sexual violence against the girl child IDPs in the host communities. A respondent was posed to a participant on the prevalence of sexual abuse among girls' child IDPs; this reflects in the word of a CSO officer:

The prevalence of this within the MMC and Jere LGAs is known because there is a report that shared that effect, and it is of a cause because of the conflict situation within the state (CSOs Participant, 21st 10 2022).

All the interviewed respondents responded that the prevalence of sexual abuse among the girl's child IDPs in Jere local government and environs is known to both parents and stakeholders. For example, a male parent noted that *it is frequent because, in a month, we used to*

get about two-three cases of sexual abuse, precisely rape, done without the victim's consent (male parent 17th 10 2022).

A variant view put forward by some religious leaders who revealed that:

It is not often, but sometimes it happens because of the greediness of the men. You know boys nowadays are even out of the power of their parents. Some other parents couldn't control their words; they were roaming around the streets, taking hard drugs; even you, as a father, cannot even call your son to order. Sometimes as a parent, you cannot even see him for up to one to three weeks; he will not even visit your house. He is going around following bad friends taking from their bad habits, so they are learning (religious leaders, 23rd 10 2022).

Further, the respondents were asked what categories suffered sexual abuse among girls' child IDP in the host communities. Two responses fell into two: those who said minors and those who said mature girls who suffered from sexual abuse. The police officer, in his words, argued that:

Some are minors, some are teenagers, and some are mature. If without the victim's consent, who has grown that act is rape, but the one with minors, even with the victim's permission, that consent is invalid in law—the consent of somebody who is minor, the victim. Little means girl child from 1-7-year-old, while teenager refers to girl child from 13-14 years old; they are teenagers (Police officer, 13th 10 2022).

Closely related to this is the argument put forward by another community leader from the Fori community, where he stated that: *fifty-fifty, but mostly, it is happening to the younger ones. The older ones, those who are up to the age, would not allow such a thing happened to them. But easily, underage people may have been insulted or shouted at; they complied with the perpetrator's request. The perpetrators used threats or intimidation by betting (word head, 16/10/ 2022).*

The existing studies have made it clear that Nigeria's average prevalence of sexual abuse was nine per cent. In Gombe, the incidence was the highest in the country. World Health Organization (WHO, 2004, News and Press Release, 2020). Nevertheless, this study finds that

the prevalence of sexual abuse is higher among minors, teenagers and mature ones, but children and teenagers suffer much.

Predisposing Factors of Sexual Abuse

Further findings revealed that the factors influencing the perpetrators to carry out sexual abuse are many, as one of the respondents stated:

There are so many cause agents: first, here we have the local belief that somebody engaged in rape will become rich. Second, some people are settlers without their wives being here; their wives are somewhere. The third is a natural human urge that galvanized them into the act. Fourth, some want to have cheaper sex; they only give the sweet or meagre amount to influence or convince them into their room or places available (Police officer, 13th 10 2022).

One can trace the history of sexual abuse among girls' children from time immemorial. Still, people are out cried because the government and CSOs intensified the campaign against it in these communities. In the word of female parents noted: this time, parents are no more sheerness; they can expose this kind of acts unlike before. Another respondent on the causes of sexual abuse stated:

The girl child, not being mature, is innocent and is the victim because the young person who doesn't know the consequences of what they are doing is still immature—only the perpetrators. The mature are guilty of their offence because they know somebody acquired the knowledge and is responsible for what they did (female parent respondent 17th 10 2022).

This finding was corroborated by the response from the KII conducted for the community leader, who explained that: *the causes of sexual abuse are: because the victims are IDPs and two they lack livelihood, and finally, their parents are poor, and they don't want to forward them to the appropriate authorities (word head, 16/10/ 2022).*

According to the findings from the question, is there any punishment for the perpetrators of sexual abuse among girls' children? A respondent of KII narrated that: *although the high court is doing the cases, there are punishments, not even at the magistrate level. I learned that 14 and above years is mated to the perpetrators who commit sexual abuse with minors or teenagers as punishment without a fine. Because the case is rampant,*

they want to curb it and deal with it as a deterrence to stop people (Police officer, 13th 10 2022). Another participant of KII asked the same question; he put it this way:

There are various punishments, such as; calling all the parents of the perpetrator to give them a strong warning and let him take care of their wards; if not, we will take drastic action against their son. Two, if he repeated it, we would have called them both parents and child; sometimes are even fine the parents to the highest money that will lead them to borrow, and by doing so, he had suffered. Third, we forward the matter to appropriate authorities, such as police stations or human rights organizations (word head, 16/10/ 2022).

The existing studies have proven that only single factors are not responsible for child sexual abuse, but other factors are also accountable collectively for this repulse crime (Hall and Hall, 2011; Gupta and Garg, 20220). However, this study finds out that every perpetrator of sexual abuse has a reason why they risked themselves in the act of sexual abuse; many have apprehended in the process. There is something that attracts each one, and it is not the same for everyone.

Reporting Sexual Abuse to the Authorities

The findings of this study revealed that the sexual abuse act has several channels one can report. Many respondents admitted that there are two prominent diversion positions among the respondents who participated in KII. This result contained as follows; a respondent, when asked whether parents are reporting those perpetrators who abused their child, stated that: *we, the Kanuri, have this kind of culture of shininess; not easy that the father will come and report such a matter to the appropriate authorities (police or traditional rulers) because of the stigmatization of their daughter and parents themselves (word head, 16/10/ 2022).* In a variant view by another respondent of KII:

It depends on one's age; sometimes, if it is a minor or teenager, the parent used to report, but if the victim is mature, they used to register by themselves. Additionally, in every police station, we have a counter; at the counter level, somebody hurt by goods or bodies will come to the counter and complain there. After receiving the case, the counter will refer it to

the crime range to initiate a process of investigation. There and then, the case will be investigated and transferred the case to the state CID for inquiry expansion or an in-depth analysis (Police officer, 13th 10 2022).

On the issues of measures taken by parents, community and religious leaders and constituted authorities, the Nigeria Security and Civil Defense Corps (NSCDC) stated that: but as leaders, even if the matter was not forwarded to us the moment we heard it, we immediately take action on the case to prevent future occurrences (NSCDC 19th/10/ 2022). Similarly, another respondent put it this way:

The measure taken is to urge our PPRO to announce it on radio and television, declaring the percussion consequences of this rape because some are illiterate; they didn't know that there should be consequences after committing the offence (Police officer, 13th 10 2022).

In the words of a religious leader during the key informant interview on the measures taken to apprehend and curtailed the sexual abuse, he stated that:

Sometimes the government called the traditional rulers (Bulama, Lawan and Ajiya) and religious leaders (Islam and Christianity) to sensitize them and create awareness because we are for the communities. Sensitizing, especially the parents, they should not allow the younger one to move alone. Because sometimes, they will be attacked by the attackers (Religious Leaders 23rd 10 2022)

This finding was also corroborated by another respondent who narrated that:

Immediately we heard such a thing happening within our locality; we would have to call an immediate meeting with the village head, that is, the Lawan; so; the village head would have called every community leader, religious leader, and elder to gather at the village head house to discuss such situation and find a solution, on how we could prevent such thing, next never happen again (word head, 16/10/ 2022).

The existing studies confirmed that much sexual abuse in Nigeria are not adequately reported because some parent

and victims are not saying it to the appropriate authorities. In short, only a few are being reported (Russell, Dalby and Hart, 2017; Chandran, Bhargava, and Kishor, 2018; and Adegdigba, 2022). Furthermore, this study finds out that many sexual abuse cases were not reported to the constituted authorities for some reason of stigmatization of the victims or the parents of the victims.

4.1 Discussion

Based on the findings established above, it is clear that the level of sexual abuse affecting the girl's child is real. The study's conclusions revealed that all the interviewee participants were aware of the menace of sexual abuse among girl-child IDPs in the Jere Local Government Area host communities. Some parents and stakeholders believed that sexual abuse is frequent because, in a month, they were experiencing about two-three cases of it. The result of this study is corroborated with findings by the World Health Organization (WHO, 2004), which revealed that the average prevalence of sexual abuse was nine per cent. The result further revealed that there are many causes of sexual abuse. The findings show that the police, CSO and community leader identified some reasons for sexual abuse, such as local beliefs that the perpetrators would become rich if engaged in abusing children, settlers without their wives being present, Natural human urge and those looking for cheaper sex. This result is in line with findings revealed by Hall and Hall (2011) noted that "only a single factor is not responsible for child sexual abuse, but other factors are also accountable collectively for this repulse crime". Data from the Study further revealed that the causes of sexual abuse are: because the victims are IDPs and two they lack livelihood, and finally, their parents are poor, and they don't want to forward the matter to the appropriate authorities. The study further revealed that parents were not reporting sexual abuse of their wards to the constituted authorities for fear of stigmatization. The study further shows that because of the culture of shininess, it is not easy for the father to report such a matter to the appropriate authorities (police or traditional rulers) because of the stigmatization of their daughters and parents. The study indicated that many cases of sexual abuse are not reported to the police, community and traditional leaders because of the fear of stigmatization.

5. Conclusion and Recommendations

Insecurity hindered peace and development, bringing other social problems that affected a population segment. Women and girls suffered much during the insurgency

but are still suffering from sexual abuse recently. The study investigates the sexual abuse among girls' child IDPs in the host community in Jere LGA. The study found that sexual abuse among girls' child IDPs in the host communities is prevalent; it has many causes, and parents were not reporting the matter to the authority's concern based on the fear of stigma, which the findings of the study revealed. Based on this, the results conclude that stakeholders and parents were aware of the menace but didn't report it to the authorities. Based on the preceding, the research findings are in line with the postulated theory of rational choice theory, which states that crime is a direct result of the choices made by offenders based on their perceptions and calculations of the risks and rewards or benefits to be gotten from the crime committed. Therefore, the theory is deemed fit to explain the problem.

- i. People should be made aware that it attracts so and so punishment; so that thing can deter

people; religious leaders have a major role to play that rape is seriously against religion;

- ii. Religious, community leaders, judges, police and other security organs have a lot of roles to play in checkmating the attitude to reduce or stop sexual abuse in society.

- iii. Government should intensify the effort to arrest the situation immediately. If the government gives a helping hand, like the International Non-Governmental Organizations (INGOs) did, the problem will not only reduce, but society will apply to improve.
- iv. Parents and guidance should not allow their girl child to move alone, particularly at night or in places without other people.

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TRADE AND HOUSEHOLD PARTICIPATION IN NIGERIA

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Abstract

The study investigates the relationship between trade and households' participation in Nigeria from 1991 to 2020. The secondary data used for the study were gotten from the Central Bank Statistical Bulletin and World Bank Database, while the Fully Modified Ordinary Least Square (FMOLS) method was adopted for analysis. Import, export, foreign direct investment, and exchange rate were used to proxy trade, while per capita income was used to represent household benefits from trade. The unit root result showed all variables are of order 1, while the trace and the max-eigen result of the Johansen cointegration showed the existence of a long-run equilibrium relationship among the variables. The study concludes, based on the FMOLS result, that trade is beneficial to households and that exports deteriorate household welfare. The study thus recommends that there is a need for urgent monetary efforts to stabilize the exchange rate in Nigeria and that the government should formulate policies to make exports beneficial to households participating in trade.

Keywords: Trade, Import, Export, Household, Fully Modified Ordinary Least Square.

1. Introduction

The inability of individuals, societies, and nations to meet all their needs and consume all they have or have produced ignites trade, as it ensures efficient and effective distribution of resources. Trade generally (internal and external) has remained a veritable tool in the achievement of every nation's macroeconomic objectives, aside from its role in the economic growth and development of emerging and developed countries (Osinusi et al., 2022). Trade was identified and recognized by the United Nations committee as a major source for the attainment of the 2030 development agenda, especially among developing countries like Nigeria (Tipping & Wolfe, 2016). The great importance and gains from external trade have made its advocacy very popular with the proposition of theories such as the Heckscher-Ohlin model, the Ricardian comparative advantage model, the Leontief paradox, and so on. However, despite the global trade expansion in recent years, trade in Africa has not fully developed as a result of poor institutional development over the years, which has resulted in most countries on the continent lagging behind the world poverty line and becoming the world poverty epicenter (Abubakar

et al., 2021). The problem of trade underdevelopment across Africa led to the initiation and signing of the African Continental Free Trade Agreement (AfCFTA) in 2019 to establish a unity product market and, more importantly, to allow free entry and exit of businesses and investments.

Trade involves the exchange of goods and services that are produced and rendered by individuals and firms (that are constituted by households); as such, household participation in trading activities is key in every economy. In recent years, the clamour for trade openness and globalization has fully incorporated household benefits. This is because both trade openness and globalization are aimed at eliminating poverty among households within every economy (Mohammed et al., 2019). Whereas, the effect or impact of either trade openness or globalization on household poverty level, which is a measure of their participation, depends on the country's import and export volume, tariffs, exchange rate, and so on (Nwafor, Kanayo, & Adenikinju, 2004). However, with Nigeria's economic level of natural resource endowment, which is expected to facilitate and expand trade, the reverse is the scenario, as the country's trade

position has always been disheartening, with the aftermath effect of increasing poverty among individual households that participate in trade.

Although in the past decade progress has been recorded in the world in the fight against hunger and household poverty as a result of increased food production, which brings about increased market participation, Unfortunately, despite this success, most households are still food insecure and do not benefit from trade participation (FAO, IFAD, & WFP, 2015; Sibhatu, Krisha, & Qaim, 2015). According to the Food and Agriculture Organization's 2018 global estimate, Sub-Saharan Africa has the world's highest number of undernourished people, with Nigeria being the poverty center; it was also reported that 54% of households are living below US\$1.9 daily (NPC & ICF, 2014; World Bank, 2018). The government's lack of exchange rate management has always resulted in cheap exports and costly imports. The country's exchange rate in recent decades has become so volatile that trade participant gains are harvested.

In view of the above problem and background, this study investigates how participation in trade and trading activities affects households per capital income. This study is limited to the Nigerian economy because it is the largest economy on the African continent in terms of trade volume and gross domestic product composition, as well as having the largest household composition and size. Following this section of the study is the review of related literature, methodology, empirical analysis, and conclusion.

2. Literature

2.1 Conceptual Issues

The Nigerian economy is currently characterized as a mono-product economy that heavily depends on crude oil with developing agriculture, though agriculture has been the mainstay of the economy with significant contributions before oil discovery in 1956 in the present Delta State. Trade generally in Nigeria before oil discovery was agriculturally based, constituting the major source of foreign exchange with each region giving a significant agricultural contribution: the south gave cash crops (such as rubber), hide and skin, and groundnut from the north; coffee and cocoa are produced in the west; and the east produced palm oil and kernels. But following the discovery of oil, the agricultural sector received massive attention from

both the government and individual households in the oil sector. However, there has been a call for urgent attention to revive the agricultural sector and diversify Nigeria's economic base.

Nigeria's household is made up of a population of about 210 million, and this makes her enjoy the abundance of labour with wage rates below those of higher-income and some middle-income countries. The country is endowed with natural resources that can be traded for life improvement, but inadequate power supply, deficient social infrastructure, endemic sectoral corruption, ravaging insecurity, and so on have continued to impede trade development and the overall economic development of the country. The country's major trading associates include Brazil, China, India, Japan, the United States, and the European Union. The country's main export is crude oil, along with some agricultural-related raw materials, while it imports secondary products and manufactured foods as a result of its low industrialization (ITA, 2014).

Nigeria has the largest market on the African continent and the highest household composition. In the first quarter of 2021, oil contributed approximately 85% of export earnings and about 50% of total government revenues. Categorically, the Nigerian economy is classified into the formal and informal sectors, though the latter is not often included in the gross domestic product (GDP), but it comprises about 65% of the total economy. The formal sector consists of the agriculture, service, and industrial sectors. The service sector accounted for about 54.4% of the GDP in 2020, while agriculture accounted for about 21.96% of the GDP and industries accounted for 23.65%. In an attempt to develop trade and enhance adequate participation by Nigeria's large household population, the federal government signed the Africa Continental Free Trade Agreement (AfCFTA) in 2019 to create efficient, effective, and robust intra-Africa trade. Interestingly, Nigeria's composition in terms of household size and population, which makes it have abundant labour and resource endowment, can be a lucrative market for investors and multinational corporations that can easily navigate a complex and dynamic business environment. The Nigerian government has been trying in recent years to encourage more foreign direct investment, with China emerging as the major investment partner and largest contractor of infrastructural projects.

2.2 Empirical Review

Participation in trade has been anticipated to improve household welfare by reducing poverty and, in the long run, improve economic growth. However, there has been scant empirical literature on the connectedness between aggregate trade and household participation in Nigeria. Nevertheless, this study assesses the literature that is most related to trade and household participation. Osinusi et al. (2022) reported that trade in Nigeria and Africa has not developed; their study concluded that governments should strategize policies to develop trade, especially in the non-oil sector, and ensure stabilization of the exchange rate across African countries for them to gain more from trade. Similarly, Bisiriyu et al. (2021) found imports and exports to be beneficial to the Nigerian economy but further recommended that the importation of goods that Nigerian households are capable of producing should be discouraged to make trade advantageous to participants.

Abubakar et al. (2021) investigated the effects of free trade areas on poverty, household welfare, and economic development in Nigeria. The study result revealed that welfare was fairly adjusted to the free trade scenario, with foreign direct investment contributing positively to individual welfare. The study further informed that both household welfare and employment rates will increase through participation in free trade areas. Manda et al. (2020) concluded in their study that the government should provide an enabling policy environment and public infrastructure to ensure households benefit from market participation. Policy on market instruments such as exchange rate, interest rate, tariffs, and so on, as well as public infrastructure investments in the form of feeder road construction and maintenance, is recommended to be encouraged for long-term trade participation benefits.

Abrego et al. (2019) estimated the welfare effects of African continental free trade areas for 45 countries. The authors utilized the multi-country and multi-sector general equilibrium model and discovered that partial and substantial reductions in non-tariff barriers will result in worthy gains from trade liberalization in

Africa, which will improve households' standards of living. In the same vein, de Jong and de Steur (2016) assessed the relationship between international trade regulation and job creation for households. It was concluded from the assessment analysis that trade and trade policy does not have much impact on unemployment. He further remarked that there are differences in the impact of trade policies from one country to another. Another study by Tanyi (2015) on the analysis of the benefits and unexploited trade potentials of African regional markets using the augmented multi-linear gravity model regression analysis. The analysis showed that there are projected gains to be generated from the establishment of a pan-African continental free trade area.

From the above-discussed background and examination of literature, this study thus models how participation in trade affects households. In providing clarity to this picture, household participation in trade is measured with per capita income, while trade in Nigeria is measured with import, export, and foreign direct investment. The result of the connection between the independent variables and the dependent variable will assist welfare and international trade policymakers in formulating policies that will make trade more beneficial to domestic participants and thus increase the country's economic growth, as well as ensure infrastructural development towards the attainment of economic development.

2.3 Theoretical Framework

This study adopts the setup of household welfare regarding international trade as propounded by Merchand (2017). According to Merchand, households are sophisticated establishments that contribute greatly to the economy as both producers and consumers. Individual households' members participate in the labour market to earn income in the form of wages or salaries, which in some cases wholly determine their aggregate household budget. A change in trade and its policy(ies) influences the welfare of households through its effect on income as well as its effect on production costs. Invariably, the determining factor of whether trade is beneficial depends on the relative magnitude and duration of the two effects.



Source: Merchand, 2017

3. Methodology

Drawing from the above framework, the connection between trade and households' participation can be said to be linear, that is, a change in trade activities (import and export) and trade policy (such as exchange rate, foreign investment, trade openness, etc.) will have a direct influence on households' income and consumption, which in the long run impacts welfare. Thus, the model for this study is specified as:

$$HH_i = \varphi_0 + \varphi_1 TA_i + \varphi_2 TP_i + \varphi_3 X_i + \varepsilon_i \quad (1)$$

Where HH_i represents households' gain from trade participation (proxied by per capita income), TA_i is trading activities measured by total imports and exports, TP_i is trade policy represented by foreign direct investment (FDI), and X_i is the vector of the control variable – exchange rate while ε_i is the stochastic error term and φ_0 to φ_3 are the coefficients of elasticities of each variable. Thus, the equation above is modelled as:

$$PCI_i = \varphi_0 + \varphi_1 IMP_i + \varphi_2 EXP_i + \varphi_3 FDI_i + \varphi_4 EXR_i + \varepsilon_i(2)$$

The data used for this study's analysis were sourced from the Central Bank of Nigeria (CBN) statistical bulletin and World Bank data from 1991 to 2020. This period was chosen to capture significant trade policies signed by the Nigerian government aiming at improving household welfare through participation in trade and economic growth. Such policies include the African Growth and Opportunity Act, the Trade and Investment

Framework Agreement, and the recent Africa Continental Free Trade Agreement. To estimate the relationship that exists between the specified model dependent and independent variables, the Fully Modified Ordinary Least Square (FMOLS) methodology was adopted. The steps involved in this methodology are the confirmation of the stationarity properties of the employed variables using the unit root test, followed by the verification of the existence of a long-run equilibrium relationship among the variables. However, this study's long-run equilibrium was confirmed using the Johansen cointegration approach.

4. Result and Discussion

Table 1 below presents the statistical properties of variables employed in the study model. Import and export have the highest mean value over the years, followed by per capita income, foreign direct investment, and exchange rate. However, foreign direct investment value is the highest while the exchange rate is the lowest. The highest value of foreign direct investment means it is the most widespread and has grown over the years, while the value of the exchange rate may be linked to the fact that in the early years fluctuations were not as obvious as in recent years. Furthermore, all the variables employed have a negative skewness value except foreign direct investment, while they all have a positive kurtosis value. The Jarque-Bera statistic and probability values showed that all the variables are normally distributed.

Table 1: Descriptive Statistics

	Mean	Median	Std. dev.	Skewness	Kurtosis	J-B Stat.	J-B Prob.
EXP	6.5480	6.8625	0.6754	-0.7317	2.3700	3.1727	0.2047
IMP	6.3963	6.4699	0.6919	-0.5005	2.2436	1.9678	0.3739
FDI	3.2562	2.0100	2.8207	0.8447	2.4156	3.8617	0.1450

EXR	1.9621	2.1106	0.4437	-0.7501	2.2619	3.4944	0.1742
PCI	3.5089	3.5300	0.1734	-0.0717	1.3080	3.6012	0.1650

Source: Author's Computation

Table 2: Correlation Matrix

Correlation	EXP	EXR	FDI	IMP	PCI
EXP	1.000000				
EXR	0.909409	1.000000			
FDI	0.620215	0.487653	1.000000		
IMP	0.982063	0.909996	0.573424	1.000000	
PCI	0.914034	0.846637	0.647064	0.938525	1.000000

Source: Author's Computation

The correlation matrix in Table 2 presents the degree and coefficient of correlations between variables in the study model. Household participation in trade measured by per capita income, which is the focus of this study, is measured in relation to other variables. However, it is

shown from the above table that all the variables are positively related to per capita income, while the interaction between other variables relates as expected by discharging a positive correlation with one another.

Table 3: Unit Root Result

Variables	Test Equation	ADF Stat.	5% Crit. Value	Prob.	I(0) / I(1)	Inference
EXP	Intercept	-4.5231	-2.9761	0.0014	I(1)	Stationary
EXR	Intercept	-5.2788	-2.9719	0.0002	I(1)	Stationary
FDI	Intercept	-5.2769	-2.9763	0.0002	I(1)	Stationary
IMP	Intercept	-7.8933	-2.9719	0.0000	I(1)	Stationary
PCI	Intercept	-2.9772	-2.9719	0.0494	I(1)	Stationary

Source: Author's Computation

The unit root test result showed that all the variables are stationary after the first difference, that is, they are not integrated in their level forms. The trace and maximum eigen value from the Johansen and Julius cointegration test performed in Table 4 for the long-run relationship

among variables in the study revealed that they both have one co-integration equation at a 5% level of significance. Thus, the adoption of fully modified ordinary least squares estimation is confidently applied.

Table 4: Cointegration Test

Unrestricted Cointegration Rank Test (Trace)				
Hypothesized No of CE(s)	Eigen Value	Trace Statistics	0.05 Critical Value	Prob.**
None*	0.8073	90.1160	69.8189	0.0005
At most 1	0.5966	45.6532	47.8561	0.0794
At most 2	0.3277	21.1399	29.7971	0.3490
At most 3	0.2645	10.4176	15.4947	0.2500
At most 4	0.0756	2.1236	3.8415	0.1450
Unrestricted Cointegration Rank Test (Maximum Eigen Value)				
Hypothesized No of CE(s)	Eigen Value	Max-Eigen Value	0.05 Critical Value	Prob.**
None*	0.6511	30.5393	27.5843	0.0203
At most 1	0.4903	19.5439	21.1316	0.0821
At most 2	0.3587	12.8816	14.2646	0.0817
At most 3	0.0013	0.0372	3.8415	0.8471
* denotes rejection of the hypothesis at the 0.05 level				
** MacKinnon-Haug-Michelis (1999) p-values				

Source: Author's Computation

Table 5: Fully Modified Ordinary Least Square: Dependent Variable: PCI

Variables	Coefficients	Std. Errors	t-statistics	Prob.
IMP	0.3739	0.1096	3.4109	0.0024
EXP	-0.1818	0.1177	-1.5453	0.1359
FDI	0.0145	0.0064	2.2703	0.0329
EXR	0.0257	0.0775	0.3320	0.7429
C	2.2174	0.2310	9.5987	0.0000
	R ²	0.9172	Adjusted R ²	0.9029

Source: Author's Computation

The Augmented Dickey-Fuller (ADF) and co-integration test results above support the existence of a long-run relationship among the variables. Table 5 above presents the long-run elasticity coefficients. Participation in trade by households measured by per capita income has a mixed relationship with trade and trade policy. Import is positively related to per capita income, meaning an increase in import leads to about a 37% increase in household welfare. Similarly, foreign direct investment and the exchange rate are positively related to household welfare. A 1% increase in foreign direct investment and exchange rate will lead to about a 1% and 3% increase in household welfare, respectively. In contrast, export is negatively related to household welfare (-0.1818), meaning a 1% increase in export will

deteriorate household welfare by 18.2%. The result showed that only imports and foreign direct investment are statistically significant in influencing household welfare. The exchange rate coefficient is positive but insignificant, and this contributed to the reason why the exchange rate has a negative relationship with per capita income as exporters are being majorly affected by the exchange rate. The model-adjusted r-squared value, which measures the goodness of fit, showed that the coefficient of determination is about 0.9029, meaning that about 90% of the variation in household welfare in relation to trade participation is explained by the study's explanatory variables. Conclusively, the post-estimation result of normality carried out revealed the series are normally distributed (see Figure 1).

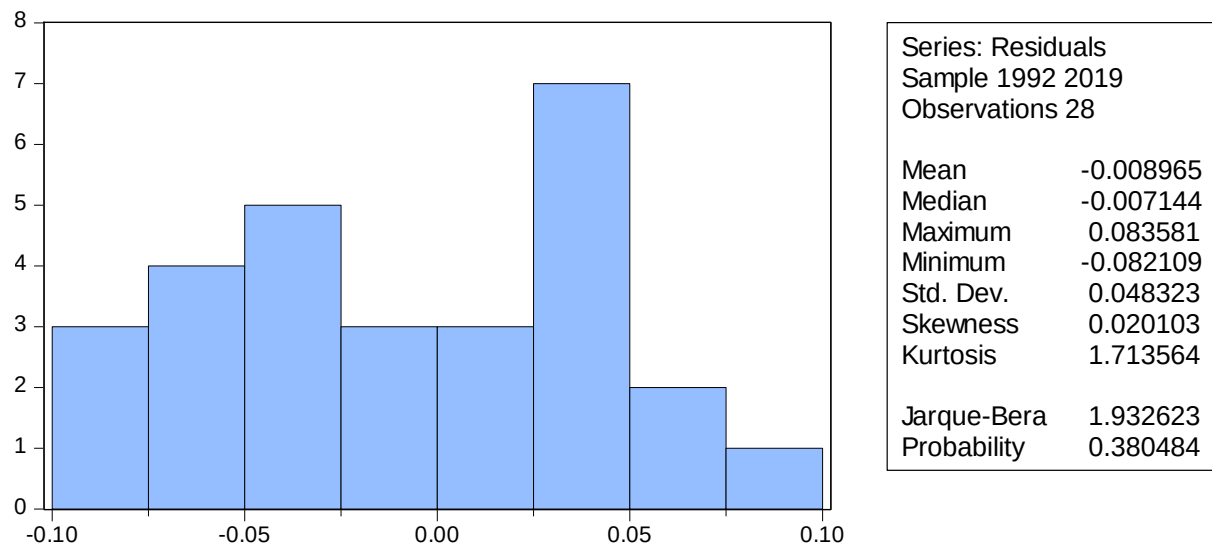


Figure 1: Normality Test

Source: Author's Computation

5. Conclusion and Recommendations

Differences in resource endowment across societies and nations have made countries engage in external trade basically for economic and individual welfare improvement. This paper investigated the role of trade, measured by export, import, and foreign direct investment, on household participation, represented by per capita income, one of the measurements of household welfare. The Fully Modified Ordinary Least Square method (FMOLS) was used on the time series data gathered from secondary sources for 1991 to 2020. The major limitation of the study's analysis was the absence of data on household participation in trade as well as household welfare in Nigeria. The unit root properties showed all the variables are integrated in order one, $I(1)$, and have a long-run relationship. The result of the FMOLS revealed a significant positive impact of imports and foreign direct investment on per capita income, while exports and exchange rates had

insignificant negative and positive effects on per capita income, respectively. The r-squared showed that about 90% of changes in per capita income are explained by the explanatory variables of the study model.

It is thus concluded based on the results of the study that household participation in trade is beneficial; though exporting deteriorates households' welfare due to the negative effects of exchange rate problems on income and consumption. The major implication of the study findings is that there is a need for urgent monetary efforts to stabilize the exchange rate for Nigerian citizens to gain from international trade participation as the exchange rate halts the profit of domestic producers who rely heavily on imported raw materials for production. Conclusively, the study also recommends that the government formulate policies to make exports beneficial to households participating in trade.

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ETHICAL STANDARDS AND INSTITUTIONAL FRAMEWORKS FOR PUBLIC SECTOR ACCOUNTABILITY IN NIGERIA

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Abstract

In Nigeria, there are several ethical standards and legal institutional mechanisms put in place to ensure ethical behavior and accountability in public service. However, in spite of the legal framework established, there is still high incidence of unethical practices. It is against this background that this paper examines the reasons why there is high incidence of unethical behavior; identify the existing ethical standards and institutional framework, the extent to which public servants adhere to ethical conduct. Data were collected from secondary source and obligation theory is adopted as theoretical framework. The paper reveals that the institutions for enforcing ethical conduct is weak, lack of merit in the recruitment process, lack of accountability and transparency are responsible for unethical practices in Nigerian public service. It therefore recommends amongst others the review of law enforcement agencies to ensure ethical standards and accountability.

Keywords: Public Sector, Ethical Standards, Institutional Mechanisms, Morality, Accountability

Introduction

The public sector of a country has been regarded as a transformational institution because of its timeless responsibility of implementing public policies, programmes and the rendering of essential service to the citizens. These are usually accomplished with the application of ethical standards or codes of conduct which are provided to direct the action of public servants in the course of performing their duties. However, since independence in 1960, Nigeria public service has battled ethics, accountability and transparency problems (Olorunfemi, 2017).

Ethical standards provide the environment within which Nigerian public sector has to and should operate. Ethics play important role in the society, for instance, the code of conduct for public officers which government provides for its employees are to regulate their behavior and ensure quality of service to the

citizens. One of the most fundamental characteristics of contemporary society and modern organization is the existence of ethical principles and norms which ensure that standards are maintained and that public officials do not abuse their powers for selfish purposes especially for personal or family aggrandizement. That is why Agba, Ochimana & Abubakar (2013), noted that principles like impartiality, meritocracy, honesty, loyalty, accountability, discipline, fairness, rules and regulations etc. provide the ethical environment within which the Nigeria public sector should operate. Unfortunately, these principles or standards have been eroded.

The institutional mechanisms established by the constitution against unethical behavior in Nigeria is itself not immune from the plague. The creation of extra-legislative institutions saddled with the tasks of curbing unethical practices is indictment of constitutional prescription. The Nigeria's 1999

constitution as amended contains several provision geared towards good governance, accountability and opposed to unethical behaviors. To this extent, section 15 subsections 5; political objective of the amended constitution 1999 says that, the state shall abolish all corrupt practices and abuse of power.

Today, there is a greater awareness of the need for ethical standards, accountability and transparency in public sector. According to Ezeani (2005), this realization was supported by the emergence of a consensus that good governance and sound public administration enhance sustainable development. It was also argued by scholars of public administration that unethical and corrupt practices in the public sector result to loss of confidence and erosion of the rule of law itself.

As Pollitt (2003) observed, some of the factors largely responsible for unethical behavior in the Nigeria's public service are lack of merit promotion; the public service system in Nigeria is not geared towards rewarding merit. This view was corroborated by Isenmila, (2011) when he argued that there is usually annual routine promotion when the public service makes promotions on the basis of recommendation. This kind of exercise does not give sufficient recognition to special cases where public officers have demonstrated outstanding initiative, resourcefulness and courage (Igwe, 2010 and Ijiekhuemhen, 2017).

This problem of unethical conducts has obviously become a clog in the wheel of progress in Nigerian public sector. Wide spread unethical conduct is a reflection of a poorly functioning state which can hinder accountability and sustainable development (Sapru, 2013). According to Dibie (2000), ethical problems occur frequently and they extend beyond the issue of mismanagement, weak enforcement of rules and code of conduct and value disorientation. Aligning with this view, Davis (2009) noted that they also manifest in various ways such as lack of accountability, violation of procedures to advance personal interest, including kickback from development programmes, lateness to work, diversion of public fund for private use, nepotism, establishing non-existing projects, payroll padding, over inference by political leaders, corrupt acts, placing personal priority over those of the public, poor adherence to

ethical standards, a weakened sense of civic virtue are all major problems confronting the Nigerian public organization.

Despite the fact that Nigeria public sector has had several reforms directed at achieving a result oriented public service imbued with ethical standards, there is still noticeably high incidence of unethical behaviors due to several reasons such as lack of merit in the recruitment process (recruitment into the public service is not based on the principle of meritocracy rather on social connections, nepotism, godfatherism or political policies of ethnic balancing such as "quota system"). This has resulted in incompetency and unethical practices in Nigerian public sector by throwing merit to the wind. Also, the lack of accountability and transparency in procedures leads to unethical practices which also affect service delivery. Furthermore, poor remuneration of public servants and working conditions are very crucial problems that contribute to the unethical behavior and inefficiency in public sector (Sapru, 2013).

Against this backdrop, this paper focuses on unravelling the reasons why there is high incidence of unethical practices in Nigeria's public sector in spite of the various existing ethical standards and institutional mechanisms established. It identified the various ethical standards and institutional frameworks established in Nigeria. Also, the paper examined the extent to which public servants in Nigeria adhere to ethical standards. The paper proffered recommendations that will enhance ethical standards, public accountability and effective service delivery in Nigeria.

Theoretical Framework

Numerous theoretical strands have been utilised by scholars to explain the topic of ethical standards and public service delivery. However, the frame work of analysis within which this paper is situated is the obligation theory also known as deontological theory by Immanuel Kant (1724-1804). The thrust of the theory holds that people should adhere to their obligation and duties when engaged in decision-making.

Kant argued that people have a duty to act in a way that are inherently good or follow an obligatory rule.

To act in a way that guides decision-making public administrators should do what is right or good in the course of performing their duties. This priority to "do well" is based upon ethical principles, which are the perception of what the general public would view as good (Bozeman, 2008 & Dukor, 2010).

The principle of utility which is also related to this theory stipulates that ethical theories should strive to achieve the greatest amount of good because people benefit from the most good. Kant maintains that everyone has certain duty they have to fulfill and fulfilling these duties is a moral requirement independent of any consideration about virtue of consequences. In line with this theory, the Nigerian constitution places the government under obligation to meet the needs of the people and enhance their wellbeing. While public servants should adhere to rules in order to avoid personal interests when performing their duties because there is existing ethical standards and institutional frameworks which provides direction within which they can operate ethically and effectively (Denhardt, Denhardt, & Tara, 2014).

The relevance of Kant's theory to this paper is that obligation is based on rules and regulations that govern the behaviors of individuals. These rules are regarded as ethical rules in Nigerian Public Service which public servants are to observe as they perform their duties. In other words, Public servants are morally right when they act according to the prescribed code of conduct that guide their duties and wrong when they act against the rules and regulations of the public service. Thus, public servants must act out of respect for the law because they have a duty to do so.

Conceptual Clarification

Public sector: public sector entails all institutions, parastatals, agencies, firm etc owned and controlled by the government at any level to provide promotional, proprietary, protection and regulatory functions to general inhabitant of a given geographical delineation. This implies that all organizations owned by the state and supervised by government on behalf of the state provide intangible services to people living within its jurisdiction (Azelama, 2005).

Ethical standards: Ethical standards are organizational policies, rule and moral principles that

guide behavior and promote values such as trust, fairness, honesty, integrity, accountability etc (Shaw & Barry, 2010).

Institutional framework: This refers to a set of formal organizational structures, rules and informal norms for ethical behavior and accountability in public governance.

Accountability: Accountability is answerability, blame worthiness, liability and the expectation of account-giving. In other words, accountability is an obligation to answer for the execution of one's assigned responsibilities (Behn, 2001).

Ethics, Morality And Accountability In Nigerian Public Service

Ethics is a set of moral principles that define what is right or wrong for a person or groups. In other words, ethics means the rules and principles regulating the behaviors of individuals. While administrative ethics refers to moral values such as honesty, transparency, accountability, meritocracy, loyalty, discipline etc which provide the ethical environment for Nigerian public service. Public servants are expected to protect human value and behave ethically in the discharge of their duties based on the prescribed code of conduct. Thus, public officer in Nigeria is expected to abide by the provision of the code of conduct as stipulated in the fifth schedule, part 1 of the 1999 constitution of Federal Republic of Nigeria as amended (Onyeneho & Okonkwo, 2012). Ethics in the public sector has become a key concern because public servants departed from the core human values that ensure transparency, accountability, integrity, honesty, discipline and fairness which resulted in unethical practices under performance and under development (Casmir, Izueke & Nzekwe, 2014).

Morality refers to good character and right actions that build and support virtuous character. Hence, morality implies equitable conduct and fairness. Morality is important because it helps one not only to be law-abiding but to treat others with dignity and respect. The code of conduct for public officers as spelt out in the 1999 constitution as amended stipulate a high standard of morality in the conduct of government business and they should ensure their actions conform to the highest standard of public morality. In other

words, rules and regulations compliance should be a moral duty for public servant. To ignore this moral duty is to act unethically. Moral problems such as using public resources for personal benefit, lack of merit in recruitment exercise, promotion etc still exist in Nigeria public service (Copper, 2006 & Dibie, 2014).

Accountability is seen as being answerable to audience for performing upto prescribed standards that are relevant to fulfilling obligations, duties, expectations and other charges (Schlender, 1997). Thus, accountability is a state of being answerable and also the process of holding persons or organization responsible for performance as objectively as possible (Isenmila, 2011). The public sector accounting system in Nigeria is rooted in a number of legal instruments such as the constitution of the Federal Republic of Nigeria, the audit ordinance of 1956, public procurement act 2007, pension reform act 2014, etc. Despite the foregoing accounting system in Nigeria, public organization is associated with accountability problem. Accountability can be fulfilled only when organizations are given specific goals and are endowed with additional capacity to achieve these goals. Today, there is the new movement referred to as ethical public service with emphasis on transparency and accountability (Egonmwan, 2017).

Legal Instruments And Institutions Established To Regulate Ethical Behaviors Of Public Servants In Nigeria

Nigerian government had over the years establish rules and institutions that will enhance standards, accountability, discipline, adherence to due process rules and regulations and above all for effective service delivery. These are as follows:

The hand book or civil and Public Service Regulation states clearly that public servants must be disciplined, adhere to rules and regulations. Public servants are expected to be diligent in performing their duties and in dealings with the public. They should not demand or accept money in kind or cash from the public, while performing official duty (Sani, 2013).

The code of conduct is considered as guiding and control framework for public officers. It includes issues such as avoidance of conflict of interest by

preventing public officer from putting himself or herself in a position where personal interest conflict with official duties. It also discourages abuse of position by public officials from any arbitrary act contrary to government policy. The code of conduct however did not provide a detailed standard of conduct. To assist with the interpretation of the code and give practical effect to its provision, the Public Service Commission developed a manual of guidelines to supplement the code (Abdulhamid & Usman, 2015).

The Public Complaints Commission/Ombudsman was established to redress injuries or damages suffered by citizens as a result of mismanagement of bureaucrats in government. The commission has offices in all the states of the federations with commissioners and chief complaints commissioner who ensures redress or administrative injustice and other social injustice suffered by citizen.

The Code of Conduct Bureau is an institution established to monitor and check the behavior of public officials. The code was empowered to establish and maintain high standards of integrity in the conduct of government activities and also ensure that the actions and behavior of public officers conform to the standards of public morality and accountability (FRN, 2004). Anti-corruption agencies such as the Independent Corrupt Practices and Offences Commission (ICPC) and Economic and Financial Crime Commission (EFCC) were institutions established to curb corrupt practices and ensure ethical and accountability in public service as it sets out the external control mechanism.

The Code of Conduct Tribunal (CCT) is a creation of the 1999 constitution as amended which expressly empowers the Tribunal jurisdiction to punish any public officer who breaches any of the provisions of the Code and among other things, that every public officer should declare his/her assets and liabilities before and after occupying public office alongside those of his/her unmarried children under the age of eighteen years.

Assessment Of The Extent Public Servants In Nigeria Adhere To Ethical Standards

Okonmah (2017) posited that the ethical and moral ideas underlying the philosophy of administration in

many countries have meant that public servants exhibit administrative traits in setting a high standard of conduct, spirit of oneness in terms of assignment and roles, self-sacrifice against projection of personal interest in public duty and general concern for the social good for all the citizens.

The overall purpose of the public service rules or code of conduct is to ensure good conduct, courtesy, hard work, ethical standards etc. Consequently, it is expected that public servants should strictly comply with the provisions of the rules. It is against this backdrop that the need to examine the extent public servants in Nigeria adhere to ethical conduct becomes necessary.

Due to unethical practices in Nigeria public service, several agencies were established such as Due process mechanism, Economic and Financial Crime Commission (EFCC), Independent Corrupt Practices and Offences (ICPC), Code of Conduct Tribunal (CCT) etc to ensure ethical conduct and accountability. Ironically, the institutional mechanisms established by constitution against unethical practices in Nigeria is itself not immune from the plague. In order to minimize misuse and abuse of authority, enhanced accountability and audit alarm was introduced to control financial expenditure but also lofty in goals. The ineffectiveness of the anti-graft agencies has been attributed to undue influence of the government (Nwagwu, 2011).

The audit alarm was hardly ever raised as Government Account remained unaudited for years in many state of the federation. Projects and programs either remained uncompleted or abandoned after heavy capital outlay. In some reported cases, Mismanagement of funds stalled execution of programs leading to cost-overruns and even reduction in scope or total abandonment.

The laws also spelt out punishment for misappropriation of public funds, embezzlement, and other corrupt practices but are hardly implemented. Thus, ethical practice strives in the system especially where it appears some persons are above the law (Egonmwan & Ibodje, 2014). It therefore implies that the Nigerian Public Servants acts contrary to the rules and regulations because over the years, Nigeria has witnessed increasing ethical problems.

This implies that in spite of the various legal frameworks and institutional mechanisms established, there are reported cases of unethical practices by top public officers. False declaration of assets and liabilities is still prominent. In 2015, the Code of Conduct Tribunal (CCT) charged the Senate President, Bukola Saraki with false declaration of assets filled before the Code of Conduct Bureau (CCB) while he was governor of Kwara state (Elombah, 2015).. He was also alleged of acquiring assets beyond his legitimate earning and operating foreign accounts while being a public officer both as a governor and a senator from 2003 to 2011. According to the charge, the offences violated sections of the fifth schedule of the constitution of the Federal Republic of Nigeria 1999 as amended (Mayah & Olufemi, 2016).

Saraki refused to appear before the tribunal while his legal team held forth for him. His continuous absence forced the Tribunal to issue warrant for his arrest. Another example is the case of former Chief Justice of the Federation, Walter Onnoghen who was also sacked over undeclared assets. Under the Nigerian law, public officers must declare their assets before taking office and after they leave. However, from the foregoing it can be deduced that there is a prevalence of misconduct cases among public officials and they see such allegations as politically motivated. The avoidance of public declaration of assets and liabilities has continued to provide the public officers the avenue to engage in corrupt practices. This shows the level of immorality and disorientation of values in Nigerian Public Service (Carsten, 2018).

Conclusion and Recommendations

Public Service is the instrument for public service delivery and good governance. The efficiency of the public service determines rate of development of the country. This becomes necessary as public service plays a vital role in the formulation and implementation of public policies. The increasing rate of unethical practices over the years in spite of the several institutional mechanisms established to ensure ethical standards and accountability is a major challenge to public service.

In this paper, it is established that there is lack of accountability in Nigerian Public Sector which has

hindered good governance and service delivery due to unethical practices. It is important that the public sector should have a workable system for identifying and resolving ethics problem. Such a system must be open, accessible, and independent of management bureaucracy and encourage whistle blowing. Thus, the framework for ethical conduct must be formulated so as to inspire public confidence. Accountability defined and aimed only at financial process controls is no longer adequate. The scope of accountability needs to be expanded to include overall economic development as well as delivery of services both by governmental and non-governmental agencies (Egonmwan, 2017).

In light of this paper, the following recommendations are suggested:

- i. Nigerian government should established organizational framework that will coordinate and harmonize the activities of anti-graft agencies.
- ii. There is the need to establish due process that will support accountability and transparency in public service in Nigeria.
- iii. There should be ethical training and retraining periodically for public administrators.
- iv. Establishing mechanism that will provide citizens and public officials' channels for reporting acts of corruption and unethical practices.
- v. Government should implement good salary/wage policy and provide conducive working condition for public servant at all level of government.
- vi. The anti – graft institutions should be reform in such that any person found guilty of unethical practices should be punish accordingly.
- vii. There should be value reorientation for public sector and the citizens grounded in sound ethical value.
- viii. The law enforcement agencies should be strengthened to punish those engaged.
- ix. There should be incentives or rewards for people who behave well in public service to discourage unethical act.

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COVID '19 PANDEMIC: IMPLICATION ON MACRO-ECONOMIC VARIABLES IN NIGERIA

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Abstract

Prior to COVID-19 pandemic, Nigerian macroeconomic indicators were already showing signs of a weak economy; unfortunately, this pandemic had significantly worsened some of these indicators. Despite government efforts, COVID-19 continues to pose a threat to the global economy. However, this study was prompted by a gap in existing research, as it failed to consider certain macroeconomic variables, such as external reserves, and did not differentiate COVID-19 cases based on those affected or resulting in deaths. As a result, this study examined COVID '19 outbreak on Nigerian macroeconomic variables between February 2020 and May 2021. The study proxied dependent variable by all share index, exchange rate, and external reserve, while COVID 19, was proxied by COVID 19 cases (COVC) and COVID 19 death (COVD). Data were sourced from the National Commission for Disease Control (NCDC) websites and Central Bank of Nigeria, and were estimated using multiple least square methods (MLSM). The study revealed that COVID 19 cases had an insignificant negative effect on ASI, EXR, and EXTR, while COVID 19 death cases had a positive effect on macroeconomic variables such as EXR and EXTR but with significant effect on EXTR at 10%. However, COVID '19 death had a negative effect on ASI at the 10% level of significant in Nigeria. The study concluded that COVID 19 pandemic impacted macroeconomic variables heterogeneously in Nigeria. It recommends that government should develop and implement policies to minimize the effect of COVID '19 to improve economic stability and development in Nigeria.

Keywords: COVID '19 Cases, COVID 19 Deaths, Macroeconomic Variables

1. Introduction

Over the years, the human race has experienced numerous pandemics such as Ebola, Lassa fever, HIV/AIDS, influenza, Spanish flu, SARS, swine flu, and cholera, among others, all of which have posed significant threats to humanity (Enemark, 2009; World Economic Forum, 2020; Troncoso, 2016; Ferguson et al., 2020; Taubenberger & Morens, 2009). Currently, the world is grappling with a new and highly dangerous pandemic caused by the severe acute respiratory syndrome known as Coronavirus Disease 2019 (COVID-19) (Qiu, Chen, & Shi, 2020).

The COVID-19 pandemic has had a profound impact on Nigeria, leading to widespread concerns. Despite the Nigerian government's efforts to contain the spread and mitigate the effects of the virus, the nation is still facing

a dilemma with numerous lives lost, many people battling illness, and a disrupted and destabilised economy (Fong et al., 2020). This global crisis has not spared any country as it poses a threat to the health, peace, survival, hope, freedom, and coexistence of the human race (He, Deng, & Li, 2020). Fear, anxiety, depression, job losses, increased poverty, and deaths are prevalent worldwide due to the threat of COVID-19 (Stojkoski et al., 2020).

Various measures and policies have been implemented globally to combat the immediate threat of COVID-19, including public awareness campaigns, social distancing, mask-wearing, hand hygiene, travel restrictions, isolation of infected individuals, thorough screening and testing, and most recently, vaccination (Jonas, 2013). However, the emergence of new variants

and the increasing global death toll indicate that there has been limited success in controlling the virus. The uncertainty surrounding the pandemic's evolution and its unpredictable economic impact has made it challenging for policymakers to formulate and implement effective macroeconomic policies.

It is evident that COVID-19 is here to stay, and therefore, it is crucial to understand the potential economic implications and explore ways to manage the disease. Several studies have investigated the relationship between macroeconomic variables and COVID-19, but there is no consensus on the direction of causality among these variables. Some of these studies are; Gate (2020) Gharib et al., (2020), Ejem and Ogbonna, (2020), Emenyi and Effiong, (2020), Thorbecke (2020), Lyocsa et al., (2020) and Sharif et al., (2020). However, most of these studies were conducted outside of Nigeria, and their results may not be directly applicable to the unique characteristics of the country. Additionally, these studies did not consider a long enough time period to establish reliable trends that could inform policy outcomes. Furthermore, the period before and during COVID-19 was not adequately addressed in previous research.

Given these limitations and the significant economic implications of the COVID-19 pandemic, this study aims to fill these gaps by empirically examining the impact of the pandemic on macroeconomic variables in Nigeria.

2. Literature Review

2.1 Conceptual Clarification

Corona virus disease 2019 (COVID '19) is a pathogenic viral infection caused by severe acute respiration syndrome coronavirus 2 (SARS-CoV2) that is highly transmittable (Muhammed, Suliman, Aber, Nadia, & Rabeea 2020). In the view of Mediawati and Susanto (2020) COVID '19 is an RNA virus with a particle size of 120-160nm that infects animal including bats. They identify six types of earlier coronavirus that could infect human race to include Severe Acute Respiratory symptom (SARS-CoV), betacoronavirus HKU, alp coronavirus, 229E, betacoronavirus HK43, alphacoronavirus NL63, and betacoronavirusOC43.

However, the latest variant is SARS-CoV2. This disease emerged in late 2019 in Wuhan, China and spread across globe by early 2020 to cause a global pandemic (Zhu *et al.*, 2020). The three key indicators of COVID '19 as identified by Dong, Du, & Gardner, (2020) are: the total number of tests, the number of confirmed COVID-19 cases, and the number of COVID-19 deaths. These numbers are provided by the Presidential Task Force (PTF) and National Centre for Disease and Control (NCDC) in Nigeria.

The initial epicentre of the outbreak of the novel 'COVID 19' was in Wuhan province of China, where the first potential cases of the pandemic were reported. The rapid spread in the cases of patients contaminated with the virus across globe coupled with the public health risk it poses to the world compelled the world Health Organisation to declare it as a public health emergency of international concerns and threat to the economy of the world on January 30, 2020 (Boissay & Ruhgcharoenkitkul, 2020; World Health Organization, 2020; Zhu, Zhang, Wang, Li, Yang, & Tan, 2020). Consequently, the disease was tagged COVID '19 pandemic with intention to globally coordinate international responses to the disease (Warwick & Roshen, 2020). Honigsbaum (2009) defines pandemic as a wide spread epidemic that can be globally contagious. Accordingly, Ferguson *et al.*, (2020) defines pandemic as a severe health crisis that has occurred at different stages in human history. Pandemic according to Ejem and Ogbonna is economically costly disease outbreaks that spread widely from human to human. This disease according to them is not new and the frequency of occurrence has risen since 2000. In addition, pandemic has been identified a health, social, national security threat and economic disaster that requires urgent global attention (United Nation, 2020; Wong and Leung, 2007 & Maurice 2016). Similarly, UNCTAD (2020) perceives COVID'19 a serious threat to the economy and public health.

The intermediate source of origin and how it transfer to human is unknown but research evidence has it that there is rapid human to human transfer due to close contact with an infected person exposed to coughing, sneezing, respiratory droplets or aerosols (Li, Guan, Wu, Wang, Zhou, Tong, & et al 2020; Parry 2020; CDC 2019; Han & Yang 2020). Nigeria being one of

the most fatal cases in African countries reported its first COVID '19 case on 27th February when an Italian citizen, who returned from Italy tested positive for the virus and by June 2020, the virus has affected most of the states in Nigeria (Maclean & Dahir, 2020; ECDC, 2019)

Studies have shown that the symptoms vary due to different samples, subjectivity of data collection and period of analysis. The main symptoms of COVID'19 are shortness of breath, sneezing, fever, fatigue, sputum production, pneumonia, sore throat and nasal congestion, diarrhea, dizziness, headache, impaired consciousness, cough among others (Young, Ong, Kalimuddin, Low, Tan, Loh, *et al.*, 2020; Thomas-Rüddel, Winning, Dickmann, Quart, Kortgen, Janssens, *et al* 2020;). Also, Shereen *et al.*, (2020) identified the effect of Covid 19 to include acute long injury, acute respiratory distress, pulmonary failure, fatality. COVID'19 symptoms vary from asymptomatic, mild symptoms to severe respiratory disease that appears after 2 - 14 days of exposure of the carrier. However, research evidence has it that people with underlined health issues such as hypertension, coronary heart disease, diabetes, cerebral infarction and chronic bronchitis are more vulnerable to fatal cases of COVID'19 (Deng & Peng, 2020).

In other to manage and reduce the spread of this novel virus, measures have been put in place and these measures include frequent hands washing, staying at home when sick, sneezing and coughing into an handkerchief, isolation of self as a carrier, public awareness, social and physical distancing, face mask/shield, use of sanitizer, embargo on travellers, isolation of infected patients, thorough screening and test of travellers and recently, the vaccination of citizens (CDC, 2019;).

Macro-economic variables are variables that shape the performance of any economy in the world. Udi and Ohwofosa (2018) view macro- economic variables as the determinant of nation economic growth. Ejem and Ogbonna (2020) added that business unit and other activities in the economy are guided by macroeconomic variables, this could be volatile and sensitive and generate adverse effect where it displays aggressive shock. It therefore becomes necessary for every

government of a nation to closely study, analyse, understand, monitor and control the behaviour of its macro- economic variables and macro-manage it for economic growth and stability. Research evidences show that the performance of any economy is determined by the behaviour of the macroeconomic variables (Arodoye, 2012; Adrangi, Chatrath, & Sanvicente, 2011; Rapach, Wohar, & Rangvid, 2005). The indicator of macroeconomic variables include; exchange rate, interest rate, external reserve, inflation rate, fiscal policy, all shares index, real gross domestic product, debt policy, foreign investment, foreign borrowing, monetary policy, oil price, (Oberuc, 2014). Also, research evidences showed that during pandemic period, interest rate becomes low due to citizens higher precautionary measure to save and low investment prospects (Jordà, Singh, & Taylor, 2020).

Exchange rate is the rate of any foreign exchange deal for fast delivery; it is the rate of conversion of currency from one currency to the other. It is generally known as 'straight forward rate', 'outright rate' or 'benchmark rate' (Muthike & Sakwa, 2012). Exchange rate shows an undeniably critical function in any economy as it straight forwardly influences home grown value level, benefit of exchanged merchandise and enterprises, designation of assets and speculation choices. Exchange rate volatility may cause foreign currencies to appreciate or depreciate in value thus impacting positively or negatively on profitability of firms depending on whether the country is export oriented or import oriented in (Mumcu 2005). Businesses can use derivative instruments to mitigate the effect of exchange rate volatility (Emenyi & Effiong, 2020)

The spike of COVID '19 over the globe has significant impacts on the performance of the economy vis a vis all business sectors. This performance is a function of the macroeconomic factors. COVID '19 constitutes a major contemporary issue rocking the nation over the globe and tends to hamper performance of the economy. This assertion lend credence to the perspective of Djurovic, Djurovic and Bojaj (2020) who posit that the pandemic is developing at an incredible speed, the health crisis has grown into a deep economic crisis that affects the entire world. Hence, the relationship between COVID '19 and macroeconomic variables has become an

attractive subject for both the government, academia, financial and macro economists in the recent time.

2.2 Theoretical Framework

The theoretical underpinning for this investigation was cause and effect. According to the cause and effect hypothesis, no event occurs by random, but rather as a result of a cause. By applying this to the subject matter, it can be demonstrated that COVID '19 pandemic caused the macroeconomic variables studied in this paper during the period of the pandemic's breakout in Nigeria. Hence, government's ability to control the spread of this disease over time would ensure stable macroeconomic factors and by extension economic stability, while the continued spread of COVID '19 might negatively influence macro-economic variables, thereby, signalling unhealthy economy. According to Anghelache, Manole, Anghel and Diaconu (2016), cause and effect links between macroeconomics variables and growth provide useful information for policy makers in government and private agencies on the systematic relationship that reveals the influences of certain factors on Nigerian macro-economic indicators. When these variables are not stable, it therefore becomes the responsibility of government to ensure that policies to mitigate the spread of COVID '19 are implemented to manage and control these variables from becoming unbearable to the economy at large.

2.3 Empirical Review

Emenyi and Effiong (2020) adopted the ex-post facto research technique and the descriptive research design to establish the correlation between macroeconomic variables and the performance of the Nigerian Stock Exchange (NSE) during COVID '19 pandemic. Secondary data was collected from the financial reports of listed firms- non-financial firms in NSE. Daily data from February 20 to August 20, 2020 were obtained from Central Bank of Nigeria and National Bureau of Statistics. Findings revealed that exchange rates strongly affect the stock market during COVID '19 lock down while money supply has no effect on the performance of non- financial firms listed in the stock market. The study recommends that companies and investors should consider the variables of study and put in place measures to diversify risks while investing in the stock market.

Thorbecke (2020) investigated the impact of COVID '19 pandemic on economy of U.S using the stock market returns of 125 sectors. The study proxy stock returns with sector specific factors and macroeconomic factors. The study showed that specific factors has effect on industries such as airlines, real estate, tourism, aerospace, oil, brewers, retail apparel and funerals while macroeconomic factors resulted in losses in industries such as production equipment, electronic and electrical equipment and machinery. This study concluded that recovery of the various economies depends on controlling the pandemic not the macroeconomic environment. Hence, reviving capital goods spending will bring an end to the pandemic and also recovers macroeconomic environment.

Furthermore, Lyocsa, Eduard, Thomas, and Peter (2020) assessed the relationship between fear of the COVID '19 and uncertainty in the U. S. stock market. The study also employed S& P 500 and major stock market indices of other nine countries using daily data for the period December 2019 to April 2020. Data related to the virus and uncertainty in the daily variance of market returns were sourced through google and revealed for every country that excess search volume predicts future stock market variance.

Gate (2020) examined the effect of unstable macroeconomic indicators on stock price of banking sector in Nigeria for the period 2009 and 2018. Autoregressive distributed lag technique was used to find both the short and the long run behaviour of the variable of interest while multivariate regression analysis was employed to test the relationship between stock price and macroeconomic indicators- foreign exchange rate, interest rate, foreign funds and inflation rate. The findings showed that foreign reserves, interest rate have significant negative relation with stock price respectively while inflation rate positively influenced stock price behaviour of banks in Nigeria

Sharif, Aloui, and Larisa, (2020) examined the nexus between COVID '19 and oil prices, geopolitical risk and policy uncertainty using daily data sourced from the U. S. economy (U. S. Jones Index, and spot price of West Texas Intermediate Market) from 21st January to 30th March 2020. The study employed coherence

wavelet technique and wavelet-based Granger causality tests to analyse the data and showed that stock market, economic uncertainty and geographical risk have significant relationship with twin shocks of coronavirus and falling oil prices.

Gharib, Saima and Sami (2020) in their study of the bubble contagion effect of COVID '19 outbreak on crude oil and gold markets sourced data on daily basis between January 4 and May 4 from WTI oil prices and gold prices. The study analysed data using the bootstrap techniques of Phillips and Shi (2018) and Granger causality test. It was revealed that oil price has a negative bubble and stock price has a positive bubble with COVID '19 outbreak respectively while the Granger causality tests showed a two sided contagion between the two markets. The study concluded that gold has been functioning as a safe haven asset during the COVID'19 crisis.

3. Methodology

3.1 Research Design

An ex-post facto research design is used in this study to allow the researcher to investigate the effect of COVID '19 on macro-economic variables.

3.2 Sources of Data and Method of Analysis

Relevant data were obtained from secondary source through the daily release of COVID'19 report by Presidential Task Force (PTF), the National Centre for Disease and Control (NCDC), while macro- economic variables were sourced from Central Bank of Nigeria and the National Bureau of Statistics for the periods February 2020 to May 2021 spanning to sixteen (16) months observations during COVID '19. The choice of this period is based on the premises that globally, COVID '19 started in later end of 2019 in Wuhan, China, and again became serious health issue in Nigeria

by February. Thus, this will enable the researcher gains access to required data. The study employed multiple regression technique empirical analysis.

3.3 Model Specification

This study proxied macro-economic variable by all share index, exchange rate and external reserves, while COVID '19 was proxied by Covid '19 reported cases and Covid '19 reported death; however, the consumer price index was used as control variables. Therefore, this study specified model as follows;

The model states that macro-economic indicator is a function of COVID 19. This model is therefore broken down to three models as follows

In linearized form, the models are restated as follows

Where ASI= All Share Index, EXR= Exchange Rate, EXTR=External Reserves, COVC=COVID 19 Reported Cases. COVD=COVID 19 reported death and CPI= Consumer Price Index,

Apriori Expectation

This study therefore expected that COVID '19 effect should have an inverse relationship with macroeconomic variables. Hence a negative relationship is expected.

4. Results and Discussion

4.1 Stationarity Test

Group unit root was used to test whether the variables used in this study suffered from unit root. The result is presented in Table 1. It was found that all the unit root test methods in the table had p-value of 0.0000 which signifies that the data used had no problem of unit root at 5% level of significance.

Table 1: Group Unit Root

Method	Statistic	Prob.**	Cross-sections
Null: Unit root (assumes common unit root process)			
Levin, Lin & Chu t*	-1619.57	0.0000	7
Null: Unit root (assumes individual unit root process)			
Im, Pesaran and Shin W-stat	-6858.85	0.0000	7

ADF - Fisher Chi-square	45.6699	0.0000	7
PP - Fisher Chi-square	103.027	0.0000	7

Source: Authors' Computations from EViews, 2021

The effect of COVID-19 on macroeconomic indicator starts with using the all-share index. The result is presented in Table 2. The study found that COVC had a coefficient of -0.0527 and COVD had -1.0500 on the all-share index, although none had a significant effect on ASI. This implies that a unit increase in COVC and COVD would bring about a 5% and 10.5% decrease in the all-share index. However, CPI of 71.68 had a positive effect on ASI. This also shows that a unit increase in CPI would bring about a 716.80% increase in ASI.

The coefficient of determination, which is denoted as R^2 , shows that COVC, COVD and CPI explained about 0.7850 variations in ASI to the tune of 78.50%, while

those variables not included in the model explained the other fraction of 22.50%. The adjusted R^2 of 73.13% also explained this relationship by confirming the true behaviour of the variables included in the model. The overall significance of the model, which is explained by the F-statistics and p-values, shows that F-statistics of 14.60 and its probability of 0.0002 show that the model is highly significant. The Durbin Watson of 1.80 also shows that the model is not suffering from the problem of serial correlation. Likewise, the Breusch pagan result shows that the model was not suffering from a heteroscedasticity problem. The study, therefore, concluded that though the model is significant, none of the variables was significant.

Table 2: Summary of Multiple Regression; Dependent Variable: ASI

Variable	Coefficient	Std. Error	t-Statistic	Prob.
COVC	-0.05276	0.054165	-0.97396	0.3493
COVD	-1.05003	2.54825	-0.41206	0.6876
CPI	71.6804	48.18169	1.48771	0.1626
C	10623.24	13627.69	0.779533	0.4508
$R^2=0.7850$ $\text{Adj-}R^2=0.7313$ $F\text{-Stat}=14.6095$ $\text{Prob}=0.00002$ $D.W=180$				
Heteroscedasticity Test: Breusch-Pagan-Godfrey				
F-statistic	0.713314	Prob. F(3,12)		0.5626
Obs*R-squared	2.421442	Prob. Chi-Square(3)		0.4897
Scaled explained SS	1.035722	Prob. Chi-Square(3)		0.7926

Source: Authors' Computations from EViews, 2021

Likewise, the study also checked the effect of COVID-19 on the exchange rate in Nigeria by using multiple regression. The result is presented in Table 2. It was found that COVC of -5.0300 had a negative effect on the exchange rate, while COVD of 6.1500 and CPI of 0.0153 has a positive effect on it with a significant effect coming from CPI. This shows the fact that with an increased level of COVC in Nigeria, the exchange rate would continue to depreciate while an increase in CPI would appreciate the exchange rate in Nigeria. From this result, it can be discovered that COVID-19

has an inverse relationship with the exchange rate in Nigeria.

However, the coefficient of determination which is denoted as R^2 shows that about 0.5030 variations in EXR are explained by COVC, COVD and CPI to the tune of 50.30%, while the other fraction of 49.70% is explained by those variables not included in the model. The adjusted R^2 of 47.13% also explained this relationship by confirming the true behaviour of the variables included in the model. The overall significance of the model, which is explained by the F-

statistics and p-values, shows that the F-statistics of 2.36 and its probability of 0.1573 show that the model is not highly significant. The Durbin Watson of 1.74 also shows that the model is not suffering from the problem of serial correlation. Likewise, the Breusch pagan result

shows that the model was not suffering from a heteroscedasticity problem. The study, therefore, concluded that though the model is not significant, only CPI is significant.

Table 3: Summary of Multiple Regression; Dependent Variable: EXR

Variable	Coefficient	Std. Error	t-Statistic	Prob.
COVC	-5.03E-06	2.98E-06	-1.689133	0.1350
COVD	6.15E-05	0.00014	0.437772	0.6747
CPI	0.015396	0.007208	2.13616	0.0700
C	302.5642	2.027463	149.2329	0.0000
R ² =0.5030	Adj-R ² =0.4713	F-stat=2.3620	Prob=0.1573	D.W=1.7490
Breusch-Godfrey Serial Correlation LM Test:				
F-statistic	0.122936	Prob. F(1,6)		0.7379
Obs*R-squared	0.220858	Prob. Chi-Square(1)		0.6384

Source: Authors' Computations from EViews, 2021

The third model examined the effect of COVID 19 on external reserves in Nigeria. The study also used multiple regression, and the result is presented in Table 4. It was revealed that COVC of -0.1748 and CPI of -82.7908 had a negative effect on external reserves while COVD of 8.0661 had a positive effect on it. Interestingly, both COVD and CPI had a significant effect on external reserves at a 10% level of significance. This implies that a unit increase in COVC and CPI would bring about a decrease in external reserves in Nigeria. On the other hand, a unit increase in COVD would bring about an increase in external reserves in Nigeria.

However, the coefficient of determination which is denoted as R² shows that about 0.8398 variations in

EXTR are explained by COVC, COVD and CPI to the tune of 83.98%, while the other fraction of 16.02% is explained by those variables not included in the model. The adjusted R² of 77.11% also explained this relationship by confirming the true behaviour of the variables included in the model. The overall significance of the model, which is explained by the F-statistics and p-values, shows that F-statistics of 12.2319 and its probability of 0.0035 indicate that the model is highly significant. The Durbin Watson of 1.9361 also shows that the model is not suffering from the problem of serial correlation. Likewise, the Breusch pagan result shows that the model was not suffering from a heteroscedasticity problem. The study, therefore, concluded that there is a significant effect of COVID-19 on external reserves in Nigeria.

Table 4: Summary of Multiple Regression; Dependent Variable: EXTR

Variable	Coefficient	Std. Error	t-Statistic	Prob.
COVC	-0.17488	0.079596	-2.197099	0.0640
COVD	8.066115	3.753865	2.148749	0.0687
CPI	-82.79082	192.5926	-0.429875	0.6802
C	67438.24	54176.01	1.244799	0.2533
R ² =0.8398	Adj-R ² =0.7711	F-stat=12.2319	Prob=0.0035	D.W=1.9361
Breusch-Godfrey Serial Correlation LM Test:				
F-statistic	0.077835	Prob. F(1,6)		0.7896
Obs*R-squared	0.14087	Prob. Chi-Square(1)		0.7074

Source: Authors' Computations from E-Views, 2021

4.2 Discussion of Findings

This study was investigated due to the COVID 19 pandemic that is ravaging the global economy. Essentially, both the global government and other sovereign governments have put many efforts up to ensure COVID-19 is tackled, unfortunately since its outbreak it has remained with us while many economies have been affected significantly. Although, many studies were available in Nigeria since its outbreak, however, these studies have used several measures of macroeconomic indicators but little or no studies have used external reserves as a measure of the macroeconomic indicator. Hence, this study used the external reserves and other variables, such as EXR and ASI to measure macroeconomic variables. Hence, the study examined the effect of COVID-19 on macroeconomic variables in Nigeria spanning sixteen (16) months from February 2020 to May 2021.

In achieving the objective of the study, COVID-19 was measured using Covid cases as reported and Covid death reports, while the study measured macroeconomic indicator using the all-share index (ASI), the exchange rate (EXR) and external reserves (EXTR). COVID '19 monthly data of secondary nature was sourced from Presidential Task Force (PTF) and the National Commission for Disease Control (NCDC) websites while macro- economic variables were sourced from Central Bank of Nigeria and the National Bureau of Statistics and was estimated using multiple least square method (MLSM). The study revealed that COVC had an inverse relationship with all macroeconomic indicators used such as ASI, EXR, and EXTR, while COVD had a negative effect on ASI only, while it had a positive effect on EXR and EXTR.

However, further findings show that COVC and COVD only had a significant effect on EXTR at a 10% level of significance. This implies that COVID-19 had a significant negative effect on macroeconomic indicators, as used in this study in Nigeria.

Going by the apriori expectation as stated in this study, it is glad to know that the result is in line with the expectation that COVID-19 would bring about a negative effect on macroeconomic indicators in Nigeria. Empirically, very few studies were available on COVID-19 and macroeconomic indicators. Not only that those who have worked in this area mostly worked on the effect of COVID-19 on the stock market. While this study focused on other macroeconomic variables as used in this study.

5. Conclusion and Recommendations

The study generally examined the effect of COVID '19 on macro-economic variables in Nigeria from March 2020 to May 2021 using simple least square regression method. Based on the findings, the study concluded that COVID '19 had significant negative effect on macroeconomic variables (ASI, EXR, and EXTR). The study therefore recommends that government should develop and implement policy actions to minimize and mitigate the effects of COVID '19 so as to improve economic stability and development of Nigeria. Although, COVID '19 death cases is minimal in Nigeria compared to other nations of the world, however, government should provide adequate medical equipment and renovate facilities in all Federal and State hospitals to reduce the number of death cases of COVID '19 in Nigeria.

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THE IMPACT OF CYBER SECURITY STRATEGGY IN COMBATTING CYBER- CRIME AND ATTACKS IN ORGANIZATIONS: STUDY OF HALOGEN SECURITY COMPANY LIMITED, IKEJA, LAGOS

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Abstract

The study investigate the impact of cyber security strategy in combating cyber-attack and threats in Nigeria organizations and economy .The study further aim to examine the consequent effects of cyber -attacks ,threats ,exposures and vulnerabilities in organizations and economy of Nigeria .Data from the study were generated from questionnaires administered to purposively selected respondents of Halogen Security Company ,Ikeja ,Lagos state .70 questionnaires were retrieved out of 90 distributed to the respondents and gathered data were coded and analyzed using STATA with descriptive statistics used to address the objectives of the study with 2.5 level of acceptance .The mean result of 3.28 indicated that ,cyber-security technology and awareness is a vital technology and strategy to combat cyber- attacks ,threats ,vulnerabilities and exposures .Based on the findings ,the study concluded that, cyber security and aggressive awareness and attention is urgently needed in Nigeria and the world ,as there is a growing trends of cyber-crimes ,threats ,and attacks in organizations and national economy of all countries globally ,hence, this requires urgent interventions and prevention. The study recommended that, all hardware and software used by the organization should be standardized in line the set parameter, HR in organizations should be trained regularly to be breast with the latest cyber attacking techniques an should properly carry out reference background check on employee before recruiting and organizations should execute cyber security standards like ISO 27001 to confirm their security.

Keywords: Cyber -security, Strategy, Awareness, Cyber- crime, Economy

1. Introduction

Cyber -attacks and crimes has been a new trend in the world as its negatively impacts on organization economically and disrupts the entire organization and business operations .It is gathered as a facts that ,cyber-crimes losses to organizations is about \$300 billion to 1 trillion and to world economy total 0.4% to 1,4% of total GDP.

At present, there has not been any solution to cyber-attacks and threats but awareness and strategy implementation of policies is the best idea to this growing dastard trends. As organizations and national economy devices are interconnected with digital infrastructures, this increases cyber- attacks, hence; there is need for cyber-security in organizations and

economy in all entirety. The world is now digital and people are more technological savvy coupled with the growing trends of social media, and organizations compliant to the adoption of technology in their operations and activities. Also ,has the world of organizations transits from conventional computing system to cyber system in terms of continued availability ,confidentiality and accuracy of information ,hence ,this led to several vulnerabilities of easy attacks and penetration to cyber systems due to lack of awareness and knowledge in this present 21st century technology and computing compliant.

Cyber-crimes could be experienced in the like of human factors level as a risk where paper based activities are used inconsistently. Also, officers in the organizational settings with sensitive and important information assets,

if not trusted and honest could be a threats to the security of those vital assets of information within his reach.

Organizations are generally viewed to be ineffective and inefficient in having a planned system of responding to security breaches and fast disaster recovery. Cyber -crimes resurfaced in national economy and its organizations as a result of lack of security policies and uniformity and practices Presently ,cyber –crimes attacks occurs to individuals ,organizations ,society ,nations ,regions and global which information security through cyber security strategy s and awareness is the solutions in avoiding the disruption of operation of organizations activities and government institutions ,hence ,affect their reliability ,efficiency and quality of services expected from them as a core responsibilities and duties (E-government ,2018).

The whole word and the economy is digitalized as a global phenomenon as a development resulting to cyber- attacks and crimes in the area of information and data theft .WEF,(2019). Organizations and economy in countries of the world operates on the basis of new technologies for effectiveness and efficiency and this portend fast approach in preventing cyber- crimes and attacks as these criminals develop new measures every day in attacking public administration infrastructures (Janczewski & Caelli, 2015).

International Telecommunication Union,(2018) , posits that ,organizations and individual user's property which include connecting computing devices ,personal data ,infrastructure ,application servers ,telecommunication systems and the summation of both stored and transmitted information in the cyber ecosystem. Cyber security has been given a priority in global public and private organizations and economy as it was neglected then due to unawareness and poor co-ordination and attention given to cyber security as a result of poor network ,poor cyber laws and inadequate skills ,knowledge as well as well - trained cyber security professionals in both public and private organizations (Adhikari ,2017).

Hence ,quality security assist government and organizations in rendering effective ,reliable and efficient services to the general public ,ensure public and government relationship and communication and importantly ,protecting sensitive and essential data as well safeguard the payment of ransom of money and public administration cyber space attacks Kapambwe ,(2011). The study seek to ask the questions that ,what are the general cyber security threats ,attacks ,vulnerabilities and exposures in the organizations and

national economy in Nigeria and proffers solutions and strategies to combat the trend of cyber-s attacks and threats to Nigeria environment. The main objective of the study is to examine the impact of cyber-security and awareness in combatting cyber- attacks in national economy and organizations in Nigeria.

2. Literature Review

2.1 Conceptual Issues

Concept of Cyber Security Technology

Cyber security is a culture of protecting computers and internet connected devices and systems such as hardware ,software and data from cyber threats and attackers .It is a practice adopted by individual ,organizations and business enterprises to protect against unauthorized access to data centers and other computerized systems ,devices and infrastructures .

Cyber Security Strategic Goals

According to Hooghe and Mark (2022) the cyber security strategic goals lies on the following:

- (i)Ensuring effectiveness and efficiency of infrastructures structures processes in public sectors cyber-security.
- (ii)Ensuring active international co-operation on cyber security
- (iii)Co-operation with the private sector and other stakeholders
- (iv)Engage in research and development in technologies by IT experts and universities for latest cyber –security technologies
- (v)Given support for education, awareness and information for the public on cyber security and crimes
- (vi)Encouraging, promoting and development of skills in cyber security crime scenario in public administration by the police for thorough investigations and prosecutions.
- (vii)Establishing of legislation on cyber security among the public sectors and public administration institutions and organizations.
- (viii)Establishment and protection of the National Cyber-security system, awareness and developing expertise in cyber security
- (ix)Enhancement and increase in the resilience of information systems of the public administration.

(x)Ensure effective protection and response to cyber-attacks incidents and strong international co-operation with other countries regarding cyber security.

(xi)Strategy to enhance incidents response procedures within the state and local governments co-operating with private sector organizations and Federal government.

(xii)Full technical support and assistance to law enforcement agencies in the three tiers of the government.

(xiii)Funding and expansion of joint cyber security centers across the Federal level by providing a sharing platform of information regarding cyber security.

Key Security Trends in Organizations and National Economy

According to Gartner and IEEE, (2015), Cyber-attacks are in various phases in organizations and national economies are as follows:

-Increase Volume of Big Data and The Issue of Governance And Security of Data: Big data otherwise known as datasets are growing sporadically and shared worldwide in this 21st century .This data needs to be protected in public administration for the public interest, hence, this requires for new storage against cyber criminals such as cloud storage.

-Diversity Of Mobile Devices (Bring Your Own Device): This model of BYOD poised a serious threats of cyber criminals in public administration as this is use to penetrate organizations (both private and public) using Trojan horse to affects the network and employee devices must be thoroughly examined and updated where necessary.

-Security and Privacy of Cloud: This is now common to cloud services and there is much breach of security in this service as its takes longer days, weeks and several months before, it would be discovered and this would have caused great attacks.

-Need for Tracking the Movement of Data within the Organization: Series of criminal activities occurs in public sector organizations where data theft and attacks are gaining ground through malicious software, hence, cyber security technologies needed to be installed to monitor various users and employees within the organization.

-Attacks to Destroy: Hacktivist group averred that, series of attacks will be directed to company and public organizations for their own interest in terms of

discovering vulnerable areas in the organization's database or technologies.

-Safety Risks Associated With Computerization of Public Administration (e-Government): procurement and installation of new technologies sometimes poised a new threats and risks that threatened the safety of data in public administration and general public networks

Frequently Used Attack Techniques on Organizations

According to Mcfe, (2015), the following are the frequently used attack techniques on organizations:

(1)Distributed Denial of Service: This is when the attackers make the resources unavailable for the legitimate users though bonnets and malware in the network with many zombies' machines that is controlled by the attackers. This affects the retail trade, financial services, telecommunication companies, travel industry and information technology sector.

(2)Phishing: This is an efforts to obtain important information such as username ,passwords ,credit card details ,pin code, account number ,unique id through trickish acts from a trust worthy entity .This usually done by the attackers using email ,short message service and telecommunication devices .

(3)Social Engineering: This method involves obtaining critical and important information o authentication and identification via social interactions with the targeted victims or persons through psychological tricks on a top and strategic employee in a bid to gain access to vital information on organization system .Hence, this method avoid the use of physical breaking into the system of the organization but manipulating employees in obtaining vital information from them.

(4)Data Breach and Information Loss: This is when unauthorized user gets access to organization system and purposively lost or delete huge amount of organization data. This thus involve breach of data through negligence ,malicious attacker or system glitch by attackers through manipulation of data causing serious harm to organization reputation ,trust and revenue.

(5)Malware: This is the installation of malware on a system and communicating vital information to the originator in background without the knowledge of system administrator hence, this is a serious and powerful tool to harm the organizations.

(6)Inside Attack: This is an internal threat by employee in the organization sharing sensitive information to

outsiders to have access to organizations finance, data and other confidential and sensitive data.

(7)Social Site: This is when competing organizations post negative information and propagandas against an organization with the aim of reducing reputation and brand digital and social media.

Negative Effects of Cyber Crime and Attacks on Organizations

According to PWC, (2012), the following are the suggested as the negative effects of cyber-attacks on organizations:

-Economic Loss: Cyber- crime is a serious effect on organizations and this result into a big loss to the economy of the organization.

-Reputational Loss: Any cyber- attacks results to organization loss of trust and belief by its loyal customers as this drives them away from being patronizing the company's products and services.

-Loss of Intellectual Property: Cyber- attacks and threats make organizations lost its patent and copy right, trade secret through theft and this causes a huge loss to the intellectual properties of an organizations.

-Loss of Sensitive Business Information :Important value and worthy data of organization in terms of money are lost and this seriously harm the organizations in terms of opportunities of trade secrets worth of money to the advantage of the competitors .

-Lack of Trust: Cyber- attacks to organization make customers to lost trust and not feel safe with the organizations as this shift their loyalty and patronage to other competitors.

-Disruption of Business Operations :Cyber- attacks to organizations results loss of sales and disruptions of business operations for some period of time which if organization is not careful ,it might lead to automatic downfall of business organization.

-It Leads to Organization Equipment Loss: It is of the fact that, malwares destroys the entire network equipment of organization and this leads to serious expenses on the organization in re-installing the disrupted equipment.

-Reduction of Stock Prices: The effect of cyber-attacks on organizations causes harm, thus, reduce the value and image of the organization with the use of malwares.

Problems with Organization'S I.O.T Devices

Abomhara and Koien, (2014), three key problems were identified regarding organization's internet of things as follows :

-Data Confidentiality : This involves basic issues in internet of things devices and services and this requires access control and authorization mechanism firstly and authentication and identity management mechanism as second .Public administration internet of things must verify the entity either person or device whether is authorized to access the service while authorization determine if device or person is allowed to receive service and access, control to resource either by granting or denying permission .

-Data Privacy :is basically common features of public administration to be everywhere as an environment ,hence ,entities are connected and data are communicated and exchanged digitally subjecting user privacy in terms of data collection as well sharing . .

-Data Availability: This connotes making users of devices have the capacity to access services anytime and anywhere in terms of components of internet of things to be robust and quality to provide services even when its engaged with malicious threats .

Security Threats, Attacks and Vulnerabilities

According to Kozik and Choras (2013) ,threats ,attacks and vulnerabilities poised a serious issues to cyber – security as explained below :

-Vulnerabilities: are weakness in a system or its design that permitted cyber criminals to implements commands or access unauthorized data and information and ensure denial of service attacks are found in hardware and software as well as weakness in policies.

-Exposure: is an error in the system design and configuration which permitted cyber criminals to gather information ,hence , internet of things devices and applications should not be placed and located in a visible and easily accessed to by the criminals .

-Threats: is an action that takes advantage of security breaches and weakness in a system, hence affect, the system negatively .The two basic threats under this are human and nature (earthquakes, hurricanes .floods, and fire).

-Attacks: are actions engaged in to harm or disrupt the normal function and operation by looking for vulnerabilities to exploits using tools and techniques by hackers and criminals. It is evident that , common cyber -attacks to public administration could be physical attacks ,denial of service attack, access attacks, attacks on privacy (eavesdropping ,tracking ,password attacks ,cyber espionage and data mining) ,cyber -crimes

,destructive attacks ,supervisory control and acquisition attacks .

3. Methodology

The research design adopted for this study is survey design using a well -structured questionnaire to obtain information from the purposively selected respondents of Halogen security company limited, Lagos office, as they are relevant with the full idea about the cyber security in Nigeria .

The questionnaire was in two sections ,Section A represented personal information of the respondents and

Table 1: Analysis of Respondent personal Information

SEX	FREQUENCY	PERCENTAGE
MALE	42	60
FEMALE	28	40
TOTAL	70	100

Source: Field Survey, (2023)

Table 1 deals with the gender of respondents were male respondents at 40%.This means male were well had 42 respondents at 60% while female were 28 represented.

Table 2 : Analysis of Educational Status of Respondents

QUALIFICATIONS	FREQUENCY	PERCENTAGE
SSCE	20	29
HND/BSC	30	42
MSC/MBA/PHD	20	29
TOTAL	70	100

Source: Field Survey, (2023)

Table 2 shows that 20 respondents at 29% were SSCE holders while 30 respondents were HND/BSC holders while 20 respondents at 29% were MBA/MS/PHD holders. This shows that, respondents with HND /BSC were well represented

Table 3: Analysis of Respondents Marital Status

STATUS	FREQUENCY	PERCENTAGE
SINGLE	25	36
MARRIED	35	50
DIVORCED	10	14
TOTAL	70	100

Source: Field Survey, (2023)

Table 3 showed that 25 respondents at 36% were single, respondents at 14% were divorced. This shows that 35 respondents at 50% were married while 10 married respondents were well represented.

Table 4: Analysis of Respondents Age

AGE	FREQUENCY	PERCENTAGE
25-40	20	29
41-50	35	50
ABOVE 50 YEARS	15	21
TOTAL	70	100

Section B addressed the main questions for the study .A total of 90 questionnaire was administered out of which 70 was retrieved .The obtained information from the respondents were coded using STATA with descriptive statistics used to analyze the coded data.

Also, simple percentage and frequency table were used to analyze the data, hence, mean and standard deviation was used to address the objective of the study with a Likert scale of 2.5 acceptable level of significance.

4. Result and Discussion

Source: Field Survey, (2023)

Table 4 revealed that 20 respondents at 29% were within 25-40 years, 41-50 years respondent were 35 at 50% while 15 respondents at 21 % were above 50 years

.This shows that respondents falling within 41-50 years were well represented.

Table 5: Mean and Standard Deviation and decision making on national population census data benefits

ITEMS	MEAN	STANDARD DEVIATION	DECISION
Does cyber- security strategy combats cyber-attacks and threats in Nigerian organization and economy?	3.10	0.79	ACCEPTED
Does cyber- security threats, attacks and vulnerabilities in Nigeria cyber space could be addresses through adequate attention and strategy by the government?	3.26	0.73	ACCEPTED
Does government organized global information exchange efforts prevents cyber-attacks and threats in Nigeria organizations and economy?	3.47	0.65	ACCEPTED
TOTAL	3.28	0.72	ACCEPTED

This table showed the result for the impact of cyber security strategy and awareness in combating cyber -attacks in Nigeria organizations and national economy .It revealed that all the items had 3.00 and above the mean hence, they were above the 2.5 acceptance which made all the items to be accepted.

Hence ,the respondents accepted mean of 3.10 stated that ,cyber security strategy and awareness combats cyber-attacks in Nigerian organizations and national economy and also , the mean of 3.26 stated that ,cyber security threats ,exposures ,vulnerabilities in Nigeria cyber space can be address by adequate and urgent strategy and attention by the government while 3.47 mean revealed that ,government organized global information exchange efforts can prevents cyber-attacks and threats in Nigeria organizations and national economy .

4.1 Discussion of Major Findings

The findings from the study revealed that, all the items had 3.00 and above the mean acceptance level hence, they were above the 2.5 acceptance which made all the items to be accepted .Hence, this shows that, cyber – security strategy and awareness is suitable as the right and new approach in combating cyber- attacks and threats in Nigeria organizations and national economy according to Hooghe and Mark (2022).

5. Conclusion and Recommendations

This study re-emphasized the importance and relevance of cyber –security strategy and awareness in combating cyber -crimes and attacks in Nigeria organizations and national economy as urgent attentions and proactiveness of governments is needed in Nigeria cyber space to prevent attacks and threats to the Nigeria environment.

- (I) Governments should develop global and organized information exchange and implement cyber security standard as a policy in organization operational activities in line with 21st century cyber-security.
- (ii) Cyber security attack tools should be used to monitor the data flow activities in the organization.
- (iii) HR department and team should carefully carry out reference check on the background of employees before recruitment.
- (iv) Organizations should implement cyber security standards like ISO 27001 to confirm their security.
- (v) All software and hardware used by organizations should be standardized in line with set parameters.
- (vi) Human Resources department in organizations should be trained regularly to create awareness about latest cyber attacking techniques.

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IMPACT OF EXTERNAL DEBT ON ECONOMIC GROWTH OF SELECTED WEST AFRICAN COUNTRIES: PANEL ARDL APPROACH

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Abstract

External debt profile of the country and its impact on economic growth has been investigated in the literature; the recent growth of external debt has reignited interest among scholars because of its possible crowding out effect. This study examines the impact of external debt on economic growth of some selected West African countries using Panel Autoregressive Distributed Lag (PARDL) model spanning the period of 1983 to 2020. Findings from Pedroni cointegration test reveal the existence of long run relationship among the variables of the study. Also, Hausman specification results prefer Pool Mean Group (PMG) then the Mean Group (MG) and Dynamic Fixed Effect (DFE) estimators. Results also reveal that, in the long run, negative statistically insignificant relationships were found between external debt and economic growth of West African countries. Other variables such as Gross Fixed Capital Formation (GFCF) and Foreign Direct Investment (FDI) were found to have statistically significant negative and positive impact on economic growth of the region respectively. In the short run, external debt was found to have statistically significant positive and negative impact on economic growth of Ghana and Cote d'Ivoire respectively while for other countries of the study external debt did not have significant impact on economic growth. The study recommends that; West African countries should refrain from excess external debt and develop alternative means of financing budget deficit because external cannot help in achieving sustainable economic growth in the long run.

Keywords: Cointegration, Economic Growth, External Debt, PARDL, Pool Mean Group

1. Introduction

West African Countries as a developing frontier borrows externally in order to finance transitory balance of payments deficits circumvent hard budget constraints and cover the saving-investment gap in the economy. This implies that economies indulge in debt to speed up or boost the rate of economic growth (Al-zued & Al-awawdeh, 2014). The burden of external debt felt directly on the economy though the purpose for which such debt is collected will either lessens

such burden or exacerbate it. Al-zeaud and Al-awawdeh (2014) are of the opinion that, the possible impacts of external public debt drain out of limited resources and restrictions on financial resources needed for the development of debtor's nations which is in line with crowding-out effect, as debt service is negatively affecting investment. Thus, External debt is said to have an adverse effect on the nation income and per capital income which will lead to increase in retrenchment of workers due to drain of resources for servicing debt (Boboye & Ojo, 2012).

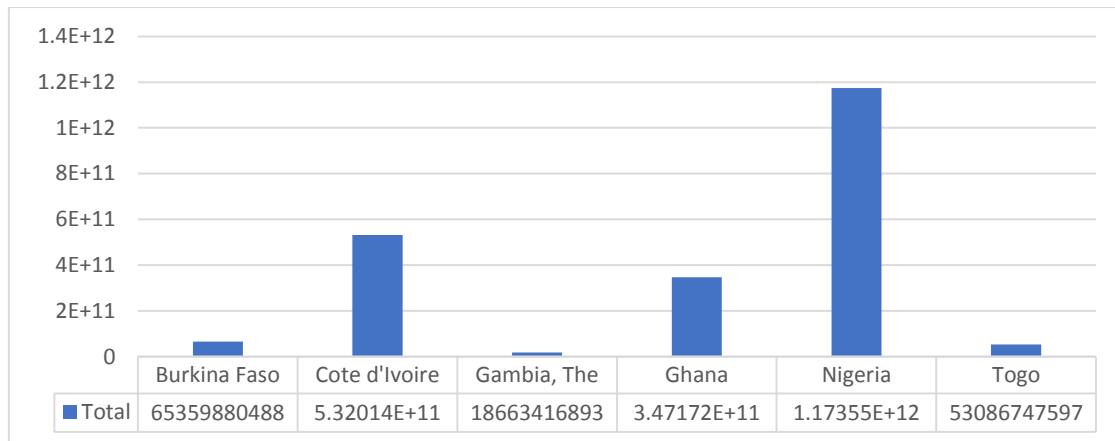


Figure 1: Total External debt of the countries

Source: Researcher's plot using Micros oft excel

Figure 1 depicts the external debt profile of the six (6) West African countries under this study were Nigeria have the highest total external debt followed by Cote d'Ivoire and Ghana while the rest have the smaller total external debt with Gambia having the least, followed by

Togo, then Burkina Faso. It is also observed from figure 2 that external debt reaches its pick during 2017 to 2020 but at that time the rate of GDPG is not growing in the same direction.

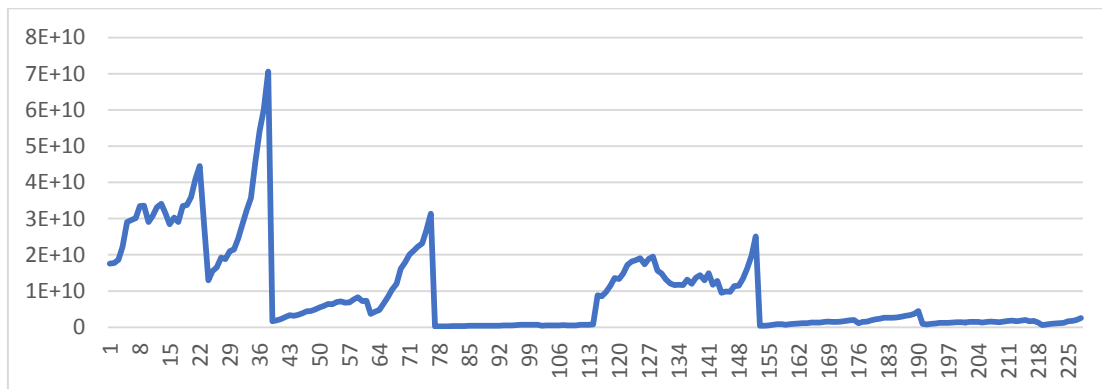


Figure 2: External debt data chart

Source: Researcher's plot using Micros oft excel

Therefore, financing through debt is at the expenses of the amount to be paid as interest rate and the repayment which the resources used for that can be invested in other development aspect of the country. The debt status of the country can affect investors' confidence and the rate of influx of funds into the economy and hence economic growth especially if the ability to repay the debt is high. Thus, there is no consensus among scholars as to whether external debt is supporting economic growth or not. Some studies have found negative relationship (Hoti et al., 2022; Ring et al., 2021; Gachunga & Kuso, 2018; MohdDaud & Podivinsky; 2012), others conclude that there is a positive relationship (Misiri, Morina & Shabani, 2021; Manamba & William, 2021) while

others observed no relationship (Ogbebor & Aigheyisi, 2019). This forms the motivation to policymaker and researchers from different countries to devote time in investigating the impact of external debt on economic performance of West African countries. Hence, this study seeks to examine the impact of external debt on economic performance for panel of 6 West African countries, namely Nigeria, Ghana, Burkina Faso, Cote d'Ivoire, Gambia and Togo.

The study is organized in five sections. Section one is the introduction, second section reviews previous empirical works and the relevant theories, section three technically discusses the methodology employed in the research, section four presents and analyses the data

and section five presents conclusion and policy recommendations.

2 Literature Review

2.1 Theoretical Literature Review

Theory of Debt Overhang

Krugman and Obstfeld (2003), sees debt overhang as a situation in which investments are postponed since the private sector anticipates that the returns from their investment will serve to payback creditors. Thus, the burden of debt distorts the country's incentives to investments, since the benefits of good performance go largely to creditors rather than the country itself because a fraction of increased output will be used to service the external debt (Krugman, 1988). The theory implies that debt reduction will lead to increased investment and repayment capacity which will intern lead to increase in economic growth.

Theory of Crowding in/out Hypothesis

Crowding in suggests that increase in government spending directed towards production of capital goods can potentially increase the stock of public capital investment and thus crowd in private sector participation. This implies that, government borrows to increase its spending as that can increase growth in the nation Zouhaier and Fatma (2014). On the other hand, Elmendorf and Mankiw (1999) asserted that, the implication of huge borrowings by the Government is an increase in interest rates and taxation. The increase in interest rates may reduce or crowd out private-sector investments in plants and equipment. This decline in investment means that the overall economy has a smaller capital stock with which to work which then decreases future growth rates.

2.2 Empirical Review

Hoti et al. (2022) investigated the average impact of government debt on long-term GDP growth in four Western Balkan countries of Albania, Serbia, Macedonia, and Bosnia & Herzegovina over a 23-year period. Pooled Mean Group (PMG) estimators were used to establish that, in the long-term external debt

does not contribute economic growth and, in fact, external debt tends to have a negative impact in the Western Balkan countries. Contrarily in technique and region, Manamba and William in 2021, employed fixed effects (FE) and random effects (RE) panel data models for 45 African countries over 1990 to 2017 periods to investigate the effect of external debt on these countries' growth. Findings Based on the preferred models revealed that relatively low levels of external debt-to-GDP ratio have a positive effect on economic growth and public investment while, considerably high levels of external debt are likely to hamper both economic growth and public investment in Africa. In the same period, 2021, Ring et al, using panel Generalized Method of Moment (GMM) examined the nexus between external debt and economic growth of 23 countries from 2011 to 2014 with institutional quality acting as moderating variable. The institutional quality proxied by the six dimensions of governance indicators is considered and this makes the countries under study to be to be divided into low and high governance countries based on the indicators. It was discovered that external debt has statistical significance but negatively impact on economic growth in both the low and high governance countries. Similarly, Misiri, Morina and Shabani, in 2021 investigated then impact of public debt on Kosovo's economic growth covering 2007 to 2019 by employing both Linear and Multiple regression technique of analysis. It was discovered that domestic and external debts have positive impact on economic growth of the study country.

In a separate study and period, Ogbebor and Aigheyisi in 2019 studied the dynamic effects of public debt on economic growth in Nigeria by employing the ARDL Bounds test approach to cointegration and error correction. The study discovered a significant negative effect on domestic debt on the economic growth in Nigeria in the short-run and the long-run. The growth effect of external debt was also discovered to be non-significant in the former period but otherwise and significant in the latter. In a year before, 2018, Gachunga and Kuso, using GMM, discovered that the economies of 38 Sub-Saharan countries are negatively affected by external debt and was found to be more harmful to middle income countries than the low income as as Senadza, Fiagbe & Quartey in the same

year and employing the same technique of analysis as well as same region discovered similar result of negative effect of external debt on economic growth as they categorized the countries based on per capita income. Zouhaier and Fatiam in 2014 also discovered a negative of external debt on the growth and investment of the economy in developing countries as Daud and Podivinsky in 2012 also employed Generalized Method of Moment (GMM) to examined the contribution of external debt on economic growth of 31 developing countries over a period of 36 years and discovered that the accumulation of external debt is negatively associated with economic growth. While a decade ago, Clements, Bhattacharya and Nguyen in 2003 examined the process through which external debt affects growth in low-income countries using both fixed effects and system General Method of Moments (GMM). Results suggest that the substantial reduction in the stock of external debt projected for highly indebted poor countries (HIPCs) would directly increase per capita income growth by about 1 percentage point per annum. Decrease in external debt service could also provide an indirect boost to growth through their effects on public investment.

3. Methodology

The methodology uses in this study is no different from any others except that in this current study our panel autoregressive model as well as the long run error correction mechanism is derived. This section will talk about the type and sources of data as well as the model specification and technique used in the data analysis.

3.1 Data and sources

The data used in this study consist of the balanced Panel of 6 West African countries over the period 38 years from 1983 to 2020. It is a secondary type of data that is been sourced from World Bank's World Development Indicators Variables such as growth is measured as annual percentage change (annual % in GDP), *which* is External Debt is measured by total External debt stocks (DOD, current US\$), is Gross Fixed Capital Formation (current US\$) and is net inflows of Foreign Direct Investment (BOP, current US\$).

3.2 Model Specification

The functional form of the model used in this study is specified as follows;

The general representation of our panel model is as follows:

$$= + + + + \quad (2)$$

Pesaran and Smith (1995) ARDL (p, q, q...q) representation of model 2 was adapted and modified to accommodate the variables of the study as shown in equation 3.

$$=] + + ++ + + \quad (3)$$

Where;

Δ – is the first difference operator; γ – is group specific speed of adjustment coefficient (expected that); β – is the vector of long run relationship; $GDPG_{it}$ – is dependent variable; X_{it} – is matrix of independent variables; μ – is the error correction term while α and δ are the short run dynamic coefficients.

3.3 Method of Data Analysis

Levin, Lin and Chu (2002), Im, Pesaran and Shin (2003), Fisher-type tests using ADF and PP tests—Maddala and Wu (1999), Choi (2001) proposes unit root tests to test the order of integration of the variable(s). In this study we applied Levin, Lin and Chu (2002), Im, Pesaran and Shin (2003) to test the degree of integration of economic growth, external debt, gross fixed capital formation and foreign direct investment.

To ascertain the existence of long run relationship between the variables in panel data analysis, Pedroni (1999, 2000), Kao (1999) and Westerlund (2007) proposes the testing procedure. The study adapts the pedroni method to check the existence of long run relationship among the variables or otherwise.

After confirming the long run relationship between the variables, Panel ARDL is applied to estimate the long run and short run relationship among the variables. The techniques of mean-group (MG) and pooled mean-group (PMG) estimators were developed to estimate non-stationary dynamic panels in which the parameters are heterogeneous across units. The MG estimates N time-series equations and averages the

coefficients and regressors have a heterogeneous effect on dependent variable in both short and long run, the PMG applies a combination of pooling and averaging of coefficients and assume that regressors have a homogeneous long run and a heterogeneous short run effect on the dependent variable, while for the dynamic fixed effect (DFE) the coefficients estimated are assume to be a homogeneous across group in both short run and long run (Pesaran, Shin and Smith, 2004). The choice between the mean group (MG),

pooled mean group (PMG) and dynamic fixed effect (DFE) estimator is confirm through Hausman test.

4 Result and Discussions

4.1 Summary of the Variables

The descriptive statistics such as mean and standard deviation maximum and minimum for both dependent variable and independent variables is presented in table 1.

Table 1: Summary statistics

Variable	Obs	Mean	Std. dev	Min	Max
GDPG	228	3.841765	4.096467	-15.0958	15.32916
EXDT	228	9.60E+09	1.23E+10	2.12E+08	7.06E+10
GFCF	228	9.32E+09	1.95E+10	3.08E+07	1.16E+11
FDI	228	7.07E+08	1.52E+09	-1.81E+08	8.84E+09

Source: Authors' computation using Stata17 (2023)

Table1 shows that among the variables of the study, GDPG has the highest standard deviation of 4.096467when compared with the other variables. Although GDPG has the highest standard deviation the differences in standard deviation among all the variables is not much. This implies that the data is not widely dispersed.

4.2 Correlation Test

The correlation test is conducted to ascertain whether there exist perfect linear dependence between the dependent variable and any of the independent variables.

Table 2: Correlation Test Result

	GDPD	EXDT	GFCF	FDI
GDPD	1			
EXDT	-0.0368	1		
GFCF	-0.016	0.7575	1	
FDI	0.1792	0.4741	0.7036	1

Source: Authors' computation using Stata17 (2023)

Result from table 2 indicates that, none of the independent variables have exact or perfect linear negative or positive relationship with the dependent variable because the correlation coefficients of all variables are less than -0.80 or 0.80. In this case we do not expect the problem of multicollinearity in the model that would be estimated.

4.3 Unit root Test

The result of IPS and LLC unit test which determine the order of the integration of the variables are presented in table 3

Table 3: Unit root Test Result

	IPS		LLC	
	CONS	CONS & TREND	CONS	CONS & TREND
GDPG	-6.71973	-5.21222	-2.86761	-1.67229

	(0.0000)*	(0.0000)*	(0.0021)*	(0.0472)**
Δ GDPG	-13.3499 (0.0000)*	-12.1393 (0.0000)*	-6.97060 (0.0000)*	-4.39785 (0.0000)*
EXDT	4.06176 (1.0000)	4.04690 (1.0000)	5.79272 (1.0000)	5.39679 (1.0000)
Δ EXDT	-3.41932 (0.0003)*	-2.42340 (0.0077)	-1.01612 (0.1548)	-1.78457 (0.0372)**
GFCF	5.66380 (1.0000)	2.66418 (0.9961)	4.26860 (1.0000)	0.82821 (0.7962)
Δ GFCF	-6.86944 (0.0000)*	-6.90528 (0.0000)*	-5.75514 (0.0000)*	-6.30935 (0.0000)*
FDI	0.87387 (0.8089)	0.51842 (0.6979)	1.38407 (0.9168)	3.02500 (0.9988)
Δ FDI	-7.74219 (0.0000)*	-6.24894 (0.0000)*	3.88367 (0.9999)	4.78254 (1.0000)

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

Source: Authors' computation using Stata17 (2023)

Table 3 reports the results of unit root tests which indicate that GDPG is stationary at level using both IPS and LLC test with both constant and trend. All other variable such as EXDT, GFCF, and FDI are all stationary at first difference when constant and trend is included into the model for calculating the unit root. Thus, Panel ARDL approach would be used to estimate the short run and long run relationship due to

the existence of mixed levels of integration among series.

4.4 Cointegration Test

To check the existence of long run relationship among the variables, Pedroni test of was conducted and the result is presented in table 4.

Table 4: Pedroni Cointegration Test

Test Stats.	Panel	Group
v-Statistic	4.804228	
rho-Statistic	-5.80489	-5.421898
PP-Statistic	-8.9215	-12.67088
ADF-Statistic	-4.7921	-5.757404

Source: Authors' computation using Stata17 (2023)

4.5 Panel ARDL Estimation

Table 5: Panel ARDL Estimation of 6 West African continents

Panel A Long Run estimate						
variables	Coefficient	Std. err.	z-stat	P> z	[95% confinterval].	
EXDT	-6.47E-11	4.32E-11	-1.5	0.134	-1.49E-10	1.99E-11
GFCF	-8.97E-11	3.67E-11	-2.45	0.014**	-1.62E-10	-1.78E-11
FDI	8.89E-10	2.50E-10	3.56	0.000*	3.99E-10	1.38E-09
Panel B Short run Error Correction						
variables	Coefficient	Std. err.	z-stat	P> z	[95% confinterval].	
ECT	-0.9283042	0.07321	-12.68	0.000*	-1.07179	-0.78482
Δ EXDT	6.13E-11	3.27E-10	0.19	0.851	-5.80E-10	7.03E-10
Δ GFCF	4.52E-09	2.01E-09	2.25	0.025**	5.79E-10	8.47E-09
Δ FDI	-2.56E-09	3.89E-09	-0.66	0.510	-1.02E-08	5.06E-09

CONS	4.163356	0.681964	6.1	0.000*	2.826731	5.49998
Panel C Hausman Test Result						
	X2- stat	p> X2				
Hausman test 1	0.19	0.9785				
Hausman test 2	3.67	0.4851				

Note:*, **, and *** indicate significance at 1 %, 5 % and 10 % respectively. Panel (A) shows long-run effects, panel (B) reports the speed of adjustment (ec) and panel (C) is Hausman test.

Source: Source: Authors' computation using Stata17 (2023).

Table 5 reports the estimation results of MG, PMG and DFE models. The results of these models provide the short-run and long-run impacts of external debt on economic growth of six (6) West African countries. The direction of the estimated result emphasised more on PMG where the Hausman test 1 and 2 confirm that it's efficient and consistent than MG and DFE models because the probability of X^2 value for both test is greater than 0.05. The result also reveals that, external debt has no significance relationship with the economic growth of West African countries in the long run because the probability value of the coefficient of EXDT if more than 0.05 which is in line with the finding of (Ogbebor & Aigheyisi, 2019; Abdulhamid, Musa & Rabiu, 2022). On the other hand, GFCF and FDI both have statistically significant at 5% and 1% respectively. As shown from the result, 1 unit increase in GFCF would lead to 8.97 unit decrease in GDPG while 1 unit increase in FDI inflow will lead to 8.89 unit increase in GDPG all things being equal.

The PMG estimates shows that, $ECT_{i,t-1}$ is statistically significant at 1% level with proper negative signs (-.92830). Approximately, about 92.83% of the error is corrected annually for equilibrium convergence if stability is to be restored in the subsequent period after some shock in the system. It is also found that, in the short run, external debts were found to have statistically significance impact on economic growth for Ghana and Cote d'Ivoire at 5% and 10% respectively. A unit increase in external debt would lead to 1.60 point increase in economic growth of Ghana and 4.70 point decrease in economic growth of Cote d'Ivoire. Thus, we can established that, external debt have a crowding in effect on short run economic growth of Ghana which support the findings of (Misiri, Morina & Shabani, 2021; Manamba & William, 2021) contrary to crowding

out effect for Cote d'Ivoire which is in line with findings of (Hoti et al., 2022; Ring et al., 2021; Gachunga & Kuso, 2018; Mohd Daud & Podivinsky; 2012). For other countries of the study such as Nigeria, Gambia, Burkina Faso and Togo external debt did not have significance impact on economic growth. See appendix 1.

Gross fixed capital formation (GFCF) were found to have no statistically significance impact on economic growth of both Gambia and Togo while significance relationship between GFCF and economic growth were found for Nigeria, Ghana, Cote d'Ivoire and Burkina Faso at 5% level. As shown from the result, a unit increase in GFCF would lead to 1.47-, 3.73-, 2.19- and 5.05-point increase in economic growth for Nigeria, Ghana, Cote d'Ivoire and Burkina Faso respectively. See appendix 1.

On the other hand, FDI were found to have statistically significance impact on economic growth of Ghana and Cote d'Ivoire and statistically insignificance impact on economic growth of Nigeria, Burkina Faso, Gambia and Togo. A unit increase in FDI would lead to 1.64- and 5.43-point increase in economic growth of Ghana and Cote d'Ivoire respectively. See appendix 1.

5. Conclusion and Recommendations

The study uses panel ARDL in analyzing the public Debt on economic growth for 6 West African countries over the periods of 1983—2020. Finding from Pedroni cointegration test reveals the existence of long run relationship among the variables of the study. The Hausman specification result shows that, PMG consistent and efficient estimation then MG and DFE estimators. In the long run, negatively statistical insignificance

relationship was found between external debt and economic growth of West African countries. Other variables such as GFCF and FDI were found to have statistically significant negative and positive impact on economic growth of the region respectively. In the short run, external debt was found to have statistically significance positive and negative impact on economic growth of Ghana and Cote d'Ivoire respectively while for other countries of the study such as Nigeria, Gambia, Burkina Faso and Togo external debt did not have significance impact on economic growth.

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- Base on the forgoing findings, it is recommended that, Governments of West African countries should refrain from excess external debt and develop alternative means of financing budget deficit because external cannot help in achieving sustainable economic growth as it have no statistically significant impact in the long run. Also, emphasis should be laid on measures that would ensure increase in foreign direct investment inflows because of its relative importance in improving long run economic growth of West African countries.
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NON-STATE VIOLENCE: THE BOKO HARAM INSURGENCY AND THE ASSASSINATION OF PROMINENT COMMUNITY LEADERS IN NIGERIA

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Abstract

The study is a critical study of Boko Haram's strategy of the selective assassination of influential individuals and community leaders. This new-fangled strategy of the insurgents has not been studied in depth by scholars, who have rather paid more attention to the insurgents' historical origins and open confrontation with the security forces. The argument is that by first resorting to the elimination of prominent individuals, the insurgents sought to create fear and psychological paralysis in the population in order to create the impression of the invincibility of the insurgency movement. Such a strategy has led to the death of many and the destruction of properties worth billions of Naira, thereby making the group one of the most deadly in the world. The dimension and dynamics of the strategy have thwarted or undercut the efforts of the government to secure the inclusive support of the society in the fight against the group. The fear of assassination has led the members of the community to what may be called "silent connivance," which has effectively demoralized and greatly hindered the efforts of the security forces to eliminate the insurgent group. This factor does account for the long war against the insurgents.

Key words: Assassination, Extremism, Indoctrination, Fanaticism and Terrorism,

Introduction

There have been an appreciable number of scholarly articles, books and academic theses on the Boko Haram phenomenon. These range from those on the historical origins of the group as a religious movement (Agbibo, 2003; Smith, 2015; Ibrahim et al (eds), 2017; Olojo, 2013; Abimbola, 2010; Thurston, 2018 and Brigaglia, 2012a) to those on the group's violent insurrection (Maianagwa, 2013; Mantzikos, 2013; Walker, 2016 and Salihi 2012); extremism dispositions (Adesoji, 2010 and Barna, 2014) and open confrontation with the security forces (Bakare, 2009; Hines, 2009; Ibrahim, 1998; Campbell and Harwood, 2018 and Hentz, 2018); ideological temperament (de Montclos, 2014 and Mantzikos, 2010); and linkage with international terrorist organizations (Karmon, 2014; Connell, 2012 and Gourle, 2012). Clearly, not much has been studied about the group's modus operandi of the selective assassination of influential figures in the community or the representatives of local or national authorities at the early stages of the insurrection. This strategy had the effect of creating fear

in the minds of the people and subsequently led to what is termed "silent connivance". The people felt frightened as their world seems to be out of control and clearly crumbling while the group's visibility was becoming more apparent due to its ability to eliminate influential community leaders, such as Islamic scholars (*Ulema*), traditional title-holders and politicians. The use of assassins and suicide bombers and planting and detonating bombs or improvised explosive devices at will in selected targets, such as mosques, churches, schools and market places, terrify the community. This explains the submissiveness of the community in the face of the group's humiliation, subjugation and ruthless terror. Survival instincts lead to the people's apparent connivance strategy by becoming docile, refusing to cooperate or divulging information vital for the defeat of the insurgents to the security forces. Thus, to critically analyze the root causes of the unending crisis, one needs to understand the psychology of the group through its modus operandi based on instilling fear in the population through a targeted assassination strategy. This paper is thus meant to fill in the gaps of the existing studies on

Boko Haram by critically assessing its stratagem of selective assassination in its struggle to establish hegemony over the community and propagate its doctrinaire ideology.

The Evolution of the Group

The official name of Boko Haram is *Jama'at Ahl al-Sunnah li- l Da'awah wa al-Jihad* or *Jama'atul Ahlis Sunnah Lidda' Awati Wal-Jihad* or *Jama'at Ahl al-Sunna li'l-Da'wawa'l-Jihad 'ala Minhaj al- Salaf*. Literarily the appellation could be translated as "People Committed to the Prophet's Teachings for Propagation and Jihad" or "The Association of the People of the *Sunna* (i.e. tradition of the Prophet) for Preaching and Jihad according to the *Salafi* Method". Thus, not a single leader of this group from Muhammed Yusuf to-date has ever called this religious movement Boko Haram (translated: Westernization (Education) Is Sacrilege or Western Education is a Sin/sinful). Despite this truism, Boko Haram is the recognized and acceptable name of the group in domestic and international fields. But this name is an interpolation or a crude rendition of the group's stand against western influence and culture on Muslim society. It is the name popularized, especially by the Press and International Community.

Muhammad Yusuf was an indigene of Girgir Village in Jakusko Local Government, Yobe State. He grew up in northeastern Nigeria, an area "dominated entirely by the *Sunni*" (Monguno, 2017, p. 202). The area falls within the ancient kingdom of Kanem-Borno Empire famous for its rooted *Sunni* Islamic tradition and its role in the dissemination of knowledge and scholarship for long. Historically, Islam reached the area around 665 and 666 AD and became the state religion with the *Mais* (Kings/Rulers) and citizens believing in its practice and sanctity (Usman and Alkali (eds), 1983 and Shehu, 2018). The *Ulama* (religious scholars) were highly respected and bestowed with privileges for their knowledge and scholarship (Garzali, 2014). The area became a sanctuary for those seeking knowledge and was referred to as "the East" (*Gabas*) from all over Africa. These scholars were linked with the establishment of Islamic learning centers (*Tsangaya*) in faraway areas, such as Hausaland (Kano, Zazzau, Sokoto, Katsina, Lafia,) Nufe land (Kutigi, Enagi, Lapai, Bida, kagara, Kontogora and

Borgu) Fombina (Adamawa) and Yoruba land (Ilorin, Ibadan, Lagos, Ilaro, Iboro and Ibese).

Thus, Yusuf was born and bred in an area known for its Islamic learning and propagation. It is a region that saw the emergence of "Islamic revivalist movements" under the persuasive conviction for the imminent apocalypse and the rise of the *Mahdi* (Islamic Reformer) (Brakoniecka, 2016; Thurston, 2016 and Sani, 2007).

As most leaders of religious movements, Muhammed Yusuf began his vocation as a student and later an Islamic preacher propagating the tenets of the religion in northeastern Nigeria. He perambulated from one renowned scholar or sect to another (Gari, 2017). He was initially known to be a *Shi'ite* under the leadership of Ibrahim El-Zakzakky's Islamic Movement in Nigeria (IMN) with whom he had a disagreement, leading him to join a breakaway faction of the sect, *Jama'atu Tajdidi Islam* (JTI) (Salaam, 2013). Dissatisfied with *Shi'ism*, he abandoned the doctrine and became a follower of *Jama'at Izalatil Bidiawa Iqamatus Sunnah* (in short: *Izala*) (translation: Society for the support of Prophet's tradition and against innovations), the dominant and the most influential popular Islamic movement in northern Nigeria. The group is an outpost of *Salafism* in Nigeria (Anzalone, 2018 and Wright, 2015). *Salafi* or *Salafism* is a movement within *Sunni* Islam advocating a return to the authentic traditions of Prophet Muhammad (SAW) as practised by the *Sahabah* (Companions of the Prophet), *Tabi'in* (their successors) and *Taba al-Tabi'in* (successors of the successors). *Salafists* stress that all actions or inactions in Islamic practice must be based on the Qur'an, the *Sunnah* (traditions of the Prophet) and the *Ijma* (Consensus) of the *Salaf*. The origin of the group in Nigeria is linked to late Sheikh Abubakar Gumi, a renowned Islamic scholar and Grand Khadi of the then northern Nigeria. The Movement aims at eliminating traditional, cultural and heretical innovations and returning the society to the authentic Prophet Muhammad model. *Izala* opposes *Sufism* (Specia, 2017) and other sects, such as *Qaddiriyya*, *Ahmadiyya* and *Tijjaniya* (Salati, 2017 and Paden, 1973). Thus, *Izala* is a response against religious innovations represented and promoted by other sects that have been prominent in northern Nigeria.

Joining *Izala* availed Yusuf the benefits of coming into a relationship and the tutelage of great Sunni *Salafist* Islamic scholars and members of the group, such as the late Sheikh Ja'afar Mahmud Adam, the late Sheikh Muhammad Auwal Albani, Sheikh Muhammad Abba Aji, Imam Ali Gabchiya and Sheikh Abubakar Mujahid (Kassim, 2015:188). Yusuf was a regular attendant of Sheikh Ja'afar Mahmud Adam's *tafsir* at Indimi Mosque, Maiduguri who saw in him a promising upcoming scholar and a leading figure amongst the youth (Smith, 2016:76). However, the relationship became sour as Yusuf began to deviate from the authentic Islamic tenets, which led to the assassination of Sheikh Ja'afar Mahmud Adam on 13 April, 2007 while leading the (*Subh*) dawn prayers at Dorayi *Juma'at* Mosque in Kano (Brigaglia, 2012b). This assassination is acknowledged to be "carried out on the orders of Muhammad Yusuf" for his criticism of the group's hardline views on many Islamic issues (Walker, 2012:4).

IBN Taymiyyah Ideology and Influence on Boko Haram

However, the scholar that had a lasting influence on Muhammed Yusuf's thinking was a puritan *Salafi* scholar, Taqi Ad -Din Abu al- Abbas Ahmed Ibn Abd al-Halim Ibn Abd al-Salam al- Numayri al- Harrani Taymiyyah, who was born on January 22, 1263 in Harrani town in modern day Turkey. The influence Ibn Taymiyyah had on Yusuf can be seen in the naming of his mosque and the center of his sermons, Ibn Taymiyyah Mosque in Maiduguri.

Ibn Taymiyyah was from a learned family of one of the schools of thought, Hanbali (Yossef and Shahab, 2010; and Hoover, 2020). He was a *Salafi* theologian, philosopher, prolific writer, thinker and the political figure of his era. Taymiyyah's central ideology as all *Salafists* was the eradication of "*Bidi'ah*"(innovations) and the promotion of strict adherence to Islamic principles and the implementation of *Shari'a* (Islamic Law). His propagation was for a return to the Islamic practice of Prophet Muhammad (SAW) era and justifying *Jihad* (holy war) (Cherski, 2017) not only on non-Muslims but even those (Muslims) deviating or running their states not based on the *Shari'a*. His preaching brought him into conflict with authorities, leading to his numerous incarcerations. His staunch

stand against innovations (Maevskaya and Aga, (2021) and the promotion for *Shari'a*-compliant governance is seen through some of his books, such as, "*Al-Siyasa al-Shari'a*"(The Book of Governance According to *Shari'a*), "*Minhaj as-Sunah an-Nabawiyah*"(The Way of the Prophet's *Sunnah*), *As-Sarim al-Maslul ala Shatim ar-Rasul*"(The Drawn Sword Against those who insult the Messenger), *Kitab Al-Iman* (Book of Faith), *Ziyarat al-Qubur* (Visits to Tombs), *Tal'his al-Istgasa*, *Ar-Raad alja al-Ihnai*, *At-Tauassul' ual-Uasilja*, *Al-Istikama*, *Al-Mustadrak alja madzhamu al-Fatava*, *Iktida Siratil'-Mustakim* , for instance.

Ibn Taymiyyah's influence on the development of *Salafism* in the Middle East and other parts of the world is not contestable. His ideas are also linked to the rise of Islamic revivalism across the world. Violent *jihadists* and militant and radical Islamic Movements, such as Al-Qaeda, Al-Shabaah, Abu Sayyaf Group, Taliban, Al-Nusrah Front, Ansar Bayt al-Maqdis, Islamic State of Iraq and the Levant (ISIL), Jabhat Fatah al-Sham, Boko Haram, Muslim Brotherhood, Abu Sayyaf, Ansar al-Islam, Ansar Dine and Boko haram are the products of his ideological propagation. His sermons encouraged resisting oppression and opposing people not following recognized Islamic tenets and obligations and not abstaining from prohibited practices. His short but influential treatise, entitled *Qa'ida fial-Inghimas fi al-Aduww wa -hal yubah fiha?* (A Principle Regarding Plunging into the Enemy, and is it Permitted?) has been the most quoted among the armed *jihadists* to support martyrdom. "*Inghimas*" is plunging into enemy ranks in order to destroy or eliminate as many as possible, thereby sacrificing one's life, which is now central to most modern armed *Jihadist's* Movements. "*Inghimas*," according to Ibn Taymiyyah, is not to be equated with suicide, which is sinful in Islam. *Holy Qur'anic* verses are unequivocally against suicide:

4:29-30 (*O ye who believe! ... [do not] kill yourselves, for truly Allah has been to you Most Merciful. If any do that in rancor and injustice, soon shall We cast him into Fire...*) and 2:195 (*You shall spend in the cause of God; do not throw yourselves with your own hands into destruction....*)

Ibn Taymiyyah saw "*inghimas*" as martyrdom and not suicide if the deed is done for the promotion of the

religion. He sanctioned it based on three scenarios (Spannaus, (2007):

- i) A believer facing a large army of non-believers can sacrifice his life by "*inghimas*"(plunging) into their ranks to inflict maximum harm, knowing fully well he may lose his life,
- ii) A believer can embark on an assassination mission to eliminate an identified leading force or commander of unbelievers or enemy fully aware that he may lose his life, and
- iii) A believer can continue fighting enemy armies alone in the full knowledge that he may lose his life with his contingent's defeat, retreat or withdrawal from the warfront. He makes that sacrifice in order to inflict maximum damage against the enemy.

However, this short discourse was a specific ruling stemming out of the Mongol (Hoover, 2015) and Tartar invasion of Baghdad and neighboring areas in the 1258 in which he and his family were directly affected. The invaders wreaked havoc on the society through pillage, murder and mass destruction. Thus, his discourse was based upon the prevailing socio-political conditions he found himself in. It was not meant to be reimposed on a different historical phase or context. Despite, this truism, the discourse has now become the basic strategy for contemporary *jihadists'* justification for violent uprising and opposition to non-*Shari'a*-compliance government(s). Suicide attacks are now *Jihadis'* weapon in their struggles against identified enemies.

This discourse has given prominence to *jihad* and martyrdom, which has a great influence on Islamic groups to subvert various regimes around the world (Molloy, 2009 and Bazzano, 2015). Ibn Taymiyyah's book, *The Religious and Moral Doctrine of Jihad* promoted resistance against not only non-Muslims but also nominal Muslims, who are not adhering to the authentic teachings of Islam.

The ideologists behind these *jihadist* movements have successfully manipulated or misread Ibn Taymiyyah's use of the term "*inghimas*" to justify suicide bombing as martyrdom and the elimination of leading enemy figures as justifiable acts. Reading through Ibn

Taymiyyah's treatise on "*Inghimas*", there is nowhere the scholar legitimized "suicide mass murder" of the innocents, such as non-combatant men, women and children. But armed *jihadists* quote the Sheikh out of context, thereby reading him wrongly by associating suicide bombings with "*inghimas*". The Sheikh's *fatwa* (legal opinion) restricted the use of the "*inghimas*" strategy to armies during combats or wars, so that the innocent may not be part of collateral damage. Thus, the religious' justification of *jihad al akbar* (the greater jihad), which is the individual's struggle against evil and immoral aspects of life, is being downplayed while *jihad al asgar* (the lesser jihad), which involves defending Muslims and Islam militarily, is upgraded for political reasons.

His *fatwa* openly refuted popular ideas advocated by various dominant Islamic sects of his era, such as *Mu'tazilites*, *Ash'arites*, *Murji'ite*, *Jahmites*, *Shi'ites* and *Sufism*, which led him into a collision course with their scholars and authorities. Ibn Taymiyyah accused these sects of basing their opinions on human rational thinking instead of deriving them from the *Quran*, the *Sunnah* and practices of the pious companions of the Prophet. He died in prison in 1328 for his deep-seated views, staunch opposition to innovations and insistence on *Shari'a*- inclined governance.

Transmutation from *Ahl Sunna Wal Jama'a* to *Boko Haram*

Muhammad Yusuf was not the founder of *Ahl Sunna Wal Jama'ah Hijra* (Adherents to the *Sunna* and the Community of Muslims), the precursor of the Boko Haram group, which was formed in 1995 in Maiduguri, Borno State, northeast Nigeria. The idea was that of a little-known individual named Abubakar Lawan (Oyegbile and Lawan, 2007 and Onuoha, 2014). The founder left Nigeria in 2002 for further studies in Saudi Arabia, leaving a vacuum to be filled by Muhammad Yusuf (Gari, 2012). Within a short period of time, Yusuf had personalized the group by ousting out all those opposing his leadership and disagreeing or quarreling with his sermons and interpretation of the *Holy Qur'an* and *Hadith*. Initially, he allied himself with the existing structure of *Izala*, which has the support of both conservative and modern educated Scholars, such as the late Sheikh Abubakar Gumi, Sheikh Kabir Gombe, Sheikh Sani

Yahaya Jingir, Sheikh Isa Ali Pantami, Sheikh Yakubu Musa Katsina, Sheikh Aminu Ibrahim Daurawa, Muhammed Auwal Albani, Sheikh Bello Yabo, Alaramma Ahmad Sulaiman, late Sheikh Ja'afar Mahmud Adam, Sheikh Dr Bashir Umar and Sheikh Abd Wahab Abdullah. His association with the *Izala* opened the opportunity for him to relate with renowned Islamic Scholars, thereby expanding his horizon and endearing him to more supporters from Borno, Yobe, Adamawa and Bauchi States and from neighboring countries, such as Niger, Mali, Chad and Cameroon. At the initial stage, Yusuf showed no sign of radicalism, fundamentalism or violent disposition. He was more into the propagation of Islam, cultivating rapport with the authorities than usurping power to implement the *Shari'a*.

He exploited the doctrine of *al-wala wa-l-bara* in order to have the total loyalty of his supporters and make them amiable and submissive to his call. This explains their readiness to execute his dictum, including sacrificing themselves through suicide or the selective assassination of individuals. His charisma, eloquence and rhetoric attracted many followers, especially the youth (Salkida, 2012), who identified him as a savior against the nation's injustice and maladministration (Michael and Bwala, 2009). Although seen as a savior, he never claimed to be nor upgraded his status to that of a *Mahdi* (i.e. the rightly guided or a reformer/revivalist), despite the traditional belief in the expected appearance of such a personality, who would return the religion to its pristine beginnings (Brakoniecka, 2016). He did not make the sacrilegious mistakes of Muhammad Marwa; the leader of the Maitatsine group and uprising of 1982 in Kano who claimed prophethood (Hisket, 1987; Adesajo, 2011 and Braji, (1998).

Yusuf was so critical to westernization seeing it not only as a continuation of foreign domination but a violator of Islamic law and that with this stand, the short-lived Yusufiyya group was born (Fasure, 2009). His sermons and lectures disseminated through audio and video channels and his books, such as *Hadhihi Aqidatuna wa Manhaaju Da'awatin* (*This is Our Creed and the Method of Our Preaching*) promoted the strict application of Islamic Law, thereby laying the intellectual foundation for a more conservative

movement bent on transforming the Nigerian society into a caliphate through violent uprising (Cook, 2018). This book, using the translation of Kassim (2015:189), clearly summarizes and exposes Yusuf's ideological leaning:

Our religion is Islam, our creed is the creed of al-Salaf al-Sahil Ahlul suna wal Jama'ah, and our manhaj (path) is jihad. The constitution is a lie; it is kufr (disbelief). Democracy is a lie; it is kufr. Working with the government that does not rule by the Shari'a is lie; it is kufr. Working with the security agencies is a lie; it is kufr.

His ideological position was made clear during an interview with the British Broadcasting Corporation (BBC) in 2009, when he stated that western-style "education is mixed with issues that run contrary to our beliefs in Islam. Like rain, we believe it is a creation of God rather than an evaporation caused by the sun that condenses and becomes rain. ...We also reject the theory of Darwinism"(Boyle, 2009 cited in Pharm, 2012: 3

The separation with the *Izala* was a necessity for Yusuf to transform his group into one of the three categories of *Salafism*, the militant *jihadists* who endorse and participate in armed struggle to restore Islam to its pure form as practised by the *sahabah* (Companions of the Prophet) and establish a Caliphate (theocratic government). The other two known categories are the apolitical ("purists") group, who strive for scholarship and proselytization. This group avoided politics in order not to create discord, disharmony and chaos among Muslims. The last group is of "political activists", whose aim is to promote and defend Muslim interest by getting involved in politics without advocating armed struggle. This group (exemplified by Abul a'la al-Maudidi of Pakistan) participates in politics trusting that the *Shari'a* and other necessary reforms could be enacted through peaceful advocacy (Paracha, 2015).

Thus, a movement that began for the purpose of enhancing religious scholarship and upholding puritan theological ethics by returning to the basic tenets, transited into a political tool for the establishment of a caliphate through armed revolution. Its theological undertone was thus mellowed down by political ambition. Its non-normative tactics, such as the use of

violence to achieve its objectives, became apparent to the security forces. The group exposed its uncompromising opposition to western type of democracy, secular education and public employment policy and instantly promoted the *Shari'a* as the system of governance in society. Yusuf's clear disregard to constituted authorities led to the July 2009 confrontation with the security forces in Maiduguri, Borno State which spread across neighboring states of Yobe, Bauchi, Kano, Adamawa, Gombe, Niger and Plateau. The insurrection led to the death of scores of people. Yusuf was apprehended by the military and handed over to the police. He was killed while under their custody (Michael and Bwala, 2009 and McConnell, 2009).

Muhammad Abubakar Shekau and Boko Haram's Transition to the *Khawarij* Creed

The murder of Muhammed Yusuf transformed Boko Haram into one of the most indoctrinated, extremist and deadly religious Movements in the world. As some scholars argued, the indoctrination process operated by an extremist organization, such as a religious one like Boko Haram, leads to fanaticism and violence (Webber et al, 2017). Silber and Bhatt (2007) and Arena and Arrigo (2005) have argued that the consequence of religious extremism is radicalism, violence and authoritarian leadership. Extremism is sustained by the resentment kindled by real or perceived injustice (Sageman, 2005), such as the murder of Muhammad Yusuf by the security forces and pervasive grinding poverty encircling the youth in the face of abundance (Agbibo, 2013). This view seems quite correct when examining the rise of Muhammad Abubakar Shekau as the new leader of the group. His highly violent character manifested in his callous terrorist activities in Nigeria, and neighboring Chad, Cameroon, Mali and Niger Republic clearly demonstrated this theoretical perspective. He promised vengeance for the killing of Muhammad Yusuf and was quoted as saying, "Do not think *jihad* is over. Rather *jihad* has just begun" (Tattersall and Maclean, 2010 cited in Pham, 2012:6). True to his promise and declaration, he transformed the group into an extremist one that believed its chosen path was the inviolably the true one.

Schmid (2014) characterizes religious extremism with blind obedience; quest to establish a utopia, belief in the end justifies the means and the declaration of holy war. Shekau's fanatical ideological belief manifested itself early when he clearly professed his commitment to bring down the political system and eliminate perceived enemies. His sermons glorified martyrdom and obedience and led to numerous suicide bombings in market-places, mosques, churches and any other crowded places (Afzal, (2020). Unlike Muhammad Yusuf, Shekau had never engaged himself in theological debates with other scholars but strategized his violent campaigns through audio and video messages, which were effective in mobilizing support, influencing the psyche of his audience and instilling fears in the generality of citizens (Femi, 2009 and Cook, 2018). Being a warlord rather than a theologian and religious revivalist, he was more inclined to the use of violence as a means of subverting authorities. His erratic and fierce rhetoric and tetchy behavior in video and audio messages sanctioned massacre, bombing and marrying off, selling or enslaving the women and children of kidnapped victims drew the attention of both local and international communities. Committing such murderous onslaughts and publicizing them through social media outlets, such as YouTube and WhatsApp, led to the disturbance of the societal set-up, increased the number of displaced persons and witnessed mass migrations and developed a culture of "silent connivance" within the community as a result of fear.

The availability and easy usage of encrypted applications made it possible for the group to link up with its supporters and propagate its ideas. It gained international attention and notoriety with the bombing of important targets, such as the United Nations Headquarters, Abuja, Nigeria on 22 August, 2011, numerous Police Stations and showing the beheading of hostages. Displaying sophisticated weaponry, such as antiaircraft guns, antitank weapons, mortars, machine guns, rocket propelled grenades and mines that were smuggled through the nation's porous borders, convinced the world that the group was a threat to not only Nigeria but neighboring countries as well. The group despite its huge military prowess and arsenal, however, lacked the expertise in drone technology like the Islamic State in Iraq and the

Levant (ISIL), Hisbollah, Hamas and Jabhal Fatah al-Sham (Tønnessen, 2017 and Ressler, 2016). Despite his seeming abnormal impulse and emotional insensitivity to destruction and killing, Shekau was able to solidify the bond among the group membership, as witnessed in other religious extremist groups (Saroglou, 2011). Shekau justified terrorism by considering all other Muslims and non-Muslims as heretics, who should be eliminated. His ruthlessness made the international community designate him as a wanted terrorist.

The *Khawarij* is the earliest sect in Islam, which was prophesied by Prophet Muhammad (SAW) (Ali, 2016). Its historical origin is linked to a political crisis between the fourth Caliph, Ali Bn Abi Talib, and Mu'awiyah Bn Abu Sufyan over succession to the caliphate leadership following the murder of the third Caliph, Usman Bn Affah, around 656AD. The efforts to resolve the crisis and the ensuing war, through arbitration, which failed, made the conflict be considered repugnant and a contradiction of the Islamic doctrine. Both factions of Caliph Ali bn Abi Talib and Mu'awiyah Bn Abu Sufyan and Bani Umayyā companions were considered as having strayed away from Islamic principles. Thus, the name *Khawarij* (Arabic word: "*Kharaja*" which means exit or left) came to be linked to those who withdrew or exited from the main contingent at the arbitration stage to follow its own acclaimed doctrine (Watt, 1973).

Thus, from its beginning in 656AD to date, the *Khawarij* has been a political rebel movement, whose main characteristics are ex-communicating believers, legitimatizing violence, being anti-establishment and antagonist to constituted authorities. The sect regards any person holding different views from theirs as an infidel, who should be excommunicated (Zubaidah and Zulkifi, 2016).

The sect professes that a Muslim who committed grave sins is an apostate and, therefore, deserves to be ex-communicated or killed. It justifies rebellion and toppling rulers it considers tyrants or unjust. It advocates the assassination of such leaders and all those who support their leadership or go against the sect's beliefs. The *Khawaraj* easily justifies the mass murder and spilling the blood of Muslims indiscriminately without any remorse (Al-Arifi, 2015).

It also justifies the confiscation of the properties of Muslims without any excuses. The sect's most prominent assassination act was that of Caliph Ali bn Abi Talib in 661 whom it accused of not complying with Allah's injunctions in his rule. Assassination and antagonism against constituted authorities have thus been a hallmark in the sect's atrocious history.

The *Khawarij* sect has numerous denominations from the moderate to the most radical (Syahristani, 1984). Moderates, such as *Ibadiyya*, *Najada't* and *Sufriyya*, unlike the radical, for example are known for their involvement in intellectual and theological debates. The followers of Nafi ibn Al-Azraq's *Azāriqah Khawarij* are the most known extremist militant faction that is obsessed with upholding its new tenets of puritanism, moralistic zealotry and violence disposition. Nafi ibn Al-Azraq was known for being religiously revered by his disciples; those who disagreed with him were accused of apostasy and could thus be justifiably eliminated. Boko Haram's temperament, deed and ideological fervor clearly reveal their ideological kinship with the *Azāriqah* denomination of the *Khawaraj* creed (Muhammad, 2015) Spannaus, (2007) is of the view that the doctrine of *Azāriqah* is based on principles such as:

- i) Condemning and eliminating non-*Azariqah* Muslims and sanctioning the killing and enslavement of women and children,
- ii) Considering the commission of any sinful act as demonstrating atheism. This includes the refusal to support the Movement in its rebellion against established authority. This act may attract the death penalty.
- iii) The children of unbelievers are also not spared, they are killed indiscriminately just like their parents;
- iv) Impermissibility of *taqiya* (dissimulation or hiding true belief of being an *Azariqah* (*Khawaraj*) for fear of the consequences in the face of oppression)

Shekau's actions and utterances in videos and audios reflected and promoted these creeds. This explains his rigidity and obsession with the elimination, assassination or slaughtering identified enemies as well as his frequent and indiscriminate

violence against the society. To assert his leadership, he started with the elimination of his close associates (Kassim and Nwankpa (eds) 2018), such as Sheikh Abd al- Malek al- Kadunawi, Abu al- Abbas al- Bankiwani, Abu Ammar, Taasi'u Abu Osama al- Ansari, Mustapha Chad, Kaka Allai, Abu Mujahid, Malam Umar and Abu Maryam. The group legalizes and justifies the killing or assassination of identified individuals (Nnamdi, 2015) in authority, such as village/ward heads, emirs and Local Government leaders, as well as the police and other prominent members of the security forces, as witnessed for example, in Maiduguri, Gwoza, Mubi, Bama in 2004 and Kano in 2007. Abu Dujana, one of the leading figures of the group, for example, was quoted in an interview promoting and rationalizing the murder of anyone the group declared an enemy (Walker, 2012:5).

Shekau's propaganda was carried out through *fatwas*, numerous audio and video messages, YouTube and other social media outlets, which contained religious rhetoric proclaiming that non-followers of his group and those who do not support the establishment of a caliphate are infidels. Under his leadership, the group was effective in the dissemination and articulation of its messages to the world using the social media. This tool became the means for the recruitment of fighters and supporters while instilling fear among both the members and non-members of the group.

His indiscriminate campaign of violence, murder, confiscating properties, robbing banks and enslaving, kidnapping, assassinating and beheading victims frightened the society into "silent connivance". A case worth noting was the execution of around 70 agricultural workers at Zabarmari village, near the Borno state capital, Maiduguri (Alfa and Maclean, 2020). For years, the farmers had an agreement with the group to tend their farms as far as they did not report the fighters' presence in the area to the Nigerian military. Attacking and eliminating a few group members by the Military convinced the group that the farmers had betrayed them. This led to such a gruesome reprisal on November 28, 2020. Thus, most communities had no alternative but to collaborate, shield or even provide relevant information to the group against the state's interests. This explains the acclaimed invincibility of the group, which hoisted its

flag and administratively controlled 20 of the 27 Local Government areas of Borno State from 2014-2015. The seven Local Governments not under the flag of Boko Haram during that period were Maiduguri Metropolitan, Jere, Biu, Hawul, Shani, Bayo and Kwaya-Kusar. The group's continuous attacks in neighboring Yobe, Adamawa, Bauchi, Kano, Kaduna, Gombe, Kogi Nasarawa, Niger and Plateau states destabilized them and made farming and other economic and social activities impossible. The crisis also went beyond Nigeria's border and dripped into the Chad Basin region of West Africa.

The United Nations International Children Emergency Fund (UNICEF) reported in 2018 that more than 1000 children had since 2013 been abducted, including the 276 Chibok School girls. In the process of the abduction of the students at Dapchi Girls Secondary School, Yobe State, 5 girls lost their lives. Within a short period 2,295 teachers were killed and more than 1,400 schools destroyed by the group in different locations in the north east (Obaji, 2021). The group deployed 117 children as suicide bombers in different parts of the country (Allen-Ebrahimian, (2017). Thus, Shekau's justification for violence, enslavement, assassination and looting the properties of people (Imrana, (2015) clearly made him an *Azāriqah Khawarij* follower and the promoter of its dogma and not a follower of Abul A'la Maududi (Maududian) as categorized by Dikki (2017). Maududi (1903-1979) was a Pakistani Islamic scholar, philosopher, jurist, ideologue and an activist. Maududi was a purist but not an armed struggle *jihadist* like Boko Haram. Politics according to him is a lawful medium for the materialization of Islamic revolution. He was thus a political activist and a realist, who greatly contributed to the transformation of Pakistan into an Islamic state without taking arms.

Shekau's character of violence and zealotry were considered by mainstream Islamists heretical. He was not identified with any intellectual prowess or knowledge of the religion but with bombing, assassinating and massacres, looting and arson. ISIL disagreed with Shekau's extremism and the orchestration of mass murder of Muslims and Non-Muslims (Pisa and Hume, (2015). This led to ISIL's recognition and appointment of Abu Musa al-Barnawi

in August 2016 to lead the organization under the name of Islamic State's West Africa Province (ISWAP). Refusing his disposition and this change of leadership, Shekau renamed his faction *Jamaat Ahlus Sunnah li Dawah wal Jihad* (Community for the Propagation of the Prophet Muhammad (SAW) Practices and *Jihad*). This led to a schism and intra wars, which in the end caused him his life. He killed himself using a suicide vest on 19 May 2021 at the negotiation meeting for a truce with ISIL representatives.

With the death of Shekau, the violence against the state and civilians subsided and most of the areas formerly under the complete control of the sect were freed by the Nigerian Military with the support and collaboration of the Civilian Joint Task Force (JTF) and Multinational Joint Task Force (composed of military personnel from the neighboring Chad, Cameroon, Benin and Niger Republic. The intensity of state pressure and internal squabbles among the Boko Haram and other terrorist groups, such as Ansaru and ISWAP, forced them to reposition their fighters to the rural and desolate parts of northeast, such as the craggy Sambisa Forest and the swamplands south and southwest of Lake Chad. The groups changed their strategies from direct attacks of security forces, villages and urban centers to planting landmines, establishing checkpoints, sabotaging electricity power supply, attacking and kidnapping travelers on the highway and schools for ransom or summary execution for noncompliance to settle a fixed ransom (Duerksen, 2021). They have, thus, concentrated on attacking civilians and other soft spots as a new strategy. It is based on the above discussion that one can understand Boko Haram's strategy of the selective assassination of non-*Azāriqah Khawarij*.

Boko Haram Assassins

There are glaring differences between assassination and mass murder. Assassination is a specific undertaking aimed at an identified individual with authority or influence in society. It is not a sudden or unplanned murder but a purposively meticulously organized undertaking. Mass murder is the killing of a number of persons at a specific place and at a specific time to achieve a maximum number of casualties (Holmes and Holmes, 1992). It is a massacre, carnage

or a multiple slaying meant to eliminate as many people as possible in the same place and at the same time. It could be carried out through bombing campaigns or other means of mass murder, such as automatic rifles that could ensure maximum fatalities. Unlike an assassin, mass murderer is on suicide rampage ready to sacrifice his life in order to kill as many people as possible in the process. This explains why most mass murders end up with the death of the perpetrators. This is attested by what we witnessed in Boko Haram's attack on the Nigeria Police Headquarters, Abuja on 16 June, 2011. In fact, a suicide bomber drove his vehicle into the premises of Louis Edet House, the Headquarters of the Nigeria Police Force in Abuja. This was the first of its kind in Nigeria's history. This was followed by the suicide bombing of Abuja United Nations' building on 26 August, 2011, which was subsequently trailed by the Kano Central Mosque attack on November 28, 2014.

Seeing the success of suicide bombing in mass killing, the group began to involve women and children (girls) in the undertaking. However, Boko Haram was not the first insurgent to use female suicide bombers in subversive activities. The Syrian Socialist Party, Sri Lanka Tamil Tigers and Kurdistan Workers Party had also been known for using such a strategy in their struggles. Out of 377 suicide bombings carried out by Boko Haram around 303 were in Nigeria and the rest occurred in neighboring countries. Majority of the suicide bombers in Nigeria from 2011-2018 were women and children (Markovi, (2019).

A typical Boko Haram assassin or mass murderer shares the same religious-cum –ideological belief, the fanaticism and passion in their mission for the establishment of a caliphate and the extermination of those they consider as unbelievers. In the pursuit of their murderous goals and upholding their fanatical views, they are never remorseful. It is, therefore, not for sadistic pleasure or psychotic disorder the group murders or assassinates people; it is for the achievement of religious-cum political ideological goals.

The Kano Central Mosque attack on November 28, 2014 was also a failed plot to assassinate the then newly installed Emir of Kano, Sunusi Lamido Sunusi

II for his vociferous condemnation of the group at every opportunity. Over 120 were killed and 270 wounded in attack (Campbell 2014), France-Presse 2014) and Abubakar, 2014). It was well planned and executed attack. The group was aware that the new Emir usually led the Friday prayer personally at the mosque. The information gathered and the presumption of the group that the new emir would attend the mosque on that fateful day failed as the emir had travelled outside his domain.

The Kano Central Mosque assassination plot was a repeat of the earlier one executed in Maiduguri aimed at the Shehu of Borno, Abubakar Umar Garbai El – Kanemi and the then Deputy Governor of the state, Zanna Umar Mustapha on 13 July, 2012. After attending the Friday prayer, the two with their entourage were approached by a young suicide bomber, who pushed himself very close before detonating his bomb. It led to the death of five people with many others wounded (Nwangwu, 2012).

However, not all the assassination attempts failed. Sheikh Ja'afar Mahmud Adam, Sheikh Muhammad Auwal Albani, General Mamman Shuwa and A.A. Girgir Gashua, the Zanna Dujima of Bade were killed by the assassins on 3 April, 2007, 1 February 2014, 2 November, 2012 and 27 December, 2012 respectively. The assassination of Sheikh Albani by the group shocked the nation. He was a renowned Islamic scholar residing in Zaria, a place far away from the group's center of control. The Sheikh was openly critical of the group's dogma and methods of struggle. The assassins attended his usual evening Tafsir lecture at Markazus-Salafiyya, Maje Road in Tudun Wada, Zaria, Kaduna State. He left the center around 9:30 pm for his house with his son and one of his wives. The assassins blocked and shot them dead at Maguma Junction and not at the Central Store where he stopped for shopping. The assassination of Sheikh Albani was strategic, as it instilled fear and induced 'silent connivance' among Islamic scholars, who were critically vocal against the group. The assassination of this notable scholar was due to his influence and followership as a leading figure in the *Salafist* Movement of Nigeria. The assassinations of Sheikh Ja'afar Adam and Auwal Albani were subsequently followed by the killing of over 20 Muslim clerics, who

were influential in their various localities and were also critical of the group between the periods sparing from 2009 to the end of 2012. Among the 20 assassinated was a popular cleric, Sheikh Ibrahim Birkuti, who was shot dead by two motorcycle riders outside his house in Biu town, Borno State on 6th June, 2011 (Reinet and Garcon 2021).

If the assassinations of Sheikh Albani and other clerics were astounding so also were the others such as those of retired General Muhammad Shuwa, Babakura Fugu, A.A. Girgiri, the Zanna Dujima of Bade, Alhaji Babagana Karim (Chairman, Dikwa Local Government), Alhaji Lawan Kabu (Chairman, Damboa Local Government) and Alhaji Lawan Yarayi (Chairman, Kukawa Local Government). General Shuwa was the first General Officer Commanding of the Nigeria's Army's 1st Division. He was an influential and respected personality. A son of the soil, the General was assassinated in front of his house at Gwange Ward inside Maiduguri on 2 November, 2012. Babakura Fugu, the brother-in-law of the group leader, Muhammad Yusuf, was ridden with bullets also in front of his house at Railways Quarters in Maiduguri on 17 September, 2011 for discussing with the former President General Olusegun Obasanjo during his visit to Borno State as an ambassador/emissary of peace. Businessmen who were influential and identified as not sympathetic to the group also became targets of the group. A. A. Girgiri, the Zanna Dujima of Bade, an oil and gas magnate, for example, was gunned down in his shop at Bolori Stores, along Baga Road, Maiduguri by two men on December 27, 2012. The assassination was well coordinated and executed; as the assassins had to monitor his movements to the place he conducted his daily business transactions. The assassins passed by numerous stores before reaching his own to shoot him dead at close range.

General Shuwa's killing, however, was similar to those of the many hundreds carried out on ordinary people in Borno State. The fact is that Borno State has suffered from daily attacks on both common and distinguished personalities. In addition to hundreds killed through suicide bombing and motorcycle riders and other improvised explosive devices, the state has recorded the largest figures of those assassinated by the group. For years, the state capital, Maiduguri, was under daily

attack and bombardment. The Maiduguri International Airport, markets, motor stations, and roads linking the town to other places were partially closed. In fact, out of the 27 Local Governments in the State, 20 (Konduga, Kaga, Kala/Balge, Kukawa, Mafa, Marte, Magumari, Mobbar, Munguno, Ngala, Nganzai, Abadam, Askira/Uba, Bama, Chibok, Dambas, Dikwa, Gubio, Guzamala and Gwoza) were completely either inaccessible, cut off or controlled and administered by the group for years. The remaining (Biu, Bayo, Kwaya

Kusari, Hawul, Shani, Jere and Maiduguri) were not overrun by the group and were relatively peaceful. Under this condition, the group was able to identify and eliminate those with influence or authority in the state. It lost around 60 chiefs, royal family members, district and village heads, palace courtiers, local government chairmen and a host of others through assassinations right from the start of the insurgency. The Table below is a list of those assassinated by the group as released by the Borno State Emirate Council.

Table 1: List of Those Assassinated by Boko Haram Identified by the Sect as Having Authority or Influence in Borno State

S/NO	NAME	POSITION BEFORE ASSASINATION
1	Ushettima Ka'ami Ii (Shettima Kanuribe)	Borno Emirate Council Member And District Head Of Gwange
2	Abba Ahmed (Ibrahim Wadama Of Borno)	Borno Emirate Council Member And District Head Of Danboa
3	Zanna Muhammad Kafelama	Borno Emirate Council Member
4	Ma'alima Abba Ibrahim	District Head of Gudumbali
5	Abba Mukhtar Abba Tuja	District Head of Mairari
6	Baba Kura Abba Ali	District Head of Borno Yesu
7	Baba Shettima Alhaji	District Head of Mbalala
8	Zanna Yawudima Mustapha	District Head of Galangi
9	Kachalla Ali Mosuwama	District Head of Dusumam
10	Shettima Modu Azir	District Head of Azir
11	Zanna Yarima Aji	District Head of Gumsuri
12	Zanna Baba Zarabe	District Head of Gazama
13	Zanna Mai Modu	District Head of Bego
14	Zanna Yerima Mohammed	District Head of Damasak
15	Abba Kadir Abba Jato	Village Head of Old Maiduguri A
16	Mala Baba Liberty	Village Head of Dala Malari, Dala
17	Zanna Lawan Kuru	Village Head of Baga Kauwa, Baga
18	Lawan Bukar Yerimami	Village Head of Damboa Yabura
19	Lawan Kolo Shuwari	Village Head of Shuwari, Damboa
20	Lawan Alhaji Saleh	Village Head of Kachalla Burari 'B', Damboa
21	Lawan Alhaji Ibrahim	Village Head of Mafi, Kafa/Mafi, Damboa
22	Lawan Bulama	Village Head of Dusula 'A', Wawa/Korede
23	Lawan Wakil Shettima	Village Head of Azir, Azir/Multe/Forfor
24	Lawan Muhammad	Village Head of Anadua, Adjiri/Anadua
25	Lawan Bukar Gana	Village Head of Nyamnyamarram, B/Yesu
26	Lawan Modu Kelea	Village Head of Kelea-Magumeri
27	Lawan Isa Wanta Maina	Village Head of Takulashi, Whuntaku
28	Mala Modu Bukar Gajiye	Village Head of Bolori Ix, Bolori, M.M.C
29	Lawan Mustapha Ibrahim	Village Head of Makinta Kururi, Dankalwa
30	Lawan Mala Abatcha	Village Head of Zulum, Bida
31	Mai Modu Musunema	Village Head of Musune, Marte
32	Lawan Kafuwu	Village Head of Bodairi, Marte
33	Lawan Jidda Lawanti	Village Head of Alla, Kulli
34	Lawan Awana	Village Head of Miye, Nganzai
35	Lawan Sanda Mai	Village Head of Miye, Nganzai
36	Mustapha Jidda	Village Head of Mungun, Nganzai
37	Alhaji Lawan Muhammad	Village Head of Kingarwa, Mairari
38	Lawan Zanna Daggi	Village Head of Madayi, Baga
39	Alhaji Lawan Shettima	Village Head of Kaigamari, Dalori
40	Zanna Lawan Shehu	Village Head of Dalwa East, Dalori

41	Lawan Ibrahim	Village Head of Pompommari, Auno
42	Bulama Hassan	Ward Head, Bulabulin Alhajiri, Bolori, M.M.C
43	Bulama Ibrahim	Ward Head, Umarari, Bolori, M.M.C
44	Abba Anas Umar Garbai	Hrh's Close Associate
45	Abba Tiya	Hrh's Close Associate
46	Alhaji Bukar Modube Monguno	Hrh's Close Associate
47	Mallam Kolo Maiduguri	Hrh's House Keeper
48	Mahammadu Karaye	Hrh's Photographer
49	Mala Kura	Head of Shehus Royal Band
50	Mala Manna	Member of Shehus Royal Band
51	Babagana Mala Manna	Member of Shehus Royal Band
52	Sanusi Gubo Algaitama	Member of Shehus Royal Band
53	Saje Zanna Liwulama	Member of Shehus Royal Band
54	Ya Zara Bukar Umar	Hrh's Drivers First Wife
55	Ya Fatima Bukar Umar	Hrh's Drivers Second Wife
56	Ya Gana Bukar Umar	Hrh's Drivers Eldest Daughter
57	Zanna Waziri Ibrahim	District Head Of Dalori(Sustained)
58	Lawan Bukar Lawan Kyari	Village Head Of Mainok, Kaga(Sustained)

Source: Borno State Emirate Council, 2022.

Conclusion

This study has dwelled on the origins and ideological extremism of Boko Haram in order to lay bare the modern operandum of the group. It lays bare its atrocities and the momentum of the assassination of those it considered enemies. Boko Haram like other armed groups has brought no positive gains to Islam; rather, it only created division, destruction and discordance within the community it operated. *Jihad* should not be seen only through armed struggle. After all, Islam does not condone compulsion in its propagation (*Holy Qur'an* 2:256), forceful marriage (*Holy Qur'an* 110:99), and harming people (*Holy Qur'an* 8:61 and 10:99) or killing the innocent (*Holy Qur'an*: 5:32 and 6:115). The religion is against aggression and tyranny (*Holy Qur'an* 2:190, 5:8 and 16:90). The *Holy Qur'an* (110:90) relates that "If it had been Lord's will, all of the people on earth would have believed [in one religion]." This verse recognizes the significance of the differences among humans and the existence of a variety of views in society. Thus, killing, assassination and waging war against those following other religions or holding opposing views are not sanctioned by Islam.

The group should have laid emphasis on *Jihad al akbar* (the greater *jihad*) through proselytizing Islamic tenets and adhering to the religious teachings of enjoining good and *forbidding* evil. Islam is the religion of peace (*Holy Qur'an*: 59:27 and 8:61), which promotes the employment of reason rather than

violence as a means of proselytizing of its tenets (*Holy Qur'an* 2:23, 2:208, 7:13 and 10:38). The word 'peace', for example, is mentioned not less than 144 times in the *Holy Qur'an*. In every *Surah*, Allah is addressed as the 'Merciful' and the 'Compassionate' throughout the *Holy Qur'an* (5:16). The *Holy Qur'an* is meant to be a mercy to humanity (*Holy Qur'an* 17:82). What this signifies is the paramount importance of 'peace' and peaceful coexistence among all human beings irrespective of their faiths. The *Holy Qur'an* considers reconciliation (*Holy Qur'an* 4:128) among humans as the best means to resolve conflicts or disagreements. Allah despises the disturbance of the peace (*Holy Qur'an* 2:205). The greatest *jihad*, according to the *Holy Qur'an* and *Hadith*, is the struggle to become a better person in personal and religious deeds. It connotes a nonviolent struggle against one's lust, the devil and immorality. This precept is, however, de-emphasized by wayward armed *jihadists* all over the world, including Boko Haram, due to their personal and political motives of establishing their caliphate based on *Khawarij* philosophy.

Armed *Jihad* or lesser *jihad* (*jihad al asgar*) is not even among the five pillars of Islam. The religion allows 'war' only in self-defense (*Holy Quran* 22:39) and as a means of social or self-protection (*Holy Quran* 4:75). It is prohibited to spread the religion by the use of force. The *Holy Quran* (2:190) reads "Fight in the way of Allah those who fight you but do not

transgress. Indeed, Allah does not like transgressors". Thus, this verse is clear on whom to wage war against; it is those who fight believers. The question is, 'Why is armed *jihad* upgraded and seen as a compulsory duty to be carried out?' This inquiry can be explained through Boko Haram's misconception, misconstruction and misrepresentation of Islamic tenets for personal and political reasons. Thus, the

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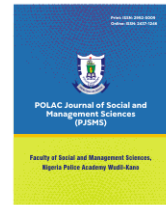
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WATER CHALLENGES AND FOOD SECURITY IN KANO STATE OF NIGERIA: PROBLEMS AND WAY FORWARD

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Abstract

The study examines the challenges of water and food security in Kano State and suggests strategies to solve this problem. The study reviews the literature on water and food security in Nigeria and Kano State in particular. The study shows in a nutshell the major findings and problems Kano is facing, Kano State is facing challenges related to water and food security, including very limited availability of clean water, illiteracy, degradation of natural resources, corruption, poverty, and poor governance. Kano state of Nigeria agriculturally rich, known for its production of crops such as rice, wheat, sorghum, millet. However, frequent droughts, water scarcity and poor management of water resources have led to a decline in agricultural production and food insecurity. The study examines the water challenges and food security situation in Kano state of Nigeria, highlighting the problems and proffering possible solutions. The methodology adopted in this study is content analysis using secondary data. The secondary data includes existing literature on topics such as books, journals, conference papers and other related documents. Rossman(1989) cited that collection of data and analysis in a qualitative research is a simultaneous process. The choice of this method of data collection was however informed by the focus of the study that is water challenges and food security in kano state of Nigeria. The major recommendations made by this paper as seen below can be enveloped into an opinion that improved Agricultural Practices should be encouraged into Improving Farmer Education and individual Building

Keywords: Kano State, Water challenge, Food security, climate change, problems and the way forward

1. Introduction

Water scarcity and food insecurity are major global setbacks that have continuous implications on human well-being and socioeconomic development. In Nigeria, a country that heavily depends on agriculture for its economy and sustenance, the situations becomes more critical. Kano State, situated around the semi-arid region of northern Nigeria, faces significant water challenges that directly impact its agricultural productivity and food security. The relationship between water and food security cannot be over-emphasized, as water is an important resource for crop cultivation, livestock rearing, and overall ecosystem health. In Kano State, climate variability, population growth, unsustainable water management practices, and limited access to clean water exacerbate the existing challenges, placing immense strain on local agricultural systems and food availability. This study

aims to delve into the water challenges bedeviling Kano State and its direct effect on food security by analyzing the problems and interconnections, the study seeks to propose a viable way forward that can address these issues sustainably. Drawing from empirical data, literature reviews, and field surveys, this research seeks to contribute valuable insights into the broader discourse on water and food security in Nigeria and beyond.

Finally, this paper will propose a wholistic approach that integrates community engagement, governmental intervention, and private sector collaboration to address the water challenges and promote food security in Kano State. Also identifying potential pathways and strategies, the study aims to contribute to evidence-based policy formulation and decision-making processes, ultimately fostering a more

sustainable and secure future for Kano State and its citizens.

conclusively, this research tries to aspire to shed light on the various dynamics between water scarcity, agricultural productivity, and food security in Kano State, advocating for pragmatic solutions that will enrich local communities and add a more resilient and food-secure future for the geographical area

Water Challenge in Kano

In Nigeria a good number of population don't have access of good drinking water but that of Kano is on a high level as its primary source of water is from groundwater and rivers which is over exploited. Water has no clear definition but its importance cannot be over-emphasized in modern day's world for livelihood, sustenance and general development.

Although, worldwide water scarcity and limited access to water in various places in Nigeria is a phenomenon but that of the north has more binding effect because of agricultural activities, population and general need for development especially in a very fast developing state like Kano with high activities of businesses and commerce, Per capita water availability was projected to fall from 6600 to 4800 m³ between 2000 and 2025 because of uneven distribution of water resources (WHO, 2000).

Nigeria has adequate surface and ground water resources to meet current demands for potable water though the temporal and spatial distribution of water has led to scarcity in some locations especially in the North (Ezeigbo & Ogbukagu, 1991). according to the above authors scarcity in this parts of the north is as a result of heavy use and pressure on it without other options being created over time. . Other regions of the world have higher rates of access, but even in Latin America and the Caribbean many millions remain without access (WHO/UNICEF/WSSCC, 2009).

Objectives of the Study

The primary objectives of this study are:

- i. To assess the current state of water availability and quality in Kano State and analyze the key drivers contributing to water scarcity.
- ii. To understand the relationship between water challenges and food security, examining the impact of water scarcity on agricultural practices and food production.
- iii. To identify existing policy frameworks and governance structures concerning water management and propose potential strategies to enhance water security and food availability in the state.

2. Literature Review

This section presents a review of existing literature relevant to the water challenges and their impact on food security in Kano State, Nigeria. This part aims to highlight aspects of water scarcity, agricultural practices, and food security issues, and to examine potential solutions and ways forward.

Water Scarcity in Kano State

Kano State, located in northern Nigeria, has been facing with significant water scarcity issues, normally attributed to climate conditions, population growth, with mismanagement of water resources. Various studies (Abdullahi et al., 2018; Bala et al., 2019) documented the decreasing trend in water availability and the negative effects on agricultural activities, leading to food insecurity.

Effect of Water Scarcity on Agricultural Productivity: The limited available water resources in Kano State creates a severe risk to agricultural productivity. Studies (Ibrahim et al., 2017; Yakubu and Adamu, 2018) reported reduced crop production, loss of livestock, and more vulnerability to drought and desertification due to water scarcity. The declining agricultural output has a direct implication on the food security situation in the region.

Water Management Practices: Efficient water management practices are essential to mitigate the water challenges in Kano State. Research by Ojochenemi et al. (2019) studied the traditional water conservation methods used by local farmers and their

improvement. Combining modern water-saving technologies and sustainable irrigation practices has also been suggested as a potential solution (Idris et al., 2020). Comprehending the practice is important in formulating effective water management strategies.

Socio-Economic Impact on Food Security:The water challenges in Kano State have gravious socio-economic consequences, especially on food security. Studies (Adewale et al., 2018; Mustapha and Iro, 2019) have highlighted the increasing food prices, income disparity, and rural-urban migration due to food scarcity. These effects further exacerbate the overall food security situation in the state.

Government Policies and Interventions:The Nigerian government created policies and policies to address the water challenges and assure food security. Research by Jibrin and Suleiman (2021) evaluates the effectiveness of government programs such as the National Water Resources Bill and the Agricultural Transformation Agenda. Analyzing these policies helps in understanding their impact and identifying potential areas of improvement.

Community-Based Initiatives:added with government interventions, community-based initiatives have come up to solve water challenges and improve food security. Community-driven water management projects (Adamu et al., 2020) and farmer cooperatives (Salisu and Mohammed, 2021) have shown promising results in tackling water scarcity and improving agricultural practices.

3. Methodology

The methodology adopted in this study is content analysis using secondary data. The secondary data includes existing literature on topics such as books, journals, conference papers and other related documents. Rossman(1989)cited that collection of data and analysis in a qualitative research is a simultaneous process. The choice of this method of data collection was however informed by the focus of the study that is water challenges and food security in kano state of Nigeria.

Study Area

Kano was among the 12 states created in May 1967 out of the former Northern Region. The state remained intact until August 27,1991 when Jigawa State was carved out of it. It is located in the northwest geopolitical zone of Nigeria. Hausa and Fulani, who are predominantly Muslims, inhabit Kano State.

Kano State is one of the largest states in Nigeria in terms of population, having a population of about 9, 383, 682 in the 2006 census. It's has 44 local governments, with an area of 20,479.6 square kilometer. The population density is about 458 persons per square kilometre. The walled city of Kano, which serves as the state capital, is the commercial nerve centre of Kano State and indeed the whole of northern Nigeria. Many immigrants, mainly Yoruba and Igbo, live in Kano City. Six local government areas (Fagge, Gwale, Tarauni, Kano Muncipal, Nassarawa and Dala) have virtually merged into what a visitor would call Kano metropolis. The official language of Kano State is Hausa, but English language is commonly spoken as the country's official language. Most natives can also read Arabic literature.

Historically, Kano State has been a commercial and agricultural state, which is known for the production of groundnuts. The state has over 18, 684 square kilometres of cultivable land and it is the most extensively irrigated state in Nigeria. Kano State is noted for its famous markets and it is the most leading industrial centre in the north.

Trading articles in the Kano City include leather goods, local crafts, dyed textile materials as well as camels. Giant industrial plants include textile, oil, motor assembly, bicycle assembly and many agro – based industries. Kano City is linked by rail, road, and air to all parts of the country and internationally. With its vast arable land and favorable climatic condition is recognized as an agricultural hub, contributing positively to the nation's food production. However, water scarcity and the unsustainable management of existing water resources have emerged as major problems to agricultural development in the region. The effects of climate change also is visible, population growth without marching economic might, rapid urbanization, and inefficient irrigation practices

have further increased the water challenges in Kano State, leading to grave consequences for food production and the livelihoods of its population.

4. Results and Discussion

Effects of Water Challenges in Kano State

typhoid Poor quality drinking water is responsible for the spread of deadly diseases such as cholera, dysentery, shigellosis, hepatitis A, poliomyelitis, Escherichia coli diarrhea etc (Andrew, 1998; WHO and UNICEF, 2006). Kano has suffered outbreak of cholera annually more than any state in Nigeria with death tolls than any political uprising. According to NAN, Suleiman Illiyasu, the state's disease surveillance and notification officer (DSNO), disclosed this at a media briefing in Kano. He said Kano is the second most affected State in the country, with at least 11,475 cases recorded across the 44 L.G.As the cable (2022, September).

Kano state located in northern Nigeria has faced water challenges for a long time which have had effects on its population and the development of the region. Some effects of water challenges in Kano are:

- i. Access to Clean Water: One of the major effects of water challenges in Kano is the very limited access to clean and safe drinking water. Population in most areas of the state struggles to access reliable water sources as the major source is from ground leading to over-dependence on polluted water from sources, ponds, and rivers, shallow wells. This challenge adds the risk of waterborne diseases such as cholera, typhoid, and diarrheal disease which can easily lead to death.
- ii. Health problems: Inadequate access to clean water has intense health implications for the people of Kano. Polluted water sources add to the spread of waterborne diseases, which will lead to high rates of morbidity and mortality, especially among children. Insufficient proper sanitation facilities heighten the health risks and makes it difficult to maintain hygiene and prevent the spread of diseases.
- iii. Economic weight: Water problems pose a great economic burden on individuals and communities in Kano. With few or no good access to reliable water sources, citizens do have to travel long distances to fetch water, which is time-demanding and physically

draining. The time and energy use here would have been used for production activities like education, Crop farming or income-generating activities. However, the expense of buying water from retailers or other sources will be financially stressful for low-income households.

iv. Affects Agriculture: Agriculture cannot be over-emphasized in sustenance of society important economic activities in Kano and water scarcity affects agricultural productivity and by lack of food production to ensure food security. Insufficient water supply for irrigation easily leads to minimized crop yields and deters the cultivation of high-value crops. Farmers always depend on rainfall patterns, which can be unreliable, leading to crop failures and food insecurity. This issue brings a cycle of poverty and deters the overall economic development of the Kano state.

v. Social Unrest and Conflict: Water scarcity leads to conflicts and social agitations/conflict within communities. As water becomes increasingly scarce, competition for available resources will arise, leading to break down of laws, unhealthy rivalry, tensions and conflicts between different people, groups. However, women and girls are the ones responsible for water collection, face safety risks when covering distances to fetch water, particularly in areas with little or no security.

Food Security and Water Scarcity

Food security and water scarcity are interwoven because they have a huge impact on each other. Water scarcity can be seen as long-term changes in weather patterns and temperatures majorly caused by human activities such as burning, deforestation, and industrial pollution. These activities release greenhouse gases into the atmosphere which pollutes the environment leading to global warming and heavy changes in climatic patterns.

Water scarcity, rising temperatures, changing patterns, and sea-level rise, have significant effects for food security worldwide. Some key points to observe are:

- i. Productivity (agricultural): water scarcity impacts agricultural productivity through numerous mechanisms. Increased temperatures drops crop yields and depletes the quality of harvested produce. Changes in rainfall patterns can lead to droughts or floods,

disrupting agricultural activities and reducing crop production. Pests and diseases can also thrive under changing climatic conditions, further impacting crop yields.

ii. **Water Availability:** water scarcity affects the availability and distribution of water resources, crucial for agricultural irrigation. Changes in precipitation patterns can result in water scarcity in certain regions, making it difficult to sustain agricultural production. Additionally, the melting of glaciers and snowpack due to higher temperatures can reduce the availability of freshwater in many areas.

iii. **Change in Growing Seasons and Areas:** water scarcity alters the timing and duration of seasons, affecting planting, growth, and harvesting cycles. It may lead to the expansion or contraction of suitable agricultural regions, with some areas becoming less viable for certain crops. This can disrupt established farming systems and require adaptation strategies, such as shifting to more resilient crop varieties or changing agricultural practices.

iv. **Food availability and distribution:** water scarcity affects food distribution patterns, particularly in vulnerable regions. Extreme weather events can damage transportation infrastructure, disrupt supply chains, and increase the cost of food production and transportation. This can lead to food price volatility and limited access to nutritious food, exacerbating food insecurity.

Way forward For Water Scarcity and Food Security

To address the challenges of food security and water scarcity a diagonal approach is important, strategies include:

i. **Developing Sustainable Agriculture:** Encouraging sustainable agricultural practices is important for encouraging food security while minimizing environmental harm. This includes practices like organic farming, agroforestry, precision agriculture, and conservation tillage. Sustainable agriculture seeks to optimize resource use, protect biodiversity, reduce chemical inputs, and enhance soil health, thereby increasing resilience to climate change.

ii. **Sustainable Land Management:** Promoting sustainable land management practices, including soil conservation, afforestation, and agroecology, helps

enhance soil health, conserve water resources, and increase the resilience of agricultural systems.

iii. **Encouraging Resilience and Capacity:** Supporting small-scale farmers, particularly in vulnerable regions, by providing access to credit, insurance, improved seeds, and knowledge about climate-smart practices can help enhance their resilience to climate change.

iv. **Policy laws and International Cooperation:** policies by Governments and international organizations need to be encouraged that integrate climate change and food security issues. Collaboration among countries should be encouraged to share knowledge, technology, and resources for addressing these interconnected challenges effectively.

v. **Public enlightenment, Awareness and Education:** Bringing public awareness on the links between climate change and food security is important for driving individual and collective action. Education campaigns, public outreach programs, and awareness initiatives will empower individuals to take sustainable choices, support policy changes, and advocate for climate-resilient agriculture.

The vast relationship between food security and climate change encourages a universal and general approach to ensure sustainable food production, equitable access to food, and resilience towards agricultural systems in the face of a challenge.

5. Conclusion and Recommendations

Water challenges in Kano State, Nigeria, pose very big threats to food security. The combination of rapid population growth of indigenes and influx of citizens of other state, urbanization, limited agricultural resources, and climate variability has intensified these challenges. Insufficient and unreliable water supply, with inadequate irrigation infrastructure, reduces agricultural productivity and adds food insecurity in the region.

This paper has highlighted key problems adding to water challenges with their implications for food security in Kano State. These include much dependence on rainfall, insufficient water management, bad access to irrigation systems, and the lack of modern farming skills. Also, factors such as population pressure, land degradation, and the absence

of adequate post-harvest management contribute to reduced agricultural productivity and food losses. Also, with these challenges, there is a clear way forward to address the water-food security issue in Kano State. The paper already discussed the strategies that can be adopted to counter these challenges and improve food security. These strategies include promoting sustainable agricultural practices, investing in irrigation infrastructure, diversifying crops, strengthening agro-processing and value chains, enhancing research and development, and providing farmer education and capacity building.

To successfully address water challenges and enhance food security in Kano State, it is essential to foster collaboration and coordination among various stakeholders. This includes government agencies, research institutions, farmers' organizations, private sector actors, and civil society organizations. Public-private partnerships, access to credit and financial services, and the dissemination of climate information and early warning systems are critical components of an integrated approach.

While implementing these strategies, it is crucial to take into account the specific context of Kano State, including socio-economic factors, cultural practices, and the diverse needs of different farming communities. Flexibility and adaptability in the implementation process will be key to ensuring the effectiveness and sustainability of the proposed interventions.

In conclusion, addressing the water challenges on food security in Kano State requires a comprehensive and multi-faceted approach. By adopting sustainable agricultural practices, investing in irrigation infrastructure, strengthening value chains, and promoting farmer education, Kano State can enhance its agricultural productivity, reduce food losses, and improve food security for its growing population. The successful implementation of these strategies will not only contribute to the well-being and resilience of the farming communities but also lay the foundation for a more sustainable and food-secure future for Kano State.

Nigeria, Kano is saddled with food challenges due to factors such as rapid population growth, urbanization,

limited agricultural resources, and climate variability. Here are some recommendations to fix food challenges in Kano:

i. Improved Agricultural Practices: encourage sustainable agricultural practices like conservation agriculture, agroforestry, and precision farming. Such methods will enhance soil fertility, reduce water usage, and increase productivity. Also Training programs and extension services will inform farmers on modern farming techniques and technologies.

ii. Good Irrigation Structures: Increase irrigation systems to minimize dependence on rainfall and improve crop yields. Improve in irrigation infrastructure, such as canals, dams, and water management systems, to ensure reliable water supply for agriculture. Promote efficient irrigation methods like drip irrigation to conserve water resources.

iii. Mixture of Crops: Encourage crop diversification to enhance food security and reduce vulnerability to climate pattern change. Encourage the cultivation of drought-tolerant and heat-resistant crops, also with traditional crops, to maximize agricultural productivity and adapt to changing climatic conditions.

iv. Encouraging Agro-processing and Value Chains: Invest in post-harvest management, storage facilities, and agro-processing capabilities. That can reduce post-harvest losses and add value to agricultural products. Improving agricultural value chains and connecting farmers with sales (markets) will encourage access to markets and increase farmer's income.

v. Funding of Research and Development: Encouragement in investment in agricultural research and development by funding to address regions specific challenges. Collaboration with research institutions and agricultural experts to create and disseminate improved crop varieties, farming skills, and pest management suitable for the Kano region.

vi. Improving Farmer Education and individual Building: Provide training and capacity building programs for farmers to improve their knowledge and skills. By including educating farmers on modern agricultural techniques, sustainable farming skills,

market information, and financial management. Farmer cooperatives and agricultural associations can facilitate knowledge sharing and collective action.

vii. Easy Access to Loans and Financial Services: Facilitate access to credit and financial loans for farmers to invest in improved agricultural techniques, purchase machines, and scale up their operations. Creation of microfinance institutions or agricultural loan schemes tailored to the needs of smallholder farmers in Kano.

viii. Climate data and early detection signs Systems: create and apply climate information and early warning systems to aid farmers take informed decisions on planting, irrigation, and crop protection. This can assist farmers in mitigating issues linked with climate patterns and extreme weather events.

ix. Public-Private relationship: increased partnerships between the government, private sector, and civil

society organizations to address food challenges comprehensively. Collaborate with private entities to enhance agricultural value chains, improve infrastructure, and facilitate access to markets and technologies will be ideal

x. Nutrition Enlightenment and Food Security talks: encourage nutrition education and implement food security programs to fix malnutrition and improve dietary diversity. Educate communities about the importance of balanced diets and support ideas that add access to nutritious foods, especially for vulnerable populations such as children and women. Enacting these strategies will require relationship and coordination among stakeholders, including government agencies, farmers' organizations, research institutions, NGOs, and private sector actors. By adopting a diagonal approach, Kano will overcome its food challenges and achieve sustainable food security for its numerous and rising population.

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FISCAL TRANSPARENCY AND GOVERNANCE IN NIGERIA PUBLIC SECTOR: EMPIRICAL EVIDENCE FROM KWARA STATE

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Abstract

This study is centered on Fiscal Transparency and Governance in Kwara State Public Sector. This is informed by the high rate of corruption that is embedded in the Nigeria Government System which has led to ambiguity and uncertainty about the stewardship of the Nigeria Government to the populace. The Research Design used in this study is a Survey Research Design which employed the use of questionnaire in gathering information and sampling the opinion of our respondents. The data gathered from the use of questionnaire was analyzed using Ordered Logit Regression Analysis. findings of this research shows among others that involving all citizens in an integrated, long term planning process of the state is an achievement towards protecting the environment, expanding economic opportunities and meeting social needs. The conclusion of this study is that Fiscal Transparency is a prominent factor for enhancing Governance in Kwara State Public Sector. Thus, the study recommended that the state government should carry citizens of Kwara State along in the Budget Processes through each Local Government and should invest more in Agricultural activities in the state. Lastly, Open innovation activities should be encouraged as this will effectively deal with externalities of resources, environment and relatively balance the economic value and governance value of the state

Keywords: Fiscal, Transparency, Accountability, Governance, Budget participation.

1. Introduction

Transparency and accountability are major key issues in government. Every government is expected to effect fiscal transparency in its system which is a road to many forms of development to improve the confidence over issues of governance (Anthony & Ojeifo 2016). Governance is an important instrument to reduce pressure within and between countries on the use of natural resources, thereby, contributing to building trust and confidence at all levels. It relates to the environment and how government system is managed. Currently, the world is facing the problem of global warming and other environmental troubles due to the activities that humans engage in resulting from inadequate management of the environment. Under the

Fiscal Responsibility Act 2007, institutions are required to make timely disclosure and wide publication of all transactions and decisions involving public revenue and expenditure for transparency and accountability purposes. Governance is an evolving field, attracting serious attention from scholars and it gradually becoming a center of policy making of governments (Li, Xu & Zheng, 2021).

Accountability and transparency has been a major concern for many years in the Nigerian public sector. Although many policies and regulations have been made by the government concerning the issue, but no proper solution is yet to be found. The National Assembly has laid emphasis on the fact that there is critical need to improve transparency and

accountability in the Nigerian public service. One of the observations was that there is crucial need for the government, multilateral and bilateral donors to identify the usefulness of accounting and auditing to provide better reporting system. While governance is habitually associated with official regulation by states, (OECD, 1996), scholars in the field of legal pluralism are advancing more nuanced understandings that also emphasized the roles of non-state institutions in the market and civil society in policy-making, norm-setting, implementation, and other aspects of governance (Merry, 2010). Scholars such as Borrows (2016) also stressed the role of indigenous communities and their legal traditions as a critical source of social ordering. The Global Initiative for Fiscal Transparency was formed in 2011 following the Global Financial Crisis (GFC). Its formation, facilitated by the World Bank, the International Budget Partnership, the International Monetary Fund (IMF), and the governments of Brazil and the Philippines, considered a sense of urgency that the GFC had disclosed core weaknesses in the state of fiscal transparency and a lack of accountability for the management of public finances, especially in developed economies (Montes; Bastos & Oliveira 2019).

The recurring government failure in the Nigerian system is a source of concern for regulators, investors and researchers necessitating continuous research into fiscal transparency and green governance in Nigerian. Corruption keeps increasing despite the government being highly regulated. A wide range of researches on the fiscal transparency and green governance in the Nigeria public sector produce inconsistent results necessitating further in-depth investigation in different economic environments (Enabulele & Aziken, 2019). Persistent deforestation, firewood and gas emission into the atmosphere from oil production leading to high rate of temperature in the environment poses a major threat to governments around the world. Governments in the world are shifting focus towards green governance which reasonably coordinates the relationship between humans and nature. It helps to ensure the balanced development of the economy, society, and the environment. The budget cycle provides an independent view of the green governance in any government system. Although budget cycle is mandatory, and required by law; the quality of

government depends on their performance to the general public. A positive relationship is expected between the fiscal transparency and green governance in the public sector. Open contracting promotes transparency and participation in government contracting with the goal to improve public procurement processes worldwide (Gätjen, 2014). It is believed that governments occupy an important position in the economic health of any country such that its (excellent or meager) performance invariably affects the economy of the country.

A positive relationship is expected between the fiscal transparency and green governance in Nigeria public sector. It is important to ensure tax equity for both principled and practical reason. Citizens have, in general, the right to expect "fairness" in public policy, including taxation. The ideas of "fair tax" and "equitable distribution" are very difficult to know, because they are ethnic and political. The anti-tax campaign led by Western politics and non-governmental organizations (NGOs) does not seem to be about fair taxation, Lamberts, (2019). As well, since tax system perceived to be "unfair" tend to be resisted with special intensity, such tax systems tend to generate less revenue and have higher administrative costs than perceived to be "fair" (McCaffery, 2008). It is expected that fair tax system should enhance performance of a government especially where government with taxes being the primary source of government revenue to support various public services, tax officials must learn to adapt their capabilities to the rapidly changing economy. Since taxes are the main source of government revenue to finance many public services and projects, tax authorities must learn to adjust their capacity to adapt to changing activities in the economy (Juswanto & Simms 2019). According to the Nigeria Action Plan (2019-2021), the main objective of fiscal transparency is to "ensure that budget planning, approval, implementation, monitoring, reporting, auditing meet the needs of citizens and that citizens have open access to budget information in a format that is both human and machine-readable."

Over the last few years, several studies have looked into the Fiscal transparency and green governance in Nigeria public Sector: empirical evidence from Kwara State manipulation of sector in various governance and

countries, with mixed, inconsistent, and inconclusive results ranging from positive, negative, no relationship, statistically significant to insignificant influence. The use of various research methodologies, the various periods covered, the nature of variables considered, the availability and nature of data used, the various jurisdictions and sectors of study, the various sample compositions, and the various measures of environmental accounting disclosures employed all contributed to these results.

Many gaps in the work have been identified. The first is the local area; previous research has been done in other parts of the world. For example in Joab-Peterside (2007). Oil Production in the Niger Delta: Improving the Flow and Utilization of Oil Derived Resources in the Urban Sector in Abia State, Nigeria. A regional study area in the Niger Delta. The second reason is the time the study was conducted. Nkwoji, (2021). Environmental Assessment and Efficiency of Selected Oil and Gas Industries in Nigeria (2012-2017) and Madugba, Ben-Caleb., Agburuga., Ani., Jegede and Fadoju. (2021). Environmental reports and sustainability reports in oil companies in Nigeria.

This study aimed to empirically examine the benefit of the Fiscal transparency on governance in Nigeria public Sector: empirical evidence from Kwara state.

2. Literature Review

2.1 Conceptual Issues

Fiscal Transparency: In 2014, the International Monetary Fund (IMF) released a Fiscal Transparency Code, which is the global standard for disclosure of information about public finances and replaced the 2007 Code and the related Fiscal Module of the Reports on the Observance of Standards and Codes (Fiscal ROSC). The IMF's Fiscal Transparency Code (the Code) is the international standard for disclosure of information about public finances.

According to The International Monetary Fund (IMF, 2018) Fiscal transparency is "the comprehensiveness, clarity, reliability, timeliness, and relevance of public reporting on the past, present, and future state of public finances – is critical for effective fiscal management and accountability. It helps ensure that governments have an accurate picture of their finances when making economic decisions, including of the

costs and benefits of policy changes and potential risks to public finances. It also provides legislatures, markets, and citizens with the information they need to hold governments accountable. Greater fiscal transparency can also help strengthen the credibility of a country's fiscal plans and can help underpin market confidence and market perceptions of fiscal solvency".

Citizens' Participation in Budget Cycle: According to Hong (2015), Citizens' participation in budget cycle otherwise known as Participatory Budgeting is a system that promotes efficient and responsive government by allowing citizens contribute to resource allocation decisions. It helps to ensure that the various concerns of the citizens are made known to the government and attended to.

The GIFT High Level Principles for Fiscal Transparency, which the United Nations General Assembly adopted in 2012, establishes public participation in the budget process as a civil right. It asserts that "citizens and non-state actors should have the right and effective opportunities to participate directly in public debate and discussion over the design and implementation of fiscal policies". The Non-state actors are organizations and individuals that are not affiliated with, directed by, or funded through the government such as corporations and Non-Governmental Organizations (NGOs).

A budget is the financial instrument of fiscal policy used to encourage stable growth, sustainable development, and prosperity in the economy. It is a comprehensive document that states what economic and non-economic activities a government wants to undertake with special focus on policies, objectives and strategies for accomplishments that are substantiated with revenue and expenditure projections (Ugoh & Ukpere, 2019).

Open Contracting: Open Contracting is about publishing and using open, accessible, and timely information on public contracting to engage citizens and businesses to fix problems and deliver results (Open Contracting Partnership). Open Contracting suggests a transparent and participative design and execution of public procurement processes. Open contracting is a system of procurement that allows disclosure of procurement data at all stages of

procurement and allows for engagement and feedback from other stakeholders. As a process, open contracting is a commitment by governments who are the data holders to engage a variety of stakeholders, including citizens and the private sector, in meaningful discussion about procurement performance and processes.

Open contracting is becoming very important across Africa. This was because of the obvious benefits that come with its full implementation. Many African countries have been making important progress towards implementing open contracting by enacting policies that support the principles of open contracting. (Ozor & Nyambane 2020).

As open contracting focuses on disclosure of more and more information, citizen/stakeholder engagement has been seen as a main element in ensuring accountability and meaningful use of the opened contracting data. The different stakeholder categories have very different and critical roles to play in the whole process of open contracting to achieve the meaningful benefits of it. (Dietrich, 2017).

Fair Tax System: Akintoye and Tashie (2019) pointed out the importance of taxation in the activities of any government cannot be overemphasized. The world over, taxes is one major source of government revenue, however, not every national government have been able to effectively exploit this great opportunity of revenue generation. This can be attributed to several reasons including the system of taxation; tax legislation; tax administration and policy issues; over reliance on other sources of revenue (such as foreign aid and grants); corrupt practices in the system – especially as it relates to the system of tax collection and behavior of citizens towards tax payment; and ease of tax payment. Before a country considers how best to administer its tax system it must possess a clear picture of the scope of its tax system. The quantity and quality of resources required by tax administrators are to a large extent determined by the type of tax system which is introduced. (Leyira, Chukwuma & Asian, 2012).Phillips (2011) observes that taxation is the most essential part of state viability and the most discernible indication of implicit agreement that exists between the state and the citizens.

According to Emmanuel (2010), many developed and developing economies around the world had experimented and proven that no nation can truly develop without developing its tax system. Consequently, many countries have embarked on tax reforms and restructuring with a view to developing a tax system that maximizes government revenue without creating disincentiveness for investment.

Governance: United Nation (UN) Environment promotes environmental governance based on robust governance systems and smart environmental laws and policies. The purpose behind this is to protect the environment and human rights by partnering with national governments, parliamentarians, and other policymakers. The citizens are allowed greater access to environmental information to enhance environmental cooperation at local, national, and global levels (UN Environment, 2018).

According to Dieng and Yvon (2017), “Governance is the government visionary, strategic and participatory sustainable management of natural resources”.

Green governance is a multidimensional scope of sustainable development that requires a strategic and participatory approach that encourages the sustainable management of natural resources, especially in developing countries (Pesqueux, 2017).

Governance and related issues are fast gaining importance in the arena of social sciences. The concept of governance can be defined as any collective and purposive activities that ensure safety, prosperity, stability, and continuance of the sustainable development and go traditional hierarchical activity (Nahar & Mishra, 2019).

Governance supports global sustainability through the decentralization of both governmental and nongovernmental organizations and businesses through collaborations very little progress has been made towards sustainability (Jungah, 2012).

There are many community dynamics that work towards building healthy and prosperous communities over the long term; the three particularly important ones are: economy, ecology, and equity- the three E's. Economy is the management and use of resources to meet household and community needs. Ecology is the

pattern of relationship between living things and their environment. Equity is fairness. Ideally everyone in a community share in its well-being. Where there is equity, decisions are based on fairness (American Library Association, 2006).

2.2 Theoretical Review

Triple Bottom Line Theory

In 1994, John Elkington; the famed British management consultant and sustainability guru, coined the phrase "triple bottom line" as his way of measuring performance in corporate America. The idea was that a company can be managed in a way that not only makes money, but which also improves people's lives and the well-being of the planet. The Triple Bottom Line theory also says that if a company focuses on finances only and does not examine how it interacts socially, it is not able to see the whole picture and therefore cannot account for the full cost of doing business.

According to Slaper and Hall (2011), the challenges of putting the TBL into practice relate to the measurement of social and ecological categories: Finding applicable data and determining how a project or policy contributes to sustainability.

The Triple Bottom Line Theory is a "concerted effort to incorporate economic, environmental and social considerations into a company's evaluation and decision-making processes" (Wang & Lin, 2007).

Triple Bottom Line (TBL) reporting is a method used in business accounting to further expand stakeholders' knowledge of the company. It goes beyond the traditional, financial aspects and reveals the company's impact on the world around it. There are three main focuses of TBL: "people, planet, and profit" ("Global Reporting Initiative," 2006).

The Triple Bottom Line is used by Governments, Businesses and Non-Profit Organizations.

2.3 Empirical Review

Wang and Zhang (2020) examine the environmental governance performance of Guangdong province, the most developed coastal region in China. Through a quantitative study of empirical data of Guangdong province from 2001 to 2017, it is found that fiscal transparency does have a significant positive impact

on the efficiency of local environmental governance. Therefore, it is suggested that all regions in Guangdong should be more transparent in administration, intensify industrial transformation and upgrading, and better govern the regional ecological environment.

Nahar and Mishra (2019) in their study Green Governance-a steppingstone for Sustainable development brought to limelight the care and reverence to the environment since ancient times, its massive exploitation since the industrial revolution and the need of green governance, due to ill effects of environmental damage like rise in blood cancer, heart and lung diseases, respiratory problems, complications of childbirth and mental illness. In this study, it is shown that the global green governance is still disjointed and fragmented and there is a strong need for effective and adaptive governance policies to support the societal changes in the coming decades. Education, cooperation, and active participation at local, national, and global levels can help achieve the objectives towards Green Governance.

Petrie (2018) conducted a study on reversing the Degradation of New Zealand's Environment through Greater Government Transparency and Accountability, the article proposes greater transparency in and accountability for environmental governance, addressing widespread concerns about the degradation of New Zealand's natural environment. It assesses national environmental reporting in New Zealand against a recognized international framework and compares the wider governance framework for environmental management with other policy domains, particularly fiscal policy. The proposals advanced that more effective environmental governance is based on greater transparency, with ex ante setting of goals, targets and milestones, and comprehensive ex post monitoring, reporting and accountability.

Duwell, Bos and Steenbergen (2018) in their book titled Toward the ethics of a green future which explores ecological sustainability as a human rights issue and examines what our long-term responsibilities might be provide a basis for understanding the debates on the provision of sustainability for future generations from a diverse set of theoretical standpoints. The book

intergenerational justice, rights to a green future and environmental rights cannot be obtained at local or national levels in isolation. The study concluded that academics should aim to provide policymakers and activists with at least a rough road map of how to conceptualize people's rights to a green future, how to regulate intergenerational risks and how to implement pathways to sustainable governance. Fiscal transparency promotes fiscal accountability by enabling the public and the markets to evaluate and discipline governments. It raises the political costs of unsustainable policies.

Shah (2018) has defined "the green governance from the perspective of scientific decision making and long-term development of the relationship between the mankind and nature. They also state that green governance coordinates the conflicts between human and nature through the design of a set of institutional agreements or mechanisms, thereby ensuring the scientific decision-making of global green governance actions and ultimately maintaining the continuous and stable operation of the economic-social environmental system."

Kramarz and Park (2016) stated that the gap between the need for action and existing responses has led to demands for accountability, complying with accountability may not mitigate negative environmental impacts and the utility of accountability hinges on improving governance at both tiers. Environmental governance involves biases that determine what counts as an appropriate response. In the absence of accountability for these biases, governance institutions can subordinate environmental ends to goals determined by different institutional logics.

3. Methodology

The research design adopted for this study is survey research design. This type of research design enables the researcher to gather information using Questionnaires. While the study population consists of

staff of the Kwara State public sector and census sampling technique was utilized because of the possibility of studying the entire population. To achieve the objectives of this study and test the hypothesis, the data collected was analyzed using Ordered Logit Regression Analysis.

In other to test the hypothesis of the fiscal transparency and green governance in Kwara State Public Sector, this study adopted the Ordered Logit Regression Model. The assessed model is:

$$y = \beta_0 + \beta_1 X_1 + \dots + e \quad (1)$$

where:

y = Environmental Governance

X_1 = Fiscal Transparency

Since this study tends to broaden the study of knowledge, the above model shall be modified to include Open Contracting, Citizen's Participation in Budget Cycle and Fair Tax System which are represented by Fiscal Transparency. The modified model is stated as follows:

$$GG = f(OC, CPB, FTS) \quad (2)$$

Where:

G = Governance

OC = Open Contracting

CPB = Citizen's Participation in Budget Cycle

FTS = Fair Tax System

This is expressed as follows:

$$\Pr(GG \leq j | X_i) = \beta_0 + \beta_1 OC_i + \beta_2 CPB_i + \beta_3 FTS_i + e. \quad (3)$$

Where j is the scale of measurement having natural ordering ranging from 1 to 7; X_i are the independent variables, $i=1, \dots, n^{th}$

4. Results and Discussion

Table 4.1 present the statistics summary of dependent and independent variables of sampled fiscal transparency and green governance in Kwara state public sector.

4.1 Regression Analysis

Table 1: Goodness-of-Fit			
	Chi-Square	df	Sig.
Pearson	616.291	250	.632
Deviance	226.453	250	.885
Source: Researcher's computation 2022			

The “Goodness of Fit” in table 1 contains the Deviance and Pearson chi-square tests, which are useful for determining whether a model exhibits good fit to the data. Non-significant test results are indicators that the model fits the data well (Field, 2018). In this analysis, we see that both the Pearson chi-square test [χ^2 (250) =616.291, $p=.632$] and the

deviance test [χ^2 (250) =226.453, $p=.885$] were both non-significant. These results suggest good model fit

This study further used ordered logistic estimate to examine the relationship between fiscal transparency and green governance in Kwara state public sector. The results of the overall model of this study generated by SPSS and presented below:

Table 2: Parameter Estimates (Ordered logistic regression)

Number of Observations = 50						
Pseudo R-sq = 0.203						
LR chi2(3) = 11.246						
Prob > chi2 = 0.010						
	Est	Standard Error	Df	Sig	[95% Confidence]	[Interval]
Open contract	-.125	.333	1	.708	-.778	.528
Tax system	.044	.449	1	.929	-.934	1.022
Budget participation	1.217	.387	1	.002	-.458	1.976

Link function: Logit.

Source: Researcher’s computation 2022

In table 2, the likelihood ratio chi-square test is to test whether there is a significant association between the independent variables and the dependent variable in this model. In this case, we see a significant association between the variables of this study as depicted by the chi-square [χ^2 (3) =11.246] with a p-value of 0.010. This is an indication that the model is statistically significant, as compared to the null model with no predictors.

The Pseudo R-square and the parameter estimate for this study model. The R square of this model is about 20.3% that is; about 20.3% of the variation in the dependent variable, green governance is jointly explained by the independent variables fiscal transparency measured by (Citizen Budget Participation, Fair Tax system and open contracting of public projects). This indicated that, only a small percentage (i.e., 20.3%) of green governance in the public sector can be predicted when we combined the independent variables used in this study.

From finding, this study shows among others that involving all citizens in an integrated, long term planning process of the state is an achievement toward protecting the environment, expanding economic opportunities and meet social needs. Governance works towards sustainable development in

communities; such communities use their limited resources to meet their current needs and ensuring that adequate resources are available in the future for the coming generations.

Recommendation

The following recommendations are made based on the results of the study:

- i. The state government should carry along the citizen of Kwara state during the budget appropriation process through each local government or councilor district. This will make sure all the citizens are well informed on the budget process thereby enhancing green governance in the state.
- ii. The state government should invest more in Agricultural activities in the state. The state ministry of Agriculture should provide necessary agricultural facilities that will empower the farmers in the state. This support to agriculture sector will enhance Green Governance which is an important instrument to build and make use of natural resources.
- iii. Open innovation activities should be encouraged as this can effectively deal with externalities of resources and environment and then relatively balance the economic value and green value of the state

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THE INFLUENCE OF PSYCHOLOGICAL CONTRACT ON PSYCHOLOGICAL CONTRACT BREACH (A CASE STUDY OF PUBLIC UNIVERSITIES IN NIGERIA)

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Abstract

The study deals with employment relationship as it examines the effect of psychological contract on psychological employment contract breach. Previous literature review on related subject matter found that large numbers of on psychological contract are carried out in western and Asian countries and suggestions were made for studying further in other nations, thus leads to the present study. More so, most of the previous studies conducted used psychological contract breach as independent variable but the current study addresses these gaps by using it as dependent variable and in African country. The study contributes to the literature by identifying that psychological contract influences psychological employment contract breach under the subject matter. A dimension of psychological contract "transactional contract" was discovered to exert an influence on the dimension of dependent variable of psychological contract breach known as "unfulfilled promises". Limitation and implications for research are discussed. It is recommended that the government should always provide accurate and reasonable inducements that can be offered to lecturers, as well as doing follow-up towards implementing programmes in the collective agreement. Lecturers should be paid a competitive salary and other allowances as obtainable in other African countries or other developing countries like Malaysia.

Keywords: Psychological Contract, Employment Relationship, Psychological Employment Contract Breach, Public Universities.

1. Introduction

Universities across the world are seen as the center for academic excellence, source of intellectualism, knowledge and above all, the appropriate place for training and grooming future leaders in any society (Philip & Adeshola, 2013; Ike, 1999). The study by Ipinyomi (2013), emphasized that developing countries such as Africa, rely and also put their hope in educational organization to drive for its growth and development. He emphasized that education is the major and only field that Nigeria can progress her course in the League of Nations, knowing fully well that it enhances proper workforce development and competent employees/citizens.

In Nigeria, public universities are generally divided into different academic departments, faculty or schools which are governed by national universities commission, government-run higher education boards or governing council (Chinyere, Ukeje, & Onele,

2016). The government also reviews budget proposals, financial request, allocating fund for each university as well as planning the growth and development of various higher institution of learning in the country.

It is Important to know that one of the ultimate cause to attaining the purpose and success of any university settings is the academicians (Nwakpu, 2010), knowing fully well that the academic staff performance does not only revolve around their competence and qualification, but also on psychological fulfilment that inspires them to perform to the best of their ability (Abdulsalam & Mawoli, 2012; Istichomah, Suroso & Dimyati, 2018). However, while the developed countries have sound higher educational system, reverse is the case with the underdeveloped and some of the developing nation (Ajaiya & Usman, 2010; Bukola, 2011).

Unfortunately, the public universities in Nigeria is faced with series of problems such as: low inducement/motivation to work due to lecturers poor conditions of service, government interference with smooth administration of the Universities, sacking of the academicians without complying with due process (Oriere, 2016; Ogunyemi, 2016). As, such, Academicians have grieved about series of grievances such as; non-issuance of vehicle refurbishing loan, housing loan and pension scheme, poor payment system and the government relentless attitude of not ready to actualize the agreement it had previously pledged to fulfil to lecturers, as this poses a great threat to public universities making it to embarked of series of industrial action over decade (Duru, 2018; Ineji, P, U., Bassey-Duke, V & Brown, N.J, 2014; Ogunyemi, 2016; Saheed, 2012).

Lecturers in public universities do not get paid at the right time and they receive incomplete salaries in some instances without justification for such action. Getting their legal allowances is a night mare as this has greatly affected their perception on the job. When employees don't receive benefits accrued to them from their employers, it poses a great danger to the organization since the best out of the employees could not be achieved. Above all, the Nigeria public universities have been highly underfunded which leads to infrastructural decay, as well as loss of competent employees to foreign countries (Okeke, 2015; Onah & Anikwe, 2016). This is because the lecturers cannot cope anymore with the psychological trauma and have to travel to foreign countries in search of greener pastures, thereby affecting the psychological contract.

Furthermore, psychological contract is defined as the belief of employee regarding what was promised and what is being given by the employer in exchange for employee contribution (Dabos & Rousseau, 2004; Rousseau, 2000). This is crucial as the survival of any organization depends on good mutual understanding between employee and employer. Studies have revealed the degree to which establishments fulfilling psychological contracts improves the employment relationship (Alcover, Rico, Turnley & Bolino, 2017; Conway, Kiefer, Hartley, & Briner, 2014; Fayyazi & Aslani, 2015; Restubog, Bordia, & Bordia, 2011; Restubog, Zagenczyk, Bordia, Bordia, & Chapman,

2015; Rodwell et al., 2015; Lester et al., 2002; Robinson, 1996).

Consequently, psychological employment contract breach is the notion of employee regarding the degree to which the employers inability to meet up with the obligations and promises (Robinson & Rousseau, 1994). This act of not fulfilling promises results to various negative behaviors such as perceived unbalanced relationship between the employee and employer (Morrison & Robinson, 1997; Robbins, Ford, & Tetrick, 2012; Rousseau, 1995), perceived injustice (Noblet & Rodwell, 2009; Robbins et al., 2012), job dissatisfaction, employee wellbeing, intention to quit, organizational citizenship behavior (Conway & Briner, 2005; Middlemiss, 2011; Zhao, Wayne, Glibkowski, & Bravo, 2007).

Going by literature review of previous studies in addressing the issues of psychological contract breach, evidences have showed that most of the studies conducted are done in western countries and Asia, and very scanty studies focusing on African countries, specifically in Nigeria (Arshad, 2016; Fullerton & Taylor, 2015; Hussain, 2014; Peng, Jien & Lin, 2016; Topa & Jimenez, 2016; McGrath, Millward & Banks, 2015; Restubog, Zagenczyk, Bordia, Bordia & Chapman, 2015; Cassar & Buttigieg, 2015), considering the fact that scholars have questioned the generality of western findings to other cultures and countries (Hui, lee, & Rousseau, 2004; Fu & Deshpande, 2012). It is on this note that the present study fill the gap of scanty studies on psychological contract by investigated the effect of psychological contract on psychological employment contract breach in shaping employment relationship in the Nigerian context.

2. Literature Review

Psychological Contract

A contract is any type of unwritten and subjective understanding between two parties putting into reflection common norms and respect between them (Meybodi, Mortazavi, Poor & Lagzian, 2016). Psychological contract on the other hand is a person's belief concerning conditions and terms of exchange agreement between another person or focal person (Argyris, 1960; Rousseau, 1989), which ranges from

factors such as advancement, growth, promotion and pay which an employer is expected to fulfil in return for an employee hard work (Robinson & Rousseau, 1994). The term “Psychological Contract” entails two major parts as the “relational” and “transactional” respectively (Millward & Hopkins 1998; Millward & Brewerton 1999). Transactional form of contract deals with “short-term, specific and monetizable responsibilities comprising limited employee and employer involvement (Morrison & Robinson, 1997; Mai, Ellis, Christian & Porter, 2016; Rousseau, 2000). While relational form of psychological contract concerns “open-ended, broad and long-term responsibilities centered on the exchange of not only monetary activities such as pay for rendered job or service, but also deals with socio-emotional factors such support and loyalty” (Morrison & Robinson, 1997; Millward & Hopkins, 1998).

Psychological Employment Contract Breach

The term “employment contract” encompasses an exchange concerning the level of employees job performance in exchange for certain amount of money in form of salary or wage (Levine, 2002), and being influenced by psychological contract in the minds of employees. The concept of psychological contract gained much attention as basis for managing and understanding employment relationship between employers and their employees (Rousseau, 2000). Employees have the perception that they are responsible for discharging certain responsibilities to their employers in exchange for benefits. When these benefits are not received by employees in exchange to their obligations to the employer, it results to psychological contract breach.

Previous studies revealed that psychological contract breach by employee have negative consequences for organizations which could lead to reduced organizational citizenship behaviors, job satisfaction and commitment, turnover intentions and higher negative affect towards the organization (Zhao, Wayne, Glibkowski, & Bravo, 2007). It is paramount to study the work of employer in considering the employees behavior (Rousseau, 1995), knowing fully well that psychological contract is a trust beliefs, promises and perceptions that is crucial in strengthening the employee-employer relationship.

Psychological Contract and Psychological employment contract breach

A psychological contract represents individual perception concerning the terms and conditions of a reciprocal agreement between two parties (Rousseau, 1989). It is centred on exchange theories like organizational justice theory and social exchange theory. Thus, ensuring justice, equity and mutual social exchange in the context of psychological contracts would lead to healthy relationship between employer and employee (Lub, Bal, Blomme & Schalk, 2015).

Some of the past studies revealed that psychological contract improves the association between employees and employer in the place of work, and it has positive influence on employees’ conduct, attitude and performance (Conway & Briner, 2005; Chambel & Alcover, 2011; Tekleab & Taylor, 2003; Coyle-Shapiro et.al, 2002; Jamil, Raja & Darr, 2013), since it is centered around norm of reciprocity which expected mutual respect, obligation, exchange and expectation between employer and employee. But when these obligations are not met, employees perceived breach and lost confidence in employer.

Whereas, failure to fulfill the psychological contract obligations can cause employees to reduce their commitment efforts and developing high intentions to turnover (Morrison and Robinson, 1997; Robinson, Kraatz & Rousseau, 1994; Rousseau, 1989). The loss of confidence may degenerate to unhealthy behavior among employees (Bordia, Restubog, & Tang, 2008), as this negative behavior is generally harmful to the progress of the organization as a whole.

Past studies emphasizes that there is robust need to conduct a research on psychological contract on various nationwide beliefs and other dissimilarities among cross-national (Rousseau and Schalk, 2000; Westwood, Sparrow & Leung, 2001). This is due to the fact that dissimilarities may occur amongst individuals from different country and organizations (Sels, Janssens, Van den Brande, & Overlaet, 2000).

Therefore, we want to examine the following research question: is there any significant relationship between

psychological contract and psychological employment contract breach in Nigeria public universities?

H1 There is significant effect between psychological contract and psychological employment contract breach in Nigeria public universities.

3. Methodology

3.1 Sample

The study adopted survey design because it uses questionnaires for the purpose of gathering adequate data from respondents (Crewell, 2008; Malhotra, 2008; Zikmund *et.al.*, 2012), and it is quantitative in nature because Fowler (1988) upholds that survey designs can yield a numeric or quantitative explanation of some percentage of the sample via the method of data collection such as questioning the respondents. Lecturers from Nigeria public universities were selected as the population of the study because the present research concerns them and they are equipped with important response/information regarding questions asked by the researcher (Bakar & Mahmood, 2014).

A samples size of 367 is derived from the total population (Krejcie & Morgan, 1970), and it was increased by 40% in accordance with standard (Babbie, 2015). Thus, making it total of 513 questionnaires distributed, and 436 questioners were retrieved from the field. The researchers gathered the data by directly approaching potential academicians working in different public universities in Nigeria. Of the 436 retrieved questionnaire, most of the participants were male ($n = 265$; 61%). Regarding the respondents educational qualification, a total of 186 (43%) of the respondents are PhD holders, 166 (38%) were in possession of Master's degree certificate, while 84 (19%) were holders of first degree certificate.

3.2 Variables Measurement

Psychological contract achieved Cronbach's $\alpha = 0.773$ for 30 items that was adapted from the work of Millward and Hopkins (1998) indicating adequate reliability of value above 0.7 (Sekaran & Bougie, 2010; Nunnally, 1978). Psychological contract breach was adapted from the previous work of Robinson and Morrison (2000) has nine items and were notched on a 5-points linkert scale ranging from 1 =strong disagree,

to 5 = strongly agree. It has cronbach alpha of 0.900, indicating adequate reliability of value above 0.7 (Sekaran & Bougie, 2010; Nunnally, 1978).

3.3 Analysis Procedure

The aspect of the statistics was analyzed using 24 version of Statistical Package for the Social Sciences (SPSS), and as such, multivariate outliers, data screening, alpha reliability, factor analysis, multiple regression analysis, linearity and normality, were all performed. According to Tabachnick and Fidell, (2007), one of the basic notion of regression analysis is that every single variable and all linear groupings of the variable are supposed to have normal distribution. Editing and data screening was checked since it is essential when conducting any form of multivariate analysis (Hair *et al.*, 2007). Also, the outliers that were discovered to makes up the extreme value, which do not match the majority data set in this study were recognized and removed through the use of Mahalonobis distance process (Byrne, 2016; Meyers, Gamst & Guarino, 2006).

We carried out an exploratory factor analysis (varimax rotation) so as to ascertain the dimension and the influence of independent variable to dependent variable. Skewness and kurtosis which was checked in this research, outliers were identified and removed via Mahalonobis distance process (Meyers, Gamst & Guarino, 2006). In ensuring that each of the variable is normally distributed, the researchers read through the variable values of skewness and kurtosis through distribution of data in agreement to suggestion by Hair *et al.* (2012) and Hair *et al.* (2014) using the range between -1.96 and +1.96 as benchmark (Brown, 1997; Hair Jr, *et al.*, 1998).

An exploratory factor analysis was conducted on psychological contract (30 items) and psychological employment contract breach (9 items). Bartlett's Test of Sphericity ($p < 0.05$) and the KMO measure of sampling adequacy ($p > 0.5$) (Hair *et al.*, 2010; Kaiser & Rice, 1974) met the sufficient and required interdependence between items to permit factorizing them accordingly. All factors that got eigenvalues of 1 and above were accepted and considered, and those factors that scored entire cumulative variance

percentage that scores above or equal to 60% were considered since they met the requirement (Stevens, 1992; Field, 2009). For the multiple regression analysis, variance inflation factors (VIF) was measured for the purpose of testing multicollinearity in the data set.

4 Results and Discussions

Results

The normality for psychological employment contract breach scored a skewness and kurtosis of 0.44 and 0.988 respectively. While that of psychological contract is 0.311 and 1.009 respectively. This shows that the metric variables of Skewness and Kurtosis is within the normal range of -1.96 and +1.96 accordingly (Brown, 1997; Hair Jr, et al., 1998). Also, The KMO Value of psychological employment contract breach is 0.858, and psychological contract scored 0.857, indicating that they are satisfactory since all of them scored above 0.5 (Meyers, Gamst & Guarino, 2006). However, the Bartlett's test value of every variable is 0.000 consistently, and also at significant level $P < 0.05$ (Hair et al., 2010). This point out that the Bartlett's test of sphericity is significant statistically.

In addition, a dimension of psychological employment contract breach with reliable Eigenvalues and rotated component matrix was extracted and renamed "unfulfilled promises" with five items, and with a reliable cronbach alpha. Also, 3 factors of psychological contract scored efficient eigenvalues and reliable component matrix and were considered. Thus renamed; transactional contract, relational contract and finally promotional contract and this brings about restatement of hypothesis as follows:

Restatement of Hypotheses

The following hypothesis were developed and restated based on the dimensions of psychological contract and psychological employment contract breach in Nigeria public universities:

H1 There is significant effect between transactional contract and unfulfilled promises in Nigeria public universities.

H2 There is significant effect between relational contract and unfulfilled promises in Nigeria public universities.

H3 There is significant effect between Promotional contract and unfulfilled promises in Nigeria public universities.

Multiple Regression Results

Table I presents the multiple correlations analysis showing the effect of psychological contract on psychological employment contract breach. The outcome shows the absence multicollinearity between the variables since the tolerance and values of the VIF met the requirement because the values of VIF are scores above 1.0, and the values of tolerance falls below 1.0 respectively. More so, the F values are likewise significant since they scored 0.000 each, and as such, falls below $P < 0.05$ in accordance to the standard rule. Furthermore, the levels of significance allow the researcher to scrutinize every variable's special impact in envisaging the dependent variable accordingly.

Table I Multiple Regression Results for psychological contract and unfulfilled promises

Dimensions	Model IV- DV β -value
Transactional contract	.357*
Relational contract	.048
Promotional contract	.120
F Value	0.000*
R ² Value	0.299*

Note: Significant at $P < 0.05$

Source: SPSS

The regression result found that transactional contract have significant effect on unfulfilled promises in agreement to significant level of $P < 0.05$ at 0.000.

More so, watching the Beta values, the "transactional contract" is significant as well as having positive influence on "unfulfilled promises" with the scores of

0.357. More so, the R^2 value is 0.299 which is equal to 29.9%, and it is significant since it falls beyond 25%. Thus, $H1$ is significant, while $H2$ and $H3$ fail to show significant relationship between the Independent variable and dependent variable.

Discussions

The purpose of this article is to study the effect of psychological contract on psychological employment breach. This research contributes to the literature on psychological contract and psychological employment contract breach. The findings revealed that a dimension of psychological contract "transactional contract" exert influence on dimension of psychological employment contract breach "unfulfilled promises".

Transactional psychological contract would lessen the perception of unfilled promises and it is in line with earlier findings which indicated that transactional contract is one of the factor influencing employees unfulfilled promises (Montes & Irving, 2008; Alcover et al, 2012). From the inception of employment relationship, employees are explicitly and implicitly promised various transactional incentives ranging from salaries, competitive inducements to allowances and expected their employer to live up to expectation by granting such promises. Thus feel disappointed when those promises are not granted as this affects their motivation, perception and overall in put in work place.

Our result suggest that transactional contract should be upheld by employers in influencing employees perceived unfulfilled promises because of the great value and role transactional contract plays in influencing their behaviors. More so, our results supports suggestion of previous research of in studying the dimensions of psychological contract since it cannot be viewed as a single entity (Raja, Johns, & Ntalianis, 2004).

Implication

The implication of this research finding is that academicians in Nigeria public universities will not have the perception of unfulfilled promises if their employers/government offers them monetary, material

and economic benefits. They "Lecturers" have complained about several forms of grievances such as non-issuance of housing and vehicle refurbishing loan, salaries payment system and pension scheme. Others involve payment of incomplete salaries, non-payment of academic earned allowances and poor pay package when compared to their colleagues in other part of the world. All the shortcomings pose a threat to the lecturer's condition of service and tenure stability in the University system (Ungwona, 2016). And these are all transactional in nature and influencing the lecturer's perception of unfulfilled promises and psychological employment contract breach.

Consequently, in accordance to findings of the analysis, lecturer's insight of unfulfilled promises would be drastically improved if they are given economic, monetary and material benefits. Also, in order to avoid brain drain syndrome ravaging the Nigeria public universities putting into consideration the key role lecturers played in steering the affairs of public universities in Nigeria, we recommend management and government should try its possible best to actively manage their employees' transactional psychological contract in order to prevent valuable lecturers from leaving the universities for greener pastures in other countries or sectors.

Communication and authentic assurances that are supported with actions by employers is crucial, therefore, employers should always carry the employees along and give them clear direction on their transactional issues, make policies and promises with time frame and ensuring that those promises are fulfilled as at when due.

We also suggest that there should be room for transactional feedback from employees. Doors should be open by employers that will accommodate employees perception, grievances and issues affecting them. They should give a listening ears to the lecturers and trying to address their issues and suggestions accordingly as this would smoothing the relationship between the government, management and lecturers working in Nigeria public universities.

5. Conclusion

Transactional benefits play a crucial function in influencing employees in the organization. It should be

handling with utmost good faith and earlier promises made by employers should be fulfilled by all means. When promises are fulfilled, it encourages the employee to put in their best in the work place, knowing fully well that employees goes into the employment contract on monetary incentive as exchange for their input. The present research

addressed the issue on how employer-employee relationship influences their perception of unfulfilled promises. Conclusively, the outcomes of our research show that the transactional psychological relationship plays a vital role between the employer and the employee perception of promises made during the employment contract.

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CONFLICT MANAGEMENT AND PEACE BUILDING IN NIGERIA: ASSESSING THE ROLE OF COMMUNITY BASED ORGANISATIONS (CBOS) IN JIGAWA STATE, 2011-2021

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Abstract

The article investigates the role of Community Based Organisations (CBOs) in conflict management and peacebuilding in Jigawa State, from 2011-2021. The rationale behind the study is to explore whether the participation of CBOs in complementing the role of the state has contributed to the management of conflict and sustainable peacebuilding. Through the use of survey research method to reach the targeted respondents, it was established that the participation of CBOs has played a significant role in managing conflicts, especially at the community level through consultations, dialogues and reconciliations between warring parties which in return, improve the level of harmonious peaceful coexistence among the generality of the people living in the area. On this note, the study concluded that since most conflicts are local and the process of building sustainable peace begins from the lower echelon of the society, the CBOs are at an advantage position that makes it mandatory for the government to maintained proper collaboration if sustainable peace is to be achieved. The study recommends that, to build peace that is sustainable, its process should be all-inclusive with a sense of societal ownership were every member of the community will volunteer to engage in the process.

Keywords: Conflict, Conflict Management, Peace, Peace Building, CBOs

1. Introduction

Over the years, Nigeria has been identified as a nation confronted with various forms of conflicts. Despite several efforts by the federal governments to manage the carnage and build sustainable peace across the country, reported cases of growing violent conflicts in some areas still persist. The challenges portrayed by continued globalizing world further compound the problem towards conflict management. The modern practice of states' security monopoly of achieving peace through military capacity and threat of force makes the challenge to assume a higher momentum (Warner, 2000) which further gives little prospect for peace, stability and security.

The growing wave of violent conflict in many communities across the country proves to be devastating; affecting the structure of the economy,

collapse of state institutions, mistrust in government, destruction of social relationships, psychological trauma, persistent anxiety and damage to life and properties of unarmed civilians (Haidar, 2009). In Jigawa state, aside from communal violence, most of the reported cases of conflicts that occurred degenerate from the greener posture and agrarian nature of the state which attracts Fulani nomads from across Nigeria and neighbouring Niger, Chad and Cameroon. The tension that greeted the arrival of these nomads explodes into conflict that creates disunity, disagreements and bloodshed (Garba, 2023).

The hitherto strategy of allowing state institutions alone to have monopoly over conflict management and build a sense of lasting peace through the resolution of disputes among warring factions is yet to yield desired result. Warner (2008) reported that, even using the

methods of power politics and military intervention are becoming unattractive as they record very little success in imposing peace on those who remain committed to achieving their objectives through violence, thereby leaving many communities to live in perpetual conflict.

As the quest for sustainable peace and security lingers, non-state actors become deeply involved with many international, regional and sub-regional agencies and institutions developing their peculiar strategies (Abdulrahman & Tar, 2008) to complement the effort of the state. Part of the strategies of these institutions is the engagement of people at the local level through Community-Based Organisations (CBOs). Because these institutions are locally based, run and managed by the community, their location puts them at an advantageous position to serve as critical stakeholders who work side by side with the state institutions to identify and address challenges (Mgawanyemba, 2008) that will see to the establishment of peace that is sustainable.

Instead of the use of force as earlier championed by the state, CBOs actors generally rely on their creativity to facilitate dialogue between the primary protagonists. They also have the capacity to support changes and engage people on how to respond to conflict and to direct attention to the underlying causes that need to be addressed if sustainable and just peace is to emerge (Warner, 2000). Sad enough, the activities of these CBOs is yet to be brought to ample limelight. It is on this premise that this article investigates the role played by CBOs in the area of conflict management and peacebuilding in Nigeria with the Jigawa state as focal point of the article.

In line with the foregoing, the objectives of the study are; to find out the role played by community based organizations in conflict management and peacebuilding in Jigawa State, to evaluate the impact of the participation of CBOs in conflict management and peacebuilding in the study area and to find out the challenges experienced by CBOs in the area of conflict management and peace building in the area under study.

To achieve the aforesaid objectives, the questions that guide the study are; what role do community-based organisations play toward conflict management and peacebuilding in Jigawa state? Does the participation of

CBOs in the area of conflict management and peacebuilding yields the desired result? What are the major challenges experienced by the CBOs in their continuous quest for conflict management and peacebuilding in the study area?

2. Literature Review

2.1 Conceptual Issues

Concept of Conflict Management

The word 'conflict' carries negative connotations. It is often use to represent the opposite of co-operation and peace, and is most commonly associated with violence, the threat of violence or disruptive disputes (Warner, 2000). Conflict occurs in the process of expression of interest between individuals or groups which may lead to violence (Chechetto-Salles & Gayer, 2006) or threat of violence. Thus, when two or more groups or individuals pursue mutually incompatible goals, whether or not this result in destruction or violence, conflict can be said to occur

According to Nnam (2013, cited in John-Eke & Akintokunbo, 2020) conflict management is a means of curtailing apprehension and the negative influence of conflicts through the application of several measures designed to create awareness as well promote an understanding of the conflict situation by various parties involved. While managing conflict, the process needs to understand the context of the issue that lead to the contention, prevent them from occurring and escalating, mitigate their impacts, and resolve them with sustainable solutions. What makes conflict management useful in today's world according to Chechetto-Salles and Geyer (2006) is its mechanism in preventing the conflict from getting worse, improvement in the level of cooperation between the parties involved, group motivation, building of trust and consensus. At this point, it can therefore be argued that conflict management encompasses all the mechanisms put in place to prevent conflict from getting worst and ensure harmonious coexistence among different interest groups.

Concept of Peace Building

As a post-conflict endeavour, peace building encapsulates the mechanisms geared towards the normalization of relationships or creation of harmonious interactions between warring parties that were previously engaged in conflict (Nwaka, 2019). From the standpoint of Issifu (2017) peace building has

to do with not only the end result of resolving conflict, but, it also encapsulates the entire process of creating the condition necessary to prevent it reoccurrence. In the same vein, Iman (2017) argues that, peace building encapsulates the processes that involve conflict resolution and the calm ending of some social conflict. He further added that, all other activities involved in the process of peace initiatives after conflicts are encapsulated into the fold of the concept of peace building. As such, engagement in any activity that is geared towards preventing violent conflicts with a view to achieve peaceful coexistence, such activity or engagement can be said to fall under peace building initiative or process (Hanachor & Echezue, 2021).

From the foregoing renditions, it can be deduced that, peace building has to do with an intervention designed to prevent the start or resumption of conflict with a view to create peace that is sustainable. In a situation where there is armed conflict, the process of resolution through mediation, followed by programmes of reconciliation and reconstruction use to form part or serve as building blocks of peace-building (Warner, 2000).

Concept of Community Based Organizations (CBOs)

Community based organizations bear myriad connotations. They are in some cases referred to local organizations, community development associations, neighbourhood councils, united community among others (Biddle & Biddle, 1968, as cited in Abegunde, 2009). Whatever connotation they might have, Community-based organizations are considered as major institutions involved in community development apart from the state and non-governmental organizations (Mgawanyemba, 2008). They play an important and relevant role in providing services at the local level and engage in variety of different fields such as education, health, the rights of the disabled, security, gender issues, etc. (Chechetto-Salle & Geyer, 2006; World Bank, 2005).

As rightly implied by their name, CBOs according to Mgawanyemba (2008), are institutions that are less structured, who at a particular time, focused on few critical areas that are considered to be important at the community level. As an organization that provides social services at the local level, CBOs are non-profit organisation whose activities are based primarily on

volunteer efforts and depend heavily on voluntary contributions for labour, material and financial support (Abegunde, 2009; Chechetto-Salle & Geyer, 2006). Because they are better placed at the local level than other state institutions, CBOs are said to be organisations that have intense participation of people and can easily adapt to changes (Mgawanyemba, 2008).

Although in some instances CBOs and NGOs are often used interchangeably, however, Abegunde (2009) noted that distinction exists between the two. While CBOs represent simple institution that covers a relatively small area with local identity, NGOs covers a sophisticated and complex structure with a wider area and project. Abegunde (2009) further borrow from Agbola (1998) to re-emphasize that the rotary international qualifies as NGO but the rotary club of a community qualifies as CBO. Thus, community concern is the essence of CBO. As they are majorly identified with poor communities and constitute the main coping strategy for people deprived of government-led development (World Bank, 2005). They are known to have the ability to influence ideas and actions of others and as a result of this they are regarded as effective change agents (Adisa, 2001).

As corollary to the foregoing arguments, it can be right to posit that, CBOs are localized institutions whose sphere of influence hardly goes beyond their immediate communities or neighbourhood. As local institutions, they were established with the interest of the community at heart and depend largely on its members for financial needs to execute developmental responsibilities.

At this juncture, it can equally be argued that NGOs and CBOs are not mutually exclusive. Although they may differ in nomenclature, however, in some instances, they have overlapping responsibilities in relation to different dimension of societal progress. In other words, they strengthen the capacity of one another in the area of conflict management and peacebuilding.

The Imperatives CBOs to Conflict Management and Peace Building

Conflict management and peacebuilding requires an all-encompassing cooperative-strategy with local actors not as mere passive recipients but active participants. Records from past experience corroborates that the centralization of conflict management mechanisms and

peace-building initiatives to state security architecture alone is yet to provide the needed result (Warner, 2000). This necessitates the adoption of a community-based approach which proves to be active in complimenting state efforts to provide survival and coping mechanisms for conflict management and peacebuilding in areas where state structures lack the political will and capacity to safeguard the security and human rights of their population (Haidar, 2009).

Aside from the role they played in the development of conflict resolution mechanisms, CBOs are at the forefront in the engagement of the local populace to serve not as mere passive recipients, but agents of security that will help in reducing the intensity of violent conflict and provide the basis for building peace that will be sustainable (Mgawanyemba, 2008). In times of armed conflicts, they create conducive conditions for peace talks to prevent recurrence of violence, injustice as well as mediation, healing of war-scarred psyche and also work to ensure peace is consolidated (Warner, 2000).

Considering the fact that conflicts degenerate from local level and CBOs are locally based, run and managed by local community, their location put them at an advantageous position to be able to identify and address local challenges than the state institutions (Mgawanyemba, 2008). Thus, adopting community-based approach in fragile and conflict-affected societies is an effective measure necessary to transform conflicts toward sustainable peace (Haidar, 2009).

Another important strength of CBOs in the area of conflict management and peacebuilding is their capacity to support changes regarding how people respond to conflict and direct their attention to the underlying causes that need to be addressed if sustainable and just peace is to emerge. While they can facilitate dialogue between warring parties, they also have the potential to play an important role in raising awareness on the cost of continued conflicts and work to find a common ground from which they can work to establish peaceful co-existence (Warner, 2000). Thus, communities seek solace in indigenous institutions such as CBOs that undertake development programs and projects they consider as immediate needs of their communities (Adisa, 2013).

Impact of the Participation of CBOs in Conflict Management and Peace Building

Studies were conducted on the role of CBOs in conflict management and the impact of their participation in peace building process.

In a study by Augusty and Dizon (2020) on the role of CBOs in addressing social equity among deprived sections in the conflict vulnerable areas in Karnataka, India, it was established that the conflict situation in the community was reduced due to the intervention of the CBOs. They promoted social change in favour of the poor, marginalized, and deprived community-based equality and social justice. In a related study by Adisa and Bamiwuye (2015) on the perceived role of CBOs in Osun State, it was discovered that, the CBOs play some vital roles for the development of the community especially providing security.

Yahaya (2019) provides an overview of community peace building approach in Nigeria with the appraisal of the conflict in the North East. It was narrated that community-based approach to peace building has helped a lot in managing conflicts and the damages it caused through active participation of the community in the process. On the part of Auwal (2014) he assess the role of faith and community based organisations in peace building in Plateau State from 2001-2011, and found that as a result of the effort of the organisations, there was relative peace in the larger part of the state with cessation of violent conflict in some parts. This created a condition where people build hope and confidence in the organisations especially as it relates to promoting peace due to their holistic, participatory and all-inclusive role.

3. Methodology

Mixed research method was applied for this study. It is a method of research in which qualitative and quantitative techniques are mixed in conducting a particular study (Adamu, 2006). While the quantitative method provides quantifiable data through the use of questionnaire; the qualitative method offers the study with first-hand information through interviews and Focus Group Discussion (FGD).

Jigawa state being the study area has a total population of 4,361,002 going by the 2006 population census (National Bureau for Statistics, 2007) and by 2022, it was updated to 7,499,100.

A total of 900 respondents were selected to form the sample size. This was done based on the Morgan and

Kreiche (1970) criterion that a sample of 384 and above can represent a population of more than 1,000,000.

The sampling technique adopted was multi-stage cluster sampling technique. The rationale behind its adoption is to allow for the division of the study area into clusters for easy access to the targeted respondents. Simple random sampling technique was applied to select three local governments from each of the three senatorial zones comprising of Jigawa Northeast, Jigawa Northwest and Jigawa Southwest. To make the selection more scientific, lottery method was applied where the names of the local governments in each of the three senatorial zones was written on separate pieces of paper and folded in different containers. After shuffling the containers, three local governments were picked one after the other. In Jigawa Northeast, those selected were; Guri, Kafin Hausa, and Mallam Madori local governments. From Jigawa Northwest, Gumel, Ringim and Roni local government were picked. While from Jigawa Southwest, only Birnin Kudu, Dutse and Gwaram local governments were sampled.

To reach individual respondent in each of the selected local governments, purposive sampling technique was applied in each of the sampled local governments. Information from this category of respondents was obtained through the use of questionnaire that was structured in both open and close ended format.

In the process of selecting informants for interview, purposive sampling technique was also applied to select One (1) CBO from each of the Nine (9) sampled local governments across the state. Those selected were; Guri Development Association, Kafin Hausa Initiative Forum, Lautai Youth Awareness Movement, Mallam Madori Coalition for Development, Ringim Committee of Friends, Maranda Development Circle, Birnin Kudu Concerned Citizens, Community Awareness for Unity and Development and Citizens for Social Inclusion.

For the FGDs, victims of conflicts were identified using snow ball sampling technique to listen to their views regarding the role played by CBOs in the area of conflict management and peace building in the study area.

In analysing the findings from the study, the quantitative data was presented in tabular form using simple percentage distribution with interpretation and analysis of the tables. While for the qualitative data, the information generated was used to compliment the findings from the quantitative data as indicated in the tables.

4. Presentation of Data and Discussion of Findings

Table 1: Administration and Retrieval of Questionnaires

S/N	Sampled Local Governments	Questionnaires Administered	Questionnaires Retrieved	Valid Questionnaires
Jigawa North East				
1	Guri	100	94	92
2	Kafin Hausa	100	92	91
3	Mallam Madori	100	87	87
Jigawa North West				
1	Gumel	100	92	91
2	Ringim	100	98	96
3	Roni	100	97	95
Jigawa South West				
1	Birnin Kudu	100	89	89
2	Dutse	100	97	95
3	Gwaram	100	99	97
Total		900	845	833

Source: Field Survey, 2023

Table 1 revealed the total number of questionnaires distributed across the sampled local governments in the

state. Out of the 900 questionnaires distributed, 845 were retrieved and only 833 were considered valid for the analysis.

Table 2: Age, Gender and Marital Status of Respondents

Sex	Frequency	Percentage (%)	Age	Frequency	Percentage (%)	Marital Status	Frequency	Percentage (%)
Males	665	80	18 – 30	366	44	Married	480	58
Females	168	20	31 – 40	258	31	Single	353	42
_____	_____	_____	41– 50	186	22	_____	_____	_____
_____	_____	_____	51 and above	23	3	_____	_____	_____
Total	833	100	_____	833	100	_____	833	100

Source: Field Survey, 2023

Table 2 shows age, gender and marital status of respondents. Out of the total sampled respondents, 665 (80%) are from the male category, while the remaining 20 (23%) are from the female gender. This indicated that there were more males than females respondents in the study. This may be attributed to the fact that the male gender has greater experience in matters of conflict management and peace building than the female gender. With regard to age distribution, the table also revealed that 366 (44%) of the respondents fall under the age category of 18-30,

258(31%) are within the age range of 31-40 while 186(22%) of the respondents are within the age category of 41-50. The remaining 23(3%) of the respondents are in the age range of 51 years and above. This inferred that majority of the sampled population are youth.

It can also be deduced from the table that majority of the respondent constituting 480(58%) are married while the remaining 353 (42%) are single. Perhaps, this happens due to the fact that early marriage a common practice in the study area.

Table 3: Respondent response on whether they are aware of any conflict management initiatives implemented by CBOs in their community

Response	Frequency	Percentage (%)
Yes	474	57
No	359	43
Total	833	100

Source: Field Survey, 2023

The data presented in table 3 above shows that majority of the respondents representing 474(57%) are aware of conflict management initiatives implemented by CBOs in their community while the remaining 359 are not aware of any of the initiatives. From the data interpretation in the table, we can confidently argue that the CBOs in Jigawa state are engaged in conflict management in their various communities. This can be corroborated with a submission by an interviewee who confided that, "... at the community level, we

established a forum for consultation that listen and identify conflicting issues between warring parties (Interview, 2023)". An informant in one of the FGDs further narrated that, whenever there is any form of misunderstanding that may lead to break down of law and order in the community, the CBOs in the locality consult the parties in the dispute to resolve the matter in contention before its degeneration (Respondents, FGDs, 2023).

Table 4: Respondents response on the type of conflict management initiative implemented by CBOs in their community

Conflict Management Initiatives	Frequency	Percentage (%)
Community policing	42	5
Public awareness and enlightenment campaigns	156	19
Community consultative forum	223	27
Inter-community marriages	18	2
Youth empowerment and employment opportunities	48	6
Engagement with traditional and religious institutions	42	5
No response	304	36
Total	833	100

Source: Field Survey, 2023

Table 4 shows the various conflict management initiatives that are peculiar to the sampled respondents in the study area. 42(5%) of the respondents identified community policing as the type of conflict management initiative implemented by CBOs in their community. 156 (19%) identified public awareness and enlightenment campaigns, 223(27%) chose community consultative forum, 18(2%) are aware of inter-community marriages; youth empowerment/employment opportunities and engagement with traditional/religious institutions were identified by 48(6%) and 42(5%) of the total respondents respectively. While the remaining 304(36%) of the respondents were not able to respond to the question provided. This is an indication that the community consultative forum established by the CBOs is most widely acknowledged conflict management strategy in the study area. As confided by an

interviewee; in almost all the communities across the state, a forum is provided for prominent personalities in the locality to remain in constant engagement with the volatile age group for the purpose of preventing them from indulging into conflict or violence (Interview, 2023). An informant in one of the FGDs further narrated that; when a conflicting situation emerged we get cautioned by the stakeholders in the consultative committee (Respondents, FGD, 2023). This is in line with a consensus reached in one of the FGDs that the committee of elders other wise known as the consultative forum is the most active and effective means of managing conflict that is known to most members in various communities across the state as it involves the elderly parents, traditional/religious leaders and other respectable personalities in the community (Respondents, FGDs, 2023).

Table 5: Respondent response on whether they are aware of any peace building initiatives implemented by CBOs in their community

Response	Frequency	Percentage (%)
Yes	432	52
No	401	48
Total	833	100

Source: Field Survey, 2023

Table 5 shows that 432(52%) of the respondents are of the opinion that they are aware of peace building initiatives implemented by CBOs in their community. While the remaining 401(48%) are of the view that they are not aware of any peace building initiatives implemented by the CBOs in their community. By indication, most of the sampled respondents are acquainted with one or more strategies implemented by

the CBOs that are geared towards ensuring lasting peace in their community. As corollary to this submission, a consensus reached in one of the FGDs provided that; "...aside the material benefits they provides, the CBOs are peace ambassadors...they complement the effort of the state by ensuring peaceful coexistence in their immediate communities (Respondents, FGDs, 2023)"

Table 6: Respondents response on the type of peace building initiative implemented by CBOs in their community

Peace Building Initiatives	Frequency	Percentage (%)
Reconciliation/ dialogue	192	23
Peace advocacy campaigns	276	33
Security patrols	54	6
Distribution of relief materials	48	6
No response	263	32
Total	833	100

Source: Field Survey, 2023

Table 6 above shows that 192(23%) of the respondents are of the view that they are aware of reconciliation/dialogue as the type of peace building initiative implemented by CBOs in their community. Peace advocacy campaigns and security patrol were identified by 276(33%) and 54(6%) of the respondents respectively. Only 48(6%) subscribe to distribution of relief materials. While the remaining 263(32%) of the respondents cannot provide answer to the question asked. From the interpretation of the table it can be deduced that peace advocacy campaign is the most

widely acknowledged peace building initiatives implemented by the CBOs across the state. The reason behind its adoption as confided by an interviewees is not unconnected with the fact that the initiative demands little resources with a greater outcome (Interview, 2023). An informant in one of the FGDs further narrated that; we get educated and enlightened through various media outlets on the danger of conflict and the need to maintain peace in our community (Respondents, FGDs, 2023).

Table 7: Respondent response on whether participation of CBOs contributed to conflict management and improve the level of peace in their area

Response	Frequency	Percentage (%)
Yes	527	63
No	306	37
Total	833	100

Source: Field Survey, 2023

Table 7 shows that 527(63%) of the respondents are of the view that participation of CBOs contributed to conflict management and improve the level of peace in their community. The remaining 306(37%) are of the opinion that the participation of CBOs has not in any way contributed to conflict management and improve

the level of peace in the area. The findings from the table can be corroborated with an argument by an interviewee who opined that; "...the CBOs are peace frontiers, conflict managers and agents of societal reorientation (Interview, 2023)".

Table 8: Respondent response on the extent to which participation of CBOs in conflict management contributed to peace building in their community

Response	Frequency	Percentage (%)
Greater Extent	498	60
Lesser Extent	335	40
Total	833	100

Source: Field Survey, 2023

Table 8 shows the extent to which CBOs engagement in conflict management impacted on the level of peace in the area under study. While majority of the respondents

constituting 498(60%) are with the opinion that participation of CBOs in conflict management has to a greater extent improve the level of peace; the remaining

335(40%) of the respondents believe that participation of CBOs in conflict management has to a lesser extent contributed to peace building in the area under study. This is in line with a consensus reached in one of the FGDs that with the involvement of the CBOs as agents of conflict management there is greater improvement in the level of peace enjoy in various communities across

the state (Respondents, FGDs, 2023). This is because; they put a relentless effort in identifying a particular behaviour or action that might lead to escalation of conflict and devise solutions with a view to sustain the peaceful atmosphere in their community (Interview, 2023).

Table 9: Respondents response on the challenges associated with CBOs engagement in conflict management and peace building

Challenges	Frequency	Percentage (%)
Limited government support	61	7
Political interference	84	10
Inadequate funding	138	17
Lack of collaboration/support from the community	228	27
Poor organisational management/ leadership crises	90	11
Lack of proper collaboration/ support from security agencies	18	2
No response	214	26
Total	833	100

Source: Field Survey, 2023

Table 9 shows respondent view on the challenges associated with CBOs engagement in conflict management and peace building. 61(7%) of the respondents agreed that limited government support is one of the challenges CBOs are facing in the area of are of the believe that poor organisational management/leadership crises and lack of proper collaboration/support from security agencies respectively, as the major challenge faced by CBOs in the area of conflict management and peace building in the study area. Nevertheless, 214(26%) of the respondents were unable to provide answer to the question provided. Based on the interpretation of the table, it can be argued that the major challenge experienced by CBOs in the study area can be attributed to lack of collaboration and support from the community. This finding can be corroborated with an argument by an interviewee who opined that; although our organisation is community based, the support and recognition we received from the people of the community is not encouraging. Rather than accepting us as advocates of societal change and development we

conflict management and peace building, 84(10%) agreed with political interference as a major challenge, 228(27%) subscribe to lack of collaboration/support from the community, while 90(11%) and 18(2%)

are viewed as affiliates of political office holders who collaborate with politicians to advance their interest (interview, 2023). An informant in one of the FGDs further narrated that the CBOs only claimed to be part of the community. However, by their action, policies and programmes they appeared to be agents of political parties in disguise, this creates a degree of animosity between them and the community. As such, some members of the community give little attention to most of their programmes and policies (Respondent, Interview, 2023).

Table 10: Respondents response on what should be done to overcome the challenges

Solutions to the Challenges	Frequency	Percentage (%)
Collaboration with traditional and religious institutions	24	3
Community sensitization and collaboration	275	33
Adequate funding	84	10
Governmental interference/support	156	19
Workshops and seminars for CBOs	60	7
Credible leadership/management	48	6
No response	186	22
Total	833	100

Source: Field Survey, 2023

Table 10 above indicates respondents response on what should be done to overcome the challenges associated with CBOs' engagement in conflict management and peace building. 24(3%) of the respondents are of the believe that collaboration with traditional and religious institutions will provide solution to the challenges. 275(33%) of the respondents agreed with community sensitization and collaboration, 84(10%) subscribe to provision of adequate funding, 156(19%) agreed with governmental interference/support, while 60(7%) and 48 (6%) of the respondents are of the opinion that organising workshops/seminars and credible leadership/management for the CBOs respectively, will provide solution to the challenges that prevent most CBOs from performing their expected role. The remaining 186(22%) of the respondents were not able to provide answer to the question asked. Based on the data provided, it can be argued that, to adress the chalenges experienced by CBOs in their quest for conflict management and building a lasting peace, there is a need for a robust sesnsitization and collaboration with the members of the community were the a particular CBO belongs. As Corollary to this submission, a respondent in one of the FGDs argud that; what the CBOs need is proper community collaboration. They need to engineer an elaborate starategy that will present them to be accepted and viewed as part and parcel of the community (Respondents, FGDs, 2023).

Summary of Major Findings

Three research objectives were proposed. They are to be verified in relation to the findings of the study.

The first objective seeks to find out the role of CBOs in

conflict management and peace building in Jigawa state. The findings of the study seems to substantiate that the CBOs perform their expected role in the area of conflict management and peace building. This can be seen in table 3 were majority of respondnets (57%) are aware of conflict management initiatives implemented by CBOs in their community. This objective can further be substanciated with the findings in table 4 and 6, where the respondents were able to identify various conflict management and peace bulding initiatives as implemented by the CBOs respectively.

With regard to the second objective, the findings of the study seems to agree that the participation of CBOs in conflict managment and peace building has to a greater extent contributed in the managment of conflict and positively impacted on the peace building process in the study area as can be seen in table 8.

In line with the third objective that tries to find out the challenges experienced by CBOs in their quest for conflict management and peace building, the findings of the study revealed that, despite their efforts as peace ambassadors (Interview, 2023), the CBOs are faced with numerous challenges as outlined in table 9. Nevertheless, lack of proper collaboration with the host community which limits the level of support they enjoy in most of their activities has to a certain degree, hindered them from discharging their duties as expected.

Conclusion

Conflict management and peace building is a phenomenon of international concern. Although it lies under the prerogative of the state, recent development

compels the state to delegate and widen the scope of its responsibility by engaging non-state actors like the CBOs to compliment its efforts. Due to the challenges posed by the complex and dynamic nature of conflict coupled with the need to have an all-encompassing approach to peace building that is community oriented, the participation and engagement of CBOs has to a greater extent contributed to the management of conflict and improve the level of peace in the study area. Since most conflicts are local and the process of building sustainable peace begins from the lower echelon of the society, the CBOs are at an advantage position that makes it mandatory for the state at all levels to maintain proper collaboration if sustainable peace is to be maintained in the society.

Recommendations

In the light of the above findings, the study recommends that;

1. Given the multifaceted nature of conflict and the prominence of CBOs based on their community-based approach to peace building, there is a need to build a stronger network and all-encompassing

approach to conflict management and peacebuilding that will incorporate the CBOs as active participants. This can be achieved through proper legislation and regular support from the side of relevant authorities.

2. Activities and programmes of CBOs as it relates to conflict management and peacebuilding should be on regular basis rather than occasional events. This will make the CBOs to be viewed as part and parcel of the community rather than agents of political office holders. In return, conflict management and peace building will have sense of societal ownership where every member of the community will volunteer and allow himself to be involved in the process.
3. There is also need for greater involvement of the members of the community in the designed and implementation of policies on conflict management and peace building at all levels. This will provide an avenue for the members of the community to make necessary inputs at the formulation stage of the policy. This will guide in the making of conflict management and peace building initiatives that are community oriented.

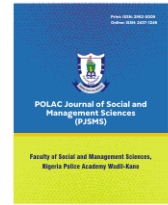
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CAPITAL STRUCTURE AND MICRO FINANCE BANK PERFORMANCE IN NIGERIA

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Abstract

The study examines the effect of capital structure on MFBs performance in Nigeria within the pecking order theory. Quarterly time series covering the period of 1981- 2020 were analyzed using the descriptive statistics, correlation analysis, Augmented Dickey-Fuller unit root test and ordinary Least Square (OLS) technique to determine the effect between capital structure and MFBs performance in Nigeria. The empirical analysis reveals that leverage has significant positive effect on firm performance; Liquidity has a significant negative effect on banks performance in Nigeria. Firm size did not significantly affect banks performance during the studied period. Inflation rate negatively impact MFBs performance in a non-significantly way. Interest rate on the other hand has significant negative influence on MFBs performance during the studied period. Finally, firm performance has a significant negative effect on leverage to confirm the validity and applicability of the pecking order theory in the capital structure of MFBs. The study concludes that capital structure, liquidity and interest rate are significant determinant of firm performance and the pecking order theory is not only valid and followed in the capital structure decision of these banks, it also occupy first order determinants in capital structure decision of MFBs in Nigeria during the studied period. The study recommends that Microfinance bank's management should be very cautious in setting up a credit policy that will not negatively affect profitability.

Keywords: Capital Structure, MFBs, Performance

1. Introduction

One of the core financial decisions debates that has become prominent increasingly and remain unresolved is the capital structure issue particularly for lending firms. Recent financial crisis and macroeconomic risk required regulatory bodies and government to adopt bailout program and corporate restructuring program which addressed the capital structure of institutions like microfinance banks. Financial and non-financial corporate firms always try to set their desire capital structure which is difficult to measure within existing framework of corporate finance (Islam & Nasreen, 2018). In Nigeria the concept of microfinance is not new. Formal credit and savings institutions for the poor have also been around for decades, providing customers who were traditionally neglected by commercial banks a way to obtain financial services through cooperatives and development finance institutions. Primarily microfinance banks receive

private capital in form of loans, but also through equity and guarantees, that enable them to reach and grant micro-loans to more micro-entrepreneurs and investors (Fersi & Boujelbene, 2017). Today, Microfinance banks has a wider funding diversification, therefore, decisions about capital structure has become more complex. A well-managed capital structure leads to maximizing financial flexibility, minimizes risks and guarantees operational and financial sustainability (Fersi & Boujelbene, 2017). Financial expert are in debate on advising the business organizations especially banks on the best structure of capital to employ while undertaking decisions (Olawejaju, 2019). Hence, the firm's capital structure plays vital impact on the financial performance of the firms.

In meeting the desired objective of economic growth and development of advance and emerging economy of the world including Nigeria, the role of microfinance

banks is undisputable in these objectives (CBN, 2020, NDIC, 2018 & Murad & Idewe, 2017). However, the sector was confronted with liquidity crisis which led to the closure of 224 out of the 820 microfinance banks between 2009 and 2010. The distress and failure rate could be caused by lack of management efficiency and proper mix of debt and equity. Considering the microfinance bank's undisputable role in meeting desirable economic objectives and mitigating against these challenges that are confronting the sector, the CBN interjected microfinance regulatory and supervisory framework policy on the 15th December 2005 and reviewed in 2011 to improve on level of financial inclusion and financial deepening of the sector, so as to boost access to financial services for the active business units in the rural area and poverty elimination (CBN, 2020).

Since this saga, considerable number of studies has been carried out by different scholars, researchers and policy makers. Notable among these studies are Johnny and Ayunku (2019), Vishnu (2019), Islam and Nasreen (2018), Fersi and Boujelbene (2017), Rotich (2015), Maranga (2015), Xuan and Zhong (2014), Yegon, Chariot and Sang (2014), Kodongo (2014), Barasa (2014), Sekabira (2013), Trong (2013), Onginda (2013). These studies focused on the effect of capital structure on the performance of microfinance banks with mixed findings. Only the study of Johnny and Ayunku (2019) was found in the case of Nigeria that examines capital structure and performance of microfinance bank. Studies that tested the pecking order theory in the capital structure of microfinance banks in finance literature are scarce in the case of Nigeria to the best of my knowledge. Hence, this study examines the effect of capital structure on the performance of microfinance banks within the pecking order framework.

Objectives of the Study

The broad objective of the study is to test the effect of capital structure as proposed by the pecking order theory on microfinance banks performance in Nigeria. The specific objectives are to;

- i. Examine the effect of capital structure on microfinance banks performance in Nigeria
- ii. Determine how liquidity influence microfinance banks performance in Nigeria

- iii. Investigates the effect of firm size on microfinance banks performance in Nigeria
- iv. Ascertain the effect of macroeconomic factors of interest rate and inflation rate on microfinance banks performance in Nigeria banks

2. Literature review

2.1 Conceptual Issues

Concept of Financial Performance

Financial performance of firms has been seen by different authors and researchers from various perspectives and can also be measured in different ways. For instance, Iswatia and Anshoria (2007) perceived performance to be the ability of an organization to gain and manage the resources in several different ways to develop competitive advantage. The Financial performance of a firm can be analyzed in terms of profitability, dividend growth, sales turnover, asset base, capital employed among others.

There are various measures of financial performance as argued (Almajali, Alamro & Al-Soub, 2012). Among these numerous ways are Return on Sales (ROS) reveals how much a company earns in relation to its sales, Return on Assets (ROA) explains a firm's ability to make use of its assets to generate profit and Return on Equity (ROE) reveals what return investors take for their investments. Other methods are Net Interest Margin (NIM) and Tobins Q. These five methods are the common way of measuring company's performance. One of the most important catalysts that drive firm performance is appropriate combination of debt-equity mix in capital structure decision.

Saleem (2013) defined capital structure of a firm as the combination of debt and equity to finance firm's short term and long-term assets. It could be seen as the debt and equity mixture that the firm explore to finance business operation (Aziz & Abbas, 2019). Financial mix refers to the blend of firm's financial liability (Uremadu & Onyekachi, 2019). According to Nzotta (2018) debt to equity ratio refers to the measure of long term solvency of an organization. It estimates the strength of the organization to meet its long term business obligations as it falls due. Capital structure is primarily a combination of debt and equity.

Determinants of Firm Performance Capital Structure (Leverage Ratio)

Leverage refers to the proportion of debt to equity in the financial structure of a firm. According to Jensen (1986), there's an optimal debt ratio that maximizes the value of a firm. Firms are usually financed partly with debt and partly with equity. It states that there is an advantage to financing with debt (Kraus and Litzenberger, 1963). The financing or leverage decision is a significant managerial decision because it influences the shareholder's return and risk and the market value of the firm. The ratio of debt-equity has implications for the shareholders' dividends and risk, this affects the cost of capital and the market value of the firm (Pandey, 2007).

Liquidity

Liquidity is the available cash for the near future after taking into account the financial obligations corresponding to that period (The International Financial Reporting Standards [IFRS], 2006). Proper management of working capital components helps in reducing the costs of the firm and this highly contributes in reducing the liquidity risk of the firm and thus mitigating any financial losses that might be attributed to lack of finances to take advantage of profitable investments. Other researchers have different views on liquidity, for example, Jovanovic (1982), in his theoretical model suggested that a moderate amount of liquidity may propel entrepreneurial performance, but that an abundance of liquidity may do more harm than good. Therefore, the effect of liquidity on firms' financial performance is ambiguous.

Size of the Company

The size of a firm is a determinant of financial performance of the firm. Almajali, Alamro and Al-Soub (2012), argued that the size of the firm can affect its financial performance. However, for firms that become exceptionally large, the effect of size could be negative due to bureaucratic and other reasons (Yuqi, 2007). Large firms are more likely to manage their working capitals more efficiently than small firms. Most large firms enjoy economies of scale and thus are able to minimize their costs and improve on their financial performance.

Macroeconomic Factors

Gul, Irshad and Zaman (2011), discovered that besides individual bank characteristics, external factors are considered as determinants of bank profitability. Macro factors i.e., interest rate, inflation and stock market

capitalization are perceived to have a significant impact that can be more of either an advantage or a disadvantage that can be translated into higher or lower profitability. The hypotheses he developed for analyzing bank's profitability over specific macroeconomic determinants states that external factors of the banks have significant impact on the profitability.

2.2 Theoretical Literature

Pecking Order Theory

This theory was first put forward by Donaldson (1961) and then it was modified by Myers and Majluf (1984). Pecking order theory structure advocates that firms have a particular preferred order or hierarchy for capital used to finance their businesses. The highest preference is to use internal financing before resorting to any form of external funds. Internal funds incur no flotation costs and require no additional disclosure of proprietary financial information that could lead to more severe market discipline and a possible loss of competitive advantage. If a firm must use external funds, the preference is to use the following order of financing sources: debt, convertible securities, preferred stock, and common stock (Myers, 1984). This order reflects the motivations of the financial manager to retain control of the firm, reduce the agency costs of equity, and avoid the seemingly inevitable negative market reaction to an announcement of a new equity issue (Hawawini & Viallet, 1999).

Hidden in pecking order theory are two key assumptions about financial managers: The first of these is asymmetric information, or the likelihood that a firm's managers may have inside information that is not known to the market. They may know more about the company's current earnings and future growth opportunities than do outside investors. Insider investors tend to limit the use of equity in order to retain control of the firm (Hutchinson, 1995). The second assumption is that managers will act in the best interests of the company's existing shareholders. The managers may even forego a positive-Net Present Value project if it would require the issue of new equity, since this would give much of the project's value to new shareholders at the expense of the old. Moreover, the risk of the firm's return is unknown to investors. They are forced to rely on noisy signals such as the firm's level of financial structure to determine the risk of their investment and firm's value may be underpriced by the market (Myers & Majluf, 1984).

2.3 Empirical Review

Chukwu, Egbuhuzor, Egbuhuzor, Willy, Chukwu, Okoba and Ebilaowei (2022), examined the relationship between capital structure (CS) and corporate financial performance (CFP) of deposit money banks (DMBs) listed on the Nigerian Stock Exchange as well as moderating effect of board diligence on the relationship between CS and CFP. The study used the ex post facto research design and data from thirteen (13) DMBs over the period 2010 to 2018, and multiple regression was used to analyzed the data. The result of the study revealed that the relationship between debt and CFP is negative though statistically insignificant, whereas the relationship between equity and CFP is positive. and statistically significant. The results further showed that board diligence positively moderates the relationship between capital structure (CS) and financial performance (CFP) in the banking industry.

Olaniyi, Abiloro and Olaniyi (2022) studied the link between capital structure and financial performance of Nigerian manufacturers. It evaluated the nexus between total debt and financial performance of listed manufacturing companies in Nigeria, the nexus between equity and financial performance of listed manufacturing firms in Nigeria Stock Exchange. The study used ex-post-facto data to investigate variable relationships. Nigerian manufacturing firms were studied. The data was taken from the company's (2005-2020). Both descriptive and inferential statistics, such as Pearson correlation and panel regression, were used to examine the data. The study found that equity capital, total debt, and long-term debt have the potential to positively and significantly influence the financial performance of manufacturing firms in Nigeria, whereas short term debt has the potential to positively and insignificantly influence financial performance. Total asset has the potential to positively and significantly influence financial performance.

Kimoro, Muturi and Gekara, (2019) explored the effect of profitability on capital structure selection for commercial banks operating in Kenya with multiple regression approach in measuring the link between the firm's capital structure selection and level of profitability. The study found that firm profitability had significant impact on the capital structure selection and exhibited a negative and linear correlation with capital structure selection.

Uremadu and Onyekachi, (2019) studied the effect of capital structure on corporate performance in Nigeria. The study employed return on asset, long term debt to asset ratio, total debt to equity ratio with special focus on consumer goods industrial sector of the economy with multiple regression analysis. The results from the research found a negative and insignificant impact of capital structure on corporate performance of the consumer goods firm sector of Nigeria.

Ganiyu, Adelopo, Rodionova and Samuel, (2019) examined the association between capital structure and firm performance in Nigeria with a generalized method of moment technique for the measurement. The study employed total leverage ratio, long term leverage, short term leverage, asset tangibility, growth opportunity, risk, ownership, age, size and return on equity as variables. The research found a significant relationship between capital structure and firm financial performance.

Johnny and Ayunku (2019) investigated the relationship between capital structure and firm performance in the microfinance banking subsector in Nigeria from 2009 to 2018. The study employed explained variables (debt to equity ratio, long term debt ratio and total debt ratio) representing capital structure and the explanatory variable (return on equity) representing firm performance. Descriptive statistics and regression technique were used for the analysis. The results revealed a negative and insignificant relationship between Debt to equity ratio and return on equity, a positive and insignificant relationship between Long term debt ratio and return on equity and a positive and significant relationship between Total debt ratio and return on equity.

Islam and Nasreen (2018) investigated the relationship between capital structure and the performance of microfinance institutions. Performance is measured in terms of outreach and default ratio. Capital structure is incorporated in the form of total debt, borrowings, deposits, and donated equity relative to total assets. Panel data of 38 MFIs operating in Bangladesh covering the fifteen-year period 2003-2017 were analyzed within the framework of fixed- and random-effects techniques. Most of the microfinance institutions are highly leveraged and most of these debts are in the forms of borrowings and deposits fund, suggesting a considerable dependence on leverage by MFIs for their operations.

3. Methodology

3.1 Research Design

This study adopts a longitudinal research design and the data were sourced from the Central Bank of Nigeria (CBN) Statistical Bulletin 2020 consolidated statement of financial position of microfinance bank covering a period of 1981-2020.

This study is based on the Myers and Majluf (1984) pecking order theory. The theory does not believe in existence of optimal capital structure rather propose a structure that advocates a preferred order or hierarchy of capital used to finance investment according to least effort principle. Mathematically this can be express as:

This can further be expressed as;

Where;

LR = Leverage ratio

KM = Vector of internal determinants

ZT = Vector of external determinants

= constant

= parameters to be estimated

= Error term

3.2 Model Specification

This study adapted the pecking order theory model stated in Eq (2) modified to incorporated internal and external determinants of leverage and performance. The model is stated in two dimensions in order to provide adequate information. First, we stated firm performance as a function of leverage other explanatory variables. Second, leverage is stated as a function of other explanatory variables. The functional form of these models is given as:

Eq (3) enabled us to ascertain the effect of capital structure and other variables on firm performance. While Eq (4) will enables us ascertain the validity of pecking order theory and the extent microfinance banks in Nigeria follow the theory's principle in their capital structure decision. Thus, the estimated version of the models with standard assumption is given

Where;

FP = Firm performance

LVRG = Leverage ratio

LQDT = Liquidity

FSIZE = Firm Size

INTR = Interest rate

INFR = Inflation rate

= Intercept

to and = Parameter to be estimated

= Error term

t = respective variables at current time

The Apriori expectation as derived from the theoretical literature is expressed as;

> 0, , while

< 0

Equation 5 examined the effect of capital structure and other firm specific / external factors on firm performance, while model 6 test the validity of the pecking order theory by showing the effect of both internal and external factors on firm's leverage in line with pecking order theory (POT) suggestion. If coefficient conforms to *A priori* expectation it is inferred that POT is valid and if the coefficient is significant and supported by other variables then the POT is strong and formidable in the microfinance sector in Nigeria. Otherwise, the theory is not valid.

3.3 Method of Data Analysis

The descriptive statistic is first used to summarize the properties of the variables considered and present them in a more convenient form. The estimation technique used for this study is based on Ordinary Least Square (OLS) method. Prior to analysis involving OLS, one needs to examine the stationarity for each individual time series variable since the assumptions for the classical regression model require that both variables be stationary and that errors have a zero mean and finite variance Engle and Granger (1987). The unit root test was evaluated using the Augmented Dickey-Fuller (ADF) which can be determined as:

Where represents the drift, **t** represents deterministic trend and **m** is a lag length large enough to ensure that is a white noise process. The OLS is preferred because of it best linear unbiased estimator properties.

Result and Discussions

Table 1: Summary Statistics

	FP	LVRG	LQDT	FSIZE	INFR	INTR
Mean	3041.960	56191.56	57387.29	117536.6	18.78536	18.48071
Median	2909.602	18213.76	36155.04	60866.26	12.53375	17.36859
Maximum	9627.903	200944.8	165023.5	360382.1	76.43062	37.20250
Minimum	30.83125	-48.34375	-54.89687	-30.75000	4.888125	13.10719
Std. Dev.	2708.896	70835.74	57627.50	124607.0	17.27648	3.271536
Skewness	0.752157	1.113231	0.613386	0.704263	1.981496	2.589892
Kurtosis	2.646968	2.694923	1.858783	1.999817	5.727507	13.49568
Jarque-Bera	11.14209	23.56763	13.10094	13.92679	108.0081	639.2837
Probability	0.003807	0.000008	0.001429	0.000946	0.000000	0.000000

Source: Researcher's Computation Using E-views 9.0 (2022)

Table 1 show that all the variables are not normally distributed as indicated by their respective Jarque-Bera statistic coefficients that are significant at 5% confidence level. This is evidence in the one -sided

positive Skewness values and flat distribution properties that is less than 3.0 as shown by the Kurtosis values.

Table 2: Spearman Correlation Matrix

	FP	LVRG	LQDT	FSIZE	INFR	INTR
FP	1.000000	0.461009	0.626937	0.622617	-0.410079	-0.414485
LVRG	0.461009	1.000000	0.967417	0.974429	-0.306356	-0.370760
LQDT	0.626937	0.967417	1.000000	0.997226	-0.388010	-0.437592
FSIZE	0.622617	0.974429	0.997226	1.000000	-0.369133	-0.426549
INFR	-0.410079	-0.306356	-0.388010	-0.369133	1.000000	0.393116
INTR	-0.414485	-0.370760	-0.437592	-0.426549	0.393116	1.000000

Source: Researcher's Computation Using E-views 9.0 (2022)

Different strength and direction of association is exhibited the variables in table 2. LVRG, LQDT, FSIZE have strong positive relationship with FP (except for LVRG that has weak relationship with FP). This means increase in these variables increases FP

during the studied period. INFR and INTR have weak negative association with FP. Increase in INFR and INTR decreases FP during the period under consideration

Table 3: Stationarity Test

Augmented Dickey-Fuller Test				
Variables	ADF Statistics	Order	Sig	Remark
FP	-4.434680	I(2)	* = 1%	Stationary
LVRG	-4.877965*	I(2)	“”	“”
LQDT	-6.244774*	I(2)	“”	“”
FSIZE	-5.021845*	I(2)	“”	“”
INFR	-6.906881	I(1)	“	“”
INTR	-4.210895	I(1)	“”	“”
Critical Values				
1%	-2.588772 -4.054393			1 st Difference 2 nd Difference
5%	-1.944140 -3.456319			1 st Difference 2 nd Difference

Source: Researcher's Computation Using E-views 9.0 (2022)

Table.3 shows that INFR and INTR are stationary and integrated of order I(1) while other variables were stationary and integrated at order I(2). This means the

variables are fit to be used in regression analysis without producing spurious regression output.

Table 4: General Least Square (GLS) Regression Result

Equation 5: Dependent Variable = FP				Equation 6: Dependent Variable = LVRG			
Variables	Coefficient	t-stat	Prob.	Variables	Coefficient	t-stat	Prob.
C	5908.174	3.424018	0.0009	C	27747.27	1.251424	0.2137
LVRG	0.011320**	3.013130	0.0234	FP	-4.429261*	-4.522480	0.0000
LQDT	-0.012812**	-2.311437	0.0461	LQDT	1.417169*	4.693669	0.0000
FSIZE	-0.000822	-0.050311	0.9600	FSIZE	-0.249252	-1.853067	0.0669
INFR	-16.66181	-1.402164	0.1640	INFR	22.57499	0.235439	0.8144
INTR	-103.7632*	-2.626472	0.0100	INTR	-9.428447	-0.029987	0.9761
AR(1)	1.634000	20.17013	0.0000	AR(1)	1.355567	31.64634	0.0000
AR(2)	-0.658859	-8.149295	0.0000	AR(3)	-0.371467	-8.325683	0.0000
	0.904086				0.928413		
	0.892972				0.908301		
F-stat	883.3929*			F-stat	8900.202*		
Prob.	0.000000			Prob.	0.000000		
D.W Stat	2.072973			D.W Stat	1.577376		
Breusch-Godfrey Serial Correlation LM Test							
Variable	Statistic	df	Prob.	Variable	Statistic	df	Prob.
F-stat	0.856370	2,98	0.4279	F-stat	3.767602	2,97)\	0.1866
* & ** = 1% and 5% Level of Significance							

Source: Researcher's Computation Using E-views 9.0 (2022)

Table 4 contained the result of equation 5 and 6 respectively. In equation 5, the GLS result shows that the serial correlation in the OLS result was corrected using the Concrate-Ocult Autoregressive (AR) (2). Convergence was achieved after 10 iterations with 109 observation included after adjustment. The result shows that approximately 89% of total systematic variation in FP is jointly explained by all the explanatory variables after adjusted for degree of freedom, as shown by the adjusted version of R^2 coefficient of 0.89. There is significant relationship between all the explanatory variables and FP as shown by the F-statistics value that is significant at 5% confidence level.

Similarly, equation 6 in table 4 shows that the GLS result shows that the serial correlation in the OLS results was corrected using the Concrate-Ocult Autoregressive (AR) (3). Convergence was achieved after 16 iterations with 107 observation included after adjustment. The result shows that approximately 91% of total systematic variation in LVRG is jointly explained by all the explanatory variables after

adjusted for degree of freedom as shown by the adjusted R^2 of 0.908. There is significant relationship between all the explanatory variables and LVRG as shown by the F-statistics value that is significant at 5% confidence level. The Durbin-Watson (DW) value of 2.0 approximately and the Breusch-Godfrey LM test jointly show the absent of serial correlation in both model 5 and 6.

The results show that individually the explanatory variables have different degree of influence on the performance of microfinance banks. First, LVRG has significant positive effect on firm microfinance banks performance. This shows that a percentage change in LVRG is associated with 1% change in banks performance. This variable conforms to *A priori* expectation and the findings of Di Patti (2006), Abor (2005), Kyereboah-Coleman (2007), Camilla (2012), Gharaibeh, (2015), Abrar and Javaid (2016), Johnny and Ayunku (2019) who found a negative relationship between capital structure and firm performance. However, the result is contrary to the findings of Chowdhury and Chowdhury (2010), Sekabira (2013)

and Onginda (2013) among others in the literature. Second, LQDT has a significant negative effect on banks performance in Nigeria. A percentage change in LQDT is related to 1.28% dynamics in banks performance. Although this variable did not conform to *A priori* expectation. This could be attributed to excess liquidity in the microfinance sector that has not been put into productive use. Third, size of MFBs did not significantly affect banks performance. As a percentage change in size will result to a non-significant decrease in MFBs performance. This is in tandem with the finding of Kodongo (2014). Also, in the same vein, INFR negatively impact MFBs performance insignificantly as expected. INTR on the other hand has significant negative influence on MFBs performance during the studied period. This implies that increase in INTR per unit significantly reduces MFBs performance by 103.76 unit *vis-à-vis*.

Furthermore, to test the validity and applicability of the pecking order theory, equation 6 in table 4 is used. From the result it shows FP has a significant negative effect on leverage. This implies that MFBs in Nigeria are highly profitable and they prefer to finance their investment with internal finance (retained earnings) and reduced their level of leverage. This finding conforms to the findings of Myer (1984) and the pecking order theory prediction. Thus, MFBs in Nigeria follow the pecking order theory in their capital structure decision. Also, LQDT conform to pecking order theory suggestion to positively influence leverage and it is significant. This conforms to the findings of Kehinde, (2014), Mulyana, Zuraida, and Saputra, (2018), Kimoro, Muturi and Gekara, (2019) who also confirm negative relationship between firm performance (profitability) and capital structure and contrary the finding of Nasreen (2018). Other variables (FSIZE, INFR and INTR) fail to conform to *A priori* expectation, and behave contrary to pecking order

theory prediction. This implies some MFBs in Nigeria behaves towards attaining optimal capital structure that maximize the value of the firm at a minimal cost rather than hierarchy of financing option from less risky and costly to more risky and costly objective. In general the result shows that capital structure is relevant to MFBs value and in doing this they follow the pecking order theory principle.

5. Conclusion and Recommendations

The study examines the effect of capital structure on microfinance banks performance within the pecking order framework using the OLS regression techniques. This study concludes that capital structure significantly influences the performance of MFBs in Nigeria and the following recommendations are suggested:

- i. Management should as a matter of importance know how their credit policy affects the operation of their banks so as to ensure judicious utilization of deposits and maximization of profit.
- ii. Microfinance bank's management should be very cautious in setting up a credit policy that will not negatively affect profitability.
- iii. Interest rate should be regulated and kept with a reasonable threshold to make debt borrowing less risky and encourage more of its use to foster financial performance.
- iv. High interest rate reduces debt using option by firms and adversely affects their performance. Thus, inflation rate should be maintained within acceptable threshold to enable capital structure have more significant effect on firm size.
- v. Government, policy makers and regulators should create the enabling environment for MFBs operation, to boost their operation and reliance on internal financing to promote their capital structure.

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SUNSPOTS, BUBBLES AND THE NIGERIAN CAPITAL MARKET

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Abstract

This study aims to investigate the existence of speculative bubbles and sunspots in the Nigerian Capital Market during the 2007Q4 to 2008Q4 period, which was characterized by financial turmoil in the global stock market. Through the use of unit root tests, co-integration techniques, various GARCH models, and peak-period analysis, the study found evidence of speculative bubble and sunspots in the Nigerian Capital Market. To address these findings, the study recommends the implementation of strong regulatory and institutional structures to enhance the operational efficiency of the stock market. Additionally, the development of early warning signals is crucial.

Keywords: Sunspots, Bubbles, Capital Market

1. Introduction

Sunspots and bubbles are well-known phenomena in financial markets, and they have been extensively studied by scholars over the years. Sunspots refer to extraneous factors that can affect economic decisions, while bubbles occur when asset prices are driven up to levels that are not supported by their underlying fundamentals.

In the case of the Nigerian financial market, sunspots and bubbles have been shown to play a significant role. For example, in a study by Adediran and Oseni (2019), it was found that sunspots played a significant role in determining the exchange rate between the Nigerian naira and the US dollar. Specifically, the authors found that sunspots accounted for 27% of the variation in the exchange rate.

In another study, Ogunleye and Ogunleye (2020) examined the impact of bubbles on the Nigerian stock market. Using a bubble detection model, the authors found evidence of a bubble in the Nigerian stock market during the period 2017-2018. They also found

that the bubble was driven by factors such as herd behavior, excess liquidity, and speculative trading.

Sunspots are typically seen as exogenous factors that influence economic outcomes, often through their effects on people's expectations and beliefs about future economic conditions. They can include things like news events, political developments, or changes in sentiment among investors or consumers. Sunspots are thought to be important because they can introduce uncertainty and randomness into economic decision-making, leading to outcomes that are difficult to predict or explain based on underlying fundamentals alone.

Bubbles, on the other hand, occur when asset prices become detached from their underlying values, leading to a situation where prices are driven by speculative trading and herd behavior rather than fundamentals. Bubbles can be difficult to detect and can persist for long periods before eventually bursting, leading to significant losses for investors and potentially causing broader economic instability.

In the context of the Nigerian financial market, sunspots and bubbles have been found to play a significant role in determining prices and other economic outcomes. For example, in addition to the study on exchange rates mentioned earlier, there is also evidence that sunspots can affect stock prices in Nigeria (see, e.g., Olowe et al., 2019). This suggests that understanding the impact of sunspots on economic outcomes in Nigeria is an important area of research.

Similarly, there is evidence that bubbles have occurred in the Nigerian financial market in the past, and that they can have significant impacts on investors and the broader economy. For example, a bubble in the Nigerian real estate market is believed to have contributed to the country's economic recession in 2016 (see, e.g., Olaniyi & Ogunlana, 2017). Understanding the factors that contribute to the formation and persistence of bubbles in Nigeria is therefore also an important area of research.

Taken together, these findings highlight the importance of studying the role of sunspots and bubbles in the Nigerian financial market, as well as in other emerging economies more broadly. By understanding the factors that contribute to these phenomena, policymakers and investors can better anticipate and manage their impacts on economic outcomes, reducing the risk of financial instability and other negative consequences.

Statement of research problem

The research problem for the study on sunspots, bubbles, and the Nigerian financial market is to investigate the extent to which these phenomena impact economic outcomes in Nigeria, as well as the factors that contribute to their formation and persistence. Despite evidence that sunspots and bubbles play a significant role in shaping economic outcomes in Nigeria (Adediran & Oseni, 2019; Ogunleye & Ogunleye, 2020), there is still much that is not fully understood about these phenomena in the context of the Nigerian financial market.

For example, while there is evidence that sunspots can impact exchange rates and stock prices in Nigeria, it is not clear which specific types of sunspots are most

influential, or how they interact with other economic factors (Olowe et al., 2019). Similarly, while there is evidence of a bubble in the Nigerian stock market during 2017-2018, it is not clear what factors contributed to its formation and persistence, or how it could have been detected and mitigated (Ogunleye & Ogunleye, 2020).

Understanding the role of sunspots and bubbles in the Nigerian financial market is important for several reasons. First, it can help policymakers and investors to make better-informed decisions about economic policy and investment strategies, reducing the risk of financial instability and other negative outcomes. Second, it can contribute to a better understanding of the broader economic forces that shape emerging markets like Nigeria, providing insights that may be applicable in other contexts as well.

Objectives of the study

Therefore, the objective of this study is to investigate the impact of sunspots and bubbles on economic outcomes in the Nigerian financial market, as well as the factors that contribute to their formation and persistence. By addressing this problem, the study aims to contribute to a better understanding of the Nigerian financial market and the broader forces that shape economic outcomes in emerging markets.

2. Literature Review

2.1 Conceptual Issues

Sunspots: Sunspots were first introduced by economist William Stanley Jevons in his book, "Theory of Political Economy" in 1871. He used the term to describe extraneous variables that have no economic significance but can influence economic outcomes. Sunspots can be thought of as random signals that affect economic decisions and outcomes. They are often used in models to explain coordination failures, where agents need to coordinate on a common outcome but have no way of doing so without some extraneous signal.

In the context of finance, sunspots can affect asset prices and market behavior. For example, sunspots can lead to herding behavior, where investors follow the

actions of others rather than basing their decisions on fundamental analysis (Morris and Shin, 2002). In addition, sunspots can lead to excessive volatility in asset prices, as investors react to extraneous signals rather than economic fundamentals.

Bubbles: Bubbles occur when asset prices rise to levels that cannot be justified by fundamentals. The concept of bubbles has been extensively studied in the finance literature, with scholars trying to understand why bubbles occur and how they can be identified. One explanation for bubbles is that they arise due to herd behavior, where investors follow the actions of others rather than basing their decisions on fundamental analysis (Scharfstein & Stein, 1990). Another explanation is that bubbles are the result of feedback loops, where rising prices lead to further buying, which in turn leads to further price increases (DeLong et al., 1990).

Bubbles can have serious consequences for the economy. When a bubble bursts, asset prices can fall sharply, leading to significant wealth losses for investors. In addition, bubbles can have spillover effects on the broader economy, as the collapse of asset prices can lead to a contraction in credit and a slowdown in economic activity.

Sunspots, Bubbles and the Nigerian Financial Market: The Nigerian financial market has experienced a number of bubbles over the years, including the stock market bubble of 2008 (Onoh, 2013). Some scholars have suggested that sunspots may have played a role in the occurrence of these bubbles. For example, Onoh (2013) argues that the 2008 stock market bubble in Nigeria was the result of sunspot-driven herding behavior by investors.

Other scholars have attributed the occurrence of bubbles in the Nigerian financial market to other factors. For example, Adebisi and Ogunmuyiwa (2014) argue that the 2008 stock market bubble in Nigeria was the result of lax regulation and inadequate market infrastructure. In addition, they argue that the lack of investor education and awareness may have contributed to the bubble.

Further research is needed to understand the extent to which sunspots have contributed to bubbles in the Nigerian financial market. This could involve empirical studies to analyze the relationship between extraneous variables and market behavior. In addition, policymakers could focus on improving market infrastructure and investor education to prevent the occurrence of bubbles in the future.

Overall, the study of sunspots and bubbles is important for understanding the behavior of financial markets and the economy as a whole. By understanding the factors that contribute to the occurrence of bubbles, policymakers and investors can take steps to mitigate their impact and prevent future occurrences.

2.2 Theoretical Literature

Sunspots Theory

Sunspots are areas on the surface of the Sun that appear darker than the surrounding regions. The idea that sunspots have an impact on economic and financial cycles has been around for centuries. In the late 18th century, the economist William Stanley Jevons proposed that the 11-year cycle of sunspot activity had an effect on business cycles.

Later, in the early 20th century, the Russian economist Nikolai Kondratieff developed the concept of long economic cycles, which he believed were linked to sunspot cycles. According to Kondratieff's theory, there are long waves of economic growth and contraction that last around 50 years each, and these waves are synchronized with the 11-year cycle of sunspot activity.

Another theory related to sunspots and economic cycles is the Kitchin cycle. This theory was developed by Joseph Kitchin in the 1920s and suggests that there is a four-year cycle of economic activity that is related to sunspot activity.

Bubbles Theory

The concept of bubbles in financial markets is not a new one. The Dutch Tulip Mania in the 17th century is often cited as an early example of a speculative

bubble. However, the modern study of bubbles is rooted in the work of the economist Hyman Minsky.

Minsky's theory of financial instability suggests that bubbles are a natural part of the capitalist system. He argues that in periods of stability, investors become complacent and start to take on more risk. As this process continues, the financial system becomes increasingly fragile, until eventually a shock occurs that triggers a crisis.

Another influential theory of bubbles is the "greater fool" theory. This theory suggests that investors buy assets at inflated prices with the expectation that they can sell them to a "greater fool" at an even higher price in the future. This creates a self-fulfilling prophecy, as investors continue to bid up prices in the expectation of finding a willing buyer.

Nigerian Capital Market Theory

The Nigerian capital market is a complex system that is influenced by a range of economic and political factors. One theory that helps to explain the behavior of the Nigerian capital market is the Efficient Market Hypothesis (EMH).

The EMH suggests that financial markets are informationally efficient, meaning that prices reflect all available information. According to this theory, it is impossible to consistently outperform the market by using publicly available information, as any new information will be immediately reflected in the price of the asset.

Another theory that is relevant to the Nigerian capital market is the Institutional Theory. This theory suggests that the behavior of investors is influenced by the norms and rules of the institutions in which they operate. In the Nigerian context, this might include the regulatory environment, cultural norms, and the behavior of other market participants.

2.3 Empirical Literature

Sunspots and bubbles have long been studied in financial markets, as they are believed to have an impact on stock prices and other financial indicators. This literature review aims to investigate the

relationship between sunspots, bubbles, and the Nigerian capital market.

Sunspots and the Nigerian Capital Market: Sunspots are essentially extraneous variables that have no direct connection with economic fundamentals, but which can influence financial markets. In the case of the Nigerian capital market, several studies have found evidence of a relationship between sunspots and stock prices.

For instance, Oke and Adenuga (2017) found that sunspot activity was positively correlated with stock prices in Nigeria. Specifically, they found that when sunspot activity increased, stock prices tended to rise as well. Similarly, Adesoye et al. (2016) found evidence of a positive relationship between sunspots and stock prices in Nigeria.

Bubbles and the Nigerian Capital Market: Bubbles, on the other hand, are typically characterized by rapid increases in asset prices, followed by an eventual collapse. The Nigerian capital market has also been subject to a number of bubbles over the years.

For example, Nwude and Okoye (2017) analyzed the Nigerian stock market bubble of 2008 and found that it was primarily driven by excessive speculation and a lack of regulatory oversight. Similarly, Oke and Oladunni (2017) investigated the Nigerian real estate bubble of the early 2000s and found that it was driven by a combination of factors, including loose monetary policy and speculative behavior.

Relationship between Sunspots, Bubbles, and the Nigerian Capital Market: While sunspots and bubbles may seem like distinct phenomena, there may be some overlap in terms of their impact on financial markets. For instance, some studies have suggested that sunspots may contribute to the formation of bubbles by increasing market volatility and promoting speculative behavior.

In the Nigerian context, there is some evidence to suggest that sunspots may have contributed to the formation of past bubbles. For example, Oke and Adenuga (2017) found that sunspot activity was positively correlated with market volatility in Nigeria,

which could potentially contribute to the formation of bubbles.

Empirical evidence suggests that sunspots and bubbles can have a significant impact on financial markets, including the Nigerian capital market. For example, a study by Akinlo (2016) found that sunspot activity had a positive effect on both stock prices and market volatility in Nigeria. Similarly, research by Oladejo and Adetiloye (2016) found evidence of a speculative bubble in the Nigerian stock market between 2006 and 2008, which was characterized by a significant increase in stock prices followed by a sharp decline.

In addition to their potential impact on financial markets, sunspots and bubbles may also have implications for the wider economy. For example, a study by Babalola and Ogunjimi (2019) found that the bursting of the Nigerian real estate bubble in 2008 had significant negative effects on the overall economy, including increased unemployment and decreased investment.

While there is still much research to be done on the relationship between sunspots, bubbles, and the Nigerian capital market, recent studies have begun to shed light on some of the underlying mechanisms that may be driving these phenomena. For example, a study by Ibeabuchi and Nwankwo (2018) found that herd behavior, which refers to the tendency of investors to follow the actions of others without considering their own independent analysis, may be an important factor in the formation of bubbles in the Nigerian stock market.

Another potential factor that may contribute to the formation of bubbles in the Nigerian capital market is the presence of information asymmetry, which refers to situations where one party has more information than another. For example, a study by Odoemenem et al. (2018) found that information asymmetry was a significant predictor of stock market bubbles in Nigeria, suggesting that efforts to improve market transparency and information disclosure may be an important tool in preventing the formation of future bubbles.

Despite these potential factors, the exact relationship between sunspots, bubbles, and the Nigerian capital market remains a topic of ongoing research and debate. While some studies have found evidence of a positive relationship between sunspots and market volatility, others have found no significant relationship or even a negative relationship. Similarly, while the existence of past bubbles in the Nigerian capital market is well-established, the precise factors that contributed to these bubbles are still the subject of much research.

In summary, while there is still much to be learned about the relationship between sunspots, bubbles, and the Nigerian capital market, recent studies have shed light on some of the potential factors that may be driving these phenomena. Policymakers may consider implementing regulatory measures to prevent excessive speculation and promote greater market stability, as well as efforts to improve market transparency and information disclosure, in order to mitigate the potential negative effects of these phenomena.

3. Methodology

Ordinary Least Square (OLS) is insufficient for estimating financial data because it assumes homogeneous variance and a normal Gaussian distribution, which cannot handle clustered volatility and large effect data. However, Engle (1982) developed the ARCH model, which simplifies time difference conditional variances by using a unique type of random process and associates them with variables known from the prior period. The ARCH model was later improved by Bollerslev (1986) as GARCH (Generalised ARCH) and has become a useful tool for financial time series analysis. The ARCH model handles and forecasts conditional mean and variance, with the "conditional" aspect referring to dependence on observations from the immediate past and the "autoregressive" aspect referring to the feedback mechanism that infuses previous observations into the present. The ARCH effect is a function of agent aggressiveness and variance of extraneous element potentials, as confirmed by standard econometric tests. The data can be seen as ARCH/GARCH according to Engle's (1982) test and GARCH (1,1) model estimation test. The Generalized ARCH takes into

account the declining impact of information on volatility, allowing users to model the serial dependence of volatility. To apply the ARCH model, conditional mean and variance specifications are required.

$$k_t = \alpha + X_t k + s_t \dots \dots 1$$

$$k_t^2 = k s_{t-1}^2 + \beta k_{t-1}^2 \dots \dots 2$$

Where;

Eq(1) : conditional mean;

Eq(2): conditional variance;

$X_t k$ = exogenous variables;

α = Constant;

s_{t-1}^2 = volatility News from the lag period, gauge as the square by s_{t-1} from the mean equation, and is the ARCH component

$k s_{t-1}^2$ = Forecast variance of last period that explains the GARCH term;

$k \& \beta$ = Coefficient to be estimated;

The error term s_t can be predicted by several factors including the announcement of macroeconomic news, the implied volatility and realized volatility of option prices, trading volume, realized volatility after hours, and overnight returns. According to Zivot's research in 2008, these factors are useful in predicting volatility. Financial returns volatility clustering is most commonly observed in daily, weekly, or intraday data. In daily data, the ARCH effect is tested for.

The Exponential-GARCH (E-GARCH) model belongs to the family of asymmetric ARCH and GARCH models. Unlike other models, the E-GARCH model is asymmetric, which means that it accounts for differences in how returns respond to shock signs and policy changes. The E-GARCH model is specified in logarithms, which avoids the imposition of negative constraints on its parameters.

$$h_t = \log y_t^2$$

The E-GARCH model has a significant advantage over the basic GARCH model because it guarantees positive conditional variance regardless of the coefficient in Eq (3). This is achieved by modeling the log of y_t^2 instead of y_t^2 itself. In the GARCH-M model, the conditional variance can affect the mean. The basic GARCH model, proposed by Engle, Lilien, and Robins in 1987, aims to generate the risk premium, which is an essential part of the expected return, through conditional volatility. The GARCH-M model is an expanded version of the GARCH model. The expected risk coefficient estimated by this model measures the trade-off between risk and return.

$$y_t = \alpha + X_t Y + \beta y_t^2 + s_t$$

In finance, y_t^2 and y_t represent the conditional variance and mean return, respectively. The T-GARCH model, proposed by Zakoian (1990) and Glosten, Jaganathan, and Runkle (1993), includes mean deviation plus exogenous variable $X_t Y$, as well as an error term s_t . The T-GARCH model is specified using a dummy variable $W_{(t-i)}$, which is set equal to 1 when $\mu_{(t-1)}$ is less than 0 and 0 when $\mu_{(t-1)}$ is greater than or equal to 0.

The impact on the conditional variance $\delta 2t$ depends on whether $\mu_{(t-i)}$ is greater or less than 0. If $\mu_{(t-i)}$ is greater than 0, the impact is shown entirely by ϕ_i , $\mu_{(t-1)}^2$. If $\mu_{(t-i)}$ is less than 0, the impact is expressed as $(\phi_i + \omega_i) \mu_{(t-1)}^2$, where a positive ω_i is expected for the effect of bad news to be significant.

In finance, the ADF (Augmented Dickey-Fuller) test is used to estimate whether the price-earnings ratio possesses a unit root, which is a key property of rational bubbles. The test is carried out using univariate time series data of the price-earnings ratio, and higher-order serial correlation correction is achieved by assuming that the price-earnings ratio follows an AR (p) process and incorporating "p" lagged terms of the explained variable in the regression model.

If stock prices reflect their fundamental values, a co-integrating relationship is expected to exist between them and other financial variables such as price-

earnings ratio and dividends. A lack of co-integrating relationship suggests an absence of a bubble, where a significant deviation from the price occurred. The co-integration test is carried out by running an OLS regression on the residuals, and the Engle-Granger two-stage test is used to investigate the co-integrating status of the variables.

Data Source

The data used in this empirical study were obtained from three sources: the daily Price Listings from the Nigeria Stock Exchange (NSE) factbook, the Securities and Exchange Commission (SEC) quarterly magazine, and the Central Bank of Nigeria (CBN) statistical bulletin. The study focused on ten banks, which are Fidelity Bank, Access Bank, First Bank, FCMB, United Bank for Africa, Eco Bank, Guaranty Trust Bank, Union Bank, WEMA Bank, and Zenith Bank. The variables considered for the study are Share price, Price-earnings ratio, and dividend for these banks, covering the period between 2007Q4 and 2008Q4.

4. Results and Discussion

To investigate the presence of a speculative bubble and sunspots in the Nigerian capital market between

Table 1: Stationarity Test

Variable	ADF Statistic (in Levels)	ADF Test Statistic (in First Difference)	Order of Integration	Remark
ΔSP	-2.089	-6.875**	I(1)	Stationary
ΔDIV	-3.05	-5.770*	I(1)	"
ΔPE	-2.906	-6.894 **	I(1)	"

*(**) portray 5% (1%) significance level

The unit root test revealed that all variables showed non-stationarity at their levels and had a random walk pattern with significant deviations in asset prices. This was confirmed by the inability to reject the null hypothesis of no unit root, suggesting the existence of asset price bubbles during the period under consideration. Thus, the results provided evidence of asset price bubbles as reported by Kocherlakota (2009) and Njiforti & Chidiog (2010).

2007Q1 and 2008Q4, a series of analyses were performed. Initially, a preliminary stationarity test was conducted on the variables to determine if there was any fundamental deviation. Next, the Augmented Engle-Granger (AEG) test was performed to assess whether the variables were co-integrated, which necessary to investigate the presence of a speculative bubble is resulting from a significant deviation from asset fundamentals. The absence of co-integration indicates a speculative bubble and a significant deviation from fundamentals. The presence and persistence of volatility in such asset price deviation were investigated using asymmetric estimates of volatility using ARCH and GARCH models. Finally, a peak period analysis was conducted to determine if sunspots existed.

4.1 Unit Root Analysis

The process of testing for stationarity involves the examination of whether or not there is a random walk in the fundamental of asset prices. To perform this test, the Augmented Dickey Fuller (ADF) test is used, and the results of the test for both the levels and first differences of the variables are presented in Table 1.

The co-integration test results, presented in Table 2, indicated that there was no co-movement or co-integration among the variables. This was supported by the computed ADF value of (-5.444), which was lower than the critical ADF absolute value of -5.772 at 95%. The absence of co-movement among the variables confirmed the existence of asset price bubbles, resulting from fundamental deviations during the period.

Table 2: Co-integration Test

Variable	ADF Test Statistic	95% Critical ADF Value	Remarks	$R^2 = 0.93$; $\text{Adj } R^2 = 0.95$; $D - W = 2.72$; $F\text{-statistics} = 87.04$
Residual	-4.434	-5.632	Stationary	

As there was evidence of a speculative bubble in the market during the period, which indicated the presence of fundamental deviations or volatility in the stock market, it is important to examine the persistence and clustering of volatility during this time. Therefore, it is necessary to carry out ARCH and GARCH estimates, which are presented below.

4.2 ARCH and GARCH Estimates

The following are the estimated results for the behavior of volatility in share price, dividend, and earnings. In Table 3, the variance model for share price indicates that the ARCH term passes the z-test at a 5% level, suggesting its validity. Additionally, the GARCH term coefficient is negative and significant at 5%, which further confirms the presence of volatility in the system. Therefore, it can be inferred that there is a fundamental deviation in asset prices during the period under consideration, resulting in fluctuations in prices around their fundamental values. The GARCH inverse coefficient also indicates that the observed volatility may decrease after some time, although there is still some degree of memory effect.

Furthermore, the period is characterized by a slow mean-reverting process, given that the sum of the coefficients of the ARCH and GARCH terms is less than one. This implies that the system does not fully adjust to shocks, and instead, the effects of such shocks persist over time, contributing to the volatility in the market.

Table 3: GARCH Output for Share Price

Variable	Coefficient	Z-Statistics
C	0.31675	1.3282
Variance Equation		
C	1.8940	-1.6802
ARCH	0.41303	3.3503
GARCH(1)	-0.1270	-12.7041

The estimated results for the volatility of the price-earnings ratio are presented in Table 4. The mean equation in the results indicates that there was a significant level of volatility in the price-earnings ratio for an extended period during the period under consideration. This is also supported by the statistically significant ARCH and GARCH terms, which were significant at the 1% and 5% level, respectively. This provides clear evidence of the presence of volatility during the period, which remained unmitigated for a considerable length of time.

Table 4: GARCH Output for Price Earnings Ratio

Variable	Coefficient	Z-Statistics
C	2.6815	1.4021
Variance Equation		
C	2.0194	.8972
ARCH	.0579	4.0277
GARCH(1)	.2798	2.4230

Table 5: GARCH Output for Dividend

Variable	Coefficient	Z-Statistics
C	0.6050	0.8249
Variance Equation		
C	2.9972	2.2301
ARCH	0.1179	1.9740
GARCH(1)	0.2187	1.1180

Table 5 displays the estimated results for the volatility of dividends. The mean equation in the results suggests that there was a significant level of persistence in the volatility of dividends for an extended period during the analyzed timeframe. However, only the GARCH terms passed the significance test using z-values at a 5% level. This implies that although there was evidence of volatility in dividends, it was not as severe as observed in other variables.

4.3 Estimates of Asymmetric GARCH

The estimation of ARCH and GARCH only considers the magnitude of returns, ignoring their direction. Studies on broad-based equity indices have shown that market declines are associated with higher volatility than market increases. This indicates that negative shocks, or bad news, have a greater impact on volatility than positive shocks, or good news. Consequently, a rising market tends to have lower volatility than a falling market, as bad news leads to a reduction in stock prices.

Table 6 presents the findings of the asymmetric GARCH approach used to determine the leverage effect. The results reveal strong evidence of leverage effects, indicating that positive shocks have a greater impact on market volatility than negative shocks of the same magnitude during the studied period. This means that good news increases share price volatility more than bad news in the market. Additionally, the T-GARCH (1, 1) model detected long memory volatility in stock prices, in addition to the leverage effect. Unlike the ARCH and GARCH effects, the variance process in this approach is not mean-reverting, as the ARCH and GARCH coefficients add up to one. This suggests that shocks that trigger dynamic volatility are persistent. The results also confirm the presence of volatility clustering, which is distinct from the GARCH (1, 1) approach.

Table 6: AR (1)- TGARCH (1, 1) Estimation

Dependent Variable: Stock Price	
Variable	Coefficient
Constant (M)	-0.0553(-1.445)
AR (1) (M)	0.773(-0.6321)
Constant (V)	0.333(9.24)*
ARCH 1 (V)	0.057(8.72)*
GARCH 1 (V)	0.236(15.3)**
Asymmetry (V)	-0.008(-18.1)*
AIC	-5.47
SIC	-5.22
HQC	-4.82

* (**) Denotes significance at 5%(1%) level Figures in parenthesis are significance values

Sunspots: To investigate whether there were sunspots in the Nigerian stock exchange during the period between 2007Q4 to 2008Q4, a peak period analysis was conducted and the results are presented in the table below:

Table 7: Returns Rates and Volatility in the NSE

Year	Mean	Std. Deviation	Return/Risk Ratio
2007Q4	4.70	4.84	1.22
2008Q1	-4.27	9.91	-0.78
2008Q2	-3.05	18.15	-0.18
2008Q3	-4.2	21.20	-0.83
2008Q4	-0.81	20.69	-0.67

Source: Author's computation (2018): Underlying quarterly data from NSE and CBN

According to the table, the top three instances of fundamental deviations in ascending order occurred in 2008Q2, 2008Q3, and 2008Q4, with corresponding risk values of -0.18, -0.83, and 0.67, respectively. These periods were marked by significant increases in fluctuations in asset prices, indicating a peak period of perceived irrationality among market participants. The values suggest that there were sunspots present in the Nigerian Capital Market during that time, where various macroeconomic and exogenous factors, as well as inherent market characteristics, contributed to these spikes.

5. Conclusion and Recommendations

The study aimed to investigate the existence of speculative bubbles and sunspots in the Nigerian Capital Market by analyzing data from ten banks in Nigeria from 2007Q4 to 2008Q4. Various analytical methods such as unit root tests, co-integration tests, GARCH models, asymmetric GARCH estimation, and peak-period analysis were used. The empirical results indicate that speculative bubbles and sunspots existed in the market during the studied period. Based on the findings, it is recommended that measures be put in place to enhance the efficiency of the capital market

and eliminate factors that distort and hinder its operations. Regulators, particularly SEC, should focus on minimizing information asymmetry and developing an institutional mechanism for efficient dissemination of information. Market regulators should also take

steps to prevent arbitrariness among market participants. Developing early warning signal models (EWSM) to detect potential financial bubbles and crises is also crucial.

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BOARD ATTRIBUTES AND CORPORATE SOCIAL RESPONSIBILITY OF LISTED OIL AND GAS COMPANIES IN NIGERIA

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Abstract

The study examines the impact of board attributes on the corporate social responsibility of the listed oil and gas companies in Nigeria. The study used a sample size of seven (7) out of twelve (12) oil and gas companies listed on the Nigerian Exchange Group (NGX) as at December 2022. Relevant data for the study was extracted from the annual reports and accounts of the sampled companies for a period of twelve (12) years (2011 – 2022). The data generated was analyzed using descriptive statistics, Pearson correlation, Ordinary Least Square (OLS) and Generalized Least Square (GLS) regression. The results show that non-executive directors have an insignificant impact on corporate social responsibility while board meetings have a significant impact on corporate social responsibility of the listed oil and gas companies in Nigeria. Based on the results found, the study concludes that the board attributes of the listed oil and gas companies in Nigeria affect corporate social responsibility. The study therefore recommends, among other things, that the management of listed oil and gas in Nigeria should get more involved with corporate social responsibility to create a good relationship with shareholders and also, see corporate social responsibility as an integral part of their organization. Furthermore, the study recommends need for increased corporate governance interest in promoting corporate social responsibility.

Keywords: Board Attributes, Non-executive directors, Board Meetings, Corporate Social Responsibility

1. Introduction

Corporate Social Responsibility (CSR) refers to the dedication of companies to foster community growth and development while voluntarily discontinuing practices that are deemed contrary to the public interest. This involves consciously integrating public welfare into corporate decision-making and upholding a triple bottom line: People, Planet, and Profit (Solihin, 2009). Corporate social responsibility has become a prominent issue in both developed and emerging countries worldwide. It goes by various names, such as social disclosure, corporate social reporting, and social accounting. Notably, CSR has gained significant traction and witnessed substantial expansion, especially in developed nations. This growth can be attributed to shifts in the global economy, which have compelled firms to be more united and responsive to mounting public pressure, leading to increased expectations for corporate social responsibility initiatives. Board attributes are an integral part of corporate governance.

The significance of board attributes is pertinent in influencing corporate growth and the legal framework that regulates them to protect shareholders' rights and prevent malpractices. Corporate social responsibility (CSR) emphasizes that organizations have responsibilities beyond profit-making, extending to community and environmental development. In Nigeria, firms, especially in the oil sector, have recognized the economic relevance of CSR and integrated it into their corporate agenda (Bateman & Snell, 1999). Oil and gas companies are major contributors to Nigeria's economy, and independent directors on their boards play vital roles in formulating economic and social strategies. Board independence, particularly with more independent non-executive directors, encourages CSR activities aligned with societal values and leads to a favorable reputation among stakeholders. The involvement of independent directors influences companies to disclose more information about CSR

initiatives to stakeholders, positively impacting their operations and reputation (Khan, 2010).

The frequency of board meetings and discussions on CSR spending also reflects the level of compliance with corporate governance codes. Oil and gas companies in Nigeria have shown significant spending on CSR and a heightened focus on their social and environmental impact, forming partnerships with local communities. This shift is driven by the development of corporate codes of conduct, environmental pressures, and the demand for effective CSR reporting (Cochran, 2007). In Nigeria, CSR reporting remains mostly voluntary and companies have significant control over disclosing their CSR-related activities. The spending on CSR is perceived as a response to community evaluations and the cost-benefit analysis derived from oil and gas exploration and other firm-specific factors, guided by economic rationality within the context of voluntary CSR disclosures (Amole, *et al.*, 2012).

Several studies have made attempts to address the numerous contradictions and debates surrounding corporate social responsibility issues, yet there are lots of disagreement, controversy and conflict of interests amongst business theorists, corporate managers, academics and the general public. Some studies, such as Jurica and Lady (2012), Enny and Yulita (2013), Odetayo *et al.* (2014), Ahamed *et al.* (2015), Robert *et al.* (2016), Zakari (2017), ThuyTa and ThiBui (2018), Kofarmata and Ibrahim (2018), and Yusof *et al.* (2019) have produced evidence in supporting that board attributes influence corporate social responsibility positively in their studies. While other studies, such as that of Hermawana and Mulyawa (2014), Hirigoyen and Rehm (2015), Abubakar (2016), Akinleye and Faustina (2017), and Zhuang *et al.* (2018) have, on the other hand, produced evidence in supporting that board attribute affect CSR negatively. Also Richard *et al.* (2010), Handajan, Subroto, Sutrisno and Saraswat (2014), Habbash (2016), Senyigit and Shuaibu (2017), Swandari and Sadikin (2017), Rajasekar and Deepa (2017), Waluyo (2017) and Alozie and Chigozie (2018) reported no evidence at any significance level of relationship between board attributes and CSR.

Summing the quantum of the research gaps in this study, firstly, the controversies, debates and various expectations in the literature come up with mixed

results in both developed and developing countries. Secondly, a research concerning the impact of board attributes on corporate social responsibility in Nigeria focused mainly on the banking sector and a few on oil and gas companies combined them with other industry, such as beverages and/or construction companies. Thirdly, oil and gas companies are chosen because they generate 90% of the Nigerian income. Subsequently, there is a high rate of militancy in the host communities and a pronounced environmental degradation resulted from oil spillage and carbon emission. Thus, corporate social responsibility is seen as a moderator in minimizing the negative impact and feeling of individuals in the host communities. Fourthly, the study will use different measurements of the CSR (total amount firms spent on CSR to total assets) unlike most previous studies, which used different proxies to CSR. Lastly, most of the previous studies cover up to 2016 while this study extends to 2022.

Board structure and corporate social responsibility have been frequently studied using data from different sectors and different countries of the world. Most of these studies have been carried out in different countries. However, a few studies combined adequate variables to represent board structure in relation to corporate social responsibility. Little existing literature has studied the impact of board structure, such as board size, female directors, non-executive directors and board meetings, on corporate social responsibility on oil and gas companies while the companies remain the largest providers of corporate social responsibility in Nigeria, little had been written on this sector. Hence, this study will serve as an added effort to fill that literature gap. The result also provides basic understanding into the existing difficulties of corporate social responsibility practice with some board attributes in relation to oil and gas industry. The result is expected to have an important policy implication for the Nigerian Stock Exchange (NSE), Nigeria National Petroleum Corporation (NNPC) and other stakeholders in oil and gas industry to regulate their potential pressure concerning the needs for increased corporate involvement or participation on corporate social responsibility activities as well as social information disclosure on the annual reports of oil and gas companies in Nigeria.

2. Literature Review

Board attributes and Corporate Social Responsibility

The concept of Corporate Social Responsibility (CSR) has historical roots in nineteenth-century boycotts against products made with slave labor and the efforts of visionary business leaders to promote the welfare of their workers. In the modern context, CSR's meaning varies depending on the perspective of different individuals and groups, including practitioners, researchers, civil society, and the private sector. CSR is also influenced by the social and national contexts of different countries, leading to varying priorities and motivations for companies.

In response, new terms like corporate accountability, stakeholder engagement, and sustainability have emerged alongside or in place of CSR in business discussions. The composition of a corporate board typically includes both inside and outside members. Inside members are executives of the company, while outside members are individuals whose only connection to the firm is their position as directors (Hossain & Reaz, 2007). Board composition refers to the proportion of outside directors in relation to the total number of board members, distinguishing between executive and non-executive roles. Non-executive directors serve as a mechanism to check and balance the interests of owners and other stakeholders, as suggested by the Agency Theory (Bear et al., 2010; & Fernandez et al., 2012). In Nigeria, the 2003 and 2011 codes of Corporate Governance require a mix of executive and non-executive directors on the board, led by a Chairman who should be a non-executive director. The majority of board members should be non-executive directors, and at least one of them should be an independent director.

The frequency of board meetings is an important aspect of board operations, and it plays a role in mitigating agency conflicts within a company. However, there is no consensus on its impact on non-financial performance, particularly in relation to Corporate Social Responsibility (CSR) practices. On one hand, having more frequent meetings may indicate inefficiency and poor performance by directors. It could lead to higher coordination costs and potentially distract from

addressing sustainability issues (Haji, 2013). On the other hand, a higher frequency of meetings can improve the oversight of company operations, benefiting shareholders. It allows directors to share more information and viewpoints, which can enhance the decision-making process and meet the expectations of stakeholders in a dynamic business environment. Board meetings are considered a governance mechanism that encourages better reporting and vigilance by directors to control management activities (Jizi et al. 2014). The number of board meetings attended by individual directors is required to be disclosed under the Corporate Governance Code. Perceptions suggest that a higher number of board meetings signify an active and dedicated board in managing organizational issues, including CSR practices, which contribute to building a positive corporate image. In summary, the frequency of board meetings is a complex aspect of board activity that can impact various aspects of a company's performance, including its CSR practices and reporting. While it can indicate attentiveness and dedication by board members, it should be managed effectively to ensure it enhances decision-making and supports sustainable practices (Dienes & Velte, 2016).

2.1 Hypotheses Development

Non-executive directors and Corporate Social Responsibility

The presence and impact of non-executive directors on Corporate Social Responsibility (CSR) performance and disclosure have been studied by various researchers (Haniffa & Cooke 2002; Gillette, *et al.*, 2003; Haniffa & Cooke 2005; Harris & Raviv, 2006; Hossain & Reaz, 2007; Barako & Brown 2008). Non-executive directors are individuals on the board who are not part of the executive management team and are seen as an important governance mechanism to ensure the interests of owners and stakeholders are safeguarded (Sainty 2009; Prado-orenzo & García-Sánchez, 2010; Bear et al., 2010; Khan, 2010; Arora & Dharwadkar, 2011). According to the Agency Theory, having a higher proportion of outside directors can monitor management's self-interested activities and reduce agency costs. Non-executive directors are expected to be more objective and independent in their roles compared to executive directors, and they are perceived as efficient board monitors. (Fernandez et al., 2012;

Zhang et al., 2013; Jo & Harjoto, 2012; Hamid, 2012; Kravet & Muslu, 2013; Khan et al., 2013).

However, there is no consensus on the impact of non-executive directors on CSR performance and disclosure. Some studies (Giannarakis, 2014; Janggu et al., 2014; Jizi et al., 2014; Abdurrahman, 2014; Sharif & Rashid, 2014) have found a positive relationship, suggesting that active non-executive directors contribute to better CSR practices and reporting. They are perceived as important in managing organizational issues and upholding the firm's legitimacy. On the other hand, some studies (Bukair & Abdul-Rahman, 2015; Ducassy & Montandrou, 2015; Das et al., 2015; Habbash, 2016) have reported insignificant or negative relationships between non-executive directors and CSR disclosure. Some researchers believe that non-executive directors may prioritize financial expertise over CSR concerns, leading to lower emphasis on CSR disclosure. Additionally, the quality and quantity of CSR information obtained from management can also influence non-executive directors' attitudes towards CSR disclosure. The findings from different studies (García-Meca et al., 2018; Birindelli et al., 2018; García-Sánchez et al., 2018; Ali & Isa, 2018) vary, with some showing positive, negative, or insignificant associations between non-executive directors and CSR performance and disclosure. Factors like the composition of the board, the industry context, and regional differences may contribute to these discrepancies. Overall, the role of non-executive directors in influencing CSR performance and disclosure is complex, and more research is needed to fully understand their impact and the factors that may affect their behavior in this context.

H1: Non-executive directors have significant impact on corporate social responsibility of listed oil and gas companies in Nigeria.

Board Meetings and Corporate Social Responsibility

The number of board meetings held in a year is considered an indicator of board attributes and reflects the effectiveness and level of control of the board over company activities. Studies (Halek & Eisenhauer, 2001; Laksmana, 2008; Laksmana, 2008; Said et al., 2009) have shown mixed results regarding the relationship between board meetings and Corporate Social Responsibility (CSR) disclosures. Some research

suggests that regular board meetings provide an opportunity for directors to share more information and improve decision-making, ultimately leading to increased firm value. Positive associations between board meetings and CSR disclosure have been found in various studies, indicating that more frequent meetings are linked to better CSR reporting (Mallin & Michelin, 2011). On the other hand, some studies (Ali & Atan, 2013; Giannaraki, 2014; Giannarakis, 2014; Ballesteros et al., 2015) have reported insignificant or negative relationships between board meetings and CSR reporting. It is suggested that the time spent in board meetings does not always result in significant exchanges of views among directors. However, other research argues that a higher number of meetings can lead to more effective handling of business operations and CSR disclosure to satisfy different stakeholders, enhancing decision-making and monitoring of company activities.

The impact of board meetings on CSR disclosure seems to vary across different studies (Yusoff et al., 2016; Aliyu, 2017; Naseem et al., 2017; Rashid & Gow, 2017; Alshbili et al., 2018; Griffin & Sun, 2018), and there is no clear consensus on the relationship. Factors such as board size, board independence, gender diversity, and corporate governance structures may contribute to these varying findings. Overall, the relationship between board meetings and CSR disclosure is complex and context-dependent. While some studies indicate a positive association, others show no significant relationship or even a negative link. More research is needed to better understand the specific factors that influence this relationship in different settings.

H2: Board Meetings have significant impact on corporate social responsibility of listed oil and gas companies in Nigeria.

3. Methodology

3.1 Research Design

This research adopted non-survey research design based on historical panel data through the use of an ex-post-facto. This is because both the dependent and the independent variables of this study are available in annual reports of the companies under study.

3.2 Population and Sample size

The population of this study comprises the twelve (12) oil and gas companies listed on the Nigerian Exchange Group (NGX) as at 31st December, 2022. The choice of the oil and gas sector is informed by the fact that the sector is one of the oldest and highest contributors to the GDP of the Nigerian economy. It is highly liquid, profitable and reputed to enjoy continual growth both in size and in operations. Similarly, oil and gas companies are said to invest much in corporate social responsibility and thus provided a logical basis for evaluating the relationships between board structure and CSR.

For a company to qualify as part of the sample of this study, it must meet the criteria: (i) that the firm must have been in operation for the whole periods of study (2011 to 2022), (ii) that the firm must remain quoted

without being delisted between the periods covered, (iii) that the firm must be listed on or before 2012. As a result of these three filters, the number of the companies in the population was reduced to nine (7) out of the twelve (12) listed on the Nigerian Exchange Group. Afroil was delisted by the Security and Exchange Commission (SEC) in 2008. Beco Petroleum Product, Plc and Capital Oil, Plc did not meet the second criteria because they were delisted by NGX on May 2, 2017 and August 27, 2012, respectively. Seplat Petroleum Development Company, Ltd was quoted in 2014 and, finally, the financial statement of Oando, Plc for 2020 was not available. These companies were excluded from the population of this study. Therefore, Table 1 below presents the study sample:

Table 1 Samples Size of the Study

S/No.	Name of Companies	Year of Incorporated	Year of Listing
1	<u>Conoil, Plc.</u>	1970	1991
2	<u>Eterna, Plc.</u>	1979	1989
3	<u>Forte Oil, Plc.</u>	1964	1978
4	<u>Japaul Oil & Maritime Services, Plc.</u>	1994	2005
5	11 Plc or <u>Mobil Oil Nig., Plc.</u>	1984	1991
6	<u>Mrs Oil Nigeria, Plc.</u>	1969	1978
7	<u>Total Nigeria, Plc.</u>	1956	1979

Source: Generated from Table 1

Table1 above shows the list of the sampled companies, which represents the portion of the study population of the listed oil and gas companies in order to make conclusion on the entire population.

3.3 Data and Sources

The nature of the research topic requires the use of secondary data. Therefore, a secondary source of data was used for this study. This is because of its objectivity and the quantitative nature of the study. It

focuses on data related to board attributes and corporate social responsibility. This includes data on female directors, non-executive directors and board meeting and corporate social responsibility performance. This is in line with Eneh and Amakar (2022), Nwude and Nwude (2020), Ishola and Ishola (2019), Yusof et al. (2019), Habbash (2018), Tapver (2018) and Ahmad et al. (2017).

Table 2 Summary of Variables and their Measurement

S/N	Variables	Measurement
1	CSR	Total amount that firms spent on CSR divided by total assets, in line with Lin and Nguyen (2022), Abubakar (2016) and Robert et al. (2016).
2	Non-Executive Directors	Percentage of non-executive directors to total directors on the board, in line with Lin and Nguyen (2022), Gulzar et al. (2019), Tapver (2019) and Bansal et al. (2018).
3	Board Meetings	Number of meetings of board members in a year, as used in and Gulzar et al. (2019), Aliyu (2017) and Naseem et al. (2017)

4	Profitability	Profit before tax divided by total assets, as used Lin and Nguyen (2022), Tapver (2019), Aliyu (2017) and Abubakar (2016).
5	Firm Size	Natural log of total assets, as used by Lin and Nguyen (2022), Tapver (2019), Dias et al. (2017), Abubakar (2016), Abu Sufuyan (2012) and Jurica and Lady (2012).
6	Age	Number of years since company incorporated in Nigeria as used by Aliyu (2017), Nega (2017) and Kagaya and Jinnai (2016).

Sources: Generated by the Researcher from Previous Empirical Studies, 2022

3.4 Model Specification

To test the hypothesis formulated in this study, the researcher developed the economy model as was used by Lin and Nguyen (2022), Tapver (2019), Gulzar et al. (2019), Daniel and Urhohide (2018) and Abubakar (2016) in order to achieve the stated objectives of the research. The choice of this model is due to the fact that it has efficiency in estimating the effect and relationship among variables.

$$CSR_{it} = \beta_0 + \beta_1 NED_{it} + \beta_2 BM_{it} + \beta_3 ROA_{it} + \beta_4 FS_{it} + \beta_5 AGE_{it} + \mu_{it} \quad (1)$$

Where:

CSR_{it} = Corporate social responsibility of firm “i” in period “t”

β_0 = intercept $\beta_1 - \beta_5$ = Coefficient of the independent variables

NED_{it} = Non-executive director of firm “i” in period “t”

BM_{it} = Board meetings of firm “i” in period “t”

ROA_{it} = Return on assets of firm “i” in period “t”

FS_{it} = Firm size of firm “i” in period “t”

AGE_{it} = Age of firm “i” in period “t”

μ_{it} = Residual or error term of firm „i” in period „t”

3.5 Technique of Data Analysis

The descriptive statistics, correlation matrix and multiple regression were used for the analysis result in finding the relationship between dependent CSR and independent variables (board attribute) of the study.

4. Results and Discussion

This sub-section presents the result and discussion of the analysis conducted on the data collected from the annual reports and accounts of the listed oil and gas companies. The descriptive statistics, correlation matrix and regression results were presented below.

4.1 Descriptive Statistics

This section provides the summary statistics of the study variables, which include mean, the standard deviation, minimum and maximum of both the dependent variable (corporate social responsibility) and explanatory variables (non-executive directors, board meeting, profitability, firm size and firm age). This provides some basic insight into the nature of the data upon which analysis is done.

Table 3: Descriptive Statistics Result

Variables	Obs.	Mean	Std. Dev.	Min	Max
CSR	84	0.0002	0.0003	0	0.0014
NED	84	0.4347	0.1712	0.1111	0.7778
BM	84	4.4524	0.7977	4	7
ROA (%)	84	0.0345	0.1293	-0.5573	0.2390
FS (₦)	84	6,000,007	3,840,007	8,860,740	195,512,428
AGE (Year)	84	45.4881	15.7270	15	69

Source: Computed by Author using Stata Output 14

It indicates from the Table 3 that the sampled oil and gas companies in Nigeria have an average corporate social responsibility of 0.02%, with minimum and maximum values of 0% and 0.14%. This shows a high

variation in corporate social responsibility of the sampled the listed oil and gas companies as portrayed by the standard deviation of 0.03%, which is much higher than the mean value. The zero minimum value

indicates that some sampled the listed oil and gas companies did not spend any amount on corporate social responsibility at a particular period.

Table 4 further shows that the non-executive director has an average value of 0.4347 of the size of board of directors with a standard deviation of 0.1712. This indicates that on average 43% of board members of Nigerian listed oil and gas companies were non-executive directors. The minimum and maximum percentage of non-executive director is 11% and 78%, respectively. The mean value of frequency board meeting is 4.4524 with a standard deviation of 0.7977 and also reveals that companies conduct approximately 4 meetings per year and a maximum of 7 meetings.

It indicates from the Table 4 that sampled listed oil and gas companies have an average return on assets of 3.45%, with minimum and maximum values of -0.5573(56%) and 0.2390(24%). This shows a high variation in return on assets of the sampled oil and gas companies as portrayed by the standard deviation of 0.1293(13%), which is much higher than the mean value. The negative minimum value indicates that some sampled oil and gas companies reported loss at a particular period. Firm size was measured as a

logarithm of total assets and has a mean of ₦6,000,007.00 with a minimum of ₦8,860,740.00 and maximum of ₦195,512,428.00. The standard deviation of ₦3,840,007.00 suggests a wide dispersion in the total assets among the sampled oil and gas companies.

Lastly, the average firm age is approximately 45 years. This shows that, on the average, the sampled oil and gas companies are 45 years with a standard deviation of 15 years and minimum and maximum values of 15 and 69 years, respectively. This indicates that whereas some of the oil and gas companies were incorporated Nigeria in 1994, some were incorporated since 1951. This gives an insight as to whether being incorporated earlier will result in companies making the issues of corporate social responsibility important.

4.2 Correlation Results

The result of Pearson correlation of the dependent variables (corporate social responsibility) and explanatory variables (non-executive directors, board meeting, profitability, firm size and firm age) is presented in Table 4. The correlation measures the strength and direction of relationship between all pair of variables of the study:

Table 4: Correlation Matrix of the Dependent and Explanatory Variables

Variables	CSR	NED	BM	ROA	FS	AGE	VIF
CSR	1.0000						
NED	0.0545	1.0000					1.10
BM	0.0887	0.1082	1.0000				1.09
ROA	-0.0158	0.0972	0.0855	1.0000			1.39
FS	0.1928	-0.0125	0.1924	0.1077	1.0000		1.92
AGE	0.2003	-0.0278	0.2088	0.4070	0.6411	1.0000	2.18

Source: Computed by Author using Stata Output 14

Table 4 shows the correlation matrix between the variables of the study. The values of the correlation coefficient vary from -1 to 1. The sign of the correlation coefficient indicates the bearing of the association whether positive or negative. The complete value of the correlation coefficient indicates the strength, with larger values indicating stronger relationships. The correlation coefficients on the main diagonal are 1.0000, because each variable has an absolute positive linear relationship with itself.

The correlation coefficient of the independent variables (non-executive directors and profitability) and the dependent variable (corporate social responsibility) are very weak and negatively correlated, as the coefficients are far from zero, which indicates that a decrease in those variables leads to an increase in the amount spent on corporate social responsibility of the listed oil and gas companies in Nigeria. Also, non-executive directors, board meeting, firm size and firm age have a

very weak and positive correlation with corporate social responsibility of the listed oil and gas companies in Nigeria.

Similarly, to determine the presence of a collinearity problem, a Variance Inflation Factor (VIF) Tolerance

test was carried out the results of which provide evidence of the absence of Collinearity. This is because the results of the VIF test range from a minimum of 1.09 to a maximum of 2.18, which is in line with study of Muhammad (2009) and Barde (2009).

Table 5: Regression Results on the Impact of Board Attributes on Corporate Social Responsibility

FIXED EFFECT				
CSR	Coef.	Std. Err.	T	P>/t/
NED	-0.0002	0.0003	-0.54	0.591
BM	-0.00003	0.00004	-0.62	0.541
ROA	-0.0002	0.0003	-0.59	0.560
FS	-0.0003**	0.0002	-2.00	0.049
AGE	0.00004***	0.00009	4.43	0.000
_CONS.	0.0017	0.0020	1.40	0.166
R-squared				
Within	0.2907	Between:	0.0436	
Overall	0.0401	Number of Obs.	84	
Prob>F.	0.0008			
Mean VIF	1.52			
Hausman Test	(Prob>Chi) 0.0116			

Source: Computed by researcher using Stata 14 *** Significant at 1%, ** Significant at 5%,

Table 5 presents the Fixed Effects (FE) regression result of the explanatory variables (non-executive directors, board meeting, profitability, firm size and firm age) and the dependent variable (corporate social responsibility). Also, the result from the Hausman test that was conducted (0.0116) was found to be significant, meaning that the result of random effects was rejected. Hence, fixed effect result was selected as presented in Table 5:

The p-value indicates the fitness and reliability of the model to show a statistically significant relationship between explanatory and dependent variables. Hence, the p-value of 0.0008 provides evidence that the model was fit. The cumulative R^2 is 29% (0.2907), which gives cumulative effect of explanatory variables jointly on the dependent variable. This means that 29% of the total variation in corporate social responsibility of the listed oil and gas companies in Nigeria were caused by non-executive directors, board meeting, profitability, firm size and firm age while the remaining 71% of the total variation in the corporate social responsibility is caused by other variables not included in the model.

The result shows that Non-Executive Directors (NED) has an insignificant negative impact on corporate social responsibility of the listed oil and gas companies in Nigeria with a coefficient value of -0.0002 with p-value of 0.591. This indicates that non-executive directors do

not affect corporate social responsibility of the listed oil and gas companies in Nigeria. This finding is in line with those of Ali and Isa (2018), Habbash (2016), Bukair and Abdul-Rahman (2015), Sabo (2015), Giannarakis (2014), Janggu et al. (2014), Hamid (2012) and Hossain and Reaz (2007), who concluded that non-executive directors had an insignificant impact on corporate social responsibility. However, the finding are inconsistent with those of García-Meca et al. (2018), Birindelli et al. (2018), Abdurrahman (2014), Jizi et al. (2014), Sharif and Rashid (2014), Khan (2010), Barako and Brown (2008), Haniffa and Cooke (2005) and Haniffa and Cooke (2002), who established that non-executive directors have a significant impact on corporate social responsibility. Therefore, due to the p-value of 0.591, the research failed to reject Hypothesis one of the study and then concludes that non-executive directors have an insignificant impact on corporate social responsibility of the listed oil and gas companies in Nigeria. This is in support of stakeholders' theory proponents, who say that independent or Non-Executive Director as part of the board attributes of a firm is considered relevant in every corporate governing board.

The table also shows that Board Meetings (BM) has an insignificant negative impact on corporate social responsibility of the listed oil and gas companies in

Nigeria with a coefficient value of 0.00003 with p-value of 0.541. This indicates that board meetings do not affect corporate social responsibility of the listed oil and gas companies in Nigeria. This finding is in line with those of Rashid and Gow (2017), who concluded that board meetings had an insignificant impact on corporate social responsibility. However, the findings are inconsistent with those of Alshbili et al. (2018), Griffin and Sun (2018), Aliyu (2017), Naseem et al. (2017), Yusoff et al. (2016), Ballesteros et al. (2015), Giannaraki (2014), Ali and Atan (2013), Mallin and Michelon (2011) and Laksmama (2008) and Conger et al. (1998), who established that board meetings have a significant impact on corporate social responsibility. Therefore, due to the p-value of 0.541, the research failed to reject Hypothesis two of the study and then concludes that board meetings have an insignificant impact on corporate social responsibility of the listed oil and gas companies in Nigeria. It is in line with the legitimacy theory because the decision on how corporate organizations will respect the law of the land prevents their physical environment from being damaged and avoid unnecessary wastes dump reached during the board meetings.

With regard to control variables, the result shows that Return on Assets (ROA) has an insignificant negative impact on corporate social responsibility of the listed oil and gas companies in Nigeria with coefficient and p-value of -0.0002 and 0.560, respectively. This implies that an increase or a decrease in profitability of the listed oil and gas companies in Nigeria is not associated with a decrease/increase in the amount of corporate social responsibility the companies spend yearly. This result is consistent with the findings of Tapver (2019), Aliyu (2017) and Abubakar (2016).

Firm size was also used as the control variable in the regression model using the natural logarithm of total assets as this log transformation reduces the Heteroskedasticity and also the influences of outliers in the regression model. Firm size is significant and has a negative impact on corporate social responsibility of the listed oil and gas companies in Nigeria with (coefficient value = -0.0003 and p-value of 0.049). This means that an increase in firm size affects corporate social responsibility of the listed oil and gas companies in Nigeria. This finding is consistent with that of Abu-Sufuyan (2012) and Jurica and Lady (2012), who concluded that firm size affects corporate social responsibility but is inconsistent with the results of

Tapver (2019), Dias et al. (2017) and Abubakar (2016), who concluded that firm size does not affect corporate social responsibility.

Finally, Table 4 shows that firm age has a significant positive impact on corporate social responsibility of the listed oil and gas companies in Nigeria at the 1% level of significance (coefficient value = 0.00004 and p-value of 0.000). This signifies that oil and gas companies that are incorporated for a long time in Nigeria take the issues of corporate social responsibility than relatively recently incorporated companies. Therefore, an increase in firm age increases the amount of corporate social responsibility of the listed oil and gas companies in Nigeria significantly. This finding is consistent with that of Aliyu (2017), Nega (2017) and Kagaya and Juinnai (2016).

5. Conclusion and Recommendations

Non-executive directors do not affect corporate social responsibility of the listed oil and gas companies in Nigeria. This implies that a decrease or an increase in the number of non-executive directors does not reduce the corporate social responsibility of the sampled oil and gas companies in Nigeria. Board meetings affect the corporate social responsibility of the listed oil and gas companies in Nigeria. This means that, the number of meetings held in a year related to corporate social responsibility of the listed oil and gas companies in Nigeria does not increase or decrease the amount spent on corporate social responsibility.

The management of the listed oil and gas to change the composition of the board of directors in form of non-executive directors, which should promote their commitment to corporate social responsibility activities, should comprise competent members. Also, any increase in the board size should constitute the increase in the number of non-executive directors. The management of listed oil and gas companies in Nigeria should continue to hold a minimum of four meetings and a maximum of seven. Hence, regular board meetings might better familiarize them with the company and in turn assist them in making better and more informed decisions regard to corporate social responsibility activities. In the same vein, board meetings should be a place and time for the directors to provide the most help and assistance they can to compel with corporate social responsibility regulation.

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IMPACT OF CUSTOMERS' RETENTION ON THE BUSINESS PERFORMANCE OF FIRST BANK OF NIGERIA LIMITED

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Abstract

The study examines the impact of customer retention on the business performance of First Bank Limited. As the sample size, data were collected through a structured questionnaire from all active customers of First Bank Limited from four branches located on Station Road, Gbongan Road, Oke-Fia, and Ayetoro in Osogbo town. The population of the study was two hundred and thirty-one thousand, six hundred and seventy (231,670). Because of the availability of access to the clients, a random sampling technique was adopted for this investigation. A total of three hundred and eighty-five (385) questionnaires were distributed to the respondents to determine how important customer retention strategy is to business performance, out of which only three hundred and seventy-six (376) questionnaires were returned adequately filled and the others were unanswered. Multiple regression analysis was used to analyse the data collected. The findings revealed that customer retention strategies have a significant impact on the performance of First Bank of Nigeria Limited. Similarly, with an R^2 value of 0.619, this indicates that commitment has a significant influence on business expansion. Additionally, with an R^2 value of (0.580), conflict handling has a huge impact on business expansion. The study concluded that customers of First Bank continued using the bank because reacting positively to different opinions of customers, along with ensuring that customers' problems are solved instantly and beyond their control as well, made the customers of First Bank happy. Therefore, the study recommends that the whole system should be made to work with its customers by applying customer-based technology to meet their requirements.

Keywords: Customers, Retention, Business Performance.

1. Introduction

Customers are more concerned with the kind of service that businesses can deliver. Because the services provided by different vendors aren't all that different, there's more rivalry among companies to maintain and improve their service quality. Client Relationship Management (CRM) solutions help businesses attract new customers, maintain a long-term relationship with existing customers, and boost customer retention for improved profits (Sabbah, 2018). With so many options available to customers today, whether online or in-store, getting them back to you has become a

difficult task. Today, the usage of loyalty programs as a method for businesses to boost client retention is increasingly common, as it is considered that it helps both customers and businesses (Peter & Donnelly, 2019). Customers also seem to prefer particular supplier marketing strategies. Customers are typically eager to reject alternative possibilities and limit their options when they join into a partnership with a company. Some of the motives for doing so include from increased decision-making efficiency, reduced information processing, improved cognitive consistency in decisions, and reduced perceived risks connected with future decisions. Client retention is

seen as crucial to the profitability of any service organisation because it is commonly known that acquiring new clients incurs a higher cost than maintaining existing ones (Edward & Sahadev, 2011).

Contrary to transactional marketing, which primarily focuses on product sales and treats customers as an afterthought, disregards whether their requirements are met, and is unconcerned about losing a client since the firm is confident there will be enough new ones to take their place. Commercial banks have changed from transactional marketing to a client-based customer retention concept (Msoka & Msoka, 2014). There's a real danger in putting too much emphasis on new customer marketing. Too much money may be spent on acquisition, while these valuable customers are lost because too little effort is put into keeping them. If customer service falls short of expectations, a client is unlikely to return, and a company's reputation may suffer as a result of negative word-of-mouth exposure. Various techniques are required for new and current customers, and different percentages of the marketing budget should be devoted to each. A number of industry and company-specific factors will influence the optimum allocation of cash between the two operations (Jeng & Bailey, 2012).

Commercial banks' operations in Nigeria are hindered by rivalry among the country's leading competitors in the banking sector. These issues are putting their operating capability, survival, and performance in jeopardy. The critical necessity for this study was sparked by a curious examination of some of these issues. One of the biggest challenges facing bank executives today is how to continue to recruit and keep clients in order to achieve growth in an environment where competing organisations' services are identical. Banks are grappling with issues of conflict handling, commitment, trust, and communication in order to boost customer retainment and traffic, as well as acquire new customers, which would allow the firm to expand and thrive.

Without customer relationship marketing, a business organisation will be at a significant disadvantage in the marketplace. They'll lose their competitive advantage, as well as client knowledge and a greater grasp of their demands. Lack of trust is the most significant stumbling barrier in the buyer-seller interaction.

Customers have the freedom to swap banks if a bank is found to be untrustworthy. Customer retention is at the heart of bank relationship marketing. The goal of this study is to figure out why banks are losing customers to competitors and to place a greater emphasis on client connections that contribute to customer retention.

However, numerous studies have been carried out, but only a few have been carried out in Nigeria linking customer retainment with business performance (Solangi, Talpur, Shaikh, Mushatque, and Channa, 2019; Haripersad, and Sookdeo, 2018; Bashir, 2017). As a result, researchers are intrigued by the prospect of using this model to evaluate the impact of customers retention on business performance of First Bank Limited.

Objectives of the Study

The broad objective of this study is to examine the impact of customer retention on the business performance of First Bank Nigeria Limited, while the specific objectives are to:

- i. establish the influence of commitment on business expansion.
- ii. assess the impact of conflict handling on business expansion

1. Literature Review

2.1 Conceptual Issues

Retention can be characterized in a broad sense as a marketer's recurring dealing of a customer or distributor. Numerous approaches are used to operationalize the notion (Sabbeh, 2018). Furthermore, some authors use the terms retention and consumer loyalty and repeat purchasing behaviour interchangeably. While most interpretations of the loyalty concept include both behavioural and attitudinal parts, retention is exclusively behavioural (Morgan, Crutchfield & Lacey 2000). Another distinction between the two is that loyalty places greater emphasis on the intrapersonal aspects of customer behaviour, whereas retention sees the marketer as the active party. Because they both suggest a purposeful component, i.e., the customer's repeated purchases are not random, retention and loyalty differ from repeat purchase behaviour (Klee & Hennig,

1996). According to some sources, boosting retention results in cost reductions and higher sales (Reichheld & Sasser, 1990). Cost-saving advantages include amortizing sales, marketing, and setup expenditures over a longer period of time as well as reducing servicing costs as a result of consumers being more knowledgeable (Sabbeh, 2018).

Even if customers appear to be pleased, every business requires to knowing how to keep them. Customers with a higher retention rate have a higher net present value. According to Magasi (2015), a satisfied customer is not always willing to commit to a long-term relationship with organisation. Contrarily, a loyal customer who has some level of trust in the organisation develops a long-lasting relationship with the business organisation. Customer retention, as it is known in marketing, is the process of encouraging current customers to purchase additional goods or services from your business. The client has already been converted at least once, which sets it apart from lead generation or customer acquisition. With the best customer retention techniques, you can establish lasting bonds with clients who will support your company. They could even disseminate information among their personal networks, serving as brand advocates (Chapa, 2018).

Strategy for Customer Retention

Though organisations employ specific tactics in order to reap the benefits of repeat customers, we must first comprehend the various strategies employed. Proper Email Communication/Marketing, Understanding the Value of Lifetime, Analyzing and Selling, Customer Feedback and Soliciting Complaints on a Regular Basis, and Providing Surprises to Customers are some of the techniques employed (Singh & Khan, 2012).

Commitment

The concept of commitment is linked to that of trust. This denotes that both partners in the relationship will be loyal, dependable, and stable. Commitment, according to Peppers and Rogers (2004), is the belief that a connection is so significant that it justifies using all available effort to maintain it. The establishment of client connections is said to depend heavily on commitment and trust. Successful relationship marketing, according to Morgan and Hunt (1994), requires the presence of relationship commitment and

trust. Relationship marketing is successful because it fosters cooperative behaviours that are brought about by commitment and trust.

The intention to continue a path of action or activity, such as maintaining a business partnership, has been defined as commitment (Fehr, 1988). Exchange partners see commitment as essential to attaining positive outcomes for themselves, and they work hard to cultivate and maintain it in their relationships (Morgan & Hunt, 1994). Commitment is a mental state in which a person has an opinion about the future of a business connection with another person (Kumar, Scheer, & Steenkamp, 1995). Commitment was described by Geyskens, Steenkamp, and Kumar (1996) as the desire to keep a connection despite the high cost of leaving. Committed customers are more likely to stick with a firm because they perceive their relationship with it as being more favorable as posited by Tu, Liu, and Chang (2015).

Conflict Handling

People perceive conflict as a negative, destructive event, despite the fact that, in their perceptions, it is a more natural and invasive phenomenon (Boonsathorn, 2007). Kuada and Hinson (2014) opined that, ability of a company to prevent possible conflict, resolve manifest disagreement before it causes difficulties, and openly discuss solutions when issues do develop are all examples of conflict handling. The likelihood of this conduct in particular circumstances, according to Rusbult, Farell, Rogers, and Mainous (1988), is dependent on the degree of prior pleasure with the relationship, the extent of the customer's investment in the relationship, and an assessment of the alternatives available. Ndubisi and Chan (2005) argue that, a service provider's capacity to handle disagreement effectively has a direct impact on customer's loyalty. In order to keep customers, a business must always consider responding promptly to customers complaints (Kotler, 2008). Customer complaints, as posited by Kuada and Hinson (2014), are unavoidable in the services industry.

Business Performance

Performance, according to Porter (2008), is defined as an above-average rate of return sustained over time.

"Business performance" could refer to a company's level of success in its market. It's also known as a company's ability to make a good profit. When used as a placeholder in research, performance is a term with a wide range of meanings because it is a relatively imprecise word (Folan, Braume & Jegede, 2007). The lack of agreement on a definition for the notion causes uncertainty and severely hinders the generalizability and comparability of research in this field. Moullin (2003) proposes that business organisation should create some quantifiable measures by determining which aspects of a company's operations need to be improved and which ones are performing well in order to be able to objectively assess how well it is operating. The company's productivity during a specific time period can then be evaluated using this data.

2.2 Theoretical Framework

Social Exchange Theory

The term "social exchange theory" was first used by American sociologist George C. Homans in 1958. The approach, which combines social and psychological concepts, examines how two parties interact and weighs risks and rewards using a cost-benefit analysis. According to the social exchange theory, exchange processes lead to social behaviour. This agreement aims to increase rewards while lowering expenses. People consider the advantages and disadvantages of social ties, according to this theory. People will leave a relationship or quit when the hazards are greater than the rewards. The majority of partnerships involve some sort of giving and taking, but this does not always imply that the partners are on an equal footing. According to social exchange theory, how we evaluate the benefits and costs of each encounter influences whether or not we keep a social relationship.

Long-term relationships, as posited by Thibaut (2000), go through 4 processes: sample selection and rewards are evaluated; bargaining-costs and rewards are negotiated upon; commitment-exchange of rewards and acceptance of costs helps to maintain the friendship; and institutionalization-norms and anticipations are fully established. Everyone tries to maximize the benefits of a connection while reducing

the expenses. This is the underlying principle of social exchange. Both sides must give and take in proportions that are equitable if the relationship is to prosper (Kelley, 2002). Banks profit from strong relationships with their customers; hence, social exchange theory is an important factor in customer retention. However, this study supports social exchange theory because the basic notion of social exchange theory is cost and reward, and cost and reward comparisons drive human decisions and behaviour.

2.3 Empirical Framework

In South Africa, Haripersad and Sookdeo (2018) focused on customer retention in commercial banking. The purpose of this study was to look at the elements that bank customers consider when deciding whether or not to switch banks. To find out what makes customers change banks, semi-structured interviews were done. Four retention themes emerged from a thematic analysis of the data. Customers wanted an experience that made them feel special and cherished, according to the study's findings. As a result, the study therefore concluded that banks that paid special attention to their customers were more likely to retain them.

Bashir (2017) looked into the impact of customer relationship management on customer retention in Sialkot, Punjab's private banks. The study's goal was to look into the impact of CRM techniques on customer retention at private banks in Sialkot, as well as to look into the relationship between customer satisfaction and customer retention and how CRM affects customers. For the analysis, 316 questionnaires were issued to customers of several private banks using an explanatory research and quantitative method. The findings demonstrated a significant positive association between the factors. As a result, the study concluded that effective customer relationship marketing will raise customer happiness, foster long-term healthy relationships with present or potential customers, and improve service performance through managing information that assist customer retention. Rao and Abegaz (2017) investigated the role of relationship marketing on customer retention in Abay Bank, Dessie region, Ethiopia. Examining the impact of relationship marketing on customer retention was the study's main objective. Descriptive survey research

was employed for this inquiry. Information was gathered through the use of a standardized questionnaire. Data was collected using any available sampling strategy. According to the data collected, only one-third of the respondents got special treatment and attention. Additionally, bank customers expressed satisfaction with the services received from the bank and said that they had no immediate plans to stop using it. Customers of the bank particularly value the reasonable prices charged by the bank for the services they use. Additionally, the majority of those surveyed wish to open another account with this bank.

The study's major goal was to look into the impact of relationship marketing on client retention. For this investigation, a descriptive survey method was used. A structured questionnaire was used to collect information. Data was collected using any available sampling strategy. Only one-third of the respondents receive priority and special care, according to the data. Furthermore, consumers of the bank were satisfied with the services given by the bank and have no plans to quit in the near future. More so, the bank's customers appreciate the bank's inexpensive fees for the services they utilize. Furthermore, the majority of respondents want to create another account with this bank.

Finally, as a matter of practice, the banks extend their business hours during lunch breaks, evenings, and weekends in order to allow consumers to make use of the service quickly and frequently. The study's conclusions showed that the bank had successfully

implemented its customer retention strategy and had produced quantifiable outcomes.

2. Methodology

The study adopted a descriptive research design to establish links between customer retention and the business performance of First Bank Nigeria Limited. First Bank of Nigeria Limited, which is the case study, has four branches in Osogbo metropolis, namely; Station Road, Gbongan Road, Oke-Fia, and Ayetoro. The population of the study was the entire active customers of First Bank Limited, Osogbo, which is equal to two hundred and thirty-one thousand, six hundred and seventy (231,670) as at December 31st, 2019. Nevertheless, due to the size of the study's population, the sample size for this investigation was determined using Godden's (2004) sample size calculation formula. As a consequence, 385 questionnaires were given out. The questionnaire served as the primary means of gathering data for the study, and it was made to be easily understood and to both elicit and evaluate data. A random sampling strategy was used in this research. This was considered due to the ease of the customers' accessibility. The researcher distributed a total of three hundred and eighty-seven (387) of which three hundred and seventy-six (376) were returned and used for this analysis. Data collected was analyzed using descriptive statistics and linear regression through SPSS v23.

4. Results and Discussion

Table 1: Demographic Profile of the Respondents

Gender	Frequency	Percentage (%)
Male	175	46.5
Female	201	53.3
Total	376	100.0
Educational Qualifications	Frequency	Percentage (%)
SSCE	64	17.0
NCE/OND	167	44.4
HND / Bachelors' Degree	128	34.0
MBA/MSc	17	4.5
Total	376	100.0
Marital Status	Frequency	Percentage (%)
Single	188	50.0
Married	170	45.2
Divorced/ widow / widower or separated	18	4.8
Total	376	100.0
Length of Banking	Frequency	Percentage (%)
Less than a year	73	19.4
1-3 years	41	10.9

4-6 years	102	27.1
7 years	160	42.6
Total	376	100.0

Source: Researcher computation with SPSS Output (2023).

Table 1 shows demographic profile of the respondents. 175 (46.5%) were males and 201 (53.3%) were females. 64 (17.0%) attained SSCE, 167 (44.4%) attained ND/NCE, 128 (34.0%) attained HND/BSc, while 17 (4.5%) attained MBA/MSc. This indicates that all the respondents were educated, which means they attained either of the educational qualifications. The vast majority of people, 188 (50.0%) of the respondents were single, 170 (45.2%) were married, 18 (4.8%) were divorced/widow/widower or separated.

Consequently, about 73 (19.4%) represents less than a year's length of banking, 41 (10.9%) had 1-3 years' length of banking, 102 (27.1%) had 4-6 years' length of banking, and 160 (42.6%) had 7 years' length of banking experience.

4.1 Testy of Hypotheses

Hypothesis One: There is no significant influence of commitment on business expansion.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.787 ^a	.619	.618	2.28473

Table 2 shows the coefficient determinant of R , R^2 and Adjusted R^2 . R is equal to 0.787, which denotes a positively significant association between the independent and dependent variables. R square is

equal to the square root of R is 0.619. This signifies that the independent factors account for 61.9 percent of the variation in the dependent variable (performance) (commitmen)

Table 3: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	3176.133	1	3176.133	608.454	.000 ^b
Residual	1952.282	374	5.220		
Total	5128.415	375			

a. Dependent Variable: Dependent

b. Predictors: (Constant), Independent

Source: Source: Research data, (2023); SPSS Version 23

Table 3 shows ANOVA test for the independent variables that have significant correlation on customer commitment. It has P-value < 0.005.

Table 4: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.205	.674		-1.787	0.75
	Commitment Independent	.774	.031	.787	24.667	.000

a. Dependent Variable: Dependent

Source: Source: Research data, (2023); SPSS Version 23

The sig value against commitment is less than 0.05, implying that the gradient is not 0 ($p < 0.001$). The t-test for independent equals 24.667 and is statistically significant, indicating that the regression coefficient for independent differs from zero.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.761 ^a	.580	.579	2.40047

a. Predictors: (Constant), Independent

Source: Source: Research data, (2023); SPSS Version 23.

The R^2 value in table 5 is 0.580. This implies that the model involving solely business expansion can explain 58 percent of the variation in conflict resolution. It also

Hypothesis Two: There is no significant impact of conflict handling on business expansion

suggests that 42% of the variation is still unaccounted for, implying that adding more independent variables could enhance the model's fit.

Table 6: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2973.329	1	2973.329	516.000	.000 ^b
	Residual	2155.086	374	5.762		
	Total	5128.415	375			

a. Predictors: (Constant), Independent

Table 6 displays the ANOVA test results for the independent variables that have a significant correlation with First Bank's business expansion. The P-value < 0.005 .

Table 7: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.127	.674		.188	.851
	Independent	.709	.031	.761	22.716	.000

a. Dependent Variable: Dependent

The sig value against conflict handling is less than 0.05, implying that the gradient is not 0 ($p < 0.001$). The t-test for independent is 22.716 and statistically significant, indicating that the regression coefficient for independent differs considerably from zero.

4.2 Discussion of Findings

The goal of this research is to examine the impact of a customer retention strategy on the business performance of First Bank of Nigeria Limited. The apriori expectation of this study is that customer retention strategy should significantly impact business performance. This is the core outcome of Paul and Reena, (2019) argument that it is important to come up with better customer retention strategies to enable them to keep the existing customers. Findings from this study revealed a positive and significant impact on the performance of First Bank of Nigeria Limited. This conforms to the apriori expectation that customer

retention would stimulate performance in the banking industry.

Similarly, the finding on if there is no significant influence of commitment on business expansion. The study revealed that banks respond favourably to a variety of customer viewpoints. Furthermore, bank workers easily interact with customers on matters of service, staff is adaptable to customer-specific norms, and service professionals treat customers with compassion. Banks consistently provide high-quality services across the board.

Furthermore, the conclusion on whether or not conflict handling has a substantial impact on business expansion. The study revealed that banks ensure that problems do not rise beyond control; complaints are handled well, thus making customers continue using the same bank; banks react positively to the different opinions of

customers; and lastly, the bank ensures that customers' problems are solved instantly.

There exists a positive association between commitment, conflict handling, and the business expansion of First Bank. This is in agreement with the findings of Paul et al. (2019), Haripersad et al. (2018), and Bashir (2017).

5. Conclusion and Recommendation

A customer retention strategy is a marketing method that recognises the importance of both parties in the marketing process, namely the service supplier and the receiver. The research examines both the opportunities and challenges of customer retention. When organisations adopt traditional techniques, it is observed that they are unable to retain existing customers. As a result, new retention methods should be implemented to keep customers. The whole output of an organisation is heavily reliant on its existing customers. Due to the aforementioned constraints, the researchers decided to examine the impact of customer retention strategy on the business performance of First Bank Nigeria Limited, Osogbo, Osun State, Nigeria.

To this end, two variables were examined based on the literature, which are; commitment and conflict handling. The impact of these two variables above was used against business expansion (business performance) based on the performance of First Bank.

In conclusion, it was discovered that customers' commitment rose when employees responded positively to varied customer perspectives, were polite and compassionate, and consistently high-quality services were provided while adhering to the rules. This allows First Bank to increase its product and service offerings. More significantly, responding positively to diverse customer feedback and ensuring that customers' problems are quickly resolved and do not spiral out of control encourages First Bank customers to keep using the bank.

The following recommendation was made based on the findings and conclusion:

- i. As a method for promoting their products/services beyond their limited scope, banks should maintain continual contact with their clients in order to establish strong networks.
- ii. Customers should be supplied with honest and complete information about all aspects of the service so that they are fully informed and understand the service.
- iii. Customer-based technology should be used to make the entire system work with its customers to meet their needs.
- iv. In general, the bank should implement excellent complaint handling systems in order to effectively and rapidly resolve consumer issues.

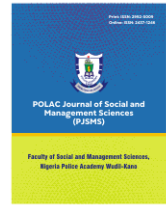
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**ASSESSMENT OF THE EFFECT OF INTRA PARTY POLITICS ON GOOD GOVERNANCE IN
EKITI STATE**

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Abstract

Good governance is the essence of political leadership however political leadership does not happen in isolation of the instrumentality of political party because political parties constitute the platform for the emergence of political leadership in government circle therefore political parties are integral part of democracy. Unfortunately, political parties have not made enough contributions to good governance in Ekiti state due to the arbitrary activities of key actors within the political parties who manipulate the party to their selfish interest thereby instituting a godfather driven system that result into corruption and other indices of bad governance. Thus, this study assessed the internal politics within political parties in relation to the manipulation of so called godfathers and how this has affected good governance with specific reference to Ekiti state. Primary data was collected through questionnaire and interview. The secondary data was sourced through journal articles, dailies, magazines, internet materials, and relevant textbooks and analyzed by content analysis. The study revealed among other things that the people that emerge as party flag bearers and eventually public office holders are products from the desires of few or single powerful actor within the party rather than the product from the desire of the majority of the people. To this end, the study recommended that the electoral laws should be reviewed and amended to accommodate and encourage independent candidature whereby aspirants with credible qualities and leadership potentials who are frustrated by political parties can still contest election independent of any political party.

Keywords: Political Parties, Ideology, Governance, Good Governance, Democracy

1. Introduction

Good governance is seen as the wheel upon which the desire of the people is achieved in the light of democracy. To this end, the existence of political parties and its administrative structure is an integral part of democratic principles and practice that is expected to promote good governance. Ideally, the political parties which serve as a platform for building leadership capability and raising candidates of such quality are expected to be conscious of the yearnings and desires of the people as well as the need for proper social engineering via institutional structures. Accordingly, they make sure their ideologies and practices are not harsh against the people. As observed by Pwanagba (2015), without ideologically-based, strong and independent political parties, good governance is not likely to be guaranteed. This is

because, political parties should not be mere instrument of capturing political power but platform of bringing good living conditions to the people by instituting viable policies. To use the word of Ikelegbe (2013), where political parties perform their responsibilities, they regularly mediate in the affairs of the people and public office holders to ensure the public benefit from enthroning their candidates with state power.

The delivery of dividends of democracy through good governance can be achieved by political parties when they ensure that government is effectively, efficiently, and transparently run in line with democratic dictates. The ability of political parties to promote good governance does not only lie in the ideologies they set but the disposition of their key actors to pursuing them. Nigeria is a multiparty state but in respect of

pragmatic implication and application this study focused on PDP and APC which are the two major political parties that have national structure and have controlled political power at all levels of government since the return of democracy in 1999 till date. These Political parties have not been able to bring about good governance at the national, state, and local government level because key actors use them to actualize their selfish and primordial interest (Riegner & Stacey, 2014). These political parties are dominated by elites and godfathers who use their power for personal interest to the extent that there is no internal democracy within the parties and party candidates during electioneering period do not emerge based on qualities or the people's desire but rather technically imposed by the party bigwigs through manipulated primary elections (Osabiya, 2015). This has made Political appointees and elected ones to divert funds meant for the public to their private coffers and give preferences and unmerited favour to sponsors, godfathers, friends and families at the expense of the masses.

Research Objectives

- i. To identify the ways in which party politics has been bastardized.
- ii. To determine the extent to which party politics has Jeopardized good governance.

2. Literature Review

2.1 Conceptual Issues

Concept of Political Party: Political party is an association of people with similar political idea or belief whose aim is to get the machinery of government and influence the making of governmental policies by getting their member elected into power. Political party, in the view Adigun (1999) is a group of persons bonded in policy and opinion in support of a general political cause which essentially is the pursuit, capture and retention for as long as democratically feasible, of government and its offices. Political parties fulfill a number of vital functions that include aggregating citizen interests, forming governments, developing and promoting policy positions and programmes, and grooming and selecting political leadership (Carothers, 2006 and Deme, 2013).

Concept of Good Governance: According to Dozie (2005), governance is the totality of processes entailed in the exercise and management of the collective will of a people or group under a defined authority or constitution. The World Bank (1989) defined governance as the manner in which power is exercised in the management of a country's economic and social resources. Good governance describes how public institutions conduct public affairs and manage public resources. Good governance focus on the responsibility of governments and governing bodies to meet the desired needs of the masses as opposed to a selected group in the society. Few characteristics of good governance as enunciated by UNDP (2015) are participatory, consensus oriented, accountability, transparent, responsiveness, effectiveness and efficiency, equitability, inclusiveness and the rule of law. The purpose of good governance is to minimize corruption, ensures the minority are taken care of and that the voices of the most vulnerable are heard in decision making. The essence of good governance is to eradicate poverty and promote welfare of the people. Good governance is about the processes for making and implementing decisions. It's not about making correct decisions, but about the best possible process for making those decisions. This can be done by setting a good example, by strengthening accountability, by encouraging public debate, and by nurturing a free press. It also means fostering grassroots and civil society groups.

Concept of Democracy: Democracy is the system of government in which members of the community participate directly in the making of decision which affects all (Karl – Cohen, 1971). Democracy is equally a system of government in which every adult citizen is free to express his views and desires upon all subjects in whatever way he wishes and to influence the majority of his fellow citizens to decide according to those views and to influence those desires (Mahajan, 1988). Democracy should be able to create conducive environment for political parties to thrive. By extension, good governance is also expected to be a product of democratic rule and ideologically based political parties.

Gaps in Literature

There is plethora of works on political parties and governance. However, these works are tilted towards

establishing the opinion that political parties are capable of bridging the gap between the government and the governed, thus promoting good governance in the process. They have equally reiterated that funds are very critical to the proper and effective functioning of political parties. Unfortunately, most of the works did not cover the arbitrary activities of key actors. Also, even though some focus on funding, they have not sufficiently clamored on how to erode the power of key actors who feed fat on levies from contestants during electioneering periods. So this study is a diversion from the previous studies to expose the internal ills in the political parties in relation to manipulations and how it affects governance.

2.2 Theoretical Framework

For theoretical explanation of the nitty gritty of this study, group theory was adopted as its theoretical framework. A group according to Bentley (1980) is a pattern of process involving mass of activities and not a collection of individual. The group emerges from frequent interaction among its individual members which is directed by their shared interest. There is role for individuals as well as rule that govern each member of the group and if any member acts contrary to the group interest for selfish benefit, the purpose (shared interest) of the group will be defeated until every erring member is recommitted to the group interest again. Bentley argued that politics is a group affair and that governance or election matter is a competition among various units against one another for power. Group theory has other adherents like David Truman (1951), Robert (1967), and Latham (1952), among others who contended that power is a diffused instrument among many interest groups competing against each other. Latham (1952) described a society as a simple universe of groups which combine, break and form coalitions and castellation of power in a restless alternation. The adoption of this theory as a basis for the examination of the effect of party politics on good governance is simply as a result of the interplay of forces and struggle for power among various political parties as well as the internal manipulations within the party. In other words, the theory was adopted because institutional approach cannot be used for political analysis because they are static as against institution

of political parties which is dynamic and full of activities. The adoption of group theory, therefore, would help us to properly understand the effect of party politics on good governance.

3. Methodology

The study which covered the period between 1999 and 2022 used the survey research design which involved the use of instruments such as questionnaire and interview as well as secondary (documented) data. This was because the study required relatively wide range collection of public opinion from the target population in Ekiti State. This was to ensure that qualitative and quantitative data is generated and analyzed to come up with findings and recommendations that could be generalized in Ekiti State in respect of the effect of party politics on good governance. Three LGAs were selected from the three Senatorial Districts in Ekiti State. The three LGAs are Ado, Ido-osi and Emure. The target population comprise of civil servants, card carrying members of major political parties as well as adults who are up to the age of political participation. 80 respondents were purposively selected in each of the three local government and administered questionnaires. This makes it a sample of 240.

4. Results and Discussion

4.1 Roles of Political Parties in Promoting Good Governance

Political parties are integral parts of good governance in political systems. They remain important institutions that link citizens and the government (Thomas, 2001). Indeed, political parties provide enviable platform for the people to present themselves for political positions and win elections (Omotola, 2010). Essentially, political parties are instruments for political recruitment as well as providing opportunities for articulating group interests. Good governance demands effective political leadership that is committed to the promotion of social and economic well-being of the citizens (Rotberg, 2014). Thus, effective political leadership is mandatory for the promotion of good governance. Just as some functions of political parties help to improve the quality of governance, having clear rules and obeying them are also essential to improve the quality of governance. Political parties

have to comply with the rules set for the game and lead by example. Political parties equally need to deploy appropriate mechanisms to ensure transparency and accountability and prevent members from circumventing the set rules (Patz, 2013).

Presently, in Nigeria, obedience to party rules and discipline is based more on principle rather than practice. The foregoing discussion predisposes that political parties have valuable roles to play in governance, and the extent to which they understand this fact and do the needful determines the extent to which quality governance would be deepened in Nigeria

4.2 Instrumentality of Political Ideologies in Good Governance

Ideology is a very crucial guide to public office holders that emerge from a party platform (Dosumu, 2015). Ideology is also an important instrument of conflict management. Indeed, ideology is an engine room of political party. The success of a political party is at times determined by the beauty of its ideology (Dilly, 2005). Ideology is central to the activities of political party so as to be durable and hold party members together and determine the natural attitude of a party towards every public question (Iyare, 2004). In Nigeria, it is unfortunate that electorate is deprived of the opportunity of voting based on party ideology, rather citizens' vote based on personality (Olanrewaju, 2015). In Nigeria, as well, mobilization for voting has been largely driven by ethnicity, religion, and monetary influence. These forces, to a large extent, determine the pattern of electoral victory of the parties. As a result, political parties have descended to the level of using personal and sectional interests to promote party image rather than their ideologies (Omotola, 2009).

4.3 Political Godfatherism and Distortion of Governance

Every political party has key actors whose activities determine the effectiveness of the political party in promoting good governance. These set of individuals are mostly elites and Political elites comprise of the people who exercise a disproportionately large amount of influence, authority and power, including force within the political system. This set of people

exercise actual or potential influence on decision making and the distribution of spoils and patronage more than other members (Zartman, 1974). This therefore translates that the choices of the elites determine the democratic breakdown as well as process of governance. In developing countries, such as Nigeria, the concept of vested interest rather than national interest is the yardstick for involvement in political process. Thus, their attachment to pecuniary goals induces instability without any hope of transformation and in the long run, manipulation of rules to achieve personal objectives (Fagbadebo, Odeyemi & Agunyai, 2014). Ordinarily, governance is good when it is not discriminatory and tends to treat every member of society according to the established norms; laws should be applied to both the haves and the have-nots in the society. Citizens regardless of social status, ethnic origin or sex, should be given unrestrained access to justice and that judiciary, as an arbiter, should be independent and neutral in the interpretation of law and efficient manner (Arowolo & Aluko, 2012). Arising from the incompatibility of interests inherent in political and power relations, behaviour of actors needs to be regulated, coordinated, shaped and made to be in line with the existing rules in order to ensure fairness, equity, justice and transparency which, in turn, guarantee peace and harmonious relationship among the political actors (Arowolo & Lawal, 2010).

In Ekiti state, poverty of politics and politics of poverty is a factor which poses a threat to good governance. The rich political actors in the state target the already feeble and disenchanted mind of the poor to secure their election victory. Politics has been so monetized to the extent that an average, credible indigene cannot afford its exorbitance. Politics, therefore, becomes avenue to create and sustain poverty through looting of funds meant for developmental purposes. Leadership ineptitude and promotion of personal aggrandizement at the expense of national interests grievously affect democracy in the state and makes the dream of attaining good governance impossible (Arowolo & Aluko, 2012). The deteriorating trends in the state's governance has been the most daunting challenge creating a depressed economy, high poverty and unemployment rates, infrastructure decay, endemic corruption, and human rights abuses. Beneath these multiple

developmental problems of the state is a fundamental crisis of leadership (Yusuf, 2010). The challenge of service delivery, infrastructural deficits and qualitative life for citizenry among others demonstrate that the expected democratic benefits have not been delivered (Ibietan & Ajayi, 2015). The governing elite in the state may have become decadent and ineffective due to pleasures of easy living and privileges of power. Those in positions of

authority have remained indifferent to the plight of the poor, the hungry and unemployed. Instead, they are obsessed with siphoning the fortunes of the state; hence social injustice, corruption; poverty and insecurity have brought untold hardship to the people. The desired transformation of the state is still a mirage in spite of the abundance of human and material resources, which should have ordinarily translated into a buoyant life for the indigenes.

Table 1: Respondents' View on party politics and distortions of Good governance

S/N	Statement	SA	A	SD	D
1.	Party leaders determine candidates that emerge during party primary election contrary to popular interest	89(37.1%)	92(38.3%)	25(10.4%)	34(14.2%)
2.	Political office holders often serve the interest of party leaders rather than that of the people	110(45.8%)	85(35.4%)	26(10.8%)	19(7.9%)
3.	The PDP and APC lack ideologies that support good governance	88(36.7%)	96(40%)	28(11.7%)	28(11.7%)
4.	Loyalty of political office holders to sponsors within their party promote corruption	124(51.7%)	100(41.7%)	08(3.3%)	08(3.3%)
5.	Political parties do not check the excesses of their members in power.	90(37.5%)	88(36.7%)	30(12.5%)	32(13.3%)
6.	High cost of nomination form of PDP and APC prevent capable candidates that are not financially buoyant.	104(43.3%)	98(40.8%)	22(9.2%)	16(6.7%)
7.	The act of vote buying by APC and PDP promote misappropriation among public office holders	120(50%)	110(45.8%)	06(2.5%)	04(1.7%)

Source: Field Survey, 2023.

Table 1 above shows that 37.1% strongly agreed that Party leaders determine candidates that emerge during party primary election contrary to popular interest, 38.3% agreed, 10.4% strongly disagreed and 14.2% disagreed. Thus, majority of the respondents agreed that Party leaders determine candidates that emerge during party primary election contrary to popular interest of the party members. As a result, Political office holders often serve the interest of party leaders rather than that of the people, 45.8% strongly agreed, 35.4% agreed, 10.8% strongly disagreed and 7.9% disagreed. Thus, majority of the respondents agreed that the Political office holders often serve the interest of party leaders rather than that of the people. This trend has gradually eroded the ideologies of political parties. Accordingly, 36.7% of the respondents strongly agreed that The PDP and APC lack ideologies that support good governance, 40% agreed, 11.7% strongly disagreed and 11.7% disagreed. Thus,

majority of the respondents strongly agreed. During the 2023 primary elections of PDP and APC the candidates that were credible and capable did not emerge winners because they had to contend with the bigwigs of the party who had all the influence and resources at their disposal, for instance, in APC everybody knew that Yemi Osinbajo was the best candidate but the outcome of the primary did not reflect that due to manipulations within the party which was beyond what the delegates could resist (Interview conducted, 2023).

The foregoing realities have made the Loyalty of political office holders to sponsors within their party promote corruption, to this end 51.7% strongly agreed, 41.7% agreed, 3.3% strongly disagreed and 3.3% disagreed. The fact that majority of the respondents strongly agreed is an indication that loyalty of political office holders to sponsors within their party

promote corruption. This is the reason why no investigation is made on previous governments in the state and even when it is obvious that corruption had been perpetrated the incumbent does nothing about it when the predecessor is his or her political benefactor (interview conducted, 2023).

The table above shows that one of the major reasons for defect in governance is that political parties don't check the excesses of their members in power. In corroboration, 37.5% strongly agreed; 36.7% agreed that Political parties do not check the excesses of their members in power, while 12.5% strongly disagreed and 13.3% disagreed. Thus, with the affirmation of majority of respondents it implied that majority of the elected public office holders are not cautioned by the party when they indulge in excesses.

From the table, 43.3% of the respondents strongly agreed that high cost of nomination form in PDP and APC prevent capable candidates that are not financially buoyant; 40.8% agreed, 9.2% strongly disagreed and 6.7% disagreed. Thus, majority of the respondents agreed and this implies that many capable people who could have contributed immensely in government are prevented by high cost of form ab initio. Also, the act of vote buying by APC and PDP promote misappropriation among public office holders. To this end, 50% of the respondents strongly agreed, 45.8% agreed, 2.5% strongly disagreed and 1.7% agreed. The affirmation of majority of the respondents implies that the price for nomination form is detrimental to the prospect of good governance. It is not feasible for every professor or experienced retired civil servant to afford #50 million naira to get the form for governorship in Ekiti state except if such a person goes for loan with the intention of using public fund to pay back after winning election (interview conducted, 2023)

4.4 Discussion of Major Findings

From the results presented above, the contribution of political parties to the promotion of good governance in Ekiti state has been depleted by arbitrary party politics. To this end, the people that emerge as leaders are products from the desires of few or single powerful actor within the party rather than the product from the desire of the majority of the people. This has instituted a system of "enthroned to obey the

king maker" in the governance circle of the state thereby desecrating the sanctity of the principles of good governance such as transparency, accountability, collective participation inter alia. Furthermore, the study found that the arbitrary party politics has not only eroded the values of people centred ideologies but has made the parties to jettison ideologies that support good governance. This study also established that the pervasive corruption and cost ineffective governance system is part of the ripple effect of the bastardization of the ideals of political parties and governance. The high cost of processing fees for nomination and other dues has given political office holders the impetus to harness the ignoble recovery opportunities in corruption. In addition, the political parties entrench corruption by encouraging candidates contesting on the platform of the party to indulge in vote buying thereby jeopardizing the electoral process and legitimacy of leadership.

5. Conclusion and Recommendations

Political parties are essential institution that are capable of promoting accountability, transparency, inclusiveness, rule of law, and bridge the gap between the governed and the government if they perform their duties creditably as expected. Political parties are failing in their duty of promoting good governance in Nigeria because of internal sabotage which has made them weak and out of relevance in the matter of good governance. This sabotage is perpetrated when the party is hijacked by elites for realization of personal ambitions. All these made good governance to be shallow or result in bad governance.

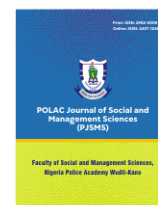
The electoral laws should be reviewed and amended to accommodate and encourage independent candidature whereby aspirants with credible qualities and leadership potentials who are frustrated by political parties can still contest election independent of any political party. This will mitigate the syndrome of godfatherism in politics and it will enable political office holders to be more committed to good governance. To this end, political parties will have to develop people centred ideology to compete in a more deregulated political terrain. Also, there should be provision for civic responsibility allowance for all voters during elections to prevent monetary enticement from politicians while independent contestants who are perceived to have the support of large population should be given grants equal to a specific statutory spending limit for all contestants.

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FOREIGN OWNERSHIP AND FINANCIAL REPORTING QUALITY OF LISTED FINANCIAL SERVICE FIRMS IN NIGERIA: MODERATING EFFECT OF AUDIT FIRM TENURE

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Abstract

Firm's ownership can play an essential role in enhancing Financial Reporting Quality (FRQ) through monitoring of management activities. Foreign owners, one of the powerful block holders in the firm's ownership structure given their influence and wealth above minority stockholders may have an edge technically to mitigate management opportunistic behaviour. The study using secondary data from 23 sampled financial service firms out of the 52 listed on the Nigeria Exchange Group between 2006 - 2021, investigates the effect of foreign ownership on FRQ; with audit firm tenure as moderator. Using panel data, the Ordinary Least Square (OLS) regression showed audit firm tenure do not have a moderating effect on the relationship between foreign ownership and FRQ at a p value of 0.835 at 5% level of significance. Which means audit firm tenure do not moderate the effect of foreign ownership on financial reporting quality of listed financial service firms in Nigeria. The study recommends that financial services firms should allow external auditor to serve for a longer time, given the key role of external audit in contemporary governance structure

Keywords: Financial Service Firm, Financial Reporting Quality, Foreign, Tenure, Audit and Users

JEL Classification 41

1. Introduction

Financial report is a collection of financial statements and reports that shows an entity's performances and position of its assets and claims on them for a given period. Business owners and other stakeholders alike expect quality financial reporting that represents a true and fair view of the reporting entity. Thus the higher the Financial Reporting Quality (FRQ), the more confident the decisions of the owners and other stakeholders (Herath & Albarqi, 2017). The International Accounting Standard Board (IASB) in its attempt to promote FRQ, uniformity and accountability in the reporting process issues the International Financial Reporting Standard (IFRS) adopted by 166 countries of the world (Rathnayake, 2020). To promote understandability and comparability

of the financial statements between and within entities as guide for decision making.

This objective is often difficult to attain with the flexibilities in choice of accounting policy, measurements, methods and estimate which may impair quality and misrepresenting the business reality. A misrepresented financial statement may result to loss of investments, loss of jobs, business shut downs and low confidence on the reporting entity. This difficulty extends also to the measure of quality in the financial reporting process, as business owners and other stakeholders often see FRQ from their own needs perspective. The common measures among many are the accrual methods, value relevance methods, specific items in annual reports methods and the qualitative characteristic approach (Mbobo &

Ekpo, 2016; Beest et al., 2009 and Adebisi & Olowookere, 2016). The qualitative characteristic approach, adopted in this work is the only method that used both quantitative and qualitative items measuring FRQ to enhance owners and stakeholder's decision usefulness.

Corporate business activities are monitored mostly through corporate governance mechanisms which are based on the business ownership structure which may be managerial, institutional, foreign, individual free float and government ownership or a mixed of them. Foreign ownership which is the proportion of the firm's equity owned by foreign investors either as individuals or institutions can help to boost and expand business operations. The more trust foreign shareholders have on the business may result in higher FRQ and other managerial success. Foreign investors with their wealth of experience and resources are more inclined to integrated reporting and geographical inclusiveness Ghahroudi, (2011). Studies like and Kiyota, (2007); Galego et al. (2019) have linked foreign ownership to transparency, lower agency cost and low information asymmetries.

Business owners in their quest for FRQ and fair reporting may incur additional cost in the services of an external auditor to uphold the assurance by management that the financial statements is a representations of the books of account and prepared in accordance to relevant accounting standards and regulations. Audit tenure which is the number of accounting years the external auditor is maintained or reappointed before disengagement is vital for FRQ. Ilesanmi (2020) states that audit tenure show how long an auditor is maintained before disengagement of his service. Thus, the relationship between ownership and FRQ may further be consolidated by the choice in audit firm tenure, either short or long term, when to change or re-appoint the audit firm. Audit tenure as a moderator of the effect of foreign ownership on FRQ is used in this study as external audit reinforces owners' right to change external auditor and management. It is against this background that, the study examined the moderating role of audit firm tenure on the effect of foreign ownership on FRQ of listed financial service firm in Nigeria. To achieve the

objective of the study, the hypothesis, below formulated in null form was tested.

Ho₁: Audit firm tenure do not significantly moderate the effect of foreign ownership on financial reporting quality of listed financial service firm in Nigeria.

The study covers a period of 16 years from 2006 to 2021, based on available data. The choice of the financial service firms is on the premise that firms in this sector operates on an even ground as one of the most active and regulated sector in Nigeria. The remaining part of the study shows the literature review, methodology, conclusion and recommendation.

2 Literature Review

2.1 Conceptual Issues

Financial Reporting Quality: Financial reporting quality as a concept shows the decision usefulness of the financial report to the owners and other stakeholders alike. With no general definition for FRQ in the literature, the meaning relatively applied to the individual user information needs. Yaghoobi and Khansalar (2016) defined FRQ as the extent to which financial statements gives relevant information that is reliable regarding an entity's financial status. Beest et al. (2009) define FRQ as a concept that refers not only to financial information but the disclosures also of non-financial information that enhance decision-making. FASB (2010) defines FRQ as a transparent report, high in quality possessing internal consistency with fair presentation with the desirable qualitative characteristics of financial information. Herath and Albarqi (2017) referring to the FASB, IASB, financial reporting quality as the ability of financial report to provide accurate and fair information underlying the true performance and financial position of an entity.

The definitions above all see FRQ from the point of the decision usefulness of the information to owners and other stakeholders alike with no generally accepted measure of the term quality in the financial reporting process. The IASB and FASB qualitative characteristics of faithful representation, relevance, comparability, understandability, verifiability and timeliness are often used as guide to what can be

referred to as definition of FRQ. The common measures of FRQ such as the accrual methods, value relevance methods, and specific items in annual reports methods all concentrate on the quantitative/financial items ignoring the qualitative and non-financial items within the financial report in their measure of FRQ. The qualitative characteristics approach is the only method that focused directly on the financial report using both the quantitative/financial items and the qualitative/nonfinancial information with emphasis on decision usefulness as defined by the IASB (2008, 2010) framework. Thus FRQ will undoubtedly improve, if the qualitative features of financial reporting are met alongside the quantitative features in the measures of FRQ.

Foreign Ownership: Foreign ownership which is the percentage of equity holding by foreign investors like other block shareholding with high investment and influence within the business can be a vital corporate governance mechanism to influence FRQ. Foreign ownership are investors with high investment and influence within the company, which makes them very powerful and can easily curtail management excessiveness. For example, Khanna and Palepu (2000) conclude that foreign ownership reduces management opportunities for discretionary accounting. A number of studies have highlighted the role of foreign shareholders as an important factor in corporate business, given their higher incentives with superior ability to monitor management actions (Gill-de-Albornoz & Rusanescu, 2017; Akinwumi et al., 2020 and Adebisi & Olowookere, 2016). According to Aydin et al (2007) firms with high foreign shareholdings outperformed the indigenously owned enterprises. Affan et al. (2017) posit that oversight by foreign investors may limit management's discretionary decisions as they cannot hide financial information, lowering earnings management. Thus, the recent increase in foreign shareholding in banks and insurance firms in developing nations like Nigeria can be ascribed to globalization in the reporting process as encouragement in the business. As shown by Alves (2012) that foreign ownership under the agency theory can easily monitor managers' activities and upheld FRQ through choice of independent auditor for their investee given their exposure and capacity.

Audit Firm Tenure: Audit firm tenure generally defined as the length in relationship between the client and their audit firm is another corporate governance tool to enhance FRQ. Ilesanmi (2020); Ugo and Egbuhuzor (2021) define audit tenure as how long an auditor stays before his services are disengaged. The external auditor's role is critical and even made necessary given the legal requirement for statutory audit by the Company and Allied Matters Act 2000 as amended and other regulatory bodies in Nigeria. This can be pointed to the fact that external audit is one of the tools used to monitor management opportunistic behaviour and also can be used to promote FRQ through management letter on observations and recommendations at the course of audit. This makes the term in tenure that an audit firm is maintained by a client a sensitive issue in FRQ. Several studies like Gunny et al. (2007) and Myers et al. 2003 opines that a decrease in the FRQ with long audit firm tenure, in contrast Carcello and Nagy (2004); Ruiz et al. (2006) asserts that shorter audit tenure affects competence of the auditor. The Financial Reporting Council of Nigeria (FRCN) (2016) code of governance stipulated that external audit firms shall be retained for no longer than ten years continuously. Carcello and Nagy (2004) described audit tenure into short-term audit tenure as a period of 1 or 2 years, medium-term audit tenure a period more than 2 years but less than 6 years and long-term audit tenure as a period above 6 years. This study supports medium-term audit tenure to uphold independent of the audit and the avoidance of familiarity threat. This study used audit firm tenure as a moderating variable on the effect of foreign ownership on FRQ given that, business ownership and external audit are tools among others in corporate governance mechanism.

2.2 Theoretical Review

Resource Dependence Theory

The resource dependence theory holds that no business entity can survive without the outright dependence on resources from a collection of stakeholders. The theory is rooted in the works of Pfeffer and Salancik (1978), In this study, the theory is inferred to show the desirable ownership structure contributions to the survival of the business such as owners/shareholder

resources, board's managerial skills, employees' skills, the suppliers of raw material, providers of fund in debts, the government and other external environment supports, which if absent the business would not survive. The theory also holds that entities should account for resources drawn from their stakeholders and their environment, this can be completely attained through quantitative and qualitative reporting, showing value added and what it gives in turn to the environment where these resources are drawn from. According to Cohen et al. (2007) and Hillman et al. (2000) the theory considers the usage and contribution to corporate governance mechanism in achieving the business strategic objective.

2.3 Empirical Review

The empirical evidence on foreign ownership and FRQ provide ambiguous results, various studies assumed that foreign ownership could restrain managerial misinformation and improve FRQ. While other studies have shown foreign ownership do not have any effect on FRQ. Kurawa et al. (2021) investigated the effect of ownership structure on the FRQ in Nigeria using 41 non-financial firms on the Nigerian Exchange for a period of 8 years spanning from 2011 to 2019. Using managerial, foreign and institutional ownership as proxy for ownership structure. The study went over the threat of heteroskedasticity and endogeneity by adopting the Generalised Method of Moments (GMM) technique and the results showed that institutional and foreign ownership has a significant but negative effect on earnings management thus, improving the reporting quality. While managerial ownership has a significant effect on earnings manage. The study gap of 8 years may be considered insufficient and the study did not capture qualitative items its measurement of FRQ evidenced by the use of earnings management which considered only quantitative item only. Ndaks (2021) investigated foreign ownership and firm financial performance of Nigerian listed conglomerates using panel regression model to analyse the data collected from the financial statements of 5 quoted conglomerates on the Nigeria Exchange for 15 years, covering the period 2006-2020. The study used market data on share prices obtained from the Nigeria Exchange historical market data portal and the findings showed foreign ownership has a significant

negative effect on Return On Assets (ROA) the proxy for Financial Performance, but have an insignificant negative effect when measured with Tobin's Q the second proxy for Financial Performance. The study used only quantitative items in its measures of Financial Performance through its proxies ROA and Tobin Q ratio, which have not considered qualitative factors in its measure for Financial Performance.

Odudu et al. (2019) probed the effect of family and foreign ownership on audit quality of listed manufacturing firms in Nigeria. The study used secondary data extracted from the annual reports of 32 manufacturing firms on the Nigerian Exchange for a period of 12 years from 2005-2016. The study used Logistic regression technique for data analyses with the aid of STATA 13 and the results shows a positive and significant effect of foreign ownership on audit quality, while family ownership showed a negative effect on audit quality. The connections from this literature with this current study draw from the influence of foreign ownership on audit quality which also have a direct relation to audit tenure Aziz et al. (2017) inquired into the effect of ownership structure on financial restatement of firms in Kuala Lumpur Stock Exchange (KLSE) from 2005 to 2013 using institutional, managerial, foreign, government, and family ownership the study found that financial restatement was low in companies with high institutional ownership but negatively and significant with managerial ownership and foreign ownerships. The study failed to properly define the domain alongside the study population and sample. Focusing on quantitative factors only and ignoring the qualitative characteristics on the financial restatement which may be inadequate. Also the period of 8 years used in the study may be considered small and inadequate for the study.

Adebiyi and Olowookere (2016) investigated ownership structure with three variables: institutional, foreign and managerial ownership on FRQ measured with discretionary accruals. The study examined if ownership structure improves the quality of financial reporting or not among Deposit Money Banks (DMBs) in Nigeria. Using Ordinary Least Square (OLS) regression with a sample of listed DMBs on the Nigerian Exchange between 2005 to 2013 and the results showed discretionary accruals positively relates

to managerial ownership but negatively relates to foreign and institutional ownership. The study coverage by time of 8 years is small, also the use of discretionary accruals as measure for FRQ failed to consider the non-financial factors in the financial statement. Muñoz-Mendoza et al, (2019) in their study examined into the effects of foreign ownership and International Financial Reporting Standards (IFRS) on debt maturity in Chile. Using Fractional Response Model (FRM) on data collected from 20,586 companies between 2007 to 2015 and results showed foreign ownership has a negative and non-linear effect on debt maturity on Chilean companies. The study further recommends policies that would encourage foreign investment given their overall impact on other activities of the companies even though the effect was negative on debt maturity.

Ekpulu and Omoye (2018) investigated the impact of ownership structure on earnings management in Nigeria using secondary data and longitudinal panel research design for a sample of 75 listed firms on the Nigeria Exchange from 2009-2014. The results showed that managerial ownership negatively and significantly relates to earnings management, while institutional ownership and foreign ownership have a positive but insignificant relationship to earning management. The study, recommends that regulators and policy makers should consider improving foreign and institutional ownership through policy statement encouraging high percentage for efficient monitoring to reduce earnings management. Gopikumar et al. (2022) scrutinized the effect of FRQ on ownership structure in Asia, the results showed foreign and institutional investors usually stay away from firms with poor financial information. Using panel data, the analysis showed a 3% decrease in foreign ownership for every unit decrease in FRQ and foreign institutional ownership decreases by 1%. While institutional ownership decreases by 1.2% for every unit decrease in FRQ. The study time gap of 5 years is considered insufficient to fully express the relationship between the variables. Using earnings management, the study also did not consider the non-financial item as they affect FRQ.

Ugo and Egbuhuzor (2021) investigated the impact of audit firm tenure on FRQ of quoted manufacturing

companies in Nigeria. Using Ex-post facto research design, the study used panel data from 16 quoted manufacturing firms in Nigeria for a period of 5 years 2011-2015 as the study sample. Multiple regression analysis was used to analyze the data collected and the computation carried out using Stata12. Discretionary accrual the measure of FRQ was computed based on Modified Jones Model (1995). The results showed, long-term audit firm tenure has an insignificant relationship with FRQ of quoted companies in Nigeria, the time gap of just 5 years in the study is considered small and not sufficient. Also the usage of discretionary accrual indicates a measure of FRQ using only financial items, ignoring non-financial item in the measure of FRQ. Akinwumi et al. (2020) investigated the impact of foreign ownership on audit quality with a study population 186 listed companies on the Nigerian Exchange from 2007-2017. The study used secondary data with a sample size of 36 manufacturing firms purposively selected and used foreign ownership as independent variable, while audit quality (audit fees and audit size) as dependent variable. The study used correlational and experimental research designs. While descriptive and inferential statistics were used for analysis. The findings indicate that the coefficients of determination (R^2) 0.448 and 0.749 of the explanatory variables account for 45% and 75% variations in audit fees and audit size respectively. Thus, foreign ownership statistically has a significant impact on audit fees and audit size of listed DMBs in Nigeria. Otuya (2019) investigated auditor's independence and quality of financial reporting in listed Nigerian manufacturing companies. The study used content analysis research design anchored on the agency theory, using audit incentives, audit tenure, audit reporting lag, audit client size and audit statues (Big 4 auditors) as measures for auditor independence. Nigeria using data from the manufacturing sector between 2013-2017. The results showed audit firm tenure and size have a significant and positive effect on FRQ. The study concludes that the longer the audit tenure the longer the FRQ is attained. The study period employed for the study is small and may be insufficient to elaborate the relationship between audit firm tenure and FRQ. Onyabe et al. (2018) investigated the impact of audit tenure on FRQ of DMBs listed on the Nigeria Exchange over a 10 years' period from 2007-2016. Using regression to analysis

the data gathered, the results showed audit firm tenure a significant influence FRQ of DMBs in Nigeria. This finding suggest that FRQ can be improved by a way of audit rotation to further strengthen the confidence of owners and other users of the financial statements, as familiarity threat will be absent or reduced.

Oladejo (2022) investigated the effect of audit tenure on FRQ of Nigerian DMBs. The study employed secondary data with a study population comprising of 20 listed DMBs on the Nigerian Exchange between 2008-2018. Purposive sampling was employed to select 13 banks as the study sample. Data were analysed using Random Effect Method and the result showed audit tenure had a positive and significant relationship on FRQ. Thus the study concluded that audit tenure had strong influence on FRQ of Nigerian DMBs. The study measure of FRQ using performance adjusted discretionary accrual, showing the use of quantitative measure and not considering qualitative factors in the financial statements, though the study domain makes the study relevant to this current work. Kalabeke et al. (2019) investigates auditor's tenure and FRQ: evidence from Pakistan. The study measured auditor tenure as the number of years that the client retained the external auditor, with a sample

of 280 non-financial firms listed on the Pakistan Stock Exchange (PSE) between 2008-2017. The results showed firms with longer auditor's tenures are negatively associated with accrual-based earnings management and a better FRQ. While non-mandatory auditors' rotation is associated with accrual based earnings management and a poor FRQ. The study also failed to consider qualitative measure of FRQ in contrast to this current study.

3. Methodology

The study population comprise of 52 financial service firms listed on the Nigerian Exchange as at December 2021 and 23 financial service firms arrived at after the filtering process were used as the sample size. A filtering criterion was applied to arrive at the sample size, first the bank or insurance firm must have published its financial report for the periods 2006-2021, secondly, the bank or insurance firm must have been listed on the Nigerian Exchange Group within the study period. Finally, any bank or insurance under any form arrangement within the study period and this has affected it inability to prepare and publish financial statements were excluded from the sample. Table 1 below shows the sample frame.

Table 1: Population and Sample Size Frame

Filtering criteria	Firms
Study population	52
Firms with no data within 2006 and 2021	(29)
Sample size	23

Source: Field Survey, 2022

Table 1 showed the population of 52 financial service firms of which 29 were incorporated, acquired, merged

or delisted within the study period and left out for non-availability of financial statement.

Table 2: Sample Frame

DMBs	Insurance
Fidelity Bank	Aiico
First City Monumental Bank	Cornerstone Insurance
Stanbic Ibtc Holding	Guinea Insurance
Sterling Bank	Lasasco Assurance
Union Bank of Nigeria (UBA)	Linkage Assurance
Unity Bank	Mutual Benefit Assurance
Wema Bank	Nem Insurance
Zenith Bank	Prestige Assurance
Access Holdings Plc	, Royal Exchange
FBN Holding	Standard Alliance Insurance

Guaranty Trust Holding	Coronation Insurance
United Bank of Africa	

Source: Field Survey, 2022

Table 2 showed the 23 sample size and the sample frame after the filtering process, which comprises of 12 DMBs and 11 insurance firms.

3.1 Measurement of Variables

Table 3: Variables Measurement, and sources

Variable/Abbreviation	Measurement	Sources
Financial Reporting Quality (FRQ)	Index of available qualitative characteristics using content analysis	(Beest, Braam, & Boelens 2009, Mbobo & Ekpo, 2016)
Foreign Ownership (FOWN)	Foreign shareholdings against total share ownership	(Adebiyi & Olowookere 2016; Aziz et al. 2017; Ndaks, 2021)
Audit Firm Tenure (AFTN)	"1" where companies external auditor have stayed for 3 years and above, "0" otherwise.	(Braam et. al., 2015; Abdullah, 2008; Ugo et. al., 2021)

Source: Researchers compilation, 2023

3.2 Model Specification

The implicit economic model used in this study is given as: $Y = f(x_i) + \varepsilon$.

Where, Y is the dependent variable; $f(x)$ comprises of β_0 (constant) and a set of β_i 's which are the coefficient of the explanatory variables and ε is the random effect (assumed to have zero mean and independent across time period). The regression model is specified as:

$$FRQ_{it} = \beta_0 + \beta_1 FOWN + \beta_2 AFTN_{it} + \beta_3 FOWN * \beta AFTN_{it} + \varepsilon_{it} \dots \dots \dots (1)$$

Where: FRQ_{it} is the financial reporting quality

$FOWN_{it}$ denotes foreign ownership

$AFTN_{it}$ denotes audit firm tenure

B_0 represent the intercept

β_{1-3} is the various coefficient

i represents the number of firms in the panel data

t represents the time period of the panel data

ε_{it} is the error term

4. Results and Discussion

4.1 Descriptive Statistics

The descriptive analysis for FRQ, FOWN and AFTN is shown in Table 4.

Table 4: Descriptive statistics

Stats	FRQ	FOWN	AFTN
N	368	368	368
Mean	.7833	.0760	.6494
Min	.62	0	0
Max	.91	.9068	1
Sd	.0531	.1924	.4777
Skewness	-.3621	2.7986	-.6264
Kurtosis	2.6792	10.1994	1.3924

Source: Stata 13 output, 2022 All value approximate to 4 decimal place

Table 4 shows descriptive statistics for the 23 sampled financial service firms with 368 observations used in the study. The mean value 0. 7833 for FRQ indicates

the sampled financial service firm showed qualitative factors in their financial reports as evidenced in a positive minimum score of 0.62 to 0.91 maximum. FOWN with a mean value of 0.0760, a minimum of 0

and maximum of 0.9068 indicate the involvement of foreign ownership in the ownership structure of some of the listed financial service firm in Nigeria. Audit firm tenure (AFTN) with an average value of 0.6494 showed constant audit firm change in the listed financial service firm in Nigeria evidenced by a dummy variable for maximum of 1 and minimum of 0, indicating a constant change in the audit firm of the selected financial services firms. The standard deviation from the mean 0.0531, 0.1924 and 0.4777 for FRQ, FOWN and AFTN respectively are low compared to the mean value, indicate a tightly packed data. The variability of the data around the mean (skewness) for FRQ, FOWN and

AFTN is -0.3621, 2.7986 and -0.6264 respectively and the level of peakedness (kurtosis) around the mean 2.6792, 10.1994 and 1.392 respectively, shows a well distributed data with values within skewness values of (± 3), and kurtosis values of (± 10) Kline (1998) and Pallant (2011).

4.2 Diagnostic Checks

Diagnostic checks conducted to ensure robustness of the multiple regression results are shown in the appendix. The Pearson correlation coefficient calculated to test for multicollinearity in Table 5 below.

Table 5: Matrix of Correlations

Variables	FRQ	FOWN	AFTN
FRQ	1.0000		
FOWN	-0.0550	1.0000	
AFTN	0.0424	0.0852	1.0000

Source: Stata 13 output, 2022. All value approximate to 4 decimal place

Table 5 shows a negative correlation between FRQ and FOWN at -0.0550, and a positive correlation with AFTN at 0.0424. The overall pair wise correlation between -0.0550 to 0.0852 shows no multicollinearity problem. The Variance Inflation Factors (VIF) computed indicates the absence of multicollinearity as computed VIF are less than 10 the generally accepted range (Neter et al., 1996). The Breusch-Pagan/Cook-Weisberg test investigating the presence of heteroscedasticity showed ($\chi^2=0.96$ $p=0.3272$), which is insignificant at 5% level indicating no heteroscedasticity problem associated with the data. Furthermore, Shapiro-Wilk test for normal data

showed an insignificant Shapiro-Wilk (z), p -value above 0.05 for FRQ and AFTN, but significant for FOWN. The Hausman's test utilized to estimate between the fixed effect and random effect model showed an insignificant value ($\chi^2=0.40$, $p=0.9401$), inferring the unsuitability of the Fixed Effect Model (FEM). This lead to test between the Random Effect Model (REM) and the Ordinary Least Square (OLS) regression model using the Breusch and Pagan Langrangian multiplier (LM) test, which showed an insignificant value of ($\chi^2=0.10$, $p=0.3747$), resulting into adoption of the OLS regression model.

Table 6: Regression Analysis

/FRQ/	Coef.	Std. Err.	t	Prob.	95% Conf.	Interval
FOWN	-0.0090	.0149	-0.60	0.546	-0.3085	.0204
AFTN	.0092	.0062	1.48	0.140	-0.030	.0214
FOWN*AFTN	-.0116	.0091	-1.77	0.078	-0.0341	.0018
Constant	.78047	.0047	164.90	0.000*	-7714	.7901
R ²	0.0137					
Adj.R ²	0.0056					
Prob>F	0.0168					

Source: Stata 13 output, 2022; * denote statistical significance at 5% levels; approximate to 4 decimal place

Table 6 presents the coefficients with their associated p -value of the moderating effect of audit firm tenure on

the relationship between FRQ and foreign ownership. The OLS regressions was run using STATA 13 and the

results of the Hausman Specification test shows OLS regression model as the better estimator for the study Model. In Table 6, the specific relationship of FRQ and FOWN at ($\beta = -0.0090$, $p < 0.546$) and FRQ and AFTN at ($\beta = .0092$, $p < .0030$) are both insignificant. The result of the moderating effect of AFTN on foreign ownership and FRQ of listed Nigeria financial service firms also showed an insignificant result of ($F(3, 364) = 1.69$, $p < 0.1689$). This means audit firm tenure do not moderate the effect of foreign ownership on FRQ of listed financial service firm in Nigerian in line with the null hypothesis. The R^2 of 0.0137 imply, all things held constant only 0.013% of foreign ownership explain the variation in FRQ which shows the insignificant value in the p-value. The study result is in line with the finding in (Muñoz-Mendoza et al., 2019, Kurawa et al., 2021) which all showed a negative and insignificant effect of foreign ownership and FRQ. The negative and insignificant effect this study may be ascribed to the level of regulation and monitoring in the sector, reducing the powerful influence within the ownership structure of listed financial service firm in Nigeria.

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5 Conclusion and Recommendations

In the light of the findings, foreign ownership of listed financial service firms in Nigerian is negatively related to FRQ and audit firm tenure do not significantly moderate the effect of foreign ownership on FRQ in Nigerian listed financial service firms. This means foreign investment in Nigerian financial service firm is low and government can improve this by way of policies to encourage foreign investment in Nigerian financial service firms, so that the sector can benefit from their wealth of resources. Also most financial institutions in Nigeria do not allow their audit firm to settle before they are replaced by their client as observed in the study. Thus the study recommends that financial services firms should allow external auditor to serve for a longer time, given the key role of external audit in contemporary governance structure to further enhance accountability and reduced familiarity threat. At the same time meeting the business stakeholders' information to enhance accountability and accuracy, which in turn improves FRQ.

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ECONOMIC GROWTH, AIR POLLUTION AND LIFE EXPECTANCY IN NIGERIA

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Abstract

The study examined the relationship among economic growth, air pollution and health outcomes in Nigeria spanning between 1990 to 2022. Using time series data, Ordinary Least Square (OLS) and Cointegration analysis techniques were employed in obtaining the numerical estimates and the long run relationship between the variables. The findings revealed that there is an indirect and negative relationship between air pollution, health outcomes and economic growth in Nigeria. Implying that unhealthy environment, in term of unpolluted air, to a large extent determine a country GDP growth, manifested through labours' input in production, which hitherto is influenced by the health status of the workers. The study recognized both improved health status and pollution free environment as prerequisite factors to improve and sustain economic growth in Nigeria. Consequently, effective energy management policy aimed at decreasing air contamination emission without upsetting improved economic activity was recommended to guarantee sustained economic growth economic growth.

Keywords: Air Pollution, Health Outcomes, Economic Growth

1. Introduction

It is not an uncommon knowledge that economic growth that is not well managed may not lead to sustainable development (Urhie, Odebiyi, & Popoola, 2017). An increase in production and productive activities of a country is a catalyst for growth, but these activities are usually plagued with a rising spate of air pollution, especially in developing countries (Dhanya, 2015). The urge for industrialization to drive economies in African countries is needed, Nigeria inclusive, so as to stimulate growth generate alarming growth of air pollution. It is an open secret that the economy, environment and public health

system are interrelated and affect one another. For instance, despite the huge gain in industrialization, the effects of powering up industrious activities release unhealthy portions of carbon dioxide into the atmosphere, causing pollution that increasingly causes threats to not just human health but to other living creatures on earth. The emission of obnoxious gases leads to climate and environmental changes. This further emanates into health challenges by factors which include waterborne disease, air pollution and exposure to harmful chemicals (WHO, 2014).

In recent time, the environment has come to the forefront of contemporary issues for both developed and developing countries since the deterioration of environmental quality raises concerns about global warming and climate change arising mainly from Greenhouse Gases (GHGs) emissions (Alam & Gow, 2017). There has been increasing concerns about shortage in the energy supply, rise in energy use and climate change. With increasing pressure of population and increasing use of energy in different sectors of the economy, Nigeria's GHG emissions have also been increasing due to the increasing threat of global warming and climate change (Akpan & Akpan, 2019).

With air pollution now identified as the leading cause of death in the world (WHO, 2018), and productive activities recorded to be the fastest way to get the air polluted, Nigeria's level of emissions measured by PM_{2.5} reaches as high as 125 µg per cubic meter annually, and this is significantly higher than the recommended levels and world averages. Air pollution in Nigeria has caused a huge loss in various sectors of the economy, especially, agricultural and petroleum sectors which has reduced the economic growth. The control of pollution has helped increase the economic growth but once an area has been polluted it is very hard to control and return the area to its previous state (Araoye, Ajayi, Olatunji & Aruwaji, 2018).

There is no doubt that the current emission profile of Nigeria poses a significant challenge to the country's economic growth, through its impact on the health status of labours and consequentially on the nation's productivity. Air pollution is a leading cause of cancer and respiratory diseases; it depletes the ozone layer atmosphere and contributes to global warming. The air can get polluted through various means and sources including natural and man-made. A measure of health outcome in Nigeria shows that 12.5 deaths per 1,000 live persons are recorded daily as against a global average of 7.6 deaths per 1,000 live persons. This places Nigeria as the 15th highest among countries of the world with high death rates per 1,000 live persons (WDI, 2018). Similarly, the rate of infant mortality which stands at 64.6 per 1,000 live births puts Nigeria as the 9th country globally with high infant mortality rate. This is in sharp contrast to the

average 29.4 per 1,000 live infants that die across the world before reaching 1 year of age.

Globally, due to the up-to-date global warming issue, the relationship between air pollution from carbon emissions and economic growth has remained a current issue among numerous scholars and economies worldwide. CO₂ emissions are widely believed to be a major cause of global warming (Akpan & Akpan, 2019). Specifically, the rise in carbon dioxide emissions due to higher energy consumption accounts for about 72% of the overall released greenhouse gasses responsible for global warming (Karnjana, 2019). Thus, the state of health of the population of a country is a major factor driving productivity as only a healthy labour force can make meaningful contributions to production and growth of national output (Ogunjimi & Adebayo, 2019). Hence, this make the health of the citizens of a country imperative and as such adequate provision for health should be one of the primary goals of government as it has a positive impact on economic growth, one of the macroeconomic goals of every government.

Against this background pivoted on the increasing concerns about environmental issues in form of air pollution, resulting from energy production and consumption, the study examines to examine the relationship among economic growth, air pollution and health outcome in Nigeria.

2. Literature Review

There are quite handful studies on economic growth, air pollution and health outcomes in the literature, but few studies actually capture the dynamic relationship among the trio. This section therefore reviews the various strands of this dynamic relationship among economic growth, air pollution and health outcomes. The early empirical investigation on the relationship between income inequality and income per capita (Kuznets, 1955) propounded the Environmental Kuznets Curve (EKC) theory. It states that the connection between economic growth and air pollution might look like an inverted U, known as the EKC. The hypothesis posits that environmental quality tends to get better as an economy grows, after which the quality peaks and begins a downward spiral

movement (Hanif 2018); Wang, Zhou, Wang, Feng and Hubacek (2017); Kuznets, (1955)

Osabuohien, Efobi and Gitau (2014) applied the EKC model to 50 African countries. Using data from 1995 to 2010, the study found a long-term positive relationship between CO₂ and Particulate Matter (PM) emissions and per capita income. Similarly, studies such as Porter (1991); Odhiambo (2009); Urhie, Afolabi, Adedeji, Matthew, Osabohien and Ewetan (2020) found an upward movement between air pollution and economic growth. Araoye, Ajayi, Olatunji and Aruwaji (2018) examined the effect of environmental pollution on economic growth in Nigeria. This study made use of time series data and findings revealed an insignificant impact of pollution cost on economic growth in Nigeria. However, spatial regression analysis carried out by Zhou, Zhang, Lin, and Sun (2018) with data obtained from 945 posts in 190 cities in China suggested that economic growth exerts a significant negative impact on PM_{2.5} absorptions.

Alege and Ogundipe (2013) investigated the relationship between environmental quality and economic growth in Nigeria. The study found that early stages of development in Nigeria accentuate the level of environmental degradation. It also finds that weak institutions and unrestricted trade openness increase the extent of environmental degradation due to environmental dumping.

Akinbode, Dipeolu, Bolarinwa and Olukowi (2021) investigated the effect of health outcome on economic growth in sub Saharan African countries (SSA). Findings revealed that health outcome (proxied by life expectancy), lagged GDP per capita, capital formation, labour force (LF), health expenditure (HE), foreign direct investment (FDI) and trade openness (TOP) significantly affect economic growth emphasizing the importance of health in the process of economic growth in the region. Similarly, Alhassan, Adedoyin, Bekun and Agabo (2020) examined whether life expectancy, death rate and public health expenditure matter in sustaining economic growth under COVID-19 era in Nigeria. Their results also revealed that a 1% increase in life expectancy and death rate increases and decreases economic growth by 3.85 and 1.84%, respectively.

Ogunjimi and Adebayo (2019) examined the relationship among health expenditure, health outcomes and economic growth in Nigeria for the

period between 1981 and 2017. This study adopted the Toda-Yamamoto causality framework to examine these relationships. The results of the Toda-Yamamoto causality tests showed a unidirectional causality running from health expenditure to infant mortality while there is no causality between real GDP and infant mortality; a unidirectional causal relationship running from health expenditure and real GDP to life expectancy and maternal mortality; and a unidirectional causal relationship running from real GDP to health expenditure.

Afolabi, Urhie, Ogunbiyi, Ogundiran and Afolabi (2019) evaluated the relationship that exists between economic growth and health performance in Nigeria vis-à-vis air pollution. The study used the process software to estimate the direct, indirect and total effects of economic growth on the health performance in Nigeria. The study found a direct and positive relationship exists between gross domestic product and life expectancy in Nigeria.

3. Methodology and Data Sources

3.1 Data and Sources

The study adopted time series data for 33 observations spanning from 1990 to 2022. The data were sourced from Central Bank of Nigeria (CBN) and IndexMundi.

3.2 Model Specification

Following the assumptions of Quality of Life Theory (QOL) on the relationship between air pollution and economic growth, as the adopted theoretical framework and Maduka, Madichie and Ekesiobi (2016) model on the relationship between health outcomes and economic growth, the modified model specification is stated mathematically as follows:

$$RGDP = f(LEXP, AIRP) \quad (1)$$

$$RGDP_t = \beta_1 + \beta_2 \ln LEXP_t + \beta_3 \ln AIRP_t + u_t \quad (2)$$

Where:

RGDP = Growth rate of economic growth (proxy for economic growth)

LEXP = Life Expectancy (proxy for health outcome)

AIRP = Air pollution

β_1, β_3 = Parameters

u = Stochastic term

3.3 Method of Data Analysis

The study adopted ordinary least square (OLS) and vector error correction method (VECM) on the time series data collected. The estimates of the results were

interpreted based on the *A priori* and value of the parameters.

4 Results and Discussion

From the results of the analysis in Table 1, both health outcomes (LEXP) and air pollution (AIRP) are inversely related to economic growth. However, only air pollution has a statistical and significant influence on economic growth. This implied that there is negative relationship between air pollution and economic growth. This reveals that there is indirect relationship between health outcomes and economic growth in Nigeria, with about 22% and 23% reduction in economic growth being accounted for by the linear combination of health outcome and air

pollution respectively. The coefficient of determination (R^2) indicates a strong positive relationship. This implied that the regression lines do have a good fit of measure and that the explanatory variables which are health outcomes and air pollution only accounts for about 63% variations on economic growth. The model is statistically significant with joint measurement of variation between dependent and independent variables approximately 2 at 5% degree of freedom as indicated by the F- statistics. In addition, the Durbin-Watson statistics calculated was 1.27 which approximately equal to 1, implying the presence of positive serial correlation in the estimated model.

Table 1: OLS results on the impact of air pollution and health outcomes on economic growth in Nigeria

Dependent Variable: RGDP				
Sample: 1990 2022				
Included observations: 33				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
LEXP	-0.216286	0.195659	-1.105424	0.2784
AIRP	-0.224320	0.083993	-2.670702	0.0125
C	29.83841	11.64116	2.563181	0.0160
R-squared	0.717863	Mean dependent var		4.418710
Adjusted R-squared	0.631996	S.D. dependent var		3.982184
S.E. of regression	3.645393	Akaike info criterion		5.516571
Sum squared resid	372.0890	Schwarz criterion		5.655344
Log likelihood	-82.50685	Hannan-Quinn criter.		5.561808
F-statistic	3.899677	Durbin-Watson stat		1.266835

Source: Author's computation using E-views software

As shown in Table 2, there is a negative long run relationship between air pollution, health outcomes and economic growth in Nigeria. In other words, there is an indirect and negative relationship between air pollution, health outcomes and economic growth in Nigeria. This implies that the state of the environment, in term of freedom from pollution to a large extent determines the level of a nation's productivity, through labours' input in production, which hitherto is influenced by the health status of the

workers. This calls for needs to pay more attention to the health sector in terms of allocating more resources for preventive interventions. This corroborate with the findings in Urhie *et al.* (2020), Alhassan *et al.* (2020) and Akinbode *et al.* (2021) whose studies revealed that health outcomes (proxy by life expectancy) significantly affected economic growth, emphasizing the importance of health in the process of economic growth in the region.

Table 2: Long run relationship between air pollution, health outcomes and economic growth Nigeria: Vector Error Correction Estimates (VECM)

Sample (adjusted): 1993-2022		
Included observations: 31 after adjustments		
Standard errors in () & t-statistics in []		
Cointegrating Eq:	CointEq1	
AIRP(-1)	1.000000	
LEXP(-1)	14.58874	

	(4.53020)	
	[3.22033]	
C	-782.8940	
Error Correction:	D(AIRP)	D(LEXP)
CointEq1	0.068386	0.007155
	(0.04579)	(0.00253)
	[1.49351]	[2.83129]
D(AIRP(-1))	-0.389325	-0.003132
	(0.21812)	(0.01204)
	[-1.78490]	[-0.26021]
D(AIRP(-2))	-0.388293	-0.010442
	(0.20535)	(0.01133)
	[-1.89087]	[-0.92136]
D(LEXP(-1))	-4.411153	-0.431820
	(4.22627)	(0.23325)
	[-1.04375]	[-1.85135]
D(LEXP(-2))	-0.868436	0.101188
	(6.28633)	(0.34694)
	[-0.13815]	[0.29166]
C	2.961606	0.350417
	(2.46699)	(0.13615)
	[1.20049]	[2.57371]
RGDP	-0.208890	0.035557
	(0.37953)	(0.02095)
	[-0.55039]	[1.69756]

Source: Author's computation using E-views software

5. Conclusion and Recommendations

Having examined the impact of air pollution and health outcomes on economic growth in Nigeria, it drew the fact that health status of labours is a strong catalyst in sustaining progression in economic growth. However, this catalyst will be jeopardized in an unhealthy environment ravaged with air pollutants. Thus, both improved health status and pollution free environment are essential to improved and sustained

economic growth in Nigeria. Consequently, instituting regulation and control to ensure healthy environment production and consumption activities will minimize air pollution and prevent adverse health outcomes. Thus, effective energy management policy aimed at decreasing air contamination emission without upsetting improved economic activity is imperative, to guaranteed sustained economic growth.

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**AN EVALUATION OF THE CONTRIBUTIONS OF MICRO FINANCE BANK TO THE
DEVELOPMENT OF RURAL COMMUNITIES IN BORNO STATE: A STUDY OF BORNO STATE
MICRO FINANCE BANK**

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Abstract

The study examined microfinance Bank in providing financial services to less privilege that are not served by the conventional financial institutions. This indicates that people live in rural area, the significance of this Study to general populace, especially those in the rural areas for them to understand the role of micro finance banks in their locality and take advantages of the banks. The study will also be of utmost importance to the management/policy makers of the various micro finance banks in knowing why the rural people are not willing to patronize the banks as expected.

Keywords: Rural, Community, Development and Micro Finance

1. Introduction

Microfinance bank (MFBs) have becomes established the world over as financial agents and active players in the financial intermediation process and more importantly, in the fight against poverty, capacity building and integration of informal sector into the formal sector. The world owes this success to the visionary and populist legacy of the humble Bangladesh Professor Muhammad Yunus and his grameen model. Before the advent of microfinance banks in Nigeria, the role was played by community banks, NGOs, traditional organizations, cooperative societies, state and federal poverty alleviation agencies. Those institutions only provide short term solutions to long term problems. Against the background of short coming of these institutions, the central bank of Nigeria (CBN) in collaboration with federal government of Nigeria, enunciated the microfinance policy, regulatory and supervisory frame work for Nigeria on 15th December 2005.

With the commencement of micro finance bank licensing by CBN in 2006, the financial landscape has been changing dramatically. Today there are over 760 microfinance banks and more are being licensed.

Effective and efficient microfinance banking in nation and society can generate economic and social gain that may never be matched by any other project, no matter how gigantic. These gains could be more pronounced in Nigeria where analysis have put the percentage of poor people at somewhere above 70%.

An effective microfinance practice could provide gainful employment among people in the productive age say (18-65years) enhance business and employment opportunities among college and University graduates, Accelerate full capacity utilization among industries, facilities access to loan among poor and the low income, earner and provide insurance, medical services, business advisory and finance management service among low income earner. The concept of microfinance bank is not new, saving and credit group that have operated for centuries include the "Census" of Ghana, clif funds in India, "lands" in Mexico "Arisan" in Indonesia, "Ajo" "Esusu" Nigeria, "Cheelu" in Srilanka, tontines in west Africa and " Pasanaku" in Bolivia, as well as numerous saving clubs and burial societies found all over the world.

Microfinance is about providing financial services to the poor who are not served by the conventional

financial institutions. This indicated that people live in poverty when they are denied an income sufficient for their material needs and when these circumstances exclude them from taking part in activities which are accepted pervasive with frightening depth and breath. It affects all geopolitical zones of the country. The poor in Nigeria like those elsewhere are powerless, voiceless, lack basic of live and are generally deprive, poor people have insufficient income, lack access to basic service, have limited access to credit and shelter thy survive on menial jobs and barely afford to send their children to school. Despite apparent success of success of microfinance bank and the effort of supply led policies and financial liberation, there are still "important" gaps to be filled by this institutions in Nigeria. According to (CBN 2005), there features distinguish microfinance from the other formal financial products. There are:

- (i). The Smallest of loans advanced and or savings collected
- (ii). The Absence of Asset -based collators and
- (iii). Simplicity of operations.

In Nigeria, the formal financial system provided services to about 35% of the economically active population while the remaining 65% are excluded from access to financial services. These 65% are often served by the informal financial sector, through Non-Governmental organization (NGO) Microfinance institutions, money lenders, friends, relatives and credit union particularly in the rural community (Olawepo, 2002)

Statement of the Problem:

Microfinance bank is the form of financial development which primary is to alleviate poverty of the poor who are generally not served or are offered improper financial services (BN 2005). They are established to fill the gap created by the formal financial sector by improving the socio-economic condition of the poor and also their income generational activity in the rural and urban community to improve they economic standard.

However, microfinance banks have not been able to adequately address the gap in terms of credit, savings and other financial services required by the small

scale business. Thus the problems which the research intends to find solution are the follows:

- i. Does microfinance significantly improve standard of living of people in Nigeria?
- ii. Does poor have access to microfinance funds and loans for the development of micro enterprises?
- iii. What limitations are standing in the way of reaching that noble goal?
- iv. What are the prospects of microfinance in the reduction of poverty in Nigeria?

Objectives of the Study:

The main objective of this study is to evaluate the extent to which microfinance has impacted on poverty reduction in Borno state.

Hypotheses

The following are formulated to suit study:

HO- there is no significant effect of microfinance banks in poverty alleviation in Nigeria.

HO-Microfinance banks have no significance effect on the performance of small and micro enterprises in Nigeria.

Scope of the Study

Although Microfinance Banks as has been pointed out is vital to all nations be it developed or a developing economy. However, taking a study on an evaluation of the impact of microfinance banks nationwide, for this reason therefore, the researcher will focus on the impact of microfinance banks in Nigeria within the boundary of Borno state and will be limited to the three registered microfinance banks in the state.

Significance of the Study

This study will be importance to the general populace, especially those in the rural areas for them to understand the role of micro finance banks in their locality and take advantages of the banks. The study will also be of utmost importance to the management/policy makers of the various micro finance banks in knowing why the rural people are not willing to patronize the banks as expected.

The study will also serve as an important research material to students and intending researchers who wish to carry out a similar research in the future. It will help future researchers on the same or similar area is a guide and source of data.

2. Literature Review

Nigeria a developing nation has a preponderance of low-income earners that are keys to the economy of the nation. The government particularly the government of the federation has over the years been putting in place both policy and infrastructures that seek to enhance and improve economic development of this vital sector of the economy. Banking is generally central to all economic development of modern day economy in realization of which the federal government of Nigeria comes up with idea of banking in order to make banking service available to the low income earner. The community banking system was established via microfinance banking decree 46 of 1990 (CBN, 2005).

We have 3 micro finance banks that are functioning, in Borno state; we have Yerwa community micro finance bank, Dandal community micro finance bank and Unimaid microfinance bank:

Yerwa Community microfinance bank micro Finance Bank is located at Monday market commercial area, Dandal community microfinance bank, located at custom market commercial area, and Unimaid microfinance bank is located at University of Maiduguri. It is owned by Co-operative financing Agency (CFA) it has obtained a unit microfinance bank license to operate. The purpose of establishing the bank is to assist the rural populace, take deposit from masses with the aim of promoting their economics activities.

Government are using the bank to assist low income earner to expand their business at zero interest rate it also assist women coops to develop their business especially in the rural areas. Overview of Microfinance Banks In Nigeria: Microfinance bank can be define as a development tools used to create access for the economically active poor to financial services at a sustainable affordable price (CBN, 2005).

Eluhaiwe (2005) opined that microfinance bank is the provision of thrift, credit and other financial services and products in every small amount to the poor to enable them to raise their income levels and improves their standard of living. Micro finance bank also been defined as the provision of very small loans that are rapid within short period of time and is essentially used by low income individuals and household who have few assets that can be used as collateral (Eluhaiwe, 2005).

Characteristics of Microfinance Bank

Below are some of the issues that make microfinance banking unique and special?

- i. They touch the lives of the poor and are engines of real and sustainable development in any nation the grass root development.
- ii. They operate very flexible businesses that break the barriers the poor and the inadequately equipped face in their businesses. This is why they do not go into detailed documentation and they lend without collateral. Speed of processing and disbursing loans is also generally much faster than universal banks.
- iii. Microfinance Banks are partners in progress with their customers. This is why they train, keep books, advices and market with and collect moneys right from the small shops of their customers.
- iv. Microfinance Banks are training organization for their customers. The customers acquire tremendous knowledge, formerly or informally from their micro credit providers because these people are mainly not knowledgeable about so much financially even with regards with the business they do.
- v. Daily business relationship is a key relationship issue with micro clients. This is why micro bankers borrowing or daily contributors to collect money. Clients feel disappointed if they do not see their micro bankers any day.

Gradual growth with customer, a microfinance bank would not suffocate its clients with too much loans then he can cope with. Hence the banker builds gradually with the customers and watches them grow from nothing to millions of naira business. The micro bankers would also not give loans for projects that he

knows the customer would make loss even if the bank profits from it. This is because the microfinance bank, at all times balances the business and social aspects of relationship with the customer (Ifeoma, 2009).

Functions of Microfinance Banks

Microfinance banks in Nigeria undertake all banking and financial services provision that mega banks do but on small scale to small and medium scale entrepreneurs. The basically render services to the poor for poverty alleviation and also deal in business development and improvements of SME'S.

They therefore use traditional banking products instrument to serve their customers. The basically instrument used by microfinance bankers include: Traditional and Enhanced saving accounts, current account, fixed deposits, investment accounts; credit accounts or lending products such as overdrafts, leases, term loans of various terms but mainly short tenure, trading loans, salary advances, LPO financing. Support service including financial advisory service feasibility reporting particularly for startup SME'S financial training; Micro insurance service; money transfers both locally and international in conjunction with their correspondence banks micro pensions, capacity building etc. Hardly would a good microfinance bank lend without some form of support services being rendered to its clients (Ifeoma, 2009).

Form of Lending By Microfinance Banks

Microfinance banks' lending is different from those of mega banks in a number of ways because of the peculiarity of its clientele. Microfinance banking, in addition to individual lending (which is greatly disfavored) particularly undertake group/cooperative lending.

Group lending ensures that each member of the group act ensures that a defaulting member is helped by other members of the group for sustainability of the relationship. Additionally, an indisposed member of the group does not suffer business loss as typically; groups are stratified into various business types such as Okada riders association, Keke riders association, Butchers association and hairdressers association in various locations. In sponsored lending, the sponsor who would otherwise lend to the poor or an SME domiciles the money with an MFB and instructs on the

particular persons the loans should go to the sponsor may also determine the terms and conditions of the loans provided the banks. Is paid management fees as they are expected to apprise and manage the loans as though they were direct lending. At Elim Microfinance Bank limited for instance, there is a product called kit and kim which is a typically sponsored loan product with great benefit to the sponsors (Ifeoma, 2009).

Collateral De-Emphasized In Microfinance Banks

According to Jim, (2007) most poor people that borrow from microfinance banks have absolutely no collateral to bank their loans. This is why they are not served by mega banks as these banks always insist on collateral for their loans because doing anything to the contrary is a violation of the BOFIA 1991. But in microfinance banking, collateral is de-emphasized since most borrowers from microfinance banks have absolutely no collateral to offer. As Oikocredit international would say, and as believed and practice by most microfinance banks in Nigeria the poor's greatest assets and collateral in his/her pride and integrity. The poor person is so excited with the possibility of raising loan from a bank that would work extra hard to repay the loans and stay in the good books of the banks. S/he has no moneys to retain the services of a lawyer and take the bank to court as would the high net worth individuals and big corporate. Hence, his/her values greatly the partnership and trust the bank has in giving the loan that his/her integrity is greatly gingered.

Consequence, MFBs and MFIs rely mainly on the integrity of borrowers and cash flows for loan repayments. This is why in microfinance banking, emphasis is placed on three rather than five C's of lending as explained under the article "microfinance is no charity" For successful lending without collateral however micro banks LEND mainly in groups. It is a lot easier for group member to be successful with their loan application than individuals or single businesses. An MFB would almost always require collateral from individual borrowers but would lend clean to groups (Ifeoma, 2009).

Credit Risk Management in Microfinance Banks

As the concept of micro financing begins to gain ground in Nigeria (over 760 microfinance banks so far licensed to operate), it is becoming increasingly

necessary to assess the ability of the financial institutions to identify, measure, monitor and control risk. Indeed one of the key management issues that could seriously affect the growth of microfinance institutions around the world is their ability to mitigate risks. This is of particular concern to microfinance institutions due to their peculiar mode of operation which involves lending without collateral.

Lending to micro entrepreneurs is based on promise to pay. Such transactions entail risks to the financial institutions in the sense that the promise may or may not be honored. When borrowers fail to pay, the defined constitute losses to the institutions and these will eventually impact on the institutions capital. Credit risks in microfinance could arise from various sources such as lack of adequate information about the borrower and his debt capacity, poor loan maintain, loan mismatch by the institution and natural occurrences. Early detection of the risk would give room for remedial action late detection leaves fewer options which are generally desired to protect the financial institution than the borrower.

Early warning signals of credit risks include liquidity problems evidenced by abnormal deposits or withdrawal, deteriorating prudential by abnormal ration trade debts buildup, poor assets maintenance end employee pressure others are deteriorating product quality, inability and unwillingness to prepare timely financial statements, undue management changes assets cannibalization and or sates.

Credit risk management determines the features of the loan products offered such as interest rate duration, collateral and other covenants. The nature and scope of risk management principle will depend on the magnitude of the envisaged risks. Qualitative methods of assessing risk in microfinance involve objectives assessment of the borrowers qualities in terms of character (reputation, willingness to pay, past repayment history, stability of residence, occupation, etc) capital (equity contribution and its ration debt); capacity (nature of cash flow and its ability to make installment repayments as they fall due); collateral (adequacy and reliability); conditions (economic conditions) and compliance (pattern of honoring obligation to tax authorities workers' salaries etc).

In quantitative method, the observed characteristics of the loan applicant are used to determine the probability of default or of repayment. Such characteristics include income, assets, age, occupation, location and debt/equity ratio. The quantitative methods are more suitable for big firms and conglomerates. In microfinance, qualitative method are often adopted, as the sizes of loans to individual borrowers do not often justify investment in complex risk analysis techniques that quantitative models entail.

Several approaches are relevant to institutions that intend to curtail risks. First, the board of director should have a credit policy that sets limits on outstanding loans, geographical/sectoral coverage, single obligor limits, maturity and loan pricing procedure. Second there has to be strong credit analysis derivable from simple historical and project cash flows. Third, is the need to diversity loan portfolio by avoiding endue concentration to either single borrowers, same geographical location or a group of borrowers, with closely related economics activity. Fourth there should be adequate client training prior to the loan disbursement by the institution. Fifth, the institution should understand its client needs to ensure that the loans granted are suitable to the needs. Sixth is a strong credit review process that would promptly identify classify potential problem areas and be able to properly classify the assts with a view to making adequately provisions in line with the prudential standards set by the regulation seventh, is the ability to provide procedures including technical support that will enable a potential defaulter to redeem his image through interring resuscitation measurers. In some cases the financial institution could provide additional capital where it is perceived that the new capital injection will enhance reversal default.

The adoption of appropriate risk management principles by licensed microfinance banks in Nigeria benefits both the lenders and borrowers. The lender are better placed to remain in business as a going concern make profit for the shareholders and contribute their quota to financing and supporting increased economics activities. The barrowers benefit from continued and prompt service delivery as they have safe and secure place to keep their treasurer, accumulate assets and receive financial assistances for expanding the scale and scope of their operations (Simon, AA. 2007).

Table 1: The Difference between Microfinance Banks and Convention Banks (Ovia.2007):

S/No	MICROFINANCE	CONVENTIONAL BANK
1.	Offer limited products with no collateral	Offer variety of credit products backed collateral
2.	Offer low value credit facilities, with high turnover and transaction costs, leading to higher interest rates	Competitive transaction cost and interest rate
3.	Short loan repayment cycles with weekly payment that range from 6 month to one years	Offer loan facilities with diverse tenor and repayment c Cle.
4.	Little or no technology deployment.	Sophisticated communication, information and technology
5	Little or no sophisticated credit scoring system	Highly sophisticated credit scoring models.
6	Less formalized; and regulation intensify differs from economy to economy	Keenly monitored by a body

Source: Impact of Microfinance Banks on Rural Development:

Microfinance and Standards of Living: Income is one of the important elements of living standards of the poor people as well as saving Muhammad and Muhammad (2007). The microfinance Banks are to provide loans to the poor not only to increase their income but also to mobilize their saving (CBN,2005) Apart from these other factors that contribute to human development, like education, empowered can also be include as variables indicating a level of standard of living. Microfinance programs targets both economic and social poverty (Ghalib 2007).

Muhammad and Muhammad (2007) concluded that improvement in standard of living is positively affected by better access to education, healthcare finance situation that is increase in income and savings which are also affected by level of interest.

Microfinance and Credit Delivery

This is perhaps one of the most important roles of microfinance banks, as the loans extended are used to expand existing business and some cases to starts new ones. Microfinance loans granted to clients increasing from 2007 to date and most of it goes to financing microenterprises in rural areas (CBN, 2008).

Ketu, (2008) observed that microfinance banks have disbursed more than N800, million micro credits to over 13,000 farmer across the country to empower their productive capacities. As such it is expected that

agricultural. Output will increase with the increase in funding the entrepreneurial capacity of the farmer will thus improve.

Micro Finance and Small Scale Enterprises/Agriculture

About 60 percent of poor people in the country live in the rural areas and 80 percent of them are farmers and artisans. Microfinance bank have therefore been the main source of finding to these less disadvantaged groups. Rural people are empowered through microfinance loans and services and hence small scale agricultural practices and microenterprise is developed. Government go in to cooperatives to partner with the microfinance banks to raise bank loan to be disburse to the beneficiaries in so doing the bank are increasing and sustaining the number of people going in to small business (NBS2005).

Improvement in Skill Acquisition

Improvement of the condition of women through the provision of skills acquisition and adult literacy is another roles played by microfinance banks. This is done through building capacities for wealth creation among enterprising poor people and promoting sustainable live hood by strengthening rural responsive banking methodology and the introduction of simple cost benefit analysis in the conduct of businesses. In most cases a profit sharing agreement a

bank and an entrepreneur and new methods and innovations are passed to the prospective entrepreneur by the banks professionals, while at the end of the production period the proceeds are being shared and the entrepreneur if so wishes can continue on his own after the necessary skills and production techniques are acquired (Umar, 2000).

Challenges of Microfinance Banking In Nigerian

According to Simon. (2007) microfinance bank in Nigerian today faces the challenges of building, nurturing Nigerian today and sustaining public confidence. For our purpose the following are steps a MFB can take to retain and enhance the public perception.

Adopting to benchmark best practices, imbibing a holistic approach to best practices, Expanding outreach, Employing best hand, Sharing up your capitals best, Maintaining transparency, Taking business development very seriously, Training and retaining staff, Being customer focused and customer driven, Adopting good credit risk management strategies, Emphasizing savings mobilization Focusing on image building through, branding, people, product, services, pasture and Forming strategic alliance with others institutions without a strong positive public perception a MFB would just manage to play at the periphery a fate that befell the erstwhile community banks, Industry confidence is a function of time and individual performance of the microfinance banks

Ways Forward For Effective Microfinance Banking In Nigeria

For this very important industry to grow in Nigeria and other developing economies the following issue must be addressed:

1. Public private partnership (PPP) it is encouraging that in many development economies the private sector is getting more, involved in microfinance. The future of the microfinance sub-sector depends on the provision of enabling environment by the government but with the private sector as it is key driver

2. Financial and skills empowerment: MF is in Nigerian and other development economies require empowerment through access to adequate funding and skills development on effective microfinance management among its workforce

3. Consumer education, educate especially the target chief best must be adequately education on the basic principle of microfinance and effective utilization of micro credits. Microfinance is not philanthropy but a business (Yahaya, 2007)

The Role of Central Bank of Nigerian in Stabilizing Microfinance Bank

The central bank of Nigerian (CBN) has done a great job in setting a policy on microfinance banking in Nigeria, converting community bank to microfinance bank and establishing new microfinance banks. In my opinion we need more microfinance banks to be licensed particularly in those areas like the Borno of the Nigeria where microfinance has not been well rooted. But beyond all these the CBN must take steps to protect this grass roots and real economic development industry. The microfinance industry in Nigeria is very much in the infancy and unless the CBN takes necessary steps to protect it would die before it takes root of recent NAPEP signed a pact with access bank to deal out poverty alleviation fund to the poor.

The week following access bank announced plan to partner with a south African institution to establish country wide microfinance bank some question that cry for answer are:

1. Did CBN grant license to be sellers that a Nigerian mega bank cannot fine a Nigeria microfinance institution to partner with must sell out to south African who would come, used our government and Nigerian funds to operate a MFB and take huge profit away from our country?

2. Has the policy on state wide or unit microfinance banking changed to allow for nationwide microfinance banking?

How much of these poor people pain and modus operandi does a mega bank understand to enable them passionately give require financial and support services to them. How would a foreign firm understand the pain and language of our people better than us to give the necessary support services which is very critical aspect of microfinance? how much of the poor Nigerian people's passion to a mega bank and a foreigner have deal with the gutter boys to bring them out of the ghetto.

3. Would bank strictly apply their own fund to the market or would they turn around use their big influence and gather the funds from state and local government which they would use in their operation and there after declare bigger profit to already over fattened shareholders (CBN, 2008).

If the CBN is indeed concern about the use of microfinance to achieve goal of the MDG in 2015, it must take steps to ensure ad hence to policies and that its licensed microfinance bank are indeed not only used to achieve the purpose of properly regulated for the microfinance activities so as to take good roots and acquire credence. One last tot "no matter how a husband thinks he feels pain of child birth he cannot feel it as much as the wife as in the labor room" therefore a mega banker how is used in four course meals lair conditioned everything and "Oyibo" man how has never know light out cannot know the pains of Nigeria poverty as the people who have been in it themselves the micro bankers (CBN, 2008).

3. Methodology

A methodology is simply an operational frame work within which facts are placed so that their meanings may be seen more clearly. It is an important tool in a research because it presents how the whole research is conducted (Adefila, A.A 2007). A step by step procedure on how the study is carried out is made in this chapter , hence it is divided into research design, population of the study, sampling technique and sample size, sources of data collection questionnaire design and method of data analysis?.

3.1 Population of the Study

Ordinary the term population means a large number of people living in a geographical area, like a country, state or local government area. However in research and statistics, the term population is used in a more specialized sense to include not just people, but also event, animal and object (Adeola, 2000). For this study a targeted population will be studies will cover the entire staff of 30 and clients of 70 for the four (4) registered microfinance banks in Gombe state which included Gombe microfinance ltd. Jewel cooperative microfinance bank ltd, Shongom Microfinance bank. Ltd. And Tangale microfinance bank limited.

3.2 Sample Size and Sampling Technique

A sample is a portion or specimen of a large group selected in such a way that attributes exhibited by the smaller portion is accepted as representatives of the whole group" (Adefila, A.A 2007). A convenience

sample size of 100 customers consisting of 25 each from the four selected microfinance banks registered in Gombe state had been determined for the study to provide valuable information for the researcher to make conclusion.

The Object of an investigation is to find out something about a certain target population, however, it is generally impossible or impractical to examine the entire population, but one can examination a part of it (Sample from it) and on the basis of this limited investigation make inference regarding the entire population (Adefila, 2007). The method of selecting the sample from the population is known as the sampling technique, simple random sampling was used to select convenient sample for the study.

3.3 Sources of Data Collection

One of the major steps in research is data collection methods. It provides information on how to obtain the necessary data on which the Result and conclusion at the end of the research are based. These are two method of data collection, which includes the primary and secondary methods.

The primary source of data is considered to be one of the most important and first hand data collection methods. These include data that have been observed and recorded by the researcher and are considered as "Original" these include observation, questionnaire and interview which can either be written or verbal

However, questionnaire is used in generating the necessary primary data for this study. The secondary source of data these are information that is compiled by some agencies or people other than the users. They include text books, journal, published statutory report etc. The secondary sources of data used in this project work includes text materials, journals, magazines and the microfinance bank, corporate profile obtained from library and other institution.

3.4 Method of Data Collection

For the purpose of this study, the method of data collection to be used is;

- i. Questionnaire: A questionnaire can be defined as a group or sequence of questions designed

to elicit information upon a subject from the informant.

- ii. Interview: This involves face to face conversation or question and answer session between the interviewer and the interviewee.

3.5 Method of Data Analysis

The data generated was analyzed by the descriptive approach supported tables, and percentage together with a brief summary of the result and chi-square were used to analyze the data.

The chi-square formula is giving below.

$$X^2 = \frac{\text{observed frequency} - \text{expected frequency}}{\text{Expected frequency}}$$

$$2 = \frac{E (oi-ei)^2}{Ei}$$

Where X^2 — Chi — Square

Oi — Observed frequency

Ei — Expected frequency

4. Results and Discussion

Every research work must be evaluated and validated before it can be accepted the process of validation takes into consideration the data collected for the research. The focus of this chapter is on data analysis and finding based on data obtained from the staffs and customer of the selected microfinance banks in Borno

Table 2: Question used in testing hypothesis

Hypothesis	Questions	Table Number
	9,12 and 13	6,9 and 10
	10,14 and 15	7,11 and 12

Source: Field Survey: 2014

Chi-Square from the critical table

Degree of freedom (df) (Row — 1) x (column — 1)

$$(2 - 1) \times (4 - 1) = 3$$

Level of significant (α) = 0.05 i.e. 5%

Therefore (α) at 0.05 and clf 3 F = 7.815

4.1 Major Findings

The calculated x^2 (9.51) > table x^2 (7.815) the H_0 is therefore rejected. It is therefore concluded that there

state through the questionnaires administered. The data will be presented using tables and percentage with a short summary of the results.

However a total number of hundred (100) questionnaires were administered but only eighty five (85) questionnaires were filled and returned, therefore, the analysis will be based on the returned questionnaire.

$$\text{Positive Response} = 1293/1445 \times 100 = 89.48\%$$

$$\text{Negative Response} = 152/1445 \times 100 = 10.52\%$$

Out of the one thousand four hundred and forty five (1445) response from the relevant table as per above table, One thousand Two hundred and ninety three representing 89.48% are positive responses, which indicates that microfinance banks have impost on rural development in Nigeria.

Computation of expected frequency

Using the formula=

$$\frac{\text{Total row} \times \text{Total columns}}{\text{Grand Total of all cells}}$$

(Aminu, 1995)

Decision Rule: if the calculate value of X^2 is greater than the chi-square critical table the Hull Hypotheses (H_0) should be rejected.

is significant effect of microfinance banks on poverty alleviation in Nigeria.

The calculation x^2 (12.3173) > table x^2 (7.815) the H_0 is therefore rejected. It is therefore concluded that there is significant effect of microfinance activities on sustainable development.

In the analysis of the collected data, the following findings were observed thus:

1. Microfinance banks in Nigeria helps in informal practices such as local money lending rotating credit saving practices to entrepreneurs.

2. Microfinance can contribute in building entrepreneurship activities in the country.
3. Microfinance bank can help in the development of rural and improve the lives of the poor people.
4. Microfinance banks assist in the eradication of poverty in the country.

Some microfinance banks have no significant effect on the performance of small and micro enterprises in Nigeria.

The study has tried to critically evaluate the impact of microfinance bank on rural development in Nigeria, the finding have therefore made the research to make a conclusion that, microfinance institutions in all over the world and especially Nigeria are identified to be one of the key players in the financial industry that have positively affected individual, business organization, other financial institutions, the government and economy at large.

It is also expected that with the current reforms put in place by the federal government through it Nigeria will be able to compete favorably in the global market and gainfully increase entrepreneurship development in Nigeria. Microfinance institutions have positive relationship with the Nigeria economy represented by expanded Gross domestic product (GDP). Although, interest rate is not significantly influential the results of finding of this study can that the microfinance institutions can still be summarized that the

microfinance institutions and their activities go a long way in the determination of the pattern and level of economic activities and development in the Nigerian economy.

Recommendations

From the research findings the following recommendations were made:

- i. Government through their monetary and economic policies should provide a suitable ground for the growth of microfinance banks
- ii. Seminar and lectures should be conducted in our rural areas on the functionality and the importance of the microfinance banks so that individual entrepreneur can be able to harness their importance to their own development and that of the rural and economic development in Nigeria.
- iii. The microfinance banks in the country should endeavor to render good services to the people and be able to encourage the growth of entrepreneurs by their financial operation within the community.
- iv. There is a need for the microfinance bank to be equipped with verse knowledge and skills for the control of its operation which will facilitate the movement of stream of easy and revolving loans to be used more productivity and profitability to increase the national income and economic development.

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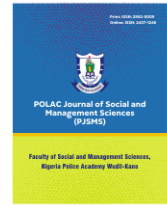
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**SOCIAL MEDIA AND ETHNIC VOLATILITY IN NIGERIA'S DEMOCRACY AND IT EFFECT ON
THE NATIONAL SECURITY**

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Abstract

Globalization is the linkage between and amongst countries of the world necessitated by the flow of information, connecting of people facilitated by information and communication technology. The discovery and advancement in the communication technology, computer gadget, phones and web has tremendously changed the sphere of information and communication. National security more so, has been re-shaped. Despite the social, political and economic good in globalization, social media has created security loopholes for individuals, ethnic groups, and national security. Social media has over time been laden with events which follows the bush fire effect whereby issues online transcends into reality, where statements online leads to attacks or crisis offline. Despite the economic and social good the social media constitutes, the fragility and volatility that exist between ethnic and religious groups in Nigeria constitutes a large problem to the National security of the country. Agendas and propagandas of mischief and hate are been passed on social media for and against Ethnic groups and religious groups. The main objective this paper seeks to study is the impact effect of Social media on national security. The study employs the state fragility theory. The study discovered that security issues on the social media app are issues which are local to the regions but have transcended overtime to the social media space. The study recommends that fundamental ethnic and religious issues has to be resolved locally as that is the best way to solve the ethno-religious volatility online.

Keywords: Ethnicity, Religions, Globalization, Social Media, Security.

1. Introduction

Globalization according to Akindele (1990) refers to the process of the intensification of economic, political, social and cultural relations across international boundaries. Globalization is the coming together of individuals, corporation or nationals into the global world with the help of technology. Therefore globalization is the linkage between and amongst countries of the world necessitated by the flow of information, connecting of people facilitated by information and communication technology. The discovery and advancement in the communication technology, computer gadget, phones and web has

tremendously changed the sphere of information and communication. However, the advancement in globalization has influenced the shape and phase of National security. Globalization has become a major topic of discussion and concern in economic circles since the mid-1990s. It is clear that the trend toward more integrated world markets (trade regime) and ICTs has opened a wide potential for greater growth, and presents an unparalleled opportunity for developing countries to raise their living standards. Globalization is first and foremost a result of the expansion, diversification and deepening of information, social linkages and financial links between countries, especially over the last decade.

The peace and prosperity of a state lie on so many factors ranging from international relationships, intra-relationship between and amongst its citizen, security, the judicious and economical management of scarce resources by the government along with the harmonious advancement in the various sectors of the nation. In other for there to be peaceful co-existence, amongst the various sectors and individuals, security is therefore paramount and this Security ranges from the economic, political, social and international relationship. (Lambe 2022) Security is a multifaceted concept whose meaning has changed in accordance with discourses of threats and dangers. Scholars in risk and safety science have proposed that it is meaningful to distinguish between security and safety in terms of intentionality to separate the fields of handling risks and crises.

Fundamentally, security deals with the presence of peace, safety and the protection of human and physical resources or absence of crisis or threats to human dignity all of which facilitates development and progress of human and societal lives. On his own part, Obasanjo (1999) conceives national security as the aggregate of the security interest of all individuals, communities, ethnic groups and the entire political entity. Thus, he argues that the preservation of the safety of Nigerians at home and abroad and elimination of corruption, pursuit of development, progress and the improvement of the welfare and quality of life of every citizen of Nigeria constitute our national security concern. (Lambe 2022). With the advent of social media, the dimension of security has therefore changed and metamorphosize into a different thing entirely.

Social media are applications and tools for globalization which as overtime given room for development and join the world together as one. With the help of social media most youths and even some adults in Nigeria and around the world have taken to social media as a means of trade and expressing their services to the world. Therefore social media has enormous advantages socially, economically and also politically. The use of social media during election can be traced to the use of social media during the Obama campaign for presidency and ever since then social media has been used for various activities including propaganda, campaign, conferences, mobilization,

seminars, teachings etc. However, the freedom in the social media has over time been overached and misused by individuals, groups or elites.

The safety of the social media networks are therefore of paramount, due to the accessibility of the social media and the far reach of social media. In 2018 it was asserted that 20 million Nigerians have access to social media while in 2022 the figure rose to 31-40 million. (Statista 2023). With this figure it could be seen that a large number of Nigerians have access to social media. The problems that comes with this social media to national security are enormous from Data safety of individuals, corporation and the Nations to spread of malicious information that can trigger ethnic tussle, religious or inter group conflicts. During the 2019 and 2023 general election social media was used to spread information (positive and negative). Therefore, in most activities of individuals, corporations and groups the use of social media is paramount. National security encompasses a lot of phase, elements or sectors. Information moreover constitutes a great risks to national security, individually and nationally.

Statement of the problem

With the joining of the world together with the presence of technology such as social media has been a blessing to national development, however it constitutes a risk to national security. Despite the economic and social good the social media constitutes, the fragility and volatility that exist between ethnic and religious groups in Nigeria constitutes a large problem to the National security of the country. Agendas and propagandas of mischief and hate are been passed on social media for and against Ethnic groups and religious groups. And the marriage of amalgamation that birthed Nigeria has over the time constituted problems between the various ethnic groups in the country. Ideas of marginalization, segregations, secessions flying around cum ignorance amongst people with access to instruments of violence makes social media unsafe for national security Social media isn't the problem but the people behind it. Therefore, cum the need for social media to be considered a security priority.

Research objectives

The main objective this paper seeks to study is the impact effect of Social media on national security.

2. Literature Review

2.1 Conceptual Issues

Concept of social media/globalization

When we talk about social media and globalization. It can be referred to as the similarity between a mother and a child. Social media is a child born out of globalization. Globalization has been seen to mean different things to different people. Globalization which refers to the expansion of global linkages, the organization of social life on a global scale, and the growth of a global consciousness, hence to the consolidation of world society. More, It encompasses several large processes; definitions differ in what they emphasize. Globalization is historically complex; definitions vary in the particular driving force they identify. The meaning of the term is itself a topic in global discussion; it may refer to “real” processes, ideas that justify them, or to a way of thinking about them.

Ohuabunwa, (1999) once opined: Globalization can be seen as an evolution which is systematically restructuring interactive phases among nations by breaking down barriers in the areas of culture, commerce, communication and several other fields of endeavor. Globalization is conceived as a process of vertical and horizontal integration involving volume of transnational transactions in goods and services, in international capital flows, in human migration and through a rapid and widespread diffusion of technology. The primary mechanism of globalization are said to include internationalization of knowledge, open policies with respect to international trade, removal obstacles to international capital flow and the integration of global market place. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationship between the sovereign nations and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided, Nemedia (2004).

The 21st century has created advanced technological knowledge with the help of Web 2.0 powering SM platforms. Our world today is filled with advanced technological knowledge and skills that have redefined human communication and interaction in modern society. SM can be regarded as a 21st century technological invention and innovation. SM, with its attributes, brings knowledge, skills and events closer to the people and has revolutionized access to information. SM can be defined as internet-based services that allow a person to connect to the general public, to understand what others are doing and thinking, as well as their connections (Trottier and Fuchs, 2014).

Its worthwhile to note that social media and globalization has changed the phase of interaction, information and communication amongst individuals, groups and nations. Globalization has overtime acted as the bridge for the advancement of nation's communication. In fact, a recent study found that social media has helped improve relationships with other countries by making them more transparent. To put it simply, globalization allows gaining information about different cultures by connecting with people from all over the world through social media platforms. This allows us to learn more about one another and decreases stereotyping of other cultures, leading to better relationships

Concept of security/National security

Security can be viewed from many perspectives and prisms but no single definition can lay claim to universality and perfection. In any case, the common element to all definitions of security is that of protection against threats. Security as “the protection of the interests and values of a state or a nation against threats”.

National security focuses priorily on the amassment of the military armament, personnel and expenditure (Ochoche, 1998). However, national security has changed. It has expanded to include international economies, long term goals and reconciliation. These are important elements for the sustenance of a nation's security. Harold Brown US Secretary of defense from 1977 to 1981 in the carter administration enlarged the definition of National security by including element

such as economic and environment security National security then is the ability to preserve the nation's physical integrity and territory to maintain its economic relations with the rest of the world on reasonable terms to preserve its nature, institution and governance from disruption from outside, and to control its borders'..

Also the importance attached to security was well captured in the Nigerian Constitution of 1999-section 14 (2) (b) of the Constitution states that "the security and welfare of the people shall be the primary purpose of government". Invariably therefore the Constitution has saddled the government with the responsibility of safeguarding lives, properties, welfare of Nigerians against both internal and external threats including other forms of danger. (Eme and Onyishi 2011).

2.2 Theoretical Framework

State Fragility Theory

The theory gained prominence from the 1990s onwards and gained further traction after the 9/11 terrorist attacks. The theory was coined by various scholars in the International Development Association (IDA). A fragile state is a low income country characterized by a weak state capacity or weak state legitimacy leaving citizens vulnerable to a range of shocks.

"A fragile state is significantly susceptible to crisis in one or more of its sub systems. It is a state that is particularly vulnerable to internal and external shocks, and domestic and international conflicts. In a fragile state institutional arrangements embody and perhaps preserve the conditions of crisis: in economic terms, this could be institutions that reinforce stagnation or low growth rates or embody extreme inequality (in wealth, in access to land, in access to the means to make a living); in social terms institutions may embody extreme inequality or lack of access altogether to health or education; in political terms institution may entrench exclusionary coalitions in power (in ethnic religious, or perhaps regional terms) or extreme factionalism or significantly fragmented security organizations". (IDAJ vol 6; 2014)

Overtime, the globalization of the world into a global village, also exposed the world into a new form of security threats ranging from individual, corporate and national level. Most states in different parts of the world has been prone or attacked cyber but some states have been able to modify and safeguarding the ICT spaces. However countries of the third world has still been struggling with protecting the ICT space thereby giving rooms for malicious, libelous, injurious spreads of informations between and amongst ethnic groups. Therefore the theory asserts that the reasons for the social media insecurity is because of the fragility of the state.

2.3 Empirical Review

Globalization can be viewed as interdependence, and that 'interdependence is again associated with peace and peace increasingly with democracy'. Globalization takes place amongst nationals, state and non-state actors, individuals acting socially, politically or economically, and ethnic groups. However social media effect individuals, states and groups differently and they are discussed as follows;

Implication of social media on individual security

More, loss of cultural identity has gradually been slipping through as a result of the cultural domination from outside that goes with globalization. African countries are rapidly losing their culture in acceptance of new and foreign culture. And to an extent this affects economy security due to that indigenes prefer to deny and not have anything to do with their culture so they rather patronize every other thing foreign therefore leading to capital flight. These have been further exemplified by scientific and technological forces unleashed by globalization and have facilitated the extinction of the indigenous development of technology and distorting patterns of production in Africa.

Private data loss in a technological world. With social media registration of bio data are important and this necessitate the sharing of personal social and financial information. This poses a risk to individual security in which financial information could be misused. An example of this is the Google anti-trust case in the USA, the Facebook sanctioning in France and other European countries. In recent years, there have been a

number of high-profile cases in which users' private information has been leaked or stolen as a result of using social media (RIIROO 2022). Social media has negatively impacted privacy by enabling people to share personal bio-information with a wider range of audience. Social media platforms like Twitter allow users to make posts available for public viewing, meaning that they can reach a much larger audience in which the individual necessarily do not know or have prior contact with.

Moreover, the sharing of thoughts on these social media application also constitutes a problem for security. The sharing of thoughts have prone some informations to be misused by various individuals either by misinformation or by wrong perception. The freedom associated with social media usage allows the airing of views which most of the time snowballs into affecting psychology, or religious or ethnicity of others.

Social media more often than not has led to certain breaches of privacy. Recent foreign events have affirmed nationals and individual fears about the dangers of sending too much personal information online on social media platforms. For example, a lot of people were thrown into disarray over concerned of revelations that Cambridge Analytica were using Facebook informations of over fifty million users to help them with their political campaigns during Donald Trump's presidential campaign in 2016. More so, Equifax, one of the US' major credit rating agencies announced that hackers had stolen sensitive financial data from over 140 million customers (which would potentially compromise both individual financial and national security). This and many more events shows the uncertainty in the safety of the social media webs.

Effect of social media on ethno-religious national security

Overtime, the insecurity of the nation are been hijacked and moved to the ICT platforms. The fragility of the states towards ethno-religious crisis has moved from physical confrontation to the ICT spaces. Though ethno religious fragility is not wholly situated in Africa alone but also on other continents and country of the world. State fragility, rise of ethnic tensions and

nationalist, religious fundamentalism has contributed to the widespread propaganda of hate and violence in the social media webs. In Asia with the zealousness and idea of islamization and anti-westernization, in Africa Nigeria for example, the marginalization, ethnic loyalty, religious fundamentalism and hegemony are all fundamental issues that has now transcended into the social media.

Propaganda is one of the most efficiently used instrument of warfare and discord. Propaganda is the act of systematically and strategically twisting the minds and will of the people towards a particular course. Social media times without numbers are used as an instrument for the advancement of ill, fundamental, vicious propaganda. Adolf Hitler, modern democratic leaders, have used propaganda to shape the mind of the public in order to make them like or dislike a policy, individual candidates, party etc. (Michael et al., 1989).

Since independence in 1960, the country has struggled to contend the concerns of serious ethno-political and religious challenges. The country had co-existed as a heterogeneous entity since independence, following the colonial amalgamation of 1914 (Adamu and Ochaeni, 2016). This colonial arrangement saw over 500 ethnic groups of people, with the largest including the Igbo, Hausa and Yoruba, who speak more than 1,500 dialects and practice divergent socio-cultural and religious beliefs as well as an estimated population 170 million people, faced with the challenge of peaceful cohabitation (ibid). To date, this scrappy arrangement precipitated an insidious lack of national identity and integration among Nigerians (Adamu and Ochaeni, 2016; Akwara et al., 2013; Ashley, 2007). Accordingly, each ethnic group remains preoccupied with how best not only to identify but express these traditional distinctiveness within Nigeria, which culminated into huge security challenges manifesting in various religious, ethnic and political conflicts across the nation for many years (Akwara et al., 2013). To this end, Nigeria brawls to subsist under this array of herculean security challenges as a political entity. Unfortunately, national security as a very fundamental aspect of governance in Nigeria remains progressively vulnerable under consistently threatened national existence and cohabitation.

Moreover, the contemporary Nigerian security challenges stem from a plethora of national queries bordering on ethnic, religious, socio-political and cultural issues. More specifically, the BH Islamic sect, the militia from the oil-rich Niger Delta, the renewed clamor for secession in the south-eastern part of Nigeria, initially from the Movement for the Actualization of Sovereign State of Biafra (MASSOB) and recently from the Indigenous People of Biafra (IPOB) as well as the Fulani herdsmen killings across the country (Akov, 2017; Adamu and Ochaeni, 2016; Ezemenaka and Prouza, 2016; Ani and Onyebukwa, 2016; Badiora, 2015; Ogedebe and Jacob, 2012), are at the crux of Nigerian security challenges contemporarily. Consequently, the country has consistently grappled with various levels of ethnic, religious, socio-political and cultural security challenges. By extension, the contiguous upshots of the activities of these groups precipitated the incessant spate of instability, destabilization and wanton destruction of lives and property in Nigeria today.

Despite all the goods social media plays for the good of the people, the social media space seems to have been hijacked by people who have interest to propagate, agendas, propaganda and have things to gain from instability and crisis. Therefore social media has some effects on the national security which includes

- I. Ethno religious tensions
- II. Civil disorderliness and war
- III. Stalling of economic activities

Social media has always been the wingman of riots, terrorist group recruitment, terrorism, gang glorification, attack encouragement and the spread of violence in the world. Negativity is in every nook and cranny of the internet. People show of their talents on platforms like YouTube and Instagram in hopes of

finding a tad of fame. Relationships are formed on the ground of the internet. These are some of the many representations of social media in our minds. But many people are using it for malicious and dangerous acts. Activists make connections with each other, slowly binding the amplification of their voices to coordinate actions against the government and law enforcement. Many people make their side of the story heard and change the world in the process. The 2011 Arab spring and the 2011 London riots are two of these controversial yet powerful examples of how national security is being greatly impacted by social media. (Salik and Iqbal, 2019). "Many terrorist groups nowadays have taken advantage of social media. They are misusing it in all means possible. They use social media to communicate with other cyber-crime groups and manage with them illegal fundraising activities like illegal drug trafficking and smuggling" (Theohary and Rollins, 2011). History is proof of how terrorist groups use social media to spread violence and negativity in the world. The terrorists associated with al-Qaeda have always used the internet to spread propaganda about various things about themselves

3. Research Methodology

The research seeks to study the impact effect of social media on national security therefore a primary research method whereby thematic descriptive analysis is done to analyze the effect of social media on national security.

4. Results and Discussion

After a duly carried out survey was conducted, the research questions answered showed the following

Table 1: Distribution of respondents by Age range

	Frequency	Percent	Valid Percent	Cumulative Percent
20-30	54	58.7	58.7	58.7
Valid 31-40	31	33.7	33.7	92.4
41-50	5	5.4	5.4	97.8

51-60	2	2.2	2.2	100.0
Total	92	100.0	100.0	

Source: Field Survey, August, 2023 (Using SPSS)

Table 2: Distribution of respondents by Qualification

	Frequency	Percent	Valid Percent	Cumulative Percent
OND/HND	15	16.3	16.3	16.3
B.Sc	58	62.0	62.0	78.3
M.Sc/MBA	10	10.9	10.9	89.1
Ph.D	7	7.6	7.6	96.7
Other	27	3.3	3.3	100.0
Total	92	100.0	100.0	

Source: Field Survey, August, 2023 (Using SPSS)

Table 3: RQ1: Ethnic issues are positively resolved on social media

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	4	4.3	4.3	4.3
Neutral	4	4.3	4.3	8.7
Agree	23	25.0	25.0	33.7
Strongly Agree	61	66.3	66.3	100.0
Total	92	100.0	100.0	

Source: Field Survey, August, 2023 (Using SPSS)

Table 4: RQ2: Religious fundamentalism are one of the root cause of ethno religious volatility

	Frequency	Percent	Valid Percent	Cumulative Percent
Neutral	2	2.2	2.2	2.2
Agree	28	30.4	30.4	32.6
Strongly Agree	62	67.4	67.4	100.0
Total	92	100.0	100.0	

Source: Field Survey, August, 2023 (Using SPSS)

Table 5: RQ3: There are positive impacts of social media on national security?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	16	17.4	17.4	17.4
	Agree	38	41.3	41.3	58.7
	Strongly Agree	38	41.3	41.3	100.0
	Total	92	100.0	100.0	

Source: Field Survey, August, 2023 (Using SPSS)

4.1 Discussions of Major Finding

The social media applications is an interactive platforms where information and opinion are shared, marketing and advertisement of goods, political socialization and propaganda and a lot more various activities takes place. The research showed that Nigerians are exposed to various types and forms of social media application and discussion. The commonality of social media and networking websites in Nigeria indicates that social media have become an integral part of Nigerian ways of life. The research question 1 showed that majority of the respondents disagreed with the notion that ethnic issues discussed online are being resolved. This shows that when discussion of ethnicity are being discussed crisis usually expounds more than resolutions. The Igbo massacre of 1966, the Yoruba-Hausa disturbances in Lagos, the Yoruba-Igbo disturbance in Lagos over Lagos being a no man's land etc.

The research question 2 showed that majority of the respondent agreed that religious fundamentalism are one of the debatable issues on social media which causes religious volatility. The believe and notion of superiority of ones religion over others has been a continuing issues in Nigeria socio-polity issues of religious crisis took place in Abuja 2000, Jos in 2001 were riots between Christian Muslims ensued as a result of appointment of Muslim politician as local coordinator of the federal programmes to fight poverty. Another such riots killed over 100 people in October 2002 in Kano state.

The research question 3 shows that majority of respondents positively agrees to the notions that social media has positive impacts on national security. Over time informations have been passed on social media which has actually helped security agencies in curtailing security crisis in the nation. Tips on crimes have been passed online, petitions against individuals also have been raised online thereby helping in curtailing crimes. However, the study also indicated that social media can be used to impact national security negatively. It was observed that social media are always used to disseminate false information about the security issues in Nigeria. Therefore, it can be used to send negative signals on the security issues that might even deceive the security agencies in the management of the crises and violence in Nigeria.

The findings reveals that social media indeed is negatively used in spreading false and malicious informations,, libels, propaganda, cyber terrorism, disinformation campaigns, cyber warfare, terrorism and hybrid warfare etc. and more so, social media is used for positive actions and goods. Due to the fact that there are no restrictions on social interactions on these networking website, any group or individuals may likely use the social media to propagate as well as instigate crises and conflicts among people. This study also showed that terrorist groups always display their activities through social media just like BH insurgents, Al-Qeada insurgents live streaming their killings.

5. Conclusion and Recommendations

The growing challenge of security in Nigeria is of concern to all and every effort are geared towards

combating this challenge because the issue of national security is a fundamental issue in national and international discourses. The social media, on the other hand, is a principal player in the arena of national security

Globalization has tremendously effected the political, social, economic way of life of the global world. The connectedness between and amongst individuals, nationals and corporation has led to the widespread of development, increased help, promote international relations and so on, however the other side of the social media on national security, individual security is the bone of contention. The various social media applications have created a loophole on ethno religious relations. Though most of the ethno-religious crisis existed before the social media apps, however it has escalated the crisis and thus has created a volatility amongst social interactions that can cause an escalated ethno religious crisis. Nigeria's national security encompasses the protection of the lives, rights, dignity and property of its citizens (Ibagere, 2010). It is also freedom from danger or threats to a nation's stability to protect itself, promote its cherished values and legitimate interest, and enhance the well-being of its people

Social media applications are not the major problems or cause of ethno religious crisis, but the individual users behind the applications. The ethno religious crisis in Nigeria needs to be addressed. The bane of the issue is marginalization, regional dominance over others, lopsided employment and appointment into government seats, uneven development, religious fundamentalism, religious suppression etc. therefore,

this are the fundamental issues the government needs to resolves in other for all round good.

More so, the social media application has served as the watchdog and the link for the individual citizens to air their view. The fastest and only link between the citizens and the government shouldn't be the social media application. The government needs to be closer to the citizens in responses and communications of opinions, views and issues of concern. In present day Nigeria, the social media has been used as the police and call to help for average citizens. The government needs to be active and proactive towards the security of the state. Therefore a bi-monthly, weekly or annual forum of citizens meeting the government should be created. The citizens should have a better forum whereby salient issues will be communicated and discussed, the social media shouldn't be the only forum. A conventional and direct link between the government and its citizens needs to be created.

A rigorous and updated social media protection act needs to be created by the national Assembly. Though social media has its advantage, the National assembly needs to protect the use, the creations and transfer of informations in the social media act. More so, an agency which will fully be responsible for social media should be created under the Ministry of Information and Communication. Government should always checkmate the activities and social interactions in all the networking sites in Nigeria. The Military and all other security agencies should endeavor to check the social media regularly for any updates that may affect national security. Lastly intelligence is key for maintain a stable and secured social media.

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IMPACT OF RELIGION AND CULTURE ON FINANCIAL INCLUSION IN KATSINA STATE, NIGERIA

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Abstract

The study examines the impact of religion and culture on financial inclusion in Katsina state, Nigeria. The study employed a cross-sectional survey method to collect primary data from a sample of 450 unbanked adults. Systematic and stratified random sampling techniques were used to draw the sample from nine distinct local government areas, distributed across the three senatorial zones within the state. The collected data were analyzed using the descriptive statistics and logistic regression approach. The results indicate that religious and cultural factors exhibit a detrimental influence on financial inclusion in the study area. These findings suggest that individuals' adherence to religious beliefs and cultural norms hinder their engagement with financial services and inclusion initiatives. In light of these findings, the study recommends a tailored financial literacy programs that acknowledge and accommodate the specific religious and cultural contexts of the people in Katsina state. Such initiatives could help alleviate the negative impact of these factors on financial inclusion. Additionally, collaboration among financial institutions, policymakers, and community leaders becomes imperative. By working together, they can formulate strategies that address these hindrances while respecting the values and practices inherent in the religious and cultural fabric of the people in the state.

Keywords: Culture, Financial Inclusion, Logistic Regression, Religion

1. Introduction

Financial exclusion is a global challenge that disproportionately affects individuals primarily residing in developing nations. According to the World Bank's data, the world had approximately 1.4 billion unbanked adults in 2021, constituting 31.5% of the global adult population lacking access to banking services. Developing countries shoulder the majority of this burden, with around 70% of unbanked adults residing within their borders (World Bank, 2021). Nigeria specifically stands out as the possessor of the fifth largest unbanked population globally, with an estimated 64 million adults lacking access to banking facilities. This translates to a significant 36% of Nigeria's adult population being excluded from formal financial services (World Bank, 2021).

There are many factors that contribute to financial exclusion, including poverty, inadequate financial literacy, limited access to financial services, and gender

disparities. Nevertheless, religion and culture can also exert a significant influence. One of the prevailing impediments to achieving financial inclusion objectives, particularly in societies with a substantial Muslim population, is the concept of interest (Mustafa and Adebayo, 2015; Mustafa et al., 2018). The presence of interest-based transactions within conventional banking systems serves as a determinant that renders financial inclusion elusive for Muslims, as interest is explicitly prohibited within the framework of their religion, Islam (Brekke, 2018). The essence of the Islamic financial system lies in its steadfast prohibition of engaging in fixed or predetermined returns on financial dealings, as such practices are deemed unjust or exploitative. Consequently, a noteworthy proportion of financially underserved adults in emerging economies originate from nations predominantly influenced by the Islamic faith (Iqbal and Mirakhor, 2012).

In Nigeria, a substantial number of Muslims residing primarily in Northern and South-Western regions remain unbanked, not due to poverty or unfamiliarity with modern banking practices, but rather due to their aversion to interest (Mustafa and Adebayo, 2015). Furthermore, Zauro et al. (2017b) contend that the depth of religiosity significantly contributes to the voluntary choice of financial self-exclusion. Correspondingly, Beg and Mullick (2016) assert that religious barriers can pose substantial hurdles to the effective implementation of financial inclusion strategies, warranting the creation of products aligned with the principles of Islamic Finance. Thus, in line with this perspective, Mustafa et al. (2018) advocate for the provision of Islamic financial alternatives alongside conventional ones in Nigeria, given the predominant Muslim population, as a means to attain the nation's financial inclusion objectives.

Cultural norms and values also play a pivotal role in shaping financial inclusion dynamics. For instance, distinct cultural practices and beliefs can influence individuals' perceptions and interactions with financial services. In the context of Nigeria, where diverse ethnic groups coexist, traditional norms can foster a preference for informal community-based financial arrangements over formal banking systems. Aliyu and Yusuf (2019) highlight that certain cultural norm, such as communal trust systems and mutual assistance arrangements, can discourage individuals from engaging with formal financial institutions. Similarly, Odozi (2018) underscores the significance of cultural affinity and trust in influencing financial behavior, suggesting that culturally sensitive financial products could bridge the gap between traditional practices and modern banking systems. This underscores the necessity of developing financial solutions that resonate with cultural values, fostering a sense of familiarity and trust that encourages greater financial inclusion among diverse segments of the population.

It is based on the background above that the objective of this study is to establish whether or not religious and cultural factors are impediment toward reducing the financial exclusion rate in Katsina state, Nigeria. The remaining sections of the paper are four. Section 2 is an empirical literature review. Section 3 is the methodology. Section 4 is where the findings of the

study are presented and discussed. Section 5 is the conclusion and recommendations of the paper.

2. Literature Review

2.1 Empirical Review

This section presents a review of existing studies that have investigated the impact of religious and cultural elements on financial inclusion. Starting with the work of Sain and Rahman (2013), they conducted research about the status and reasons for financial exclusion of the Muslim community living in Australia. The study reported that as of 2011, Australia's Muslim population, which was derived from 70 different countries, reached 476,300 or 2.25% of the total population. However, the study found a proportion of Muslims were excluded from financial services due to the limited number of Islam-compliant financial services. In regard to this situation, the study revealed conventional banking and financial services contained haram (prohibitory factors) such as *riba* (usury and/or interest), *maysir* (gambling), and *gharar* (uncertain factors). The author of the study concluded that this exclusion would prevent the Australian financial sector from achieving its optimal outcomes.

Similarly, Demirgüç-Kunt et al. (2015) showed that Muslims have fewer bank accounts than non-Muslims based on research of 65,000 adults from 64 economies. However, they did not find any difference between Muslims and non-Muslims with regards to formal or informal borrowing. Accordingly, this research implied that the attitudes of Muslims toward financial exclusion depended on the nature of the financial services available.

Naceur et al. (2015) indicated that OIC countries tend to be voluntarily financially excluded because of religious reasons, despite a rapid increase in access to financial services. In concurrence with the World Bank (2014), they showed that Islamic banking in OIC countries contributed to an enhancement in financial inclusion. Furthermore, despite a tentative and weak link between credit to households and firms for financing investment, it had a positive effect on financial inclusion.

Umar et al. (2019) examine whether religion (interest) is an impediment to Nigeria's financial inclusion targets. He collected data through semi-structured interviews and documentary evidence. Thematic analysis was used to analyze the interview responses. It was found that all the Central Bank of Nigeria (CBN) programs that contribute toward achieving financial inclusion are interest-based ones. Further, none of the programs provide a non-interest window except Commercial Agricultural Credit Schemes (CACS). Even the CACS is not fully Shari'ah compliant, as it requires further modification. Despite the fact that interest is condemned in Islam, a majority of Muslims have been found to be accessing interest-based funds. Hence, interest is not a factor that hinders the achievement of reducing Nigeria's financial exclusion rate to 20 per cent by the year 2020.

Kim, et al. (2020) investigated the impact of religious and social inequality factors on financial inclusion in 152 countries including 48 OIC countries. The authors employed ordinary least square (OLS) estimation technique and the results show that religious factors have obvious effect on determination of financial inclusion. The study also found that social inequality factors, such as gender inequality, education level, and social opportunity level, work as determinants of financial inclusion.

Ozili et al. (2023) examined the effect of financial inclusion on economic growth in religious and secular countries. The financial inclusion indicators used are the number of ATMs per 100,000 adults and the number of bank branches per 100,000 adults. The findings reveal that bank branch contraction significantly increases economic growth in secular countries. Bank branch expansion combined with greater internet usage increases economic growth in secular countries.

In the specific context of Nigeria, David et al. (2018) examined the determinants of financial inclusion in Nigeria using a time series data for the period of 1990 to 2016. The study employed Error Correction Model (ECM). The estimated result revealed a positive and significant relationship between the financial inclusion and the proposed variables. Specifically, the higher a country's GDP per capital, the more the financial inclusion in their financial system.

Similarly, Abdullahi et al. (2021) examine the determinants of intention to adopt Islamic microfinance among prospective customers in Nigeria, to enhance access to formal financial services. The quantitative approach is used and the data was analyzed using analysis of moment structures (structural equation modeling). Results showed the intention toward the adoption of Islamic microfinance is high in Nigeria. In total, 8 of the 10 study hypotheses were supported, out of which attitude; subjective norm and perceived behavioral control were found to have a positive and significant influence on the behavioral intention to adopt Islamic microfinance.

The existing body of research lacks investigations conducted within Katsina state, specifically addressing the influence of religious and cultural factors as barriers to financial inclusion. Consequently, there is an evident gap in the literature that this study seeks to address by examining and elucidating the impact of these factors on financial inclusion within the unique context of Katsina state.

3. Methodology

This section provides an overview of the study's methodology, detailing its research design, population and sample of the study, variables measurement, data collection procedures, and method of data analysis.

3.1 Research Design

This study employs a quantitative research design, collecting and analyzing primary quantitative data to draw conclusions about the determinants of financial inclusion in Katsina State, Nigeria. It specifically focuses on the religious and cultural factors and their effect on determining financial inclusion the state. A cross-sectional survey method is utilized to gather data from a sample of 450 respondents.

3.2 Population of the Study

The population of this study is determined based on the data by National Financial Inclusion Strategy (NFIS) document released by the Central Bank of Nigeria (CBN, 2022). According to this data, there are 2,268,000 unbanked adults residing in Katsina state. This implies that, out of 3,606,000 adults, about 2,268,000 persons are excluded from financial services in the state. Therefore, the population of this study

comprises of all the financially excluded adults in Katsina state which are 2,268,000 as identified by CBN (2022).

3.3 Sample Size and Sampling Technique

Sample is the sub-set or part of population from which information is collected. In this study, Yamane (1967) formula for sample size determination was adopted to arrive at a sample of 400 respondents. This was calculated as follows:

$$n = \frac{N}{1 + N(e)^2} = \frac{2268000}{1 + 2268000(0.05)^2} = 399.929 \approx 400$$

Where: n is the sample size, N is the population of the study; e is the level of precision/significance which is (0.05) 5% confidence level. The author feared that the level of response may not be adequate, hence, an allowance of 50 extra representative sample was added to get a round figure of 450. Therefore, the optimal sample size is 450 respondents.

To draw this sample, stratified random sampling technique is used. This is one of the probability sampling techniques that involve the division of a population into smaller sub-groups known as strata. The sampling and a share of the overall sample was then randomly selected from each stratum. This offers each of the respondents in the population an equal chance of selection and fair representation as well as a basis for generalization.

The 34 LGAs of Katsina state were divided into three strata (i.e.: three, 3 senatorial zones: Katsina, Daura & Funtua). The first stage in the sampling technique is the selection of 3 local governments from each of the 3 senatorial zones in the state. The second stage is the selection of 10 localities (communities) from each of the selected local government. The selection is based on proximity of the community, security situation and accessibility etc. The last stage is the random selection of five respondents from each of the 10 selected localities (communities). After determining the sample size and sampling technique, the next thing is the selection of method of data collection from pre-determined sample of respondents.

3.4 Method of Data Collection

Structured questionnaire was employed as an instrument of data collection. The instrument is

administered to the respondents (i.e.: unbanked adults) by enumerators. Similarly, to ease the process of data collection and to avoid missing information, this study used computer designed digital questionnaire in the form of Open Data Kit (ODK). The ODK Collect App is a free, open-source suite of tools that allows data collection using Android mobile devices and data submission to an online server, even without an internet connection or mobile carrier service at the time of data collection.

The instrument comprises two sections: background information of the respondents and 15 items on religion and culture. 4 points-Likert Scale ranging from ‘‘Yes, No, Don’t Know and Refused’’ were used to measure the variables. The respondents were asked to indicate if one or more barriers listed in data collection instrument (questionnaire) influences their decision not to open a bank account.

3.5 Method of Data Analysis

Two main analyses were performed on the collected data: the descriptive statistics analysis and the logistic regression analysis. These analyses were conducted using Stata 17 Software. Logistic regression is a statistical analysis method to predict a binary outcome, such as yes or no; financially included or financially excluded based on prior observations of a data set. Hence, this study employed a logistic regression to predict whether an adult in the study area will open account or not if religious and cultural financial inclusion barriers have removed. The general form for the binary logistic model is:

Where indicates a link function. The stepwise selection option is applied; the likelihood ratio test is performed to test the significance of the models’ coefficients. The fitted model is plotted, and predictions are generated from the specified model. Usually, residuals are identified and modelled.

This study employed logistic regression approach in order to estimate the models and test the hypotheses of the research study. Potrich et al. (2015) suggests that logistic model is a good discrete choice model/tool that can adequately be used to analyse the determinants of

financial inclusion based on the choices available to the individual.

4. Results and Discussion

This section presents and discusses the results from the empirical analysis of the data. It includes a summary of the respondents' background information, descriptive statistics on the barriers to financial inclusion and logistic regression analysis. Table 1 provides the background information of the respondents.

4.1: Background Information of the Respondents

The background information of the respondents was presented in Table 1. The table illustrates the attributes of the respondents. It provides information on different

aspects such as age groups, educational qualification, gender, and marital status, number of dependents, religion, employment status, and occupation.

The results presented in Table 1 depict the distribution of respondents across different age groups. About a quarter (24%) of respondents are between the ages of 18 and 25; a larger portion (36%) belongs to the 26 to 35 age group; 26.67% fall within the 36 to 45 age range; conversely, the smallest fraction (3.56%) is aged 55 and above. Moreover, the table illustrates the educational level of the respondents. The majority (37.56%) possesses an informal education; 15.56% have attained primary education; 10.66% have acquired a secondary education; and a notable 36.22% have received vocational training.

Table 1: Background Information of the Respondents

Age Group	Frequency	Percentage	Education	Frequency	Percentage
18 - 25	108	24.00	Informal	169	37.56
26 - 35	162	36.00	Primary	70	15.56
36 - 45	120	26.67	Secondary	48	10.66
46 - 55	44	9.78	Vocational	163	36.22
55 and above	16	3.56			
Total	450	100.00	Total	450	100.00
Gender			Marital Status		
Male	414	92.00	Married	329	73.11
Female	36	8.00	Single	121	26.89
Total	450	100.00	Total	450	100.00
Religion			Employment		
Islam	411	91.33	Unemployed	66	14.67
Christianity	39	8.67	Self-Employed	384	85.33
Total	450	100.00	Total	450	100.00
No. of dependents			Occupation		
1	81	18.00	Agriculture	252	56.00
2	60	13.33	Artisan	48	10.67
3	80	17.78	Transportation	18	4.00
4	66	14.67	Trader	66	14.67
5	68	15.11	construction	16	3.56
More than 5	95	21.11	others	50	11.11
Total	450	100.00	Total	450	100.00

Source: Authors' Computation (2023)

Table 1 also furnishes insights into the gender composition and marital statuses of the respondents. The male segment accounts for the predominant share (92%), while the female segment represents a mere 8%. In terms of marital status, a significant majority (73.11%) are married, and the remainder (26.89%) are single. Similarly, the table provides data regarding the

religious affiliations and employment situations of the respondents. A substantial majority (91.33%) adhere to Islam, while a smaller proportion (8.67%) identify with Christianity. In relation to employment, a notable 85.33% are self-employed, while 14.67% are unemployed.

Furthermore, the results outline the number of dependents each respondent supports. Approximately 18% have a single dependent; 13.33% are responsible for two dependents; 17.78% support three dependents; 14.67% are responsible for four dependents; 15.11% have five dependents; and a considerable 21.11% have more than five dependents. Lastly, the table delineates the occupational distribution of the respondents. The largest segment (56%) is engaged in agriculture; 10.67% pursue artisanal work; 4% are employed in the transportation sector; 14.67% are active as traders; 3.56% are involved in construction; and 11.11% pursue other diverse occupations.

In general, the background information of the respondents reveals the diverse attributes of the unbanked adults (respondents), which effectively minimize the likelihood of any significant bias. This comprehensive overview of respondents' characteristics holds immense significance as it allows for a better interpretation of subsequent analyses. To obtain an initial understanding of the impact of religious and

cultural factors on financial inclusion within Katsina state, a descriptive statistical analysis is performed, and the results are displayed in Table 2 in the next section.

4.2 Religious and Cultural Factors as Barriers to Financial Inclusion in Katsina state

Religion and culture are important barriers to financial inclusion in Katsina state. Most of the respondents cited factors related to religion and culture as one of the reasons forced them to remain financially excluded. For instance, the result in table 2 show that 345 (76.67%) of the unbanked adults in the study area (Katsina state) did not open account because they consider banking to be against their religion. Specifically, 76.17 percent of the unbanked adults in the study area said that they did not open account because of the interest or usury in the conventional banks. In the same vein, 76.89 percent failed to open account because religious scholars in their locality preach against it. Therefore, 82.85 percent said they did not open account due to failure of conventional banks to operate in consistent with their religious belief.

Table 2: Religion and Culture as Barrier to Financial Inclusion

Barriers to financial inclusion	Frequency	Percentage
Considering banking to be against religion	345	76.67
Interest or usury in the conventional banks	342	76.17
Preaching against banking by religious scholars	346	76.89
Failure of some banks to operate in consistent with religious belief	372	82.85
Lack of encouragement from family and friends	371	82.81
Do not have somebody that can assist in processing bank transaction	412	91.76
Saving and borrowing from trusted person	384	85.52
Family member already has an account	385	85.75
Occupation don't require that	337	75.06
People hold with high esteem in the locality not open account as an indication of cultural approval	396	88.39
Medium of communication in the bank is not in local language	386	85.97
Advertisements of the banks are made in English language	417	92.87
The existing bank not established based on cultural values or local people establish one	365	81.11
Banks staff don't display the cultural values in their operations	152	33.78
Dress code and appearance of the bank staff violates the culture	125	27.78

Source: Author's Computation (2023)

Moreover, other unbanked adults' respondents (91.76%) failed to open account because they do not have somebody that can assist them in processing bank transaction. Among unbanked adults' respondents, 85.52 percent reported that they did not open account because they can save and borrow from trusted person. While, 85.75 percent respondents said they did not open

account because family member already has an account that they can use if the need arise. Similarly, 75.06 percent adults without bank account said that their occupation don't require the bank account that is why they failed to open one.

Among cultural reasons prevented unbanked adults from opening account is that the people they hold with

high esteem in the locality not open account as an indication of cultural approval. This reason was cited by 88.39% of the respondents. Other respondents (85.97%) said that they did not open account because the medium of communication in the bank is not in local language that they can understand. In the same vein, 92.87 percent of the respondents failed to open account because the advertisements of the banks are made in English language. Yet, 81.11 percent of the unbanked adults in the study area (Katsina state) failed to open account because the existing bank not established based on their cultural values or local people establish one. Similarly, 33.78 percent of the respondents have the view that banks staff don't display the cultural values in their operations that is why they did not open account at a bank. Dress code and appearance of the bank staff is a greater barrier to financial inclusion in Katsina state. More than one-fourth (27.78%) of the respondents cited this as one reason prevented them from opening account at a bank and remain among unbanked population.

Table 3. Model Reliability Test Result

Model	Cronbach's Alpha	Variables	Observation	Interpretation
Religion and Culture	0.912	15	450	Excellent

Source: Author's Computation (2023)

Table 3 present the reliability test result of this study. The result, show that the model has acceptable Cronbach's alpha value. The Cronbach's alpha value of the model reliability test was 0.912, representing excellent reliability. This high value underscores the internal consistency and stability of the model's measurements, implying that the variables included in the analysis are reliably capturing the intended construct.

4.4 Logistic Regression Results: Impact of Religion and Culture on Financial Inclusion

In this section, an investigation was conducted to ascertain whether religious and cultural factors have an adverse impact on financial inclusion and contribute to the decision-making process of respondents regarding the opening of bank accounts. This exploration encompassed an analysis of respondents' religious motivations and cultural values.

4.4.1 Impact of Religious Factors on Financial Inclusion

This section examined if religion influences the decision of the respondent not to open a bank account.

After presentation of the data which described the demographic information of the respondents and the summary of descriptive statistics on the barriers (determinants) to financial inclusion in Katsina state Nigeria, the next section analyzed the data using logistic regression and interpreted the findings accordingly. However, Models reliability tests were conducted first and the results presented below.

4.3 Reliability Test Results

Prior to conducting any statistical analysis on primary data, it is essential to check the reliability of the collected data. Reliability refers to the degree to which a given measurement procedure will give the same description of that phenomenon if that measurement is repeated. It concerns whether a particular technique will yield the same result always if repeatedly applied to the same object. Therefore, before using logistic regression analysis, reliability test was conducted and the result presented in table 3.

It has 4 items as shown in table 4. The results of the logistic regression analysis, aiming to elucidate the impact of religious factors on financial inclusion, specifically in terms of owning a bank account. The dependent variable in focus is "Financial Inclusion," which represented by the ownership of a bank account. The results revealed that the religious believe of considering banking to be against religion is the significant factor affecting financial inclusion penetration in the study area (Katsina state). A one-unit increase in considering banking to be against one's religious beliefs is associated with 66.3% higher odds of not owning a bank account. The p-value (0.073) indicates a marginally significant relationship. Similarly, Interest or usury in the conventional banks is also another significant factor affecting financial inclusion in Katsina state Nigeria. A one-unit increase in concerns related to interest or usury in conventional banks corresponds to 48.7% higher odds of not owning a bank account. The low p-value (0.003) suggests a significant association.

Table 4: Logistic Regression Results: Religion as Determinant of Financial Inclusion

Dependent Variable: Financial Inclusion (Ownership of Bank Account)				
Regressors	Odss Ratio	Std. Err.	t-stat.	Prob.
Considering banking to be against religion	1.663	0.471	1.800	0.073
Interest or usury in the conventional banks	1.4871	0.433	1.360	0.003
Preaching against banking by religious scholars	1.354	0.409	1.000	0.053
Failure of some banks to operate in consistent with religious belief	1.229	0.387	0.660	0.000
Number of Observations	445			
Pseudo R ²	0.0258			
Log likelihood	--181.980			

Source: Author's computation (2023).

In the same vein, preaching against banking by some religious scholars and failure of some banks to operate in consistent with religious belief are found to be statistically significant factors affecting financial inclusion (ownership of bank account) in Katsina state, Nigeria. An increase in concerns arising from preaching against banking by religious scholars results in 35.4% higher odds of not having a bank account. While the p-value (0.053) is slightly above the conventional significance level of 0.05, it still indicates a notable trend. In addition, the odds of not owning a bank account increase by 22.9% with a one-unit increase in the perception that certain banks do not adhere to religious beliefs. The p-value (0.000) is considerably low, indicating a significant relationship.

These results collectively suggest that religious factors indeed play a role in influencing individuals' decisions regarding bank account ownership. Notably, concerns related to interest/usury and the alignment of banking practices with religious beliefs appears to have a more pronounced impact on financial inclusion. This finding aligns with the hypothesis posited in this study and substantiates the conclusions drawn by David et al. (2018) and Abdullahi et al. (2021). These earlier studies similarly uncovered that religious considerations impede financial inclusion in Nigeria. They also put forth the recommendation of bolstering financial inclusion by embracing Islamic microfinance approaches.

4.4.2 Impact of Cultural Norms and Values on Financial Inclusion:

This section examined if cultural norms and values influences the decision of the respondent not to open a

bank account. It has 3 items as shown in table 5. The results of the logistic regression analysis, focusing on norms and values as determinants of financial inclusion, specifically concerning the ownership of bank accounts. The dependent variable is "Financial Inclusion," denoting whether individuals own a bank account or not. The results show that the respondents have the view that the existing bank not established based on cultural values or local people establish one. A one-unit increase in the perception that an existing bank is not founded on cultural values or that local individuals establish a bank is associated with a 6.6% decrease in the odds of not owning a bank account. The p-value (0.027) indicates a statistically significant relationship. Another factor is that, the banks staff don't display the cultural values in their operations, that is why they did not open account at a bank. A one-unit increase in concerns regarding bank staff not reflecting cultural values in their operations corresponds to an 11.9% increase in the odds of not having a bank account. The low p-value (0.001) signifies a significant. Dress code and appearance of the bank staff is a greater barrier to financial inclusion in Katsina state. Most of the respondents cited this as one reason prevented them from opening account at a bank and remain among unbanked population. An increase in worries related to the dress code and appearance of bank staff contravening cultural norms results in an 11.7% increase in the odds of not owning a bank account. The p-value (0.017) indicates a statistically significant relationship.

Table 5: Logistic Regression Results: Norms and Values as Determinant of Financial Inclusion

Dependent Variable: Financial Inclusion (Ownership of Bank Account)				
Regressors	Odss Ratio	Std. Err.	t-stat.	Prob.
The existing bank not established based on cultural values or local people establish one	0.934	0.418	-0.150	0.027
Banks staff don't display the cultural values in their operations	1.119	0.369	0.337	0.001
Dress code and appearance of the bank staff violates the culture	1.117	0.299	-0.532	0.017
Number of Observations	447			
Pseudo R ²	0.001			
Log likelihood	-185.177			

Source: Author's Computation (2023).

These findings collectively indicate that cultural norms and values indeed play a role in influencing individuals' decisions concerning bank account ownership. Particularly, concerns related to banks aligning with cultural values and staff adherence to cultural norms seem to have notable implications for financial inclusion.

This finding concurs with the hypothesis posited within this research and provides further support for the conclusions reached by David et al. (2018) and Abdullahi et al. (2021). These preceding studies similarly highlighted that concerns pertaining to cultural norms and values act as hindrances to financial inclusion in the Nigerian context. Moreover, they proposed the augmentation of financial inclusion through the implementation of tailored strategies that accommodate and integrate local cultural norms and values. This emphasizes the need for financial institutions to align their practices with the cultural fabric of the region to enhance the accessibility and adoption of financial services among the population.

5. Conclusion and Recommendations

In conclusion, this study investigated the influence of religion and culture on financial inclusion within Katsina state, Nigeria. Employing a cross-sectional survey methodology, primary data was gathered from a sample of 450 unbanked adults, spanning nine distinct local government areas distributed across the state's three senatorial zones. Through the application of descriptive statistics and the logistic regression approach, the study uncovered noteworthy insights.

The results unequivocally demonstrate that religious and cultural considerations exert a detrimental impact

on financial inclusion within Katsina state. It is evident that individuals' adherence to religious beliefs and cultural norms can impede their active engagement with financial services and inclusive initiatives, subsequently hindering their financial inclusion prospects.

In light of these findings, several recommendations emerge. Foremost, there arises an imperative need for the development and implementation of customized financial literacy programs that seamlessly align with the unique religious and cultural contexts of Katsina state. Such initiatives hold the potential to alleviate the adverse repercussions of these factors on financial inclusion, fostering a more receptive environment for financial participation among the population.

Furthermore, a collaborative approach involving financial institutions, policymakers, and community leaders is of utmost importance. By collaboration, these stakeholders can devise comprehensive strategies that effectively address the challenges posed by religious and cultural considerations. It is paramount that these strategies are designed to surmount these obstacles while remaining sensitive to the deeply ingrained values and practices within the state's religious and cultural fabric.

In essence, by heeding to these recommendations, Katsina state can pave the way toward enhancing financial inclusion. This journey requires a concerted effort to harmonize financial services with the religious and cultural tapestry of the state, fostering an environment where individuals are empowered to participate fully in the realm of financial services and opportunities.

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DETERMINANTS OF ENVIRONMENTAL DISCLOSURE OF LISTED OIL AND GAS FIRMS IN NIGERIA: THE MODERATING EFFECT OF BOARD INDEPENDENCE

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Abstract

The study examines the Determinants of Environmental Disclosure of listed Oil and Gas firms in Nigeria: The moderating effect of Board Independence. To achieve this, panel data were extracted and used from the listed firms in the Nigerian Exchange for a period of ten (10) years from (2013-2022). Both correlation and ex-post facto design were adopted, while the ordinary least squares multiple regression was employed as technique of data analysis. The study found insignificant moderating impact between return on assets and environmental disclosure of listed oil and gas firms in Nigeria. Meanwhile, board independence significantly moderates the relationship between Firm Size and environmental disclosure of listed oil and gas firms in Nigeria. Board independence found negative significant moderating impact on relationship between Leverage and environmental disclosure of listed oil and gas firms in Nigeria. Whereby, board independence significantly moderates the relationship between foreign ownership and environmental disclosure of listed oil and gas firms in Nigeria. In view of the findings, the study recommends that the regulatory authorities, Nigeria exchange (NGX) need to come up with standardized benchmarks, policies and a legal framework that would compel/guide firms to participate in environmental information disclosure in their annual reports and the use of Global Reporting Initiative (GRI) to be considered as the most acceptable standard for measuring environmental disclosure index in Nigeria.

Keywords: Environmental Disclosure, Global Reporting Initiative

1. Introduction

Today, business firms are becoming cautiously aware of their functional responsibilities in the operating environment, resulting in the development of social and environmental reporting. The global expectation concerning the disclosure of corporate environmental management information was to an extent correspond to the ratio of the implications of their operations to the mother environment, (Ezilarasi & Kabra, 2017; Jafar, Bala, & Ahmad, 2021).

Environmental disclosure on the contrary, is important information concerning company's activities that is conducted in an ethical manner in the globalization age. This is caused by the increases on media coverage on issue of climate change and global warming, as a result of company carelessness over the

immediate environment it operates, (Iqbal & Suwitri, 2015).

The emergence of the Environmental Disclosure has been an important development not only for environmental management but also for corporate governance. It is an international phenomenon and as a result many companies especially those with high public profile and those perceived to have high environmental impact have felt obliged to report to stakeholders on their environmental performance and ultimately companies in different countries have started disclosing environmental issues in their annual financial reports (Michelle, 2016). Moreover, in order to resolve the contradictory and inconclusive findings proffered in prior studies (Abdullahi & Munir, 2017; Michelle, 2016; Grace, 2016; Nguyen & Dang, 2018;

Khalid, Kouhy & Hassan, 2017; Ja'afar, Bala, & Ahmad, 2021), indirect methods such as moderating variables should be adopted to gain in-depth knowledge on the relationship between the dependent variable and independent variables.

The basic rationale behind this is to provide empirical evidences as to the determinants of environmental disclosures by the listed oil and gas firms in Nigeria. Thus, moderating variable (board independence) and the use of the thirty four (34) global environmental disclosure index (G4), are expected to contribute more to the existing body of knowledge and literatures respectively. It is against this background that this study examines moderating effect of board independence on the determinants of environmental disclosure of listed oil and gas firms in Nigeria,

The major objective of this study is to examine the moderating impact of board independent on determinants of environmental disclosure (ED) of listed oil and gas firms in Nigeria. Thus, the specific objectives are;

- i. To determine the moderating effect of board independent on the relationship between profitability and ED of listed oil and gas firms in Nigeria.
- ii. To examine the moderating effect of board independent on the relationship between firm size and ED of listed oil and gas firms in Nigeria.
- iii. To determine the moderating effect of board independent on the relationship between leverage and ED of listed oil and gas firms in Nigeria.
- iv. To examine the moderating effect of board independent on the relationship between foreign ownership and ED of listed oil and gas firms in Nigeria.

In line with the study above objectives, the following hypotheses were formulated and tested in null form, using the indirect relationship.

- H₀₁: Board independent has no moderating effect on the relationship between profitability and ED of listed oil and gas firms in Nigeria.
- H₀₂: Board independent has no moderating effect on the relationship between firm size and ED of listed oil and gas firms in Nigeria.

H₀₃: Board independent has no moderating effect on the relationship between leverage and ED of listed oil and gas firms in Nigeria.

H₀₄: Board independent has no moderating effect on the relationship between foreign ownership and ED of listed oil and gas firms in Nigeria.

2 Literature Review

2.1 Empirical Review

Jafa'ar, Bala and Ahmad (2021) study the cognitive factors that determine of Environmental Disclosures (ED). The population firms consist of all fourteen (14) listed oil and gas firms in the Nigerian. Panel data were obtained from the annual reports and accounts of the firms for the period for 2010-2019. A correlational research design was used and the data were analyzed using the Generalized Least Square regression (random model). The study found that firm size; leverage and multi-national companies have positive significant influence on the ED of listed oil and gas firms in Nigeria. While, firm growth has negative significant influence on the ED of listed oil and gas firms in Nigeria. It is concluded that larger firms and multi-national companies in the Nigeria oil and gas sectors have high likelihood of disclosing environmental accounting information. Thus, it is recommended that the management of listed oil and gas firms in Nigeria should expand their size by acquiring more assets, maintain a consistent growth by exploring more opportunities while improving gearing ratio to ensure a stable balance between the proportion of debt and assets.

Tyas and Khafid (2020) obtain empirical evidence about the moderating effect of corporate governance on the effects of profitability, leverage, and firm size towards sustainability report disclosure. The population is the firms listed in the LQ45 index over the period of 2015 to 2017 from 40 companies. The sampling technique used in this research is purposive sampling. Seventeen (17) companies were selected in this research and 51 units of analysis were obtained. Regression analysis absolute value of the difference was used for analyzing data. The results showed that profitability and leverage do not have effect on sustainability report disclosure. Firm size has a negative significant effect on sustainability report

disclosure. The board of commissioners moderates the relationship between profitability and leverage toward sustainability report disclosure. This study concludes that the firm size influences sustainability report disclosure and the board of commissioner moderates the relationship between profitability and leverage toward sustainability report disclosure.

Welbeck et al (2017) conducted similar study on determinants of environmental disclosures of Ghana listed firms. The study uses 17 of 34 total population samples for 10 year period from 2003 to 2012. The study employed content analysis and the regression analysis. The results demonstrate that industry sensitivity, firm size and age are important predictors of firms' environmental disclosure practice. However, profitability, ownership type and auditor type do not affect the disclosure behaviour of listed firms in Ghana in any significant manner. The study result would have been better if the period is far beyond 4 years to include the post global financial crises of 2008.

Evidence from India by Ezhilarasi and Kabra (2017) explored the impact of corporate governance attributes on environmental disclosures for 2009-2015 from Population of the 431 and Sample of 177. The study uses environmental disclosure index, board size, CEO duality, domestic institutional ownership, foreign institutional ownership, profitability, company size and environmental certification as dependent and independent variables. Panel data regression model and content analysis were employed. The result revealed that the extent of disclosure is positively associated with foreign ownership. In addition, firm characteristics such as company size and environmental certification are more likely to influence environmental disclosures. The study may be different if conducted in Nigeria, using oil and gas industry, it may yield different result.

Abdullahi and Munir (2017), who examine the determinants of environmental disclosure of Listed Manufacturing Firms in Nairobi Kenya. The population of study comprised 10 listed manufacturing and allied companies on the Nairobi Securities Exchange, between the periods of 2006 to 2015. Environmental disclosure score (EDS) was the

dependent variable and Financial Leverage, Firm Profitability, Audit Type, Liquidity and Firm Age are considered the independent variables.

In another study conducted by Michelle (2016) on Environmental Disclosures, with a population available for sampling 745, the Sample size is 260 firms for 2013 in listed Malaysian public companies. Multivariate analysis and global reporting initiatives (GRI) were employed. Findings of this research reveals a statistically significant relationship between female directors presence in corporate boardroom and female directors holding multiple directorships in corporate boardroom on the extent of Environmental Disclosure of listed Malaysian companies.

Omnamasivaya and Prasad (2016) study the influence of environmental disclosure practice in India. The study takes a sample of fifty 50 companies from National Stock Exchange (NSE), India for the period of 2011-2015. The relationship is tested using multiple regression analysis. The results show there is a positive relationship between EADI and profitability, financial leverage, industry type and legal ownership, and found negative relationship between EADI and corporate size, age and foreign operations.

2.2 Theoretical Review

Stakeholder theory is based on the notion that beyond shareholders there are several agents with an interest in the actions and decisions of companies. According to Freeman (1998), Stakeholders are groups and individuals who benefit from or are harmed by, and whose rights are violated or respected by, corporate actions. In addition to shareholders, stakeholders include creditors, employees, customers, suppliers, and the communities at large. Stakeholder theory asserts that companies have a social responsibility that requires them to consider the interests of all parties affected by their actions. Management should not only consider its shareholders in the decision making process, but also anyone who is affected by business decisions. In contrast to the classical view, the stakeholder view holds that "the goal of any company is or should be the flourishing of the company and all its principal stakeholders."

Therefore, stakeholder theory is adopted as the underpinning theory for the study.

3. Methodology

The study used correlational design and ex-post facto. The choice of the designs is informed by the effectiveness of the designs in revealing the association of two or more variables and the impact of one variable on another on quantitative research. Conversely, ex-post factor design was employed as it gives support to generating data from the audited annual reports and accounts of listed oil and gas firms in Nigeria as portrayed on the floor of the Nigerian stock exchange (NSE) for the study period under review.

The population of the study consists of all the listed oil and gas firms in Nigerian Exchange as at 31st December 2022. The study considered the entire population as the sample size of the study using census sampling technique. The study adopted secondary sources of data collection, data was obtained from the annual reports and accounts of the sampled firms listed in Nigerian Stock Exchange for the period of ten years (2013 to 2022). The study's

used multiple linear regressions technique of data analysis and tool for data analysis is STATA software.

The model that examines the hypotheses of the study is presented below:

$$ED_{it} = \alpha_{it} + \beta_0 + \beta_1 ROA_{it} + \beta_2 FSIZE_{it} + \beta_3 LEV_{it} + \beta_4 FOWN_{it} + BIND_{it} + \varepsilon_{it} \quad (1)$$

$$ED_{it} = \alpha_{it} + \beta_1 ROA_{it} + \beta_2 FSIZE_{it} + \beta_3 LEV_{it} + \beta_4 FOWN_{it} + \beta_5 BIND_{it} + \beta_6 ROA * BIND_{it} + \beta_7 FSIZE * BIND_{it} + \beta_8 LEV * BIND_{it} + \beta_9 FOWN * BIND_{it} + \varepsilon_{it} \quad (2)$$

Where;

α	=	is the intercept
$\beta_1 - \beta_9$	=	are the parameters estimated in the equation
i, t	=	firm i , time t
ED_{it}	=	Environmental Disclosure (index)
ROA_{it}	=	Return on assets
$FSIZE_{it}$	=	Firm size
LEV_{it}	=	Leverage
$FOWN_{it}$	=	Foreign ownership
$BIND$	=	Board independent
ε_i	=	Error term of firm " i " at time " t "

Table 1: Variables, Definition and Measurement

Variables	Acronyms	Measurements	Sources
Environmental disclosure	ED	Global reporting initiative (G4) environmental disclosure index. There are 34 indexes grouped into 12 in the G4. It scored 1 if disclosed and 0 if otherwise. The total item disclosed are then added up in a particular year and then divided by the total 34 required disclosure.	Mohammed et, at. 2020) Michelle (2016), Nuskiya et al. (2021)
Profitability	ROA	Ratio of net income to total assets.	Juhmani (2014), Jafa'ar, Bala and Ahmad (2021)
Firm Size	FSIZE	Natural logarithm of total assets	Khalid, Kouhy and Hassan (2017), Farouk and Hassan (2013), Jafa'ar, Bala and Ahmad (2021)
Leverage	LEV	Total liabilities to total asset	Abdillahi and Munir (2017), Amosh, & Mansor, N. (2018)
Foreign Ownership	FOWN	measured as percentage of shares held by foreign shareholders to the total number of shares	Ezhilarasi and Kabra (2017), Jafar and Mohammed, Murya and Ade, (2021), Salawu et al., (2020).

Board Independent	BIND	Ratio of the number of independent board members to the total number of board members	Mohammad, Mehrdad, Babak and Aliasghar (2019); Fanandes, Bornia, and Nakamura, (2019); Ofoegbu, Ndubuisi and Okafor (2018)
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Source: Compiled by the researcher based on literature (2022)

4. Results and Discussion

This descriptive statistics shows clearly the nature of variables both the dependent variable ED, the explanatory variables; ROA, FSIZ, LEV and FOWN

as well as the moderating variables; BIND. Indeed, it shows the minimum, maximum, mean and standard deviation, kurtosis and skewness values for the variables of the study.

Table 2: Descriptive Statistics

Variable	Min.	Max.	Mean	Std. Dev.	Kurtosis	Skewness
ED	.09	.26	.20725	.04325	2.377831	-.4676943
ROA	-.16	.67	.18175	.21827	2.9818	.7671236
FSIZE	16	19.94	17.888	.83767	3.43711	.5319595
LEV	.29	.83	.60738	.12501	2.946133	-.7430628
FOWN	.15	.78	.43138	.19350	1.659516	.0164059
BIND	.25	.80	.593	.13599	3.26876	-.6528299

Source: STATA (Version 13) Output Result

Table 3 reports the descriptive statistics for the dependent and independent variables respectively. The result shows that the minimum value of Environmental Disclosure (ED) is 0.09 and the maximum is 0.26. In addition, the mean and standard deviation are .20725 and .04325 and a kurtosis and skewness stood at 2.377831 and -.4676943 respectively.

The ROA shows a minimum value of -0.16 and maximum of 0.67. The value mean value is .18175, which shows approximately 18% average, as the standard deviation stood at .21827. The standard deviation value indicates that the sampled of the oil and gas firms' return on assets deviates from the mean value from both sides by 22% approximately. However, the result of the kurtosis and skewness was 2.9818 and .7671236 respectively.

It also shows a minimum and maximum value of firm size, which stood at 16.0 and 19.94 respectively. The mean value is 17.888 and the standard deviation stands at .83767, also shows a value 3.43711 and .53196 which stood for kurtosis and skewness. This it indicates that the sampled oil and gas firm size deviates from the mean value by 84% approximately, implying that there is significant dispersion of the data from the mean because the standard deviation is low. This implies that firms with more branches

which result to its larger in size would disclose more environmental information than smaller firms. Table 3 depicts that leverage obtained a minimum and maximum of .29 and .83 respectively. While the mean value is .60738 and the standard deviation is .12501 with a kurtosis and skewness value standing at 2.946133 and -.7430628. This implies that leverage of the sampled firms is on average 61% approximately, and the standard deviation value indicates that the sampled firms' leverage deviates from the mean value from both sides by 13%, which indicates the dispersion of the data from the mean. This signifies that the firms' capital structure is financed by debt more than equity. This implies that larger firms are capable of settling its debt finance and would likely responds reasonably to the environmental needs as well as disclosing required information.

Similarly, the mean value as depicted in the table above with respect to foreign ownership is .43138, it shows approximately 13% of shares held by foreign investor on average within the period of the study, while the standard deviation stood at .19350, showing a minimum value of .15 and .78 as the maximum value, it also portrays a value of 1.659516 and .0164059 which stood for kurtosis and skewness respectively. The standard deviation value indicates that the sampled firms' foreign ownership deviates

from the mean value by 19%, implying the dispersion of the data from the mean.

Moreover, the above descriptive statistics table shows the minimum and maximum level of the board independent as .25 and .80 respectively. Again, it shows a mean value of .593 and standard deviation

value .13599, with a kurtosis and skewness of 3.26876 and -.6528299 respectively. Its implies that oil and gas firm in Nigeria need to include more non-executive director in the board list in order to abide by the corporate governance code as well as having stakeholders' representative in the board.

Table 3: Correlation Matrix

	ED	ROA	FSIZE	LEV	FOWN	BIND
ED	1					
ROA	-0.1707	1				
FSIZE	0.0304	-0.3553*	1			
LEV	-0.2600*	-0.2048	0.1128	1		
FOWN	-0.1662	0.1335	-0.1317	-0.0624	1	
BIND	-0.1410	-0.2229*	0.5535*	-0.0511	-0.1366	1

Source: *Extracted from STATA13 output*

Table 3 indicates that Environmental Disclosure and return on assets have negative correlation with a value of -0.1707. While there is a positive correlation between Corporate Environmental Accounting and Firm Size given the value 0.0304. However, the correlation relationship between Environmental Disclosures and leverage was negatively correlated at -0.2600. Relatively, the relationship between Environmental Disclosure and foreign ownership is also negatively correlated -0.1662. More so, there is negative correlation relationship between Environmental Disclosures and board independence - 0.1410.

Additionally, we also establish specifically the same direction if there is a positive or negative correlation relationships between the explanatory variables within themselves. Thus, Return on assets has negative association with firm size (-0.3553), while return on asset also shows a negative correlation relationship with leverage. Again the correlation between return on asset and foreign ownership shows a positive relationship -0.3553, whereby, the correlation relationship between return on assets and board independence is also negatively correlated - 0.2229.

Furthermore, firm size has positive relation with leverage 0.1128. And the relationship between firm

size and foreign ownership shows a negative correlation -0.1317. Firm size also shows a positive correlation relationship with board independence at 0.5535.

Relatively, Leverage has negative relationship with foreign ownership -0.0624, where the correlation relationship between leverage and board independence is also negative -0.0511. Finally, foreign ownership also has negative association with board independence with a statistical result of -0.1366 respectively. Furthermore, the researcher uses the variance inflation factor (VIF) and tolerance values to avoid making wrong conclusions that could arise from multicollinearity, as well as the serial correlation test. The result indicates the absence of excessive correlation between pairs of independent variables as all factors, and their respective tolerance values are below 1 and 10 respectively.

The analysis of the relationship of the dependent and the independents variables of the study using the moderating (board independence) variable for finding of the indirect relationships, considering the model based on the indirect relationship as follows:

$$ED_{it} = \alpha_{it} + \beta_1 ROA_{it} + \beta_2 FSIZE_{it} + \beta_3 LEV_{it} + \beta_4 FOWN_{it} + \beta_5 BIND_{it} + \beta_6 ROA * BIND_{it} + \beta_7 FSIZE * BIND_{it} + \beta_8 LEV * BIND_{it} + \beta_9 FOWN * BIND_{it} + \epsilon_{it} \dots\dots\dots (3)$$

Table 4: Summary of Regression Results

Variables	Co-efficient	T-value	P-value
ROABIND	.0096169	0.87	0.390
FSIZBIND	.0050491	2.95	0.004
LEVBIND	-.0778265	-2.03	0.046
FOWNBIND	.1190722	2.57	0.012
Constants	.2155346	1.99	0.051
R ²		0.35	
F-Statistics		4.24	
F-Significance		0.0002	

Source: *Extracted from STATA13 output*

The cumulative R² (0.35) which is the multiple coefficient of determination gives the proportion or percentage of the total variation in the dependent variable explained jointly by the explanatory variables. Hence, it signifies that 35% of total variation in Environmental Disclosures of listed oil and gas firms in Nigeria is caused by return on assets, firm size, leverage, foreign ownership as moderating by 'board independence'. This, further, implies that for every change in the determinants of corporate environmental accounting of listed oil and gas firms in Nigeria, the level of disclosure would also be invariably affected.

This indicates that the explanatory variables are well selected, combined and used. This further indicates that the model is well-fitted. It is confirmed by the value of statistic of 4.24 and F- sig. of 0.0002 which implies that it is significant at 1% level of significance.

The result of the interaction of board independence on the association between profitability and ED has a coefficient and t- value of .0096169 and 0.87 respectively, showing a p-value of 0.390 which is statistically insignificant. This signifies that the interaction of board independence and Profitability is statistically positively insignificant in influence Environmental Disclosure of listed oil and gas firm in Nigeria. This suggests that, interaction of board independence changes the direction and weakens the relationship between profitability and ED of listed oil and gas firms. Meaning that, board independence has less effect in determining the profitability which could lead to a fewer Environmental Disclosure of the

sampled firms as depict by the above result. This proved that the positivity of the interaction of board independence with profitability and environmental accounting of the firms under study affect the commitment of the profit and weakens information disclosure. The finding is consistent with the prior expectation that, involvement of the board members particularly non-executive with accounting and financial knowledge would motivate the board members to regularly discuss on issues of information disclosure that could go a long way in meeting the expectation of the stakeholders. It is also not in line with the assumption of stakeholder theory.

The association between firm size and environmental accounting information disclosure with the interaction of board independence shows a moderating effect. The result of the relationship provided a coefficient of .0050491 and t-value of 2.95, with a significant P-value at 1% level (0.004). This signifies that with the interaction of board independence, firm size has statistically positive significant effect on environmental disclosure of listed oil and gas firms in Nigeria. This indicates that, board independence has moderating effect in the relationship between firm size and environmental disclosure of listed oil and gas firms in Nigeria. This means that even if the non-executive board members add value to the accounting information and disclosure. The result is not in line with the prior expectation, base on the hypothesis formulated with regards to interaction of board independence between ED and firm size.

The association between firm size and environmental accounting information disclosure with the interaction

of board independence shows a significant P-value of (0.046) at 1% level of significant. It also shows a corresponding coefficient and t-value of -.0778265 and -2.03 respectively. This signifies that the interaction of board independence on the effect of firm size and environmental accounting of listed oil and gas firms in Nigeria has statistically negative significant effect. It indicates that, board independence has moderating effect on the relationship between leverage and environmental disclosure of listed oil and gas firms in Nigeria. This implies the more levered firms the higher the level of disclosure of Environmental Disclosure of listed oil and gas firms in Nigeria.

The relationship between foreign ownership and environmental disclosure with the interaction of board independence shows a coefficient of .1190722 and t-value of 2.57, with a significant P-value at 1% level (0.012).

This signifies that with the interaction of board independence, foreign ownership has statistically positive moderating effect on environmental disclosure of listed oil and gas firms in Nigeria. It indicates that, board independence has moderating effect in the relationship between foreign ownership and environmental disclosure of listed oil and gas firms in Nigeria. Thus, the disclosing companies in Nigerian oil and gas might not recognize environmental information as economically beneficial for their business, Failure to provide high environmental disclosure may influence shareholders to bid down prices (Michelle, 2016) as a result of the negative perception towards companies' environmental performance.

5. Conclusion and Recommendations

The study draws its conclusions based on the empirical and statistical evidence arrived upon after the analysis and discussions of the result.

Board independence has positive insignificant impact on the relationship between return on assets (ROA) environmental disclosure (ED) of listed oil and gas firms in Nigeria. Hence, it is concluded that firms with higher returns may likely not engage in Environmental Disclosures as portrays by the coefficient of ROA in the regression results.

Board independence has positive and significant impact on the relationship between firm size and environmental disclosure of Listed Oil and Gas Firms in Nigeria. This is an indication, that the larger the size of the firms the higher the environmental engagement, and consequently decrease in their disclosure.

Similarly, board independence was statistically found to have a negative and significant influence on the relationship between leverage and environmental disclosure of Listed Oil and Gas Firms in Nigeria. Regular shortage of equity capital by Oil and firms in Nigeria has necessitated the uses of leverage to constitute part of their capital structure in financing their activities.

The study found a positive significant moderating impact of board independence on the relationship between foreign ownership and environmental disclosure of listed oil and gas firms in Nigeria. This signifies that there is significant moderating relationship between foreign ownership and environmental disclosure. This concluded that, despite the foreign ownership may be a good determinant of environmental disclosure of listed Oil and Gas Firms in Nigeria when incorporate where it's moderated by board independence.

The study however, made the following recommendations based on the finding and conclusion above.

i) The management of Listed Oil and Gas Firms in Nigeria should strive to increase profit to a higher level, monitor and protect the profit by acquiring more assets and investing more to the immediate environment they operates. This is in line with the fact that return on assets has been empirically found to be a positive and significant factor that determines environmental disclosures in the Listed Oil and Gas Firms in Nigeria.

ii) Management of Listed Oil and Gas Firms in Nigeria should ensure that their size potentials are fully explored, through opening more branches and making subsidies in other countries. This can be achieved through continuous innovations and maintaining sound opportunities consistently, as it has been found empirically that firm size is one of the

factors that determine their ED of listed oil and gas firms in Nigeria.

iii) Management of Listed Oil and Gas Firms in Nigeria should acquire more debt to be able to expand their business and expose to environmental disclosure. Consequently, this will serve as a platform for ensuring full corporate objectivity, fair representation, effective monitoring, strategic implementation of corporate environmental and ethical responsibility while ensuring the protection of the interest of all stakeholders and the reduction of managers' opportunistic attitudes against environmental disclosure.

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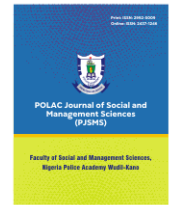
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ASSESSMENT OF THE ROLE OF LOCAL GOVERNMENT IN THE IMPLEMENTATION OF NATIONAL SOCIAL PROTECTION POLICY (ACT 2016) IN HONG LOCAL GOVERNMENT OF ADAMAWA STATE OF NIGERIA

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Abstract

Social Protection Policy is the umbrella policy embraced by the Federal government of Nigeria which was designed to incorporate related social agenda paradigms intended to reduce poverty and unemployment and provide a life of dignity for all citizens at all levels of the tiers of government in Nigeria, thereby all the stakeholders were saddled with specific roles to implement in order to achieve the policy objectives. The study therefore attempted to assess the counterpart support implementation role of Hong local government of Adamawa state. Data were secondarily sourced through documents such as Constitution of the Federal Republic of Nigeria, 1999 as amended, journals, internet materials and other relevant government publications and were qualitatively analysed. It was found that Hong local government were unable to salvage its obligatory demand for the implementation of the developmental counterpart support, due to the way the state government highjacks its federal allocation fund during their joint account sessions, inability of the local government to explore its internally generated revenue areas is another problem, internal corruption, and bad leadership are also unveiled. It was therefore recommended that constitution should be reviewed in a way that LGA will enjoy both financial and political autonomy, that both the local government executive and the legislative councils should be given a leadership training immediately they are sworn to their respective offices, and there should also be training of both the LG management as well as the revenue collectors on the method of revenue exploration. Finally, the study recommends that corruption checking measure should be put in place in HLG and any one that is found guilty of corrupt practices should be punished accordingly

Key words: Social Protection, Policy, Poverty, Unemployment, Local Government.

1. Introduction

The lives of the citizens everywhere are formed by public policies, whether we are aware of them or not. The dreams for improved life and its achievement rest on our own efforts of good policies; this effort will probable contain implementation of public policies to aid the result of it. All over the globe, increasing numbers of countries have introduced national social protection strategies, which integrate life-cycle programmed into comprehensive systems (Andy Norton *et al* 2022). In Nigeria, social protection policy has been in existence over a number of decades. Prior to the current political dispensation, for example, at

the federal level, some forms of social protection programs had been instituted by military and vis-a-vis civilian governments such as Family Economic Advancement Programme (FEAP), Better Life for Rural Women (BLRW), Directorate for Food, Roads and Rural Infrastructure (DFRI), National Directorate of Employment (NDE), Family Support Programme (FSP), SURE-P, etc. Unfortunately, Most of these programmes are anti-poverty related interventions that faced many challenges in the implementation process. Consequently, their life spans came to an end for lack of continuity when the administrations that initiated them left power (Norton *et al* 2022). With the coming of Mohamadu Buhari to power 2015, he readdressed

the policy through act 2016 and the revised act 2021 respectively.

One of the ten key objectives of the policy is the reduction of poverty and unemployment among the people vulnerable to being poor. The policy document (Act. 2016) spelled out clearly the roles of each tier of government in achieving these objectives. The federal government for example is to provide leadership in all aspects of implementing the policy, enact legislations and provide enabling environment, review Social Protection Policy, among others. State is expected to choose one or two from the policy programmes and implement it depending on the pressing need of the state members. Local government is asked to provide counterpart implementation support, among others (NSPP Document 2016 and 2021). Amid the shared roles however, there are still instances that shows a lot of loopholes in discharging such designated role in Adamawa State, and in Hong local government in particular, miserable lives, poverty, unemployment, hunger etc. are still unfolding on the increasing side Felix *et al* (2022). This study is imperative to unveil the problems of Hong local government area.

Statement of problem

Despite stride put in place through the implementation of umbrella policy of social protection that intended to reduce poverty and unemployment to provide a life of dignity for all citizens; there are still prevailing number of poor and unemployed people including vulnerable, hungered and destitute that are not living a fulfilled lives in Hong local government of Adamawa state (Onu *et al* 2016).

Objective of the study

The main objective of the paper is to assess the role of local governments in the implementation of national social protection policy in Hong local government of Adamawa State. Specifically, the study seeks to unveil the factors limiting Hong local government in carrying out its role in the implementation of the social protection policy. To find out whether there is a good leadership in Hong local government to facilitate its role of the implementation of counterpart support, and to suggest how Hong local government can improve

on its role to meet the objective of social protection policy.

Scope of the Study

The scope of the study in terms of time frame covers the period from 2016 to 2023; this is because the policy under study takes effect from 2016. In terms of geographical area the scope is limited to Hong local government area of Adamawa State only. However, the scope in terms of the substance and the content of the study it covers only NSPP and the role of local governments in implementing the policy programmes in Hong LGA. More so, the paper discusses only the “implementation of programs as the counterpart support” out of the three roles assigned to local governments as against only the “reduction of poverty and unemployment” out of the ten (10) objectives of NSPP.

2. Literature Review

2.1 Conceptual Issues

Concept of Local Government as the Third Tier of Government in Nigeria

According to Fowowe (2022), the local government can be defined as the third tier of government that is established by law and is saddled with the power, authority and responsibility to manage, govern and make laws at the local level of a country. According to the United Nations (2022), a Local government is "a political sub-division of a nation or country which is constituted by law and has substantial control of local affairs independent from federal and state governments including the power to impose taxes or to extract labour for proscribed purposes within its confined jurisdiction. The governing body of such an entity is elected or otherwise locally selected Ibrahim (2017).

The 1979 constitution formally and constitutionally recognized local government as the third tier of government when it state that *"the system of local government by democratically elected local government council is under this constitution guaranteed and according the government of every state shall ensure their existence under a law which provides for the establishment, structure, composition, finance and functions of such councils"*. More importantly, the functions assigned to local

government under the fourth schedule of the 1999 constitution of the Federal republic of Nigeria as amended has amplified the independency of local government as the third tier of government in Nigeria. With that, we can say that local government has the constitutional capacity to shoulder the SPP roles assigned to her.

The concept of Social Protection policy

Understanding of the definition of the concepts of social protection policy vary between narrow and broad perspectives; and between the ones focused on the nature of the problems addressed, and those which focused on policy response and instrument, and between those which take a conceptual as apposed pragmatic approach. For example, as forwarded by Norton *et al* (2022), most definition of social protection has dual characters, referring to both the nature of depravation and the policy response. However they maintained that almost all the definition focused and addressed the following: **1-Vulnerability and risk, 2-Poverty and unemployment 3-Levels of (absolute) depravation deemed unacceptable; 4-Through a form of response which is both social and public in nature.**

Norton *et al* (2022) further defined NSPP as the public action taken to level of vulnerability, risk and depravation which are deemed socially unacceptable within a given polity or society. From the views of these people above, they have the understanding of NSPP as to deal with: absolute deprivation and vulnerabilities of poorest, reduction of poverty and unemployment need for security in the face of shocks and difficulties of different stages of the life-cycle. Ginneken (1999b) recognized NSPP as a solemn function and constitutional roles of all the levels of government to provide social assistance to the less privileged, destitute, poorest people, and vulnerable within the polity. This definition coincide with the provision of the Nigerian 1999 constitution (as amended), which under the Fundamental Objectives and Directive Principles of State Policy, Chapter 2 (Sections 16 & 17) provides the basis for the provision of social protection in the country.

From the understanding of the various definitions of SPP by the scholars above, it can simply be summarized as; SPP is the framework through which government can attend to the diverse life challenges of

its citizens to live a life of dignity as a people of the nation. The writers' assertion above is in line with the executive summary of President Mohamadu Buhari in the policy Document (2016), when he said that "National Social Protection Policy (NSPP) is designed to show the commitment of the Governments of Nigeria to the effective mobilization and efficient utilization of national resources to improve the quality of life of its citizens". The NSPP has been developed using a bottom-up approach. The policy document however defined SPP as:

A mix of policies and programmes designed for individuals and households throughout the life Cycle to prevent and reduce poverty and socio-economic shocks by promoting and enhancing livelihoods and a life of dignity.

Drawing from the congruent ideas on the meaning of SPP therefore, it gives the understanding that if the objectives are properly implemented it has a capacity to mitigate the problems of overarching poverty and unemployment in our societies.

The concept of policy

A policy is simply actions taken or to be taken and actions not taken or not to be taken by government or private organisations. It is a statement of what an organization wants to do, what it is doing, what it is not doing and what will be done. Policy is what government chooses to do or not to do (Dye 1978). Policy is a definite course or method of action selected from among alternatives and in the light of given conditions to guide and usually determine present and future decisions (Robert Presthus, 1975: P. 4). However, to the writers, policy is all that government discuss, generate, declare, make, and execute through the process of policy making mechanisms or machineries in response to the stimuli from environment and in relation to the objectives of growth, development, wellbeing and stability of the nation.

The concept of poverty

Poverty is about not having enough money to meet basic needs including food, clothing and shelter. However, poverty is more, much more than just not having enough money, (IDEP 2022). The World Bank Organization describes poverty in this way:

"Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being

able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time (World Bank 2022).

Most often, poverty is a situation people want to escape. So poverty is a call to action for the poor and the wealthy alike, a call to change the world so that many more may have enough to eat, adequate shelter, access to education and health, protection from violence, and a voice in what happens in their communities.” It is in this spirit the NSPP came to enforce the implementation of the various intervention programmes at the level of the three tiers of governments in Nigeria.

Concept of unemployment

Unemployment simply put is lack of sources of income. In fact, unemployment rate, median wages, and wage inequality are all significant determinants of poverty, according to research from American nonprofit organization the National Bureau of Economic Research (NBER 2022). A 1% increase in unemployment yields a 0.4 to 0.7% increase in poverty rates, and a 10% increase in minimum wage yields a 2% decrease in poverty rates in every situated communities worldwide particularly Africa, (UN 2022). According to Bureau of Labour and Statistic (BLS), Unemployment is a term referring to individuals who are employable and actively seeking a job but is unable to find a job. Included in this group are those people in the workforce who are working but do not have an appropriate job. Usually measured by the unemployment rate, which is dividing the number of unemployed people by the total number of people in the workforce, unemployment serves as one of the indicators of a country’s economic status (BLS, 2019).

Role of local governments (Hong LGA) in the implementation of SPP

Generally, the roles of the Nigerian local governments in the implementation of SPP as accorded to them by the policy document act 2016 include: •The LGAs are to be involved in ensuring the implementation of programmes at the local government level and provide counterpart support. • They are also expected to be involved in mobilization of human, financial and material resources for effective support and interventions. They are to do sensitization and participate in the monitoring and evaluation process.

Hong LGA, Poverty, and provision of counterpart support

The study was conducted in Hong Local Government Area of Adamawa State. The study area lies between Latitude 7° 0 – 11° 0N and longitude 11° 0 – 14° 0E of the Greenwich Meridian (Adebayo, 1999). The area falls within the Northern Guinea Savannah Zone and has a tropical wet and dry climate. Dry season lasts for a minimum of five months (November – March) while the wet season spans April to October. Mean annual rainfall is about 700 mm (Adebayo *et al.*, 2012). The area is bounded by Askira/Uba Local Government Area of Borno State to the North, Mubi to the East, Song to the South and Gombi Local Government Area to the West. The area has a land mass of about 117,240 square kilometres. The area has an estimated population of about 226,183 people and predominantly agrarian (National Population Commission, 2006), with its yearly estimated increased population of 2.1% (NBS, 2016). The area has groundnut and guinea corn as their major cash crops (Sajo and Kadams, 1999).

The yearly statistical increase in population of Hong LGA is equal to: $226,183 \times 2.1 \div 100 = 4,749$. If you multiply seventeen years, i.e. from 2006 census to date by 4,749, it will be as: $4,749 \times 17 = 80,733$. The estimated increased population of Hong local government from 2006 to date is 80,733 people, $80,733 + 226,183 = 306,916$ people.

Given the statistics above, the rough estimated population of Hong LGA today stood at 306, 916 people. This teaming population of course required a responsive government to maintain. It is susceptible to all forms of vulnerability such as unemployment, poverty, corruption, land dispute, internal marginalization, diseases, destitution, and drop out from school, prostitution, thefts, etc. resulting from the high level of competition on limited economic resource. For example, the study carried out by J.I. Onu *et al* (2016) to “Determine the Level of Poverty among Small scale Farmers in Hong Local Government Area of Adamawa State” shows that the level of poverty is very high in the area as it can be seen below:

Household weekly expenditure; the result shows that, majority (61%) of the households’ weekly expenditure did not exceed ₦3,000 and they constituted 32% of the Total expenditure. Only 22% of

the respondents expend between ₦3,001 – ₦10,000 and their expenditure represents 28% of the total weekly expenditure. **Poverty status of the respondents;** they used household weekly consumption expenditure to establish the poverty line. A mean per capita weekly consumption expenditure of about ₦1,469.6 with a poverty line of ₦979.7 was used to classify the rural households either as either non-poor or poor. Majority of the households surveyed (about 24%) are found to be no poor while about 76% are poor. The result shows that a reasonable proportion of the population requires the necessary support to overcome poverty.

Given the situation above, the institutionalization of NSPP programme (provision of counterpart support) is germane, and supposed to have received a warm handshaking at the corridor of a responsive government to reduce the scourge of poverty and unemployment in the area.

Provision of counterpart support

In a literal meaning, counterpart according to Cambridge dictionary is a person or thing that has the same purpose as another one in a different place or organization. Is an emphasis on persons or organizations (in this case, Federal State and local governments of Nigeria) that have the same function, the same working spirits or does the same job to achieve the same objective but in a different organizations and different places. In this regard, under the requirement of NSPP document act 2016, it is expected of the Hong local government to do as well the way federal government and Adamawa state governments do to achieve the objectives of NSPP in Nigeria as discussed in the statement of problems above.

Problems and Challenges of Local Governments' (Hong LGA)

Empirical studies showed that local governments in Nigeria have despondently and dejectedly treated with flippancy and have not been given the merited attention. The recurrences of the ill-treatment of local government by the state governors and the internal corruption within the local government itself have been a serious derogatory or stooge that constitutes a cog in the wheels of the effective performance of the tier. For example, in a study conducted by Fowowe (2022) on “Local Government as Undermined Tool for

Development in Nigeria” focused on three states in the North-East including Adamawa in which Hong local government happened to be one of the focused area revealed that “the operation of the State Joint Local Government Account System has constrained the fiscal independence of the Local government. This allocation from the Federal Account into the State Joint Local Government Account is disbursed by State governors on a discretionary basis without any remorse. This has weakened the development efforts of Local government councils in Nigeria”. This revelation can be supported by the discovery made by Shamsuddin. B *et al* (2012) about the attitudes of the State governors towards the local governments and the local government chairmen, that governors have made the local government as the appendage of state ministries where they can threaten the local government chairmen with removal from office at their discretion, as if local government were not established by law as an independent tier of government. For example, cases where state governors sacked elected local government chairman include: Abia in 2006, Imo in 2011, Rivers in 2012, Ondo in 2008, Bayelsa in 2013, Plateau in 2015 and Eric Dollars of Adamawa State, one time Hong local government chairman in 2006, because he resisted signing for the illegal deduction of the money meant for the development of Hong local government at the “State joint local government account session”.

This development instilled fear in the hearts of the imminent chairmen in Hong local government to the extent that they sign for anything they are asked to sign, and take any amount they are given to take as their share just for the payment of some trivial allowances. This attitude in no small measure undermined and thwarts the efficacy of Hong local government to implement and carry out its role in accordance with the SPP objectives. According to Mope (2021), economic and financial profile of LGAs have been very poor, relative to its needed development due to partly incorrect declaration of the revenue generated by the revenue collectors and partly due to corruption of the treasury staff, political instability and lack of good socio-political leadership philosophy among others. Mope, (2021) argued that, Many factors have been identified to be responsible for the inadequate internal revenue effort of LGAs to solve their internal problems. Chief amongst them are lack of technical knowhow for revenue exploration,

corruption and weak machinery for check and balances in the generation of revenues. Hong local government is inescapable from this hurricane scourge that bedeviled Nigeria. This contributed to the reason why Hong LGA find it so difficult to implement and fulfill its task to the objective of NSPP. Preliminary survey has shown that the inability of the local governments to provide adequate services to the people within their areas of jurisdiction is attributed largely to inadequate revenues (Ahmad .S.A.T. et'al, 2013).

3. Methodology

The data used in the study were collected from government publications such as the Constitution of the Federal Republic of Nigeria, 1999 as amended, journals, internet materials and other relevant government publications.

4. Results and Discussion

This study is designed to investigate or assess the role of local government in the implementation of NSPP in Hong local government of Adamawa State. It tends to look at why Hong local government could not able to carry out its assigned role of counterpart support to the policy objective. For the benefit of doubt of the legitimate existence of Hong local government as a third tier of government in Nigeria, constitutional provision from the 1979 constitution, including the 1976 reform, 1980 constitution, and 1999 constitution was critically reviewed and or investigated and analyzed, and was found that the existence of the local government in Nigeria has the constitutional backing with a specified jurisdiction of operation.

Via the provisions of the aforementioned constitutions, Hong local government (and all LGAs in Nigeria) existed to perform certain functions as conferred to them in the fourth schedule of 1999 constitution of Nigeria as amended. N01 (f) of section 7 of the fourth schedule for example mandated local government for the construction and maintenance of roads, streets, street lightings, drains and other public highways, parks, gardens, open spaces, or such public facilities as may be prescribed from time to time by the House of Assembly of a State. N02 of section 7 also provided for the following functions: (a). the provision and maintenance of primary, adult and vocational education, (b) The development of agriculture and natural resources, other than the exploitation of materials, (c) The provision and maintenance of health

services; and (d) Such other functions as may be conferred on a local government council by the House of Assembly of the State.

Looking at these constitutional provisions on the functions of local government, it is not far-fetched from the roles that Hong local government is expected to play in order to meet up its counterpart support obligatory requirement by the NSPP objectives. But as it was revealed from this study, Hong local government is faced with a lot of challenges that could not allowed her to ransom its SPP obligatory role. It has been revealed from the empirical studies conducted, by Fowowe (2022) revealed that the operation of the State Joint Local Government Account System has constrained the fiscal independence of Hong Local government. This allocation from the Federal Account into the State Joint Local Government Account is disbursed by State governors decisively. This has sapped or shattered the development efforts of Hong Local government councils in Adamawa State". The inability of Hong local government to adequately harness or explore all its statutory local revenue areas has constituted part of its problem. Corrupt practices of the revenue collectors and the treasury staffs form another part of its problems. Lack of good leadership also is one of its drawbacks. Shamsuddin. (2014) in his study discovered that attitudes of the State governors towards the local government chairmen have never been friendly. Those governors have made the local government as the appendage of state ministries and can choose to remove the elected chairman from office at will.

5. Conclusion and Recommendations

Hong local government is a legal organisation established by law as a third tier of government to provide such functions to control over local affairs as well as the staff and institutional and financial powers to initiate and direct provision of services and to determine and implement projects so as to complement the activities of the state and federal government at the grassroots level in their areas, but unfortunately, Hong local government is constraint by the interference of the Adamawa state governors with the money meant for her to tackle the problems of the local government, internal corruption, inability of the local government to harness its revenue areas, lack of good leadership,

and unfaithfulness of the revenue collectors and the local government's treasurers are found to be the major problem of Hong local government thereby high-jacked its propensity for effective development.

In view of the above revelations, the following suggestions are made to minimize the financial bottleneck of Hong local government leading to its inability to actualize its constitutional rights as well as its role at NSPP objectives.

- I. In order to mitigate the problem of state governor's financial control over the local government chairmen and the threat of removal from their elected office, the constitutional provision that entrust overseeing function of governors over the local government should be reviewed in a way that local government should have its full financial and political autonomy.
- II. In order to arrest the problem of inability of local government to harness or explore its
- V.

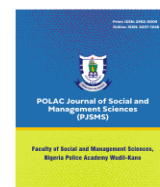
revenue areas, the management and the revenue collectors' alike need to acquire a special training on the matter of revenue exploration.

- III. In order to solve the problem of false declaration of the revenue generated (corruption) by the revenue collectors and the subsequent unfaithfulness of the LGA treasurer over the little that has been remitted to the local government coffer, a strong checking measure should be established and any body found guilty of corrupt practices should be punished accordingly.
- IV. In order to ameliorate the problem of local government leadership, the executive council as well as the local government legislative council should embark on leadership training as soon as they are sworn in to office after election before starting any leadership functions of their respective offices.

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OIL PRICE SHOCKS AND MONETARY POLICY IN NIGERIA: AN ARDL APPROACH

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Abstract

This study investigated the impact of monetary policy instruments on oil price shocks in Nigeria spanning the period 1986-2021. The study used secondary data sourced from the Central Bank of Nigeria Statistical bulletin (2021). The study used oil price (OP) as the dependent variable while broad money supply (M2), exchange rate (EXR), inflation rate (INF) and interest rate (INT) are the explanatory variables. The study performed stationary test using the ADF statistic to test the present or not present of unit root in the model. All the variables were stationary at first difference except inflation rate that is stationary at level. The ARDL model was used in estimating the relationship between monetary policy instruments and oil price shocks in Nigeria. The result reveals that all the variables are statistically significant in influencing the oil price shocks in Nigeria. The error correction coefficient has negative sign which means that a speed of adjustment of 41% to equilibrium. The ECM(-1) further confirms the existence of a stable long run relationship indicating oil price, broad money supply, inflation rate, exchange rate and interest rate are co-integrated. The study therefore recommends that the government should effectively implement monetary policy instruments to address the shocks in oil prices in Nigeria.

Keywords: Monetary Policy, Oil, Price, ARDL, Nigeria

1. Introduction

Nigeria is the sixth largest producer of crude oil in the world. Its oil industry generates over 95 per cent of the country's foreign revenue, and about 80 per cent of government revenue. The oil industry alone creates over 65,000 direct jobs in Nigeria, and more than 250,000 jobs in non-direct employment. Nigeria has a total of 159 oil fields and 1481 wells in operation. The coastal Niger Delta Basin has 78 oil fields. Small unproductive fields accounted for 62.1% of Nigeria's oil production capacity, while the sixteen largest fields produced 37.9% of Nigeria's petroleum. Below is a list of 10 importance of crude oil in Nigeria. Nigeria's oil revenue has totaled \$340 billion in exports since the 1970s (Elizabeth & Peris, 2022).

Nigeria's major clients for decades are the UK, Germany, and China. OPEC's Oil Market Report for July 2022, obtained by the News Agency of Nigeria (NAN), showed an increase of 5,000 barrels per day compared to the average 1.233 million BPD produced in May 2022. Despite the improvement in fossil fuel prices, the oil sector contributed 5.19 percent to total real GDP (N1.055trn) in Q4 2021 and 7.24% for the entire year 2021. The figure is less than the preceding year because high inflation has reduced private sector optimism and weakened consumer spending (Elizabeth & Peris, 2022).

Oil has been a significant factor input in most economies of the world today, but not all countries

are rich with it. Consequently, the commodity has become one of the most traded in the world market today. By implication, most of countries that are rich in oil heavily depend on the revenue generated from these earnings. In particular, the Organization of Petroleum exporting countries (OPEC) and some non-OPEC members depend mostly on oil proceeds as a means of propelling their economies (Odegaard, 2012).

However, owing to continuous unsteady price of oil, the growth time-path of these countries appear to be unsteady. Oil price fluctuation is caused by shifts in demand for oil and the political events. The shift in demand is further caused by continuous global discovery of technological breakthrough that is oil-dependent and also the demand for oil inventories in order to safeguard future shortages (Anzuini, Lombard, & Pagano, 2010). Aside from the demand shift, the major cause of oil price fluctuation is political events and economic policy of the monetary authorities. The first noticeable oil price shock occurs in 1973 when the Arab oil producing countries and members of the organization of petroleum exporting countries (OPEC) placed embargo on the supply of oil in response to the Yom Kippur war (Demachi, 2012). Oil price rose from its pre-1973 stable price of \$20 to \$40. In the 1980s, oil price experienced downward trend resulting from the war between Iran and Iraq (Elizabeth & Peris, 2022)

In late 1980, major oil producing countries commenced on oil conservation and insulation and this caused the price of oil to drop to \$22. In 1990, the Persian Gulf War (PGW) which led to the contraction of oil production and, by implication, oil price increase to \$65. This price could not be maintained due to Asian financial crisis, which led to low demand for oil forcing a downward trend to an average of \$15. Perhaps oil price could have hovered around this price for a relatively long time if not for a security threat against the US economy by the Terrorists in September 2001 that caused oil price to raise as much as \$45. During the US-led Iraq invasion, oil price jumped to \$80 while the Middle East tension and industrial revolution of

China, caused all oil price to rise as high as \$103.97 (Gregorio, 2012). Russia, a major non-OPEC oil producing nation and Saudi Arabia, a major OPEC oil producing nation flooded the oil market in the 2014-2015 periods. During this period, China also experienced economic downturn that necessitated low demand for oil. All these led to supply shock and consequently forced oil price to go as low as \$30. But due to economic stability and the fact that the Chinese economy is picking up, oil price rose gradually from \$32 in 2016 to \$53.07 in 2017 and further to \$70.37 in 2018. As the US planned to respond to Dowing Chemical Attack in Syrian Civil War, oil price rose slightly to \$72.04 and since the OPEC announced that oil production will be kept low, oil price grew gradually to \$77.5 in 2019 and by February 2020 and March 2020, oil price fell from a peak of above \$100 a barrel to below \$50 a barrel respectively owing to the outbreak of Coronavirus (COVID-19) which disrupts economic activity in countries with high demand from crude oil. Despite the current second wave of COVID-19 infection sweeping across Europe and the world's oil price inventories in the US are still above five- year average levels, but they have dropped from them speak earlier this year (Jones & Leiby, 1996).

The inflationary consequences of increasing oil prices will pose a key challenge for monetary policy. Rising oil price results in higher inflation but at the same time it has different implications on output and income, depending on whether the country is an exporter or importer of oil (Gregorio, 2012). This research will center its attention on Nigeria whose economy heavily depends on oil exportation. However, the country also at the same time imports refined petroleum products due to low capacity utilization of indigenous refineries (Aliyu, 2009).

An oil price shock generates a wealth effect in an oil exporting country like Nigeria, with effects on exchange rates and aggregate demand. Therefore, the problem is how to manage monetary policy and fiscal policy to smooth the oil price shocks. A rise

in the price of oil increases the cost of production, transport and indirectly increasing inflation, reducing productivity and output. It also has a serious implication for petroleum products subsidy bills. That is why subsidy has been reduced many times from 1999 to date in which attracted many labor strikes and protests that led to the destruction of lives and properties worth billions of naira.

Oil price volatility in recent years have raised a great concern for policy makers and economist alike all over the world, as theoretical and empirical literature have proven that oil price shock has adverse effects on the macro economy of affected countries. It creates inflationary pressures, increase budget deficit and balance of payment problem, and thus retarding GDP growth (Malik 2008). It has also been suggested that since the 1940's all but one of the US recession were preceded by oil price shocks. The dilemma monetary policy authority face is the tradeoff between safe guiding price stability and preventing slowdown in output growth (Jude, 1998).

There is also the need to know how monetary policy responds to oil price shock in Nigeria, and by extension the effectiveness of monetary policy can be evaluated. As it is argued that recessions that followed oil price shocks in US were caused not by US monetary policy reaction (Bernanke, Gertler & Watson, 1997) but however, Hamilton and Herrera (2001) refuted this claim and argued that oil price shocks have a bigger effect on the economy and also concluded that the potential of monetary policy to avert the contractionary consequences of an oil price shock is not as great as suggested by the analysis of (Bernanke, Gertler & Watson, 1997). It is based on this problem and others that this research work will being carried out.

The study investigates how oil price respond to monetary policy instruments in Nigeria. The paper is structure in five sections: The first section which is the general introduction of the study has

statement of the problem and objective of the study inclusive. The second section deals with the literature review while methodology was captured in section three. The study presented and analysis the results in section four while conclusion and recommendations were drawn and out listed in section five.

2. Literature Review

2.1 Conceptual Issues

Monetary Policy: The Central Bank of Nigeria (2006) defined monetary policy as a “specific actions taken by the Central Bank to regulate the value, supply and cost of money in the economy with a view to achieving government’s macro-economic objective. For many countries, the objective of monetary policy is explicitly stated in the laws establishing the central bank, while for others they are not. The objective of monetary policy may vary from country to country but there are two main views. The first view calls for monetary policy to achieve price stability, while the second view seeks to achieve price stability and others macro-economic objective. The Central Bank of Nigeria, achieve the monetary policy goal through the amount of money supplied.

Oil Price Shock: Oil price shocks can be defined as a sudden increase or decrease in the price of crude oil. Oil price shock is very important topic of study today because it is a source of crisis and economic fluctuations in both oil exporting and oil importing countries (Medina & Soto, 2005).

2.2 Theoretical Review

Monetary Policy Channel Theory

Monetary policy to some extent can influence how an oil price shock is experienced. If the growth of nominal GDP is held constant by the monetary authorities, the inflation rate will increase at the same rate at which real GDP growth reduce. An accommodative (restrictive) monetary policy will partially offset (intensity) the losses in real GDP while it increases (reduces) inflationary pressure if there is monetary illusion or other market imperfections. However, if there is no market

impactions or monetary illusion, monetary policy will feed directly to changes in inflations without any real effects (Brown & Yucel, 2002).

As interest rates are boosted by oil price shock, the velocity of money will rise and the monetary authority will have to decrease the growth rate of the monetary aggregates through further increase in the interest rate to hold the growth rate of nominal GDP constant. If the monetary authorities hold the growth rate of the monetary aggregates constant while its velocity increases, the growth in nominal GDP will accelerate, and inflation will rise by more than GDP growth slows. If the monetary authority acts to hold the real interest rate constant, growth of the monetary aggregates will accelerate, and the rate of inflation will be increased. If the oil price shock does not affect the real interest rate, however, a constant interest rate and uncharged rates of growth in nominal GDP and the monetary aggregates could all be achieved through the same monetary policy. Some scholars such as Bernanke, Gertler and Watson (1997) explained that Contractionary monetary policy caused much of the decline in aggregate economic activity following an oil price increase.

2.2 Empirical Review

Kanu and Nwadiubu (2020) studied global oil price shocks and effects on economic growth in Nigeria: an empirical analysis. The study made use of secondary data covering the period from 1990-2019. Vector Auto Regression analysis, Granger causality test, Variance Decomposition, Impulse Response tests and the ARCH/ GARCH modelling techniques were used for long run estimation. All the tests helped to confirm the integrity of our models. The findings of the study indicate that, in the short run, there was sufficient evidence to show that oil price changes have a significant effect on economic growth. For the long run test, the Trace statistics and Max Eigenvalue tests point to a case of non-integration. At a ten-year horizon, 71.31% of the variance in economic growth is explained by shocks; while the balance of 28.69% was accounted for by the changes in the global price of crude oil.

In other words, the growth of the Nigerian economy has to do with the economy itself and to some extent, fluctuations or instability associated with the global prices of oil shocks. The ARCH/GARCH analysis indicates that there exists a first-order ARCH effect and that the GARCH in mean term was also significant. Succinctly put, the above results suggest that though erratic, there is evidence of volatility clustering of oil price on economic growth in Nigeria.

Adebayo (2018) examined the effects of oil shocks on government expenditures and government revenues nexus in Nigeria (with exogeneity restrictions) employing data from 1981 to 2014 to investigate the effects of oil shocks (price and revenue) on the dynamic relationship between government revenues and government expenditures in Nigeria and how it transmits effects on major macroeconomic variables using structural VAR (SVAR) on key variables, and also employed unrestricted VAR and Vector Error Correction (VEC) Models on expanded number of variables. The results of SVAR show that oil price shocks could not predict the variation in government expenditure in the short-run, while the predictive power of oil revenue shocks is very strong both in the short-run and in the longrun. The VAR and VECM also substantiate the results of SVAR and provide further insight which shows that short-run fiscal synchronization hypothesis is evidenced between the oil revenues and total government expenditures, while spend-tax hypothesis exists in the long-run between total expenditures and total revenues. It is also evidenced that oil shocks highly affect policy variables in the short-run and transfer the effects on the other macroeconomic variables in the long run.

Obi, Awujola and Ogwuche (2016) examined the effects of oil price shock on macroeconomic performance in Nigeria using yearly data from the year 1979-2014. The theoretical framework of this study is based on unrestricted Vector Auto Regression model by Sims (1980). The models are used to estimate the relationship between oil price

changes, inflation rate, Gross Domestic Product and real exchange rate. Unit root tests, Johansen co-integration technique, variance decomposition test, granger casualty test and Vector Auto Regression Mechanism was used to examine the speed of adjustment of the variables from the short run dynamics to the long run. It was observed that a proportionate change in oil price leads to a more than proportionate change in real exchange rate, interest rate and Gross Domestic Product in Nigeria. Nigeria government should diversify from the Oil sector to other sectors of the economy so that Crude oil will no longer be the mainstay of the economy and frequent changes in crude oil price will not influence exchange rate volatility significantly in Nigeria.

Alley, Asekomeh, Mobolaji, and Adeniran (2014) employed the general methods of moment (GMM) to examine the impact of oil price shocks on the Nigerian economy, using data from 1981-2012. After appropriate robustness checks, the study finds out that oil price shocks insignificantly retard economic growth while oil price itself significantly improves it. The significant positive effect of oil price on economic growth confirms the conventional wisdom that oil price increase is beneficial to oil-exporting country like Nigeria. Shocks however create uncertainty and undermine effective fiscal management of crude oil revenue; hence the negative effect of oil price shocks.

Plante (2014) examined optimal monetary policy in a new Keynesian model where supply and demand shocks affect the price of oil. The variables used are oil production, kilian measure of economic activities, real GDP, real oil price, core inflation, Federal funds rate he found out that, Nominal interest rates falls in response to the supply shocks and raises in response to the demand shocks.

Suleman (2012) examined the macroeconomic implications of symmetric and asymmetric oil price and oil revenue shocks in Nigeria, using the vector autoregressive (VAR) estimation technique. The paper finds that both positive and negative oil price

shocks influence real government expenditure only in the long run rather than in the short run, while examining positive and negative shocks to external reserves revealed stronger implications for expenditure in the long run, with positive rather than negative oil price shocks having stronger short and long run effects on real GDP, and therefore triggering inflationary pressure and domestic currency depreciation as importation rises. This implies that the country exhibits the Dutch disease syndrome in the short and long run. However, results obtained show that oil revenue shocks are capable of impeding economic growth only in the long run while raising general price levels marginally in the short run after the initial shocks, with evidence of serious threat to interest rate and the domestic currency in the short and medium term, as the volume of imports increases significantly along with the external reserves.

3. Methodology

3.1 Data and Sources

The study used quarterly time series data spanning the period 2000Q1 to 2021Q4. The data were sourced from Central Bank of Nigeria (CBN) annual statistical bulletins (2022) and National Bureau of Statistics (2022). The data were collected on quarterly bases all the variables of the study. Oil Price (OP) is the dependent variable while broad money supply (M_2), inflation rate (INF), Exchange rate (EXR) and interest rate (INT) are the explanatory variables.

3.2 Model Specification

The model of the study was adopted from the works of Kanu and Nwadiubu (2020) with modifications and is mathematically specified as follows:

$$OP = f(M_2, INF, EXR, INT) \quad (1)$$

Where "OP" is oil price, " M_2 " is broad money supply, "INF" is inflation rate, "EXR" is exchange rate, "INT" is interest rate

Equation 1 above is expressed stochastically as follows:

$$OP_t = \beta_0 + \beta_1 M_{2t} + \beta_2 INF_t + \beta_3 EXR_t + \beta_4 INT_t + \varepsilon_t \quad (2)$$

Where “ β_0 ” is the intercept of the model while $\beta_1 - \beta_4$ are the parameters to be estimated. The a priori expectation (M2 =positive, INF, EXR and INT = Negative)

3.3 Method of Data Analysis

The study used the ARDL model in order to examine the impact of monetary policy instruments on oil price in Nigeria. The Autoregressive Distributive Lag (ARDL) model was adopted because of the numerous features and advantages it possesses than other method of analysis. The study adopts the bounds testing approach to co-integration based on Autoregressive

Distributed Lag (ARDL) model framework, as proposed by Pesaran, Shin, and Smith (2008) in order to measure the relationship between monetary policy and oil price shocks in Nigeria. The study performed stationary tests using the Augmented Dickey fuller test.

4. Results and Discussion

4.1 Unit Root Stationarity Test

The study performed unit root test of properties of the series using the Augmented Dickey-Fuller (ADF) test and the results are presented and analyzed in the table below:

Table 1: Unit Root Stationarity Test Results at Level and 1st Difference of the Variables

Variables	ADF statistics at Level	ADF statistics at 1 st diff	ADF Critical Values at 5%	Order of integration
OP	-2.352173	-5.422628	-2.925231	I(1)
M2	-2.438267	-3.216331	-2.925231	I(1)
INF	-3.284374	-6.215254	-2.925231	I(0)
EXR	-2.414263	-4.227359	-2.925231	I(1)
INT	-0.212696	-6.104263	-2.925231	I(1)

Source: E-views 10.0 (2022)

The ADF unit root results shows that all the variables were not stationary at level I(0) except inflation rate (INF) but are stationary at first difference I(1). The variables were stationary at first difference because the ADF statistical values were greater than the ADF critical values at 5%. This leads to the rejection of the null hypotheses of unit root and the acceptance of the alternative hypotheses of no unit roots among the series (OP, M2, EXR, and INT). This means that four

variables are integrated of order one i.e. I(1), while one is integrated of order zero i.e I(0).

4.2 F-Bound Test of Long-Run co-integration

Equation 1 which specified the relationship between the dependent variable (OP) and the explanatory variables (M2, INF, EXR and INT) is used and estimated long-run co-integration relationship as presented in table 2.

Table 2: F-Bound Test of Co-integration in the ARDL model

F-statistic	95% Lower Bound	95% Upper Bound	90% Lower Bound	90% Upper Bound
6.9258	5.4103	6.9064	4.6872	5.6769

Source: E-views 10.0 (2022)

Table 2 shows the result of the F-bound test of co-integration. The computed F statistics is 6.9528 which exceed the 95% upper bound 5.4103 means that there exist a long run co-integration relationship between oil price and monetary policy instruments in Nigeria during the period under review. The

study estimated the long run coefficients by estimating an ARDL model using Univariate ARDL co-integration test with maximum lag m=4. Table 3 shows the estimated long run coefficient for the model based on ARDL.

Table 3: Estimated Long Run Coefficients using the ARDL Approach

Variables	Coefficient	Standard Error	t-statistics	P-Value
M ²	0.31839	0.82631	-4.32194	0.0028
INF	0.01638	31.5272	-2.41801	0.0161
EXR	0.07481	18.3528	-1.3421	0.3213
INT	-0.19327	25.4262	-3.25173	0.0011

Source: E-views 10.0 (2022)

The results of the estimated long-run coefficients of the log run relationship show that broad money supply (M²) has positive and significant relationship with oil price at 5% level in Nigeria. Thus, any unit increase in broad money supply (M²) increases oil price by 0.31839 units, while inflation rate (INF) has a negative significant relationship with oil price in Nigeria in the long run. This means that a unit

increase in inflation rate (INF) increases oil price by 0.01638. This means to achieve oil price reduction, there is need to address the issues of inflation rate in Nigeria. Interest rate coefficient is negative but statistically insignificant as indicates. This result indicates that a unit increase in interest rate reduces oil price by 0.19327.

Table 4: Error Correction Representation for the Selected ARDL Model

Variables	Coefficient	Standard Error	t-statistics	P-value
dOP-1	0.71568	0.20982	-3.18547	0.003
dOP-2	1.84388	0.18506	-6.21873	0.000
dM ² -1	0.43621	0.027078	-1.26371	0.101
dM ² -2	-0.6384	9.85381	-3.83221	0.002
dINF-1	0.83673	1.46785	-6.2789	0.000
dINF-2	-1.2776	6.84747	-0.13467	0.1542
dEXR-1	0.56373	0.17342	-3.74484	0.0075
dEXR-2	0.16784	3.16783	-2.39317	0.0194
dINT-1	0.93663	2.10742	-2.74480	0.0116
dINT-2	-0.26537	1.0626	-1.11194	0.4217
ECM(-1)	-0.413609	1.84637	-4.12737	0.0022

Source: E-view 10.0 (2022)

The error correction result in table 4 revealed the short run coefficients estimates of the ARDL model. The error correction coefficient is estimated at -0.413 and is statistically significant at 5% level as indicated by the probability value of 0.0022 which is less than 0.05 level of significant. The error correction coefficient has negative sign which means that a speed of adjustment of 41% to equilibrium. The ECM(-1) further confirms the existence of a stable long run relationship indicating oil price, broad money supply, inflation rate, exchange rate and interest rate are co-integrated. The coefficient of the error term (ECM -1) implies that the deviation from long run equilibrium level of oil price of current year is corrected by 41% in the next year to bring to back equilibrium.

5. Conclusion and Recommendations

The study analyzed the impact of monetary policy instruments (broad money supply, inflation rate, exchange rate and interest rate) on oil price shocks in Nigeria. Oil has been a significant factor input in most economies of the world today, but not all countries are rich with it. Consequently, the commodity has become one of the most traded in the world market today. As interest rates are boosted by oil price shock, the velocity of money will rise and the monetary authority will have to decrease the growth rate of the monetary aggregates through further increase in the interest rate to hold the growth rate of nominal GDP constant. The ARDL model was used in estimating the relationship between monetary policy instruments and oil price shocks in Nigeria. The result reveals that all the variables are statistically significant in influencing the oil price shocks in Nigeria. The error correction

coefficient has negative sign which means that a speed of adjustment of 41% to equilibrium. The ECM(-1) further confirms the existence of a stable long run relationship indicating oil price, broad money supply, inflation rate, exchange rate and

interest rate are co-integrated. The study therefore recommends that the government should in effectively implement monetary policy instruments to address the shocks in oil prices in Nigeria.

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EMPIRICAL ANALYSIS OF ETHNIC CONFLICTS AND SOCIO-ECONOMIC DEVELOPMENT IN NASARAWA STATE 2001-2022

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Abstract

The study concentrated basically on ethnic conflict and the socio-economic development in Nasarawa State 2001-2022. The study examine the magnitude of ethnic conflict on the socio-economic development of Nasarawa State and further looked at the impact and effect of the conflict on the socio-economic development and as well on the lives of the citizens in Nasarawa State. The rationales for the tenaciousness of ethnic conflict in Nasarawa State were examined. And the effort made by government and Communities toward mitigating the conflicts were also identified. Relevant literature was reviewed in line with the objective of the study. The adopted the mixed research design method and the sources of data for this research work are Primary and Secondary sources of information. The theory adopted in our analysis is the eco-violence theory, the theories identified the critical role of ethnic conflict which devastated the socio-economic and political development of Nasarawa State and also exposed how it has negatively impacted on the family, education, economic and material wellbeing of the people in the zone. The study found that ethnic conflict in Nasarawa State has devastated the Socio-economic and political structure of the zone with profound effect emanating from political dimension and also the menace of ethnic conflicts has impacted on the family, education, economic and the material wellbeing in the zone consequently human and material losses were heavily recorded however, the persistence effect of the conflicts was instigated by individuals/communities acquisition and possession of small arms and large weapons for protection, youths unemployment and government partisanship/ negligence in response to ethnic conflicts in Nasarawa State. the study recommends Government should also enforce tight regulation of the possession of weapons in order to prevent another situation in which a large number of civilian can quickly be armed and equipped to participate in mass killing and destruction, also, government should make sure that Police respond promptly to distress calls and effectively control situation and also ensure they are adequately trained, prepared and equipped to prevent and respond to any further outbreak of violence in the future

Keys Words: Ethnic, Conflict, Social-Economic Development

1. Introduction

The Ethnic Crises that has scarred Nigeria is also a persistent reminder that Crises is pervasive and threatening national unity. (Jega, 2002) Ethnic sectarian violence has left a trail of destruction and threatens Nigeria's territorial integrity. (IDEA, 2001) Little does it help positively toward the socio-economic development of Nigeria? Although colonial powers and the elites succeeding them may have used ethnicity for political ends, today's poverty and

ineffective governance has sharpened ethnic divisions. Misunderstanding also brews as ethnic groups see each other as rivals that must be surpassed by any means, thus hampering national integration. (Olu-Adeyemi, 2003) As the state begins to loose legitimacy and authority, the fear of uncertainty increases to the extent that citizens resort to self-help, seeking security and solidarity in their own ethnic, religious or regional affiliation and identity.

A new dimension to Nigeria's ethnic violence is the increasing recruitment and mobilization of ethnic and regional militia, vigilantes and other armed groups. The Oodua People's Congress in Yoruba land, the Arewa People's Congress in the north, the Bakassi Boys in the east and the Egbesu in the South, represent contending interests to Nigeria's detriment. The implication of persistent ethnic Crises is the insecurity of citizens and properties which deters foreign investment and a setback to economic development.

Ethnic conflict has raised fundamental question on national cohesion, national integration and socio-economic development of communal and religious groups. Conflict abounds in the 1990's which linger until date. These crises are all product of politics of ethnicity and religion. "Therefore, most of the crisis that exploded in Nigeria can be traced to ethnicity, religion, economic, social and political activities: Many of these crises left scars, for instance the Tiv and Hausa/Fulani in Nasarawa State, Tiv and Jukun in Taraba state, and Hausa's and indigenes (Jarawa) in Jos plateau state, Hausa-Katafawas in Zangon Kataf (Kaduna State and the recent Eggon, Eggon-Gwandara, Eggon-Fulani, Fulani-Alago, Eggon-Migili and the Igbura-Basa, all in Nasarawa State.

Thus, given the pace of ethnic crisis and the seeming destruction of lives and properties as well as, social, political and economic process, leads to the question, what consequences do the crises have on the socio-economic well-being of the people?

Therefore, this Ethnic conflict has impacted negatively on the socio-economic development of the society leading to destruction of lives and properties, disruption of marketing activities, demolition of schools building, food insecurity, income stagnation and human displacement resulting from the violent confrontation arising from the ethnic groups.

There has been series of conflict between the Tiv and Alagos along the border of Benue and Nasarawa State. But these are low intensity Crises bordering on land for farming. But On the 12th of June, 2001, Nigeria woke up to a violent ethnic confrontation in Nasarawa State due to the assassination of the Chief of Azara in Awe Local Government Area along with six other

people on their way to Lafia. This was the climax of series of ethnic violence that has gripped some parts of Nasarawa South Senatorial Zone. This killing has exacerbated the inter-ethnic crisis between the Tivs and Alagos ethnic groups in Awe, Keana and Obi Local Government Areas in the Senatorial Zone. Following the crisis, government set up a judicial tribunal to investigate the causes of the violent Crises in order to find out lasting solution to inter- ethnic crisis(Nasarawa state Judicial commission of Inquiry Report 2002;43).

However, the forces behind most of this ethnic conflict revolved around boundary dispute, land contestation, struggle over political power, unequal distribution of economic resources and religion intolerance and fanaticism leading to destruction of lives and properties th^{ere} neglecting the positive transformation of the socio-economic development and structures of the affected communities especially the family, education, economic, justice and material life of the people.

The violent confrontations in Nasarawa State prompted the Socio-Economic Rights and Accountability Project (SERAP), a Nigerian-based NGO to petition the International Criminal Court to investigate human rights abuses and possible crimes against humanity. (Olaniyi, 2010) Through a letter dated 5th November 2010, Louis Moreno Ocampo, Chief Prosecutor of International Criminal Court (ICC), informed SERAP that the ICC was analyzing the situation to establish a reasonable basis that crimes within the ICC's jurisdiction had been committed in Nasarawa. (Olaniyi, 2010) At the time of this compilation, the status of the official findings of the International Criminal Court on possible crimes against humanity has not been made public.

However, Government established several judicial commissions of inquiries with the mandate to investigate into the causes and the possible measures to avert future occurrence of the crises which proves abortive, there have been no credible trials of anyone involved in the communal violence and no concerted effort to arrest and prosecute organizers of the violence in the state since 2012.

As in previous crises in the state, the Government also responded to the killings of the security agents at Alakyo by letting up a commission of Inquiry to investigate the cause of the violence. The previous judicial commissions of Inquiry set up after the Agyaragu and Assakio in 2012 were not productive. Despite the commission's Report, the violence has continued and in some instances, the conflict has got worse. The non-implementation of the recommendations of the commission's reports, especially the lack of prosecution of those indicted in the communal conflicts, has not helped the Government to enforce the law and dispense justice in the State. Justice is normally an important element in conflict mediation and resolution, but this means the rule of law has to be applied, not just to one side or community but to all individuals regardless of their position in the society.

It is on these notes that this research work seeks to examine the effect of the ethnic crises on the socio economic development of Nasarawa South Senatorial District from 2001-2022.

2. Literature Review

2.1 Conceptual Issues

Ethnic Conflict: Ethnic conflict is a phenomenon that is not fully out of natural human tendencies. It might be so to some extent but it is also fanned by political, social, territorial environmental and cultural issues that happen between ethnic groups. He says that in this case ethnic conflicts manifest itself in two levels; vertical- that's is between a group that feels dominated and is trying to fight the rest and horizontal which is conflict appearing between two parties that can be considered to be equal in all ways.

Rodolfo (1999) says that ethnic conflict is a clash in whichever level where the people or groups/parties involved try to identify themselves and others, including those from outside the group, in ethnic terms and using ethnic process. In this description, the common bond between members of the group is basically ethnicity and people termed outsiders see the unity of the group as not being compatible because of the ethnic principle embedded in the culture, language,

and all behaviours attributable to the ethnic group. A few questions have been asked by previous authors in regard to this phenomenon which may assist us understand the direction of it; Why do ethnic conflicts persist? What drives persons and groups to inflict suffering or give support to those who do this? Who are these people that fight in ethnic fights? Why do these people fight in these conflicts? Is there a mobilization process for these kinds of conflicts? Are there strategies used in executing the warfare and/or tactics? Could there be some environmental factors which act as catalysts to conflict instead of fostering coexistence? Cordell, (1996) also wonder why the international organizations and the super powers are always silent on the security threats posed by conflicts of this nature and only appear concerned when a huge crisis emerges. At this point, it is important that we look at the above mentioned causes and the consequences of ethnic conflicts.

Conflict: Conflict is a situation in which people, group or countries are involved in a serious disagreement or argument (Anifowese, 1982). In the same vain Otitea, 2001 argue that conflict can emerge between two cultures which can either be political, divergent interests, goals and aspiration by individuals and/or groups in defined social and physical environments. Mostly there are fertile grounds for conflict involving individuals and groups who are interested in using these new resources that are arising from development to achieve their goals.

The incidence of ethnic conflict has varied throughout human history for instance in the case of the past, ancient 16Tittings describe the conflict ways of Assyrian kind of Ashurbormpal, who delighted in beheading his enemies and blinding and multi - lauding his prisoners (Frederick, 1968).

Burton (1972) contends that "conflict like sex, is an essential creative element in human relationship". It is the means to change, the means by which our social values of welfare, security, justice and opportunities for personal development can be achieved. The existence of a flow of conflict is the only guarantee that the aspirations of society will be attained; indeed, conflict like sex is to be enjoyed.

Conflict in these levels may appear "nested" in conflict. It increases its human and natural resources and plans how to Residing a larger levels of analysis for example, employ them more productively (Gbosi, 2001). conflict within a work team may play out the dynamics. The concept of economic development is often of a broader conflict in the organization as whole, misunderstood with economic growth to define any type of (Marie and John 2001).

The exploration of the contemporary views of social reality is discussed by classical theorist such as Emile Durkheim, Karl Marx and Max Webber meanwhile. The concept of economic development is often building the area capacity to adapt the economic change" (Loveridge and Morse 2003:32). This definition suggests a distinction between economic growth and economic development. Economic growth represents an increase in jobs and income in the community. It refers also to the expansions in the community. While economic development can involve job, income growth, it also involves sustainable increase in the productivity of individuals, businesses and resources to increase the overall well-being of the citizens.

Development: Development according to Adam (1992) is a social condition within a nation, in which the authentic needs of its population are satisfied by the rational and sustainable use of natural resources and systems. This utilization of natural resources is based on a technology, which respects the cultural features of the population of a given county. Conceptually, development deals with the identification of human basic needs of individuals, families, interest groups, communities as well as their competencies or abilities to meet these needs, which are channelled or targeted towards gradual growth

Ethnic conflict serve as a set back to the development and stability of a particular community and the nation at large and this is mostly experienced more when there are issues of indigene verses settlers dichotomy while in some instances the search for scarce resource influenced by other factors, such as political tussles, land contestation, chieftaincy contest and unequal share of economic resources among other. Indigene status is highly contested in Nasarawa South zone especially since it is linked to political and economic benefit. Nigeria constitution grants every citizen the right to settle anywhere within the country and prohibit the government from discriminating citizens against base on ethnicity or religion.

Economic Development: Economic development is meant the ability of any given economy to provide goods and services, increase human development and capacity, job creation, poverty alleviation, provision of infrastructure, etc. Economic development occurs as the economy

money generating activity in the community. Economic development is seen as 't a sustained community effort to improve both the local economy and the quality of life by building the area capacity to adapt the economic change" (Loveridge and Morse 2003:32). This definition suggests a distinction between economic growth and economic development. Economic growth represents an increase in jobs and income in the community. It refers also to the expansions in the community. While economic development can involve job, income growth, it also involves sustainable increase in the productivity of individuals, businesses and resources to increase the overall well-being of the citizens.

From the economic backdrop, it is easy to consider the concept of growth from the level of increase in Gross Domestic Product (GDP), Gross National Product (GNP) as well Net National Product (NNP) respectively. Political scientists however hold contrary views on the concept of growth. To them economic growth which does not reflect the interest, aspiration, welfare as well guarantee the greatest happiness for the greatest number cannot be called growth in the sense of the word. This means however, that there can be economic growth without development and sustainability as in the case of Nigeria (Ake, 2001).

2.2 Empirical Review

2.2.1 The Extent of Ethnic Conflict on the Socio-Economic Development of Citizens in Nasarawa State

In Nasarawa State most ethnic groups have conflicting interests and do not agree on how wealth, power and status are to be shared. Some resolve these social issues without conflict, others do not. In general however, Nasarawa State has had its share of ethnic and communal violence. As documented in a study of conflicts in central Nigeria, "Ethnic conflicts have become pervasive in Nasarawa State to the extent that almost every local government area has unresolved ethnic conflict at various stages of escalation-deseculation" (Jibo, Simbine and Galadima 2001:146).

These previous were localized, lasted a few weeks, usually limited to one or two villages and recorded minimal losses of lives and property. It is in this sense that both the scale and duration of the 2001 crisis set it apart from previous ones. In the 2001 explosion, the Alago, Mada and Migili and all the other groups were united against the Tiv. As the Nasarawa Judicial Committee Report (see also Federal Government of Nigeria 2003:137) put it, "It appears that the other ethnic groups were severally and collectively pitched against the Tiv, thereby equated the situation to "ethnic cleansing" perpetrated by other groups to exterminate them from geo-political space (Hagher 2002:206).

2.2.2 The Reasons for the Persistence of Ethnic Conflict in Nasarawa State.

The Federal Government instituted a Judicial Commission of inquiry into the political tussles which led to killings and the events which led up to them between the Tiv and the other ethnic groups that made up Nasarawa state, a central demand of the Tiv people (Kpera 2001). Headed by Justice Okechukwu Opene, the commission was empowered to examine all issues related to the conflicts in Nasarawa States. In month of February 2003, the commission held public sitting at which the various parties presented memoranda. There were ample opportunities for cross-examination by the lawyers representing the different interests. The commission submitted its findings before the end of 2003, while a white paper on the same was being awaited. However, drawing on experiences with similar exercises in the past (Federal Government 2003), in the past, such reports are either not made public, or the government does not implement the recommendations. Indeed, it is rare for government to take any actions to redress the causes of violent eruptions of ethnic or religious conflicts. The government thus sows the seeds for future recurrence which are part of the challenges the Nigerian government must grapple with.

However, the Nasarawa State government has also set up a commission of enquiry to investigate 1st June 2012 attacks in which about 50 people were reportedly killed in Assakio on the outskirts of Lafia, capital of the state. The state's deputy governor, Dameshi Barau

Luka, who represented Governor Umaru Tanko Al-Makura, described as shocking the hostilities between the Eggon and Alago tribes in the area.

There is no doubt that these recurring communal conflicts are ill winds that blow no one any good. The consequences is that our people are traumatised, disorganised and exposed to the vagaries of nature, while socio-economic activities are completely halted. Enough is enough, and this must stop," he said. "The seven-man committee's terms of reference include, to ascertain the degree of loss of lives and property, identify persons or groups involved in the crises and their mode of operation and recommend appropriate punitive measures to be taken by government against those found culpable. The Justice Isah Ramalan-led committee is to submit its report within 30 days".

2.3 Theoretical Framework

The Eco-violence Theory

The study adopts the theory of eco-violence as its analytical framework. The theory of eco-violence is an emerging theoretical construct seeking to explicate the relationship between environmental factors and violent conflicts (Onuoha, nd). Developed by Homer-Dixon (1999), the theory holds thus:

Decreased in the quality and quantity of renewable resources, population growth, and resource access act singly or in various combinations increase the scarcity for certain population groups of cropland, water, forests, and fish. This can reduce economic productivity, both for the local groups experiencing the scarcity and for the larger regional and national economies. The affected people may migrate or be expelled to new lands.

Migrating groups often trigger ethnic conflicts when they move to new areas, while decreases in wealth can cause deprivation conflicts (Homer-Dixon, 1999:30).

Implicit in the eco-violence theory is the assumption that competition over scarce ecological resources engenders violent conflict. This trend has been aggravated in contemporary times owing to the impacts of climate change, which has exacerbated

ecological scarcity across the world (Blench, 2004; Onuoha. 2007).

In effect, ecological scarcity raises the competitive stakes and premium that the various societal groups may place on available ecological resources. This condition tends to precipitate violent conflicts.

Applied to the purpose of this study, the theory of eco-violence offers insights into the nature and dynamics of the herdsmen/farmers conflicts in Nigeria. In this regard, it is to be observed that the conflicts have been driven by the desperation of the affected groups to protect and advance their livelihood interests in the context of an ever shrinking ecological space, characterized by resource-scarcity, livelihood crisis, population explosion, and resource competition. In the case of Nasarawa State, which is by design the focus of this study, the situation has been accentuated by the climate change-induced migration of pastoralists from the far North to the North-Central region of Nigeria in search of grazing fields (Blench 2004). This trend has been succinctly captured thus:

The outcome of this scenario in Nasarawa South has been the prevailing internecine herder/farmer conflict which has so far tends to have defied all remedies. An extrapolation of the foregoing theoretical position has been nicely articulated in the analytical notion of 'eco-survivalism' (Okoli, 2013). The crux of the theory of eco-violence is that the desperate quest for survival by groups in a competitive and resource-scarce ecological sphere (eco-survivalism) is likely to precipitate violent conflict.

The eco-violence theory derives its epistemological foundation from the political ecology perspective. In effect, the bulk of its assumptions are organically related thereto. In any case, the theory takes as a point of departure the mainstream political ecology premise in an attempt to evolve a robust analytical tradition amenable to analyzing micro issues pertaining to resource-conflict problematic.

3. Methodology

3.1 Research Design

The study adopted mixed research design this entail collection of data from both primary and secondary

sources. In the case of the primary data, we used survey method to collect our data and administer the questionnaire to the household sample. Similarly, Secondary data was utilized through library research to get materials such as newspapers, magazines, journals, periodical and published works by seasoned authors.

3.2 Population and Sample Size of the Study

The population for the study comprises of Principal actor's such as security personnel, panel of enquiry, parties to the conflict, businessmen and women among others. The population of the study is drawn from five (5) Local Government of Keana, Awe, Doma, Obi and Lafia Local Government Area. The five (5) Local Government area under study have the population thus: Keana 81253, Awe 114574, Doma 141607, Obi 150874 and Lafia 3327712. Therefore the total population to be considered in this research work is eight hundred and twenty one thousand, twenty one (821021). A sample population for the study will be drawn using the steely Yamane (1967, p.886) formula thus:

3.3 Sampling Technique

The researcher used simple random sampling technique as a method of selection in this study. This is because most of the populations that we deal with in social sciences are not "known"; The reasons for adopting these sampling plan is obtain a comprehensive information from a knowledgeable informant that will effectively give an assessment on the impact of ethnic conflict on the socio-economic development of Nasarawa south senatorial zone of Nasarawa State . The size of the population is also an issue, and then, the cost for obtaining the elements in large population is convenience and accessibility. In the administration of questionnaire, attention was given to security personnel, panel of inquiry, parties to the conflict, business men and women among others in Nasarawa South.

3.4 Method of Data Collection

The method of data collection in this study include Primary and secondary method of data collection.

4. Results and Discussion

Table 1: Respondent opinion on the reasons for the persistence of Ethnic Conflict in Nasarawa State

Opinion	Frequency	Percentage
Individual/Communities acquisition of small arm and light weapons for protection.	211	55
Endemic unemployment of the teeming population of youth in the state.	76	20
Government partisanship and negligence.	94	25
Total	381	100

Source: Field Work, 2022

From the table above, 211 respondents representing 55% were of the view that the individual/Communities acquisition and possession of small arms and light weapons for protection instigate the persistence of ethnic conflict in Nasarawa south zone, 76 respondents representing 20% were with the opinion that the endemic unemployment of the teeming population of youths in Nasarawa State encourages the persistence of ethnic conflict in

Nasarawa south zone, 94 respondents representing 25% were of the view that government partisanship/negligence instigate ethnic conflict group that is in support of Government programmes and policies is often protected and supported by the government in an event of inter-ethnic conflict and that was the case that encourages the persistence of ethnic conflict in Nasarawa South Senatorial Zone.

Table 2: Respondent's Perception on the Impact of the Ethnic Conflict on Government and Well Being of the People

Impact of crises	Frequency	Percentage
Hunger	240	63
Poverty	70	18
Enmity among people/ Disruption of public institutions/ services	71	19
Total	381	100

Source: Field Work, 2022.

The table above has shown that 240 respondents representing 63% are of the view that the impact of the crisis on the people has been persistent hunger, 70 respondents representing 18% are of the view that

the impact of the crisis on people is poverty, however, 71 respondents representing 19% agreed that the impact of the crisis is enmity among people/destruction of public institutions/service.

Table 3: Respondent views on Government Assistance to the Victims

Government aids	Frequency	Percentage
Yes	286	75
No	95	25
Total	381	100

Source: Field work, 2022.

In this table, respondents representing 75% were of the view that local government, state and federal level do come to the aid of the victims during such

crises, while, 95 respondents representing 25% said there are no government assistance during the crises

Table 4: Respondents view on the failure of the state to perform its constitutional role escalate or lead to conflict in the zone

Opinion	Frequency	Percentage
SD	15	4
D	9	2
U	3	1
A	162	43
SA	192	50
Total	381	100

Source: Field work, 2022.

From the above table respondents representing 4% strongly disagree (SD), 9 respondents representing 2% disagree while undecided (U) is zero, 162 respondent representing 43 agreed, and respondents representing 50 strongly agreed with the assertion. The failure of the State to perform of constitutional role lead to escalation of conflict.

4. 1 Summary of Major Findings

This section introduced the discussion of major findings of the research conducted on the topic Ethnic Conflicts and economic development in Nasarawa State. The discussion was presented in line with the objectives of the research designed.

From the field exercise, and in line with the first objectives which aim to ascertain the extent of ethnic conflict on the economic development of Nasarawa South Senatorial Zone of Nasarawa State.

The findings revealed that 212 respondent representing 55% and key informants alike attested that the politically related conflict tent to be more devastating because of competition for space and access to participation in the decision making process of the state.

This lingering issue was strengthen during the administration of Governor Abdullahi Adamu in 1999, which Tiv were appointed to key political position in government such as, special adviser to the Governor on political and legislative matters, permanent Secretary of works and Urban development, secretary Teachers Service Commission among others which other ethnic groups such as Alago, Kanuri, Hausa/Fulani among others in the zone were not happy and claim that position meant for "son

of the soil" has been given to settlers at their detriment. And the issue of creation of chieftdom in Azara Development Area where the district headship position became a major tussle between the Tiv and Kwalla ethnic group ends up in wanton destruction of lives and properties. On economic dimension, 101 respondents representing 27% maintain that the actual mainstay of Nasarawa south in economic terms is predominantly agriculture where farmers engage in crop production for either cash or for subsistence. Thus, with the high rate of dependence on land for survival, it becomes clear that most people in the zone will be willing to stake their lives to acquire one or at best repel imminent intruders. In most cases, forceful acquisition of land belonging to an ethnic group fuel crises. They also mention unemployment of youth in the zone which makes them vulnerable to crime as they celebrate conflicts as a means of illegal acquisition of material wealth. While on the social dimension 68 respondents representing 18% attested to the view that school building were demolished in many areas, farming could not take place because of the magnitude of crises going on, while human being had been displaced.

The responses of the respondents on the impact of ethnic conflict on the family structure in Nasarawa south zone.

133 respondents representing 35% reported that the strong family bond was severely disrupted by the ethnic crises as several members were killed. Widow and widowers found themselves in new environments many times without breadwinners. In several instances, parents were kill and children were left to fend for themselves and that causes serious distortion to an organised family as a lineage, 141 respondents

representing 37% maintain that properties lost and destroyed during the Crises include personal houses in Assakio, Obi, and Awe, also Schools were destroyed in the same location and the Crises was characterised by a large-scale Looting of farm produce by the warring Ethnic groups, while 107 respondents representing 28% maintain that families were displaced and that fleeing does not help as there was nothing except just to sit, for people who were mostly farmers and used to active lives, it was obviously devastating. And also there are uncertainties about food and water. As most of the refugees arrived with nothing except the cloths on their bodies and food to them a constant problem.

5. Conclusion and Recommendations

The research assessed ethnic conflict on the socio-economic development of Nasarawa south Senatorial Zone, for instance the family life, education life, economic and material life and most importantly to proffer solutions to this crisis in order to prevent future occurrences, it's also identified the extent of ethnic conflict in the socio-economic development of Nasarawa state, examine the impact of ethnic conflict on the socio-economic development of Nasarawa state, the reason for the persistence of the conflict, the effort by government and communities toward mitigating the conflict and the measures by government toward forestalling future occurrence of the crises in Nasarawa state. But before that is done, it is equally important that the summary of the key findings are identified. Base on the research objectives mentioned above, the findings of objectives one of the research revealed that, majority of the respondents agreed that the politically

related conflict tent to be more devastating because of the competition for space and access to participations in the decision makes process in the state.

The study recommends that government should also enforce tight regulation of the possession of weapons in order to prevent another situation in which a large number of civilian can quickly be armed and equipped to participate in mass killing and destruction particularly attention should be paid to the control of mercenaries and weapons brought in from neighboring state. Also Youth should not only be educated and train academically, professionally and technically but employment should be provided for them, Nigeria youths constitute majority of the fighting force in these violent confrontations among the various warring communities

Government should make sure that Police respond promptly to distress calls and effectively control situation and also ensure they are adequately trained, prepared and equipped to prevent and respond to any further outbreak of violence in the future and Beside it is not enough to set up panels or commission of inquiry, government should study and implement promptly those recommendations found appropriate in particular circumstances, infact the delay in the implementation of the findings and recommendations of panels and recommendations exacerbate conflict, and also Publish the findings of all commission of inquiry set by the Federal and State Government on the violence in Nasarawa South since 2001 and adequate implementation should be done to avert future occurrence of such crisis.

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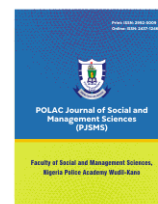
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PENSION FUND AND NIGERIAN ECONOMIC GROWTH

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Abstract

The study examined the nexus between pension fund and economic growth in Nigeria. Gross Domestic Product (GDP) was proxy for economic growth while Pension Fund Investment (PFI) and Total Contributory Pension (TCP) were proxy for Pension Fund. Data for this study were obtained from secondary sources particularly from Central Bank of Nigeria (CBN), and Annual Report of National Pension Commission (PENCOM) publications. Multiple regressions of Ordinary Least Square (OLS) were employed for the period of 2004 – 2014. The study found that Pension Fund Investment (PFI) and Total Contributory Pension (TCP) are positively related to Gross Economic Growth (GDP). Although, the statistical stand of Total Contributory Pension (TCP) is insignificant. This is as a result of the dwindling economy, inconsistency in the payment of salary and patriotic attitude of some officials managing the pension fund. The TCP coefficient contributed less and the P-value of 0.909, revealed it to be insignificant. Again, the coefficient of PFI contributed significantly to economic growth of Nigeria with the value of 0.032712 which was further confirmed by its P-value of 0.0000 that was less than 5%. The study recommended that Pension Commission should ensure effective monitoring, supervision, and enforcement of the provision of its policy, which are the inevitable ingredients in the contributory pension scheme towards Gross Domestic Product (GDP). The study concluded that the expected increase in pension savings contributions would lead to greater investments of pension funds that will promote economic growth in Nigeria as proxy by Gross Domestic Product (GDP).

Keywords: Pension Scheme; Contributory Scheme; Investment; Pension Act

1. Introduction

Pension fund is a promising financial protection scheme put in place by employers to protect against unforeseen negative circumstances that may befall their present employees after retirement from service or their careers. In other words, pensions are social security payments for the aged, disabled and deceased based on past employment records (Maiturare, 2011). However, in the past (pre-Contributory Pension Scheme (CPS) era) the pension system in the country was characterized by pay-as-you-go (PAYG) defined benefit in the public sector. The system was a structure of non-contributory pensions, which was hampered by much operational difficulties. However, it became fundamental to embark on transformation to restore

the hope of retirees and the entire workers in Nigeria, who would retire in the future (Maiturare, 2011).

Subsequently, the then president of the Federal Government of Nigeria, President Obasanjo brought about a change in the management and administration of pension funds in Nigeria with the enactment of the Pension Reform Act 2004 which introduced the new contributory pension scheme in the public and private sectors. The World Bank, in 1994 published a path-breaking seminar book on pension reform entitled, "Averting the Old Age Crisis: Policies to Protect the Old and Promote Growth" (Orszag & Stiglitz, 1999).

The first pension law in Nigeria was the Pension Ordinance of 1951. It was later transformed into

Pension Act 1958. This was the first attempt by the colonial administration to provide for the full pension rights of the colonial administrators. However, some limited right was granted to the Nigerian workers in the civil service at the discretion of the colonial Governor General. This was followed by National Provident Fund (NPF) scheme established in 1961 by an Act of Parliament 1961. The National Provident Fund was changed to Nigeria Social Insurance Trust Fund (NSITF) in 1993 via a decree No.73 of 1993. The effective date was from July 1994. This Act was broader based than National Provident Fund. This was the first legislation enacted to take care of pension matters in the private organizations. Thereafter, the Pension Act No.102 of 1979, the Police and other Government Agencies' Pension Act No.75 of 1987, and Local government Edict which precipitated the establishment of Local Government Staff Pension Board of 1987 (Fapohunda, 2013; Barrow, 2008; Balogun, 2004).

Since 1994 there has been series of pension reform in more than 80 countries and thus provided financial support for countries to grow. Consequently, reforms along these lines have been carried out mainly in Latin America and the post-Soviet "transition countries". Chile was the first to embark on the reform as early as 1981. In all, twelve countries in Latin America have passed laws introducing mandatory savings; ten have implemented them. In Europe and Central Asia, fourteen countries have decided to introduce individual accounts whilst ten made the change (Dalang, 2006; Holzmann & Hinz, 2005).

Old pension crisis is a global problem, but the Nigerian version is coloured with corruption and large-scale embezzlement of pension funds. There was poor supervision of pension fund administrators in the effective collection, management, and disbursement of pension funds; the various governments were insincere about pension. The aftermath of these developments led retirees to become mendicants (Toye, 2006). It was against these myriads of problems that the Federal Government of Nigeria constituted various committees headed by Chief Ajibola Ogunsola and Mr. Fola Adebola at different times to look at the challenges of pension schemes in Nigeria and proffer solutions.

Fola Adebola's committee report was enacted into the Pension Reform Act 2004 and came into operation on 1st July 2004 (Fapohunda, 2013; Balogun, 2004). The reform was a part of the main policy pursued by the Obasanjo administration to address the Millennium Development Goals (MDGs) which was anchored on National Economic Empowerment and Development Strategies (NEEDS). The previous pension scheme which was in crisis was then replaced with a Contributory Pension Scheme by (the Act) to give the retired citizens a better life after retirement (ArticleNG, 2013; NEEDS, 2004).

The Pension Reform Act 2004 (the Act) was therefore enacted to correct these abnormalities in the system. Based on these wrong attitudes, Obasanjo administration introduced a pension system that is, according to him, sustainable and has capability to achieve the ultimate goal of providing a stable, predictable and adequate source of retirement income for each worker in the country (Ahmad, 2012). The pension reform Act 2004 was signed into law which gave birth to Contributory Pension Scheme (CPS) fully funded, privately managed, and based on individual account for both the public and private sector employees in Nigeria. The Act, among its various provisions, repealed the Pension Act 1990 and other Acts pertaining to pensions were either entirely repealed or amended. The Federal Government found the global trend in paradigm shift in pension industry – Contributory Pension Scheme.

Despite the several attempts to examine whether pension funds and savings serve as a viable means for economic financing, little attempt has been paid to examine the whether the contributory pension scheme serves as a viable and alternative means of funding the economy for growth and development. From the foregoing, the researcher was prompted to carry out this study on the nexus between pension fund and Nigerian economic growth. It is against this background that the study examines pension funds and Nigerian economic growth and the main hypotheses of the study are: contributory pension has no effect on economic growth in Nigeria; pension savings has no effect on Nigerian economic growth and pension fund has no effect on Nigerian economic growth.

2. Literature Review

2. Conceptual Issues

Concept of Pension: Pension is simply the amount set aside either by an employer or an employee or both to ensure that at retirement, there is something for the employee to fall back on as income. It ensures that at old age workers will not be stranded financially. It is aimed at providing workers with security by building up plans that are capable of providing guaranteed income to them when they retire or to their dependants when death occurs (Fapohunda, 2013).

Also, World Bank (2004) defines pension as a form of income that workers or their spouses receive after the workers retire, become disabled or die. Pension entails money paid at regular bases by government or any establishment to someone who is officially considered retired from active service after serving for a stipulated time usually minimum of ten years and maximum of thirty five years (Ikeji, Nwosu & Agba, 2011). Pension schemes are social security maintenance plan for workers after their disengagement as employees through retirement (Ilesanmi, 2006). Employers offer pensions benefit to attract retain and reward employees.

Employees on the other hand, rely on retirement benefits as a form of financial security in their less productive years. Fapohunda (2013) also posits that the reason for pension scheme stems from the fact that first; an organization has a moral obligation to provide a reasonable degree of social security for workers especially those who have served for a long period. Second, the organization has to demonstrate that it has the interest of its employees at heart through pension schemes.

Functions of the National Pension Commission

The functions of the commission as contained in Section 21 of the Act are to: -

Regulate and supervise the scheme established under this Act; Ensure guidelines for the investment of pension funds; Approve, license, regulate and supervise pension fund administrators, custodians and other institutions relating to pension matters as the commission may from time to time determine; Establish standards, rules and guidelines for the

management of the pension funds under this Act; Ensure the maintenance of a National Data Bank on all pension matters; Carryout public awareness and education on the establishment and management of the scheme; Promote capacity building and institutional strengthening of PFAs and PFCs; Receive and investigate complaints of impropriety levelled against any PFA, PFC or employer or any of their staff or agent; Perform such other duties which in the opinion of the commission are necessary or expedient for the discharge of its functions under this Act. The Act also makes provisions for other staff of the commission such as a secretary and Legal Adviser and other categories of staff.

2.2 Theoretical Review

Theory of Contribution Density

The adequacy of contributory pension for the middle classes depends on the density of contribution as posited (Valdés-Prieto, 2006). Density can be far below 100% because the State is unable or unwilling to impose the mandate to contribute on all jobs, especially on poor workers such as many in self-employment and small firms. The determinants of the effective rate of return offered by the contributory pension plan include the earnings differential. This return is then compared with the returns offered by pure savings in the financial market, to determine the equilibrium density of contribution.

2.3 Empirical Review

Acikgoz, Uygurturk and Korkmaz (2015), carried out a research on the analysis of factors affecting growth of pension mutual funds in Turkey. The level of relationship between the real Growth Rate (GR) of the stock pension mutual funds and the variables such as the number of fund participants, the real fund returns, fund operating expenses and share of fund assets to the total assets of the funds are analyzed with panel data methodology. Multi collinearity problem has been determined by the analysis of correlations between the variables and the variance inflation factor (VIF) values. The results have reported that independent variables are statistically significant on the real Growth Rate of the stock pension mutual funds. This study was carried out in Turkey while this current study was carried out in Nigeria.

Bijlsma, Ewijk and Haaijen (2003), carried out a research on Economic growth and funded pension systems and uses data on 69 industrial sectors in 34 OECD countries for the period 2001-2010. The study utilized regression analysis and took into account unobserved heterogeneity by including country-time, industry time and industry-country fixed effects. They find a significant impact of higher level of pension savings on growth in sectors that are more dependent on external financing. The financial crisis does not significantly affect this relation. This study was carried out in OECD countries while this current study was carried out in Nigeria.

Eke and Onafalujo (2015), examines empirically the causal relationship between interest rate, capital market, and pension assets in Nigeria from 1981-2013. Using ordinary least square (OLS) regression technique in a recursive system, the study reveals that pension asset is directly sensitive to stock market Index, while the index is inversely sensitive to short term interest rate, implying that the high short term interest rate regime might be inimical to building 'wholesome' pension assets of the capital market. This study made use of interest rate, capital market and pension assets while this study made use of total contributory pension, pension fund investment and pension fund assets.

Nwanne (2015), examined the impact of contributory pension scheme on economic growth in Nigeria for the period 2004-2012. The study used Ex-post-facto research design. Ordinary Least Square Regression method was used in data analysis. The study finds that pension funds have negative and significant impact on economic growth while pension savings had positive and significant impact on economic growth. This study focused on contributory pension scheme while this study focused on pension fund and economic growth in Nigeria.

Samuel (2013), carried out a research to assess the Impact of the Contributory Pension Scheme on employee retirement benefits of quoted firms in Nigeria. The population of the study is the one hundred and eighty-two (234) firms quoted on the first- tier market of the Nigerian Stock Exchange and ten (10) quoted firms selected as sample size based on the fact that they are some of the companies that had

complied with SAS 8. The time frame for the study is ten years, covering the period of 1998 to 2007. The techniques of analysis used in the study were the Student's T-test and the qualitative grading. Findings shows that even though the Contributory Pension Scheme has positive impact on employee retirement benefits of quoted firms in Nigeria, variation in application still exists among them. This study focused on contributory pension scheme while this study focused on pension fund and economic growth in Nigeria.

Adjekophori (2014), examined the viability of pension funds as an investment option in real estate development. A convenient random sampling technique was used to gather data from a sample of 42 respondents comprising of 18 pension administrators and 24 Real Estate Developers and Investors. A structured questionnaire was used as the instrument for data collection and a simple descriptive statistical method was use for presentation and analysis of the data. The results however reveal that both the pension administrators and the real estate developers agreed that the pension funds if well channel is a veritable means for financing real estate project. They recommend amongst others that the government as a matter of urgency should slack their policy to increase the percentage of the funds for real estate development. This study focused on real estate development while the current study focused on economic growth in Nigeria.

Ijeoma and Nwifo (2015), their study examined the stability of the contributory pension scheme (CPS) in Nigeria. The source of data for their study include primary and secondary source of data collection. The statistical tools employed in the data analysis include the simple regression analysis, the Kruskal-Wallis test and the Cronbach Alpha reliability. The result of the study found there exist a strong positive linear relationship between the contributory pension expenditure and the GDP (gross domestic product) in Nigeria. This study focused on contributory pension scheme while this study focused on pension fund and economic growth in Nigeria.

3. Methodology

The study modified the model used in the work of Nwanne (2015). The topic of his study was impact of contributory pension scheme on economic growth in Nigeria for the period 2004-2012.

His model was therefore re-modified as

$$GDP = f(TCP, PFI, PFA) \dots \dots \dots (1)$$

Where;

GDP = Gross Domestic Product

TCP = Total Contributory Pension

PFI = Pension Fund Investment

PFA = Pension Fund Asset

f = functional relationship

The econometric form of equation 1 is represented as:

$$GDP = \beta_0 + \beta_1 TCP + \beta_2 PFI + \beta_3 PFA + e \dots \dots \dots (2)$$

Where:

β_0 = Intercept of relationship in the model/constant

$\beta_0 - \beta_4$ = Coefficients of each explanatory variable

e = Stochastic or Error term

The estimation techniques employed in this research work is the multiple regression equation. The model is estimated using Annual Nigerian data for the period of 2005 – 2014. The methodology allowed for a short run equilibrium relationship to be established.

Data used in this research were mainly from secondary sources. The researcher used only secondary method of data collection in obtaining data for the research work. The data were sourced from National Pension Commission and Central Bank of Nigeria (CBN) Statistical Bulletin Issues, 2014.

4. Results and Discussion

The summary of result in table 1 shows the output of ordinary least square regression with the aid of E-view 7. The OLS results reveal the relationship that exists between the dependent variable and each of the independent variable.

Table 1: Reaggregation Summary Result

VARIABLE	COEFFICIENTS	STANDARD ERROR	PROBABILITY
C	14208.05	1371.903	10.35646
TCP	-0.162693	0.119907	-1.356821
PFI	17.75142	5.916051	3.000553
PFA	5.971375	1.192933	5.005625

$R^2 = 0.990926$, $Adj R^2 = 0.986389$, $F-STAT = 218.4106$, $DW-STAT = 2.323206$, $Prob(F-statistic) = 0.000002$

Source: E-view 7 output, 2022

From the Table 1, the relationship between the dependent variable (GDP) and the independent variables (TCP, PFI, and PFA) can be deduced can be expressed mathematically as in:

$$GDP = 14208.05 - 0.162693_{TCP} + 17.75142_{PFI} + 5.971375_{PFA} + \mu \dots \dots \dots (3)$$

From the Table 1, Reaggregation Summary Result, the constant parameter is positive, showing that if all independent variables are held constant, the dependent variable (GDP) will increase by 14208.05units. The coefficient of TCP is inversely related to GDP with an estimate of -0.162693. This implies that an increase in the Total Contributory Pension (TCP) will lead to a decrease in GDP by 0.162693units.

PFI showed a positive relationship with Gross Domestic Product (GDP) with a coefficient of 17.75142. This means that an increase in the Pension Fund Investment (PFI) will lead to increase in the Gross Domestic Product (GDP) by 17.75142units. Meanwhile, the coefficient of Pension Fund Asset (PFA) shows a positive figure of 5.971375, meaning that an increase in the value of the Pension Fund Asset (PFA) will lead to 5.971375unit increase in the Gross Domestic Product (GDP).

The coefficient of multiple determinations (R^2) as given in the regression result of the ordinary least square of e-view 7 is given as 0.990926 which implies 91.1% behaviour is explained by the explanatory

variables (TCP, PFI and PFA) accounted for the behaviour of the dependent variable (GDP), after short-run adjustment is made while the remaining 8.9% is explained by the stochastic error term not in the model. The adjusted R^2 of 0.986389 which implies

98.6% approximately. This further confirm the goodness fit of the model, it explains that all the variables fit well to the model.

Tests for the Significance of Parameters (T-TEST)

Table 2: Summary of T-Test

Variables	T-calculated	T-tabulated	H ₀	H ₁	Remark
C	10.35646	2.447	Reject	Accept	Significant
TCP	-1.356821	2.447	Accept	Reject	Insignificant
PFI	3.000553	2.447	Accept	Reject	Significant
PFA	5.005625	2.447	Accept	Reject	Significant

Source: E-view 7 output, 2022

From the above table, it can be deduced that only TCP revealed to be statistical insignificant while other variables including the constant are found to show statistical significance.

Tests for the Overall Significance of the Model (F-Test)

Table 3: Summary of F-Test

Summary		Decision		
F-Calculated	F-Tabulated	H ₀	H ₁	Remark
218.4106	4.73	Reject	Accept	Significant

Source: E-view 7 output, 2022

The table above show $F_{\text{Cal}} > F_{\text{Tab}}$, hence, we accept H_1 and reject H_0 . The rejection of H_0 means the model is statistically significant.

4.1 Discussion of Findings

This research is a study into the nexus between pension fund and economic growth of Nigeria. The study found that Pension Fund Investment (PFI), and Pension Fund Asset (PFA) are positively related to economic growth while Total Contributory Pension (TCP) which proxy pension savings shows a negative relationship with GDP. Although, the statistical stand of TCP may look skeptical, as it turns negative, this may not be far-fetched owing to the dwindling economy, insurgency in the country and unpatriotic attitude of some officials managing this fund, total contributory pension (TCP). Nevertheless, from the above, it can be observed that the Total contributory pension in the economy (TCP) coefficient contribute less and P-value reveals it to be insignificant, thereby confirming various Nigerian factors. Also, thus, the

model is said to be free of serial correlation of residuals.

The coefficient of multiple determinations (R^2) as given in the regression result of the ordinary least square of e-view 7 is given as 0.990926 which implies 91.1% behaviour is explained by the explanatory variables (TCP, PFI and PFA) accounted for the behaviour of the dependent variable (GDP), after short-run adjustment is made while the remaining 8.9% is explained by the stochastic error term not in the model. The adjusted R^2 of 0.986389 which implies 98.6% approximately. This further confirm the goodness fit of the model, it explains that all the variables fit well to the model.

4.2 Implications of Findings

From the study carried out, nexus between pension fund and economic growth of Nigeria; it was established that the administration of pension in Nigeria has really been beneficial owing to pension investment and pension asset that proxy pension fund

asset and pension fund investment (PFI and PFA) P-value of 0.0240, and 0.0024 respectively. This is in line with the apriori expectation. Only TCP that ought to be positive with the Gross domestic product (GDP) but shows a negative effect on the economy.

This is not in conformity with our apriori expectation and supported by theory of contribution density, it argue that contributory pensions for the middle classes depends on the density of contribution as posited (Valdés-Prieto, 2006). Density can be far below 100% because the State is unable or unwilling to impose the mandate to contribute on all jobs, especially on poor workers such as many in self-employment and small firms. Thus, individuals choose whether or not to bundle savings for old age in a covered job or to save independently while choosing an uncovered job. Although, this may be due to the fact that the short-run effect of Total contributory pension (TCP) may look detrimental because their benefit are not felt immediately, but never the less, it is not expected to have a negative consequence on the economy.

The coefficient of Total contributory pension (TCP) in the expected result shows a decrease in the value of Gross domestic product (GDP) the amount contributed is insignificant in the economy. Total contributory pension was to make fund available for prospective investors and the Investment gap that may have existed in the economy will be blocked with significant reduction in the need to borrow from abroad.

Meanwhile, in considering the nature of the model, the significance was established as appropriate for the study holding to the fact that the F-statistics was greater than the table value. Although, only one

variable shows insignificance and the presence of autocorrelation in the model is not ascertained, nevertheless, it is an evidence that the model is said to be free of serial correlation of residuals.

Summarily, administration of pension like in any other nation may have little significant positive impact on the economy of a nation in the short-run, because it only takes into account the immediate impact of pension administration as explained within the confines of the short period under investigation.

5. Conclusion and Recommendations

This research looked into the nexus between pension fund and economic growth of Nigeria. The study revealed that Pension Fund Investment (PFI), and Pension Fund Asset (PFA) are positively related to economic growth while Total Contributory Pension (TCP) which proxy pension savings shows a negative relationship with GDP.

The coefficient of Total contributory pension (TCP) in the expected result shows a decrease in the value of Gross domestic product (GDP) the amount contributed is insignificant in the economy.

Sequel to the conclusion drawn from this study, the following recommendations were made;

- i. The Pension Funds Investment should be further managed and be increased in order to have a significant impact on the gross domestic product of the economy.
- ii. The Pension Funds Administration should be put on the hands of expertise to further have significant impact on the economy of Nigeria.
- iii. Total contributory pension must be managed effectively so as to have a positive effect on the gross domestic product of the economy.

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DATA ON PENSION FUND AND NIGERIAN ECONOMIC GROWTH

YEAR	GDP (Bill'N)	TCP (Bill'N)	PFI (Mill'n)
2004	11,411,066.91	15,600,000	185,190,000
2005	14,610,881.45	34,680,000	109360000
2006	18,564,594.73	60,410,000	261010000
2007	20,657,317.67	148,970,000	328210000
2008	24,296,329.29	180,090,000	350670000
2009	24,794,238.66	228,310,000	489880000
2010	33,984,754.13	290,910,000	829200000
2011	37,409,860.61	113,550,000	9020860000
2012	40,544,099.94	202,230,000	982890000
2013	47,546,097.93	157,890,000	1332860000
2014	65,849,097.93	180,060,000	1532260000

SOURCE: Central Bank of Nigeria (CBN) Statistical Bulletin 2014;

PENCOM Annual Financial Statement 2004-2014



ASSESSING THE ROLES OF THE NIGERIAN POLICE FORCE IN ATTAINING ECONOMIC SECURITY IN NIGERIA; ISSUES AND CHALLENGES

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Abstract

The role of the police in any modern society cannot be over-emphasized. The unraveling insecurity situation in Nigeria accentuates that fact. Over the past several years, the security situation in the country has degenerated to the extent that the Army, and subsequently the Air Force, Navy and other para-militaries have had to be called in to play some of the roles that are traditionally reserved for the police. The Police, typically, are responsible for maintaining public order and safety, enforcing the law, preventing, detecting, and investigating criminal activities so as to bring about economic advancement in the nation. These functions are known as policing. Police are often also entrusted with various licensing and regulatory activities all for the purpose of ensuring economic stability. It has shown in most cases, that the police can only meet up with their responsibility to the extent they are empowered. This paper seeks to establish the roles of the Nigerian Police Force from its inception as drafted in section 214 of the 1999 Nigerian constitution, to assess how far these duties have been attained leading to economic development, and to also interrogate the challenges the Nigerian Police Force has faced over the years, which is the known endemic corruption and gross human rights abuses, manifested in bribe-taking and torture of suspects, both of which constitute gross impediment to the actualization of the real role of the police force since its inception.

Keywords: Nigerian Police Force, Nigerian Economy, Economic Security, National Economic Security

Introduction

In 2006, an analysis by the United Nations indicated an approximate median of 300 police officers per 100,000 inhabitants. Only nine countries disclosed values lower than 100 officers per 100,000 inhabitants.¹ The highest median of police officers, approximately 400, was observed in West Asia, Eastern and Southern Europe. Going by that standard, Nigerian Police staff strength of approximately

371,800, as of 2016,² and an approximate population of 210 million,³ has a ratio of 1 police officer per 566 persons.⁴ This number far outweighs the enactment of global standards. Harmon noted that the Nigerian police have a role in maintaining law and order in the country, but is not solely responsible for bringing about economic security. Economic security is a

¹Odeyemi, Temitayo I.; Obiyan, A. "Exploring the subsidiarity principle in policing and the operations of the Nigeria Police Force". *African Security Review*. 27 (1): 42–60. 2017

²Nigeria, Africa, Member Countries – INTERPOL. Retrieved from <https://www.interpol.int/Member-countries/Africa/Nigeria>. 8, May 2023.

³Country Studies. Digital Collections, Library of Congress (PDF). Retrieved 9th May, 2023 from [Lcweb2.loc.gov](https://www.loc.gov).

⁴Harmon, C. The Economics of Adequate Policing in Nigeria. *Nationaleconomy.com*. 2022

multifaceted issue that requires the collaboration of various sectors, including government agencies, private sector, and the general public. The Nigerian police have made efforts to tackle economic crimes such as fraud, cybercrime, and money laundering, which have been major threats to the country's economic security. However, the police force has faced significant challenges in effectively addressing these issues due to various factors such as inadequate training and equipment, corruption, and insufficient funding. Moreover, other factors such as poverty, unemployment, and underdevelopment have contributed to the challenges of achieving economic security in Nigeria. Thus, a comprehensive approach that involves various stakeholders is necessary to address the root causes of economic insecurity and to promote sustainable economic growth in the country.⁵

Also, an effective Nigeria Police requires being well-equipped such that the institution would exert a monopoly of violence when there is need for such. Some economic observers have noted that Nigeria's thinly-stretched Police Force has left many communities vulnerable to armed banditry, kidnappings and other vices in the society that keep taking a huge toll on the larger economy.⁶

The economics of adequate policing dictates that when more police officers are employed and adequately equipped, the entire society benefits. This is because when more police officers are engaged, the rate of unemployment will be reduced, which will go some way in reducing social crime, hence economic stability and development. Moreover, more cities and communities will become safer to carry out economic activities without fear of losing investments, lives and property to crime. Without a doubt, the current cost of curtailing crime and violence across the country is much higher than would be if the Nigeria police were substantially beefed up and equipped to protect cities and communities. Not only is the extant negative impact being felt across the nation, but also the long-

term impact of economic loss, the cost of rebuilding trust, the cost of loss of school hours, loss of precious lives, to name a few. It would make more economic sense to invest in an enlarged and well-equipped Nigeria police to stave off daily increasing and emboldened crimes in our cities and communities, than to approach the worsening security situation in a dawdling manner. Granted resources are scarce, investing in the Nigeria police would be a proactive measure, which would be better than a reactive measure.⁷

This, paper, will therefore show the role of the police as its encompassed in crime control which includes apprehension of offenders, detection of crime, prevention of crime, protection of life and property and the enforcement of laws. The role of the police also entails the arrest and search of offenders and property, granting of bail and prosecution of offenders. How far this role has been engaged to the attainment of economic security will also be interrogated in the course of the paper.

Conceptual Framework

The International Community of the Red Cross ICRC defines **economic security** as the ability of individuals, households or communities to cover their essential needs sustainably and with dignity. This can vary according to an individual's physical needs, the environment and prevailing cultural standards. Food, basic shelter, clothing and hygiene qualify as essential needs, as does the related expenditure; the essential assets needed to earn a living, and the costs associated with health care and education. The ICRC's Economic Security (EcoSec) Unit, which is part of the Assistance Division, seeks to establish if people affected by different kinds of crisis and conflict can sustainably cover their essential need. If they cannot do so, EcoSec steps in to help protect lives and restore livelihoods.⁸ The concept is important for individuals and nations, where it is a factor in assessing national security, and it's connected to the concept of economic well-being.

⁵ Harmon, C. The Economics of Adequate Policing in Nigeria. *Nationaleconomy.com*. 2022

⁶ Dauda, M. Commenting on the Helpless State of Police when Confronted with Armed Robbers. *Tell magazine* May, 2008.

⁷ Harmon, C. The Economics of Adequate Policing in Nigeria. *Nationaleconomy.com*. 2022

⁸ The International Community of the Red Cross. *What is Economic Security*. *Icrc.org*. 2015

Cultural standards are involved in determining economic security, climate change, growing fears and anxieties around the globe, COVID-19, and big technological changes have increased economic insecurity significantly in recent years.⁹

In the context of domestic politics and international relations, **National Economic Security** is the ability of a country to follow its choice of policies to develop the national economy in the manner desired. Historically, conquest of nations has made conquerors rich through plunder, access to new resources and enlarged trade through controlling of the economies of conquered nations. Today's complex system of international trade is characterized by multi-national agreements and mutual interdependence. Availability of natural resources and capacity for production and distribution are essential under this system, leading many experts to consider economic security to be as important a part of national security as military policy. Economic security has been proposed as a key determinant of international relations, particularly in the geopolitics of petroleum in American foreign policy after 1973 oil crisis and the September 11 attack.¹⁰

Background of the Nigerian Police Force

The Nigeria Police Force is the principal law enforcement agency in the country. It had its origins in Lagos following the creation of a 30-man Consular Guard in 1861. The small guard was subsequently expanded to 600 men in 1891 and renamed "Hausa Police," because of the enlistment of some captured run-away Hausa slaves at Jebba by Lt. Glover R. N. Again in 1879, the Hausa Police was further enlarged by the recruitment of more men, and renamed the "Hausa Constabulary". It then consisted of 1,200 officers and men commanded by an Inspector-General of Police.¹¹ The duties of the Hausa

Constabulary entailed attending to security needs of the colonial administration which encompassed both military and civil police functions. It however, was largely military in character and posture, one of such military duties was the provision of a detachment of 8 officers and 51 men for the Arochukwu expedition.

On January 1, 1896, the Lagos Police Force was established. Like the Hausa Constabulary, the Force was armed and consisted of a Commissioner of Police, 2 Assistant Commissioners, 1 Superintendent, 1 Assistant Superintendent, a Pay Master, Quarter Master, Master Tailor and 250 other ranks. The Force operated mainly in the Lagos area, while the "Hausa Constabulary" was in the hinterland. A similar Force, the Niger Coast Constabulary, was formed in Calabar in 1894 under the newly proclaimed Niger Coast Protectorate. It was modeled after the Hausa Constabulary but with emphasis on the military role. During its six years of existence, the force mainly engaged in active service and formed part of the major expedition against Benin in 1896.¹² When the protectorate of Northern and Southern Nigeria were proclaimed in the early 1900s, part of the Royal Niger Constabulary became the Northern Nigeria Police, and part of the Niger Coast Constabulary became the Southern Nigeria Police. During the colonial period, most police were associated with Local Governments (Native Authorities). However, in the 1960s, under the First Republic, these forces were first regionalized and then nationalized. The British merged Lagos colony and the Southern and Northern Protectorates in 1914 and named the new colony Nigeria. The Northern and Southern Regional Police Forces were later merged in 1930 to form the colony's first National Police.¹³

Section 214 of the 1999 Constitution (As amended) categorically states that, "There shall be a Police Force for Nigeria, which shall be known as the Nigeria Police Force, and subject to the provisions of this section, no other police force shall be established

⁹Mollenkamp, D.T. *Economic Security*. Investopedia.com. 2022

¹⁰Rupert, M. *International Relations Theory*. Oxford: [Oxford University Press](#). 2007

¹¹ Nigerian Police Force. History of the Nigerian Police Force. Retrieved from [npf.gov.ng](#), 9th May, 2023.

¹²Harmon, C. The Economics of Adequate Policing in Nigeria. [Nationaleconomy.com](#). 2022

¹³Mollenkamp, D.T. *Economic Security*. Investopedia.com. 2022

for the Federation or any part thereof".¹⁴ The Police Act, however, regulates the Force. Section 4 of the Police Act provides that, "The Police shall be employed for the prevention and detection of crime, the apprehension of offenders, the preservation of law and order, the protection of life and property, and the due enforcement of all laws and regulations with which they are directly charged.

Duties of the Nigerian Police Force

The law dictating the role of the Nigerian Police Force rests in Section 214 (2)(b) of the 1999 Constitution which provides that the members of the Nigeria Police Force shall have such powers and duties as may be conferred upon them by law. The major law which provides for such powers and duties of the police is the Police Act.¹⁵ This law confers on the police, the power to arrest any offending person, to search and detain any such person, and to conduct prosecutions in courts of law. This implies that the role of the police force centres on the administration and actualization of justice in the Nigerian geographical space.

Prevention of Crime and the Arrest of Offenders

In order to ensure justice is served and maintained in the society, one of the roles of the police is the prevention and detection of crime as well as the apprehension of offenders. This role of the police is manifested in the police powers of arrest, and the conduction of searches, both on the person and on a chattel or property. According to Webster's New Collegiate Dictionary, "arrest" means "*to take or keep in custody by 'authority of the law'.*"¹⁶ It means the taking or restraining of a person's liberty in order to make him answerable to an alleged offence or a suspected crime.¹⁷ In Doherty's assertion, restrictions on an offenders liberty and freedom in order to prevent him from committing an offence or, if he has

already committed the offence, for purposes of apprehending him in order to keep him within reach to answer to the charges or complaint against him. An arrest also serves to secure the appearance of an offender before a court of law.¹⁸

The Power to Grant Bail

The Nigerian police also have power, in appropriate cases, to release on bail, suspects under their custody. Bail has been defined as the procedure by which a person arrested for an offence is released, on security being taken for his appearance on a day and place certain.¹⁹ By virtue of section 17 of the Criminal Procedure Act, when any person has been taken into custody for an offence other than one punishable by death, any officer in charge of a police station may, if it will not be practicable to bring such a person before a magistrate with jurisdiction with respect to the offence charged within twenty-four hours after he was so taken into custody, discharge the person upon his entering into a recognizance with or without sureties. This means that in appropriate cases, the police have an obligation to grant bail to suspects under their custody.

Power to Prosecute in a Law Court

The police also play the role of prosecutors in the courts. The power to do so is derived from the provisions of section 23 of the Police Act. Pursuant to this, the police conduct most of the criminal prosecutions in the Magistrate Courts. But apart from this, there is evidence that the police also prosecute cases not only at special tribunals but also at High Courts, Court of Appeal and the Supreme Court.²⁰ They also defend actions instituted against police officers or the police as a body. This they have done admirably and successfully and also done in order to attain justice.

¹⁴Nigerian Police Force. History of the Nigerian Police Force. Retrieved from npf.gov.ng, 9th May, 2023.

¹⁵Nigerian Police Force. History of the Nigerian Police Force. Retrieved from npf.gov.ng, 9th May, 2023.

¹⁶Garner, B.A. (Ed.). *The Black's Law Dictionary* (8th ed.) Minnesota, West Publishing Co. 2004.

¹⁷Membere, C.F.L. Police and Law Enforcement. *Standard Police Studies Manual*, Vol. 3, P. 136-152. 1986

¹⁸ Doherty, O. *Criminal Procedure in Nigeria-Law and Practice*. London: Blackstone Press Ltd 1990.

¹⁹ Doherty, O. *Criminal Procedure in Nigeria-Law and Practice*. London: Blackstone Press Ltd 1990.

²⁰Ehinder, S.G. *The Policeman as Prosecutor*. Jos: Ehinder (Nig.) Ltd. 2003.

Efforts of the Nigerian Police Force in Attaining Economic Security

The Nigerian government has acknowledged the problems militating against effective performance of the Nigeria Police Force as postulated above. In contemporary times therefore, it appears there are growing efforts in ensuring the efficiency and effectiveness of the Police Force towards the maintenance of peace and security in Nigeria. For example, from the late 1990s to date, the Nigerian Police Force have embarked on several measures of fighting crimes some of which includes: Operation Sweep, Operation Flush, Operation Fire for Fire, Anti-crime Patrol, Operation Dzenda to mention a few have been introduced.²¹ All these are efforts to ensure peace. However, it can be argued that these measures or roles taken by the police force have not been able to attain the desired aims and objectives. Some of these roles include the following to be discussed:

Operation Fire for Fire Crime Control Programme

Operation Fire for Fire came into existence at a time when the security situation in Nigeria had assumed a dangerous dimension, as the use of sophisticated weapons by armed robbers became high as manifested in political assassinations. During this time, the Former Attorney-General of the Federation Chief Bola Ige, was murdered in December 2001, Barr. Mrs. Igwe in September 2002, Chief Harry Marshal, Alhaji Isiaku Mohammend among others was also assassinated.²² All these no doubt, came about as a result of proliferation of arms and ammunition. Against this background the then Inspector General of Police Mr. Tafa Balogun on assumption of duty adopted an 8-point crime control strategy called "Operation Fire for Fire," as a

proactive measure of fighting crime and ensuring peace and security in Nigeria. This approach could not yield maximum impact because the control of illegal possession of firearms by individuals (thugs and hoodlums, etc.) was not put in place. However, the programme was able to achieve in certain areas. For instance, Operation fire for fire arrested a notorious Benin Republic armed robber Tijani Hamani. By this operation, the Police Force was also able to check trans-border crimes. Also, the aim of this programme was to counter and dislodge ethnic militia that constituted themselves into parallel forces, and whose activities had become serious threat to the peace, security and unity of the country. But funnily enough, ethnic militia like Movement for the Actualization of the Sovereign State of Biafra (MASSOB) Oodua People Congress (OPC) etc. have continued to strive.

The Role of Serve and To Protect with Integrity Programme

The removal of Tafa Balogun as Inspector General of Police marked the death of "Operation Fire for Fire" and in its place, a new concept of fighting crime control known as "serve and to protect with integrity" was introduced. This programme was not only meant to fight crime but also to redeem the battered image of the Police Force. As Akuul puts it, the reason behind its establishment was for it to form a guiding principle of the Police Force in discharging their duties, and was termed the Nigeria Police Force Action Programme.²³ As stated by the 10-point programme of action in 2005, the programme had plan of action that touched on all the nooks and cranny of Nigerian security from types of social disorder, to the composition of police personnel, down to the social relations with the public. It was aimed at effective control of crime through intelligence-led policing, conflict prevention and resolution, community policing and police partnership, zero tolerance for police corruption and indiscipline among others.

²¹Akuul, T. The Role of the Nigerian Police Force in Maintaining Peace and Security in Nigeria. Journal of Science and Public Policy, Benue: Cenresin Publications. 2011

²²Balogun, A. Crime Control Strategy "8-Point Strategies" of the Nigerian Police Force Programme Action, To serve and to protect with Integrity, Minna: Yalian Press Ltd.2002

²³Akuul, T. The Role of the Nigerian Police Force in Maintaining Peace and Security in Nigeria. Journal of Science and Public Policy, Benue: Cenresin Publications. 2011

The programme never the less, uplifted the working condition of the Police Force as their take home pay was increased and paid promptly too. Recruitment and promotion of personnel was no longer cumbersome and frustrating as it used to be and the people (both public and police officers), started appreciating the institution as compared to what used to be.

Amadi also argued bolstering the efforts of the police that the Nigerian police force contributed to economic security through the following effective measures:²⁴

i. Establishment of Specialized Units: The police have established specialized units such as the Economic and Financial Crimes Commission (EFCC), the Special Fraud Unit (SFU), and the Cybercrime Unit to investigate and prosecute economic crimes.

ii. Collaboration with other agencies: The police have collaborated with other agencies such as the Central Bank of Nigeria (CBN), the Nigerian Customs Service (NCS), and the Nigerian Securities and Exchange Commission (SEC), to combat economic crimes.

iii. Training and Capacity Building Programme: The police have provided training and capacity building programmes for their officers to enhance their knowledge and skills in investigating economic crimes.

iv. Public Awareness Campaigns: The police have engaged in public awareness campaigns to educate the public about the dangers of economic crimes and how to avoid becoming victims.

v. Arrest and Prosecution: The police have arrested and prosecuted individuals involved in economic crimes such as fraud, money laundering, and cybercrime.

vi. Asset Seizure and Recovery: The police have seized and recovered assets acquired through economic crimes, including real estate properties, vehicles, and bank accounts.

Challenges to the Dissemination of the duties of the Police Force in Engendering Economic Security

The Nigerian police have a role in maintaining law and order in the country, but it is not solely responsible for bringing about economic security. Economic security is a multifaceted issue that requires the collaboration of various sectors, including government agencies, private sector, and the general public. However, the challenges to the duties of the Nigerian police force still continues to rise and adopt multifaceted dimension.

According to Akuul, one of the known successes of the Nigerian Police force was the establishment of the Nigerian Police Force Action Programme. He noted that despite the achievements of this initiative, the programme still failed to manage crimes and reduce insecurity in the country. Rather, the highest level of crime and instability was recorded during this period.²⁵ Armed robbery became a royal carrier and people took pleasure in advance fee fraud (419). Cult activities also heightened because they were no longer confronted by the police. In Benue State for instance Operation Dzenia which is a joint security team comprising of the Army, Civil Defense and the Police Force, aimed at combating crime and ensuring security most especially in the rural areas. Cars are distributed to them and logistics put in place in every local government area in the state. This team is doing much by combating crime and cultism. But at the same time, some politicians are using them to fight political opposition, particularly those in executive positions. Also, rather than routine patrol in border and rural areas, they tend to mount road blocks on major roads, extorting money from the public, particularly on market days. This act has affected their performance greatly and to some extent, the aim of the programme itself.

²⁴Amadi, G.O.S. *Police Powers in Nigeria*. Nsukka: Afro-Orbis Publications Ltd. 2000

²⁵Akuul, T. *The Role of the Nigerian Police Force in Maintaining Peace and Security in Nigeria*

Another challenge according to Alemika, is the lack of Proper Resource Management. This practice has also greatly impacted negatively on the efficiency of the police. These management inadequacies are critical in the aspects of manpower, both in quantity and in quality. That is, the quality of police personnel, some of who cannot write or speak well, affects the performance of the force in general. The available resources allocated to them are also mismanaged. He also posits that poor crime and operational information management, including inaccurate recording and collation of information, inadequate analysis and infrequent publication of statistics, affect the performance of the police force.²⁶

Dauda, asserted that Inadequate Funding and Poor Remuneration is a burden to the police force, as under normal circumstances, the Police Force is supposed to be paid well so that they don't lack. Most police officers indulge in collecting bribes because of their meagre take home salary. They are not adequately funded and this is evident in their inadequate office and poor residential accommodation. This problem is not peculiar to the police alone; it is indeed a general problem in Nigeria.²⁷

Dauda in tandem with Alemike and Balogun, also noted that the Nigeria Police Force is bedeviled with inadequate arms, logistics, telecommunication gadgets and transportation facilities. The police need to be empowered with sophisticated weapons so that if confronted by criminals or armed robbers who usually have sophisticated weapons, they will be able to withstand them. However, the police should be restricted to the use of these arms as a last resort. Lamenting on the inadequacy of arms as a critical factor for police failure, Daudu had this to say, "Nigerian police are helpless, when confronted with

armed robbers, these boys have sophisticated machines that the police cannot dear withstand."²⁸

Conclusion

As discussed in this paper, it becomes evident that the Nigerian police have a role in maintaining law and order in the country, but it is not solely responsible for bringing about economic security. Economic security is a multifaceted issue that requires the collaboration of various sectors, including government agencies, private sector, and the general public. Overall, the Nigerian police have taken several steps to tackle crimes that threaten the sovereignty of the Nigerian state as it pertains to its economic stability in the country, but there is still more work to be done to reduce the prevalence of these crimes and promote economic security.

²⁶ Alemika, E.E.O. "Police Community Relation in Nigeria: What went wrong?" Paper presented at the seminar on Role and Function of the Police in a Post-Military Era, Organized by the centre for law Enforcement Education in Nigeria (CLEEN) and the National Human Rights Commission (NHRC) Abuja.1999

²⁷ Dauda, M. Commenting on the Helpless State of Police when Confronted with Armed Robbers. Tell magazine May, 2008.

²⁸ Dauda, M. Commenting on the Helpless State of Police when Confronted with Armed Robbers. Tell magazine May, 2008.

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