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EDITORIAL

It is a fact that most journals normally have the problem of regular publications, due to working in an increasingly difficult economic environment and getting market for their research publications. The Ilorin Journal of Management Sciences case has been different; it has been consistent in its publication right from inception, despite various challenges being faced by scholarly publishers. The journal has been able to overcome some of these challenges through prudent utilization of revenue generated from the publication and processing fee. Also, the Journal being not –for – profit, has relied on these meagre resources to sustain its production.

There is general need for more incentives from the Universities and Government, to bail out the Academic Publishers from this financial distress; so as to be able to perform their crucial role of generating and disseminating new knowledge to both the Academia and the Public, based on publication of faculty members' research. The norm in the University is that lecturers should publish in peer review journals for promotion and tenure purposes. This development consequently leads to the popular academic parlance of “publish or perish” in our ivory tower. Therefore, the importance attach to research by the academic community has been greatly enormous. I strongly appeal that the Tertiary Education Trust Fund (TET FUND) intervention for research and publication in Nigerian universities should be increased so as to enable the agency achieves its mandate of improving the quality and maintenance of standard in Nigeria higher institutions.

The topics covered in this third edition are from Accounting, Administration, Marketing, Management, Economics and other Social Sciences related disciplines. The authors have made significant contributions to knowledge in this issue, in terms of theories and practices in those disciplines, through their various submissions. I strongly commend this research publication to colleagues in the Academia, Industries and the Public who may find them useful.

I thank my Dean, Prof. Jackson .O. Olujide for the excellent opportunity given me, to serve as an Editor for the Faculty's Journal. The two years period I have served, have been wonderful and interesting. I also express my appreciation to all the anonymous reviewers and the Editorial Board members for the successful production of this issue. We look forward to receiving valuable suggestions towards raising the standard of the Journal.
Best regards.

Dr. R.A Gbadeyan.

Editor in Chief, Ilorin Journal of Management Sciences.

ABOUT THE JOURNAL

Ilorin Journal of Management Sciences is published bi-annually (June and December) by the Faculty of Management Sciences, University of Ilorin, Ilorin, Nigeria. The journal publishes well researched and well articulated papers/articles on all issues in management, social sciences and other related disciplines. It also considers the conduct of research and inquiry in theoretical, empirical and experimental studies. The editors invite submission of manuscripts from contributors for publication. Manuscripts are subjected to rigorous blind peers review, and those that are accepted are published in the following issue of the journal.

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IMPACT OF ELECTRONIC PAYMENT SYSTEM ON CASH USAGE IN THE NIGERIAN FINANCIAL SYSTEM

By

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Abstract

Nigeria is a heavily cash oriented economy with retail and commercial payments primarily made in cash. It is expected that the electronic payment system adopted in the Nigerian banking industry will reduce the amount of physical cash used for transactions and the long queue witnessed in the banking halls. Despite the series of technological innovation of the e-settlement system, the CBN still posited in 2013 that cash usage is very high, as it represented over 99 percent of the total transactions as at December, 2012. This study therefore, examined the electronic payment system and cash usage in Ilorin metropolis of Kwara State, Nigeria. Primary data was obtained through the questionnaire for this study. Data obtained were subjected to dprobit, probit and logit regressions, using the Statistical Tool for Analyses (STATA 11.0). The outcome of this study revealed that: (i) Electronic Payment System has significant impact on cash usage; and (ii) factors influencing the adoption of e-payment facilities include its user-friendliness, convenience, usefulness and its ease-of-use. The study therefore, recommends that the Central Bank of Nigeria should put in place an e-transact policy to encourage more users to adopt the e-platform. If the above recommendation is fully implemented, more users are likely to adopt the technology in carrying out their transactions, which will in-turn have positive effect on the Nigerian financial system.

Keywords: Electronic Payment System, Cash Usage, and Nigerian Financial System **JEL Code:** E42

1.0 INTRODUCTION

Nigeria is a heavily cash oriented economy with retail and commercial payments primarily made in cash. Indeed, cash is a strong motivator in Nigeria's highly informal economy. According to the Central Bank of Nigeria (2013), cash related transactions represented over 99% of customer activity in Nigerian banks as at December 2012.

At the end of the 1980's, the use of cash for purchasing consumption goods in the US has constantly declined (Humphrey, 2004). Hence, most of the less developed countries like Nigeria are on the transition from a pure cash economy to a 'cash-less' one for developmental purposes. Little wonder why the Central Bank of Nigeria recently introduced cash-less policy (Odior and Banuso, 2012).

The payment system plays a very crucial role in any economy, being the channel through which financial resources flow from one segment of the economy to the other. It, therefore, represents the major foundation of the modern market economy. In Nigeria, there are three pivotal roles for the payments system, namely: the Monetary Policy role, the financial stability role and the overall economic role (Central Banking of Nigeria, 2013).

The cost of transacting with cash in the Nigerian financial system was estimated to be ₦114.5 billion in 2009 and reaching ₦192 billion in 2012. Based on the 2009 statistics, 24%, 67% and 9% of the cost of cash are related to Cash in Transit Cost, Cash Processing Cost and Vault Management Cost respectively (Central Bank of Nigeria, 2012). According to Nwaolisa and Kasie (2012), "electronic retail payment has been designed to help individual customers and companies as well as the banks in eliminating or reducing some of the problems inherent in the settlement and payment process". However, despite the series of technological innovation that have been adopted in the Nigerian banking industry, cash usage is still very high as cash related transactions represented over 99% of customer activities in Nigerian banks as at December 2012 (CBN, 2013). May be the challenges associated with the use of the electronic payment system outweighs transacting with cash, that is why cash transactions have not reduced in the banking halls as expected. Therefore, this study tries to evaluate the impact of electronic payment system on cash usage in the Nigerian Financial System. The specific objective of this study is to examine the factors influencing the adoption of e-payment system.

2.0 REVIEW OF LITERATURE

2.1 Conceptual Issues

Electronic Payment System

Most modern payment systems employ cash-substitutes. E-payment involves settlement via direct credit, electronic transfer of credit card details, or some other electronic means, as opposed to payment by cash and cheque (Zika, 2005; and Agabonifo, Adeola and Oluwadare, 2012). Electronic payment refers to cash and associated transactions implemented using electronic means (Humphrey, Kim and Vale 2001). Typically, this involves the use of computer networks such as the Internet and digital stored value systems. The system allows bills to be paid directly from bank accounts, without being present at the bank, and without the need of writing and mailing cheques.

Cash Transaction/ Cash Usage

A cash transaction requires all aspects of a trade including delivery of payment to be finalized on the trade date. The settlement involves the use of physical cash (Agabonifo *et. al.*, 2012).

2.2 Theoretical Background

Two theories were adopted to serve as the theoretical framework for this work. The first is Diffusion of Innovation (DOI) Theory; the second is the Technology Acceptance Model (TAM). Diffusion of Innovations is a theory that seeks to explain how, why, and at what rate new ideas and technology spread through cultures. Everett Rogers, a Professor of rural sociology, popularized the theory in his 1962 study on *Diffusion of Innovations*. He opined that diffusion is the process by which an innovation is communicated through certain channels over time among the members of a social system. According to Rogers (1995), “five focal beliefs or constructs that influence the adoption of any innovation include- relative advantage, complexity, compatibility, trialability, and observability.” Relative advantage indicates the usefulness of an innovation; Compatibility is the degree to which an innovation is perceived as consistent with existing values, past experiences, and needs of the potential adopter; Complexity is the degree to which an innovation is perceived as relatively difficult to understand and use; Trialability construct is about trying out or testing an innovation so that it makes meaning to the adopter; and observability is the degree to which the results of an innovation are visible to others.

The Technology Acceptance Model (TAM), on the other hand was developed by Davis in 1986; it deals more specifically with the prediction of the acceptability of an information system. This model suggests that the acceptability of an information system is determined by two main factors: Perceived usefulness (PU) and Perceived ease of use (PEOU) (Park, 2009).

According to Davis (1989) Perceived Usefulness (PU)-was defined as “the degree to which a person believes that using a particular system would enhance his or her job performance”; while Perceived Ease of Use (PEOU) was defined as “the degree to which using a particular system would be free from effort”.

However, relating the two theories to this research work; Perceived Usefulness (PU); Compatibility; Trialability and; Observability are seen from the perspective of factors which influence the decision of the users of the Electronic Payment System to use the technology and; Perceived Ease of Use (PEOU); Relative Advantage and; Complexity are viewed as the degree to which a person believes the Electronic Payment System would enhance service delivery. The DOI and TAM were used by Pikkarainen, Pikkarainen, Karjaluoto and Pahlila (2004), Hogarth, Kolodinsky and Gabor (2008), Park (2009), and by Nwankwo and Eze (2013), among others. These theories are therefore relevant for this study.

2.3 Review of Related Empirical Studies

Recent investigations have shown that the benefits of e-banking are enormous. Several electronic channels available in United States were compared by Thornton and White (2001). They concluded that customer perception towards convenience, service, technology, change, and knowledge about the internet and computing affected the usage of different channels. Min and Galle (2004), observed that the disruption of access to information is a major reason why customers are unwilling to use the e-channels for transactions. White and Nteli (2004), viewed the situation differently and opined that customers like to interact with humans rather than machines. Howcroft, Hamilton and Hewer (2002), found that the most important factors encouraging consumers to use e-banking are lower cost followed by reduced paper work and human error, which subsequently minimize disputes as observed by Kiang, Raghu, and Hueu-Min Shang (2000). Agboola (2006), observed that the e-payment system has reduced the volume of cash transactions in the developed countries.

Using SWOT analysis, Ayo, Ekong, Fatudimu, and Adebisi (2008), conducted an investigation on the level of adoption of ICT in the Nigerian Banking sector. It was found that all banks in Nigeria offer e-banking services and about 52% of them offer some forms of other online banking services. They also agreed that Nigeria was the fastest growing telecoms nation in Africa and the third of the world. They concluded that all banks in Nigeria engaged the use of ICT as a platform for effective and efficient delivery of banking services such as electronic payment cards with internet banking and mobile banking services gradually being introduced. Oladejo and Akanbi (2012), investigated e-banking and bankers perception in Nigeria. Findings showed that e-banking has brought about convenience, reduced customers' queue and minimized transaction cost. Nwaolisa and Kasie (2012), researched into electronic banking and users' acceptability in Nigeria. Their findings revealed that cash usage is still very high in Nigeria despite CBN's effort towards the adoption of the e-payment system. An investigation on bank employees' perceptions of the potential benefits and risks associated with electronic banking in Pakistan was conducted by Kaleem and Ahmad (2008). Their result suggest that bankers' in Pakistan perceive electronic banking as a tool for mitigating inconvenience, reducing transaction fees and saving time. Nwankwo and Eze (2013), examined electronic payment in cash-based economy of Nigeria: problems and prospects. Their findings showed that the electronic system of payment has a great implication in cash-based economy of Nigeria, but will lead to significant decrease in deposit mobilization and credit extension by Nigerian deposit money banks.

From the available literatures, there are lot of empirical studies on the electronic payment system and its adoption in Nigeria, but most of the studies concentrated on banker's perception of electronic banking in Nigeria and found that electronic banking is a tool for minimizing inconveniences, reducing transaction cost, altering customers queuing pattern and saving customers banking time (Agoola, 2006; Ayo, Ekong, Fatudimu and Adebisi, 2008; Akhalumeh and Ohiokha, 2012; Oladejo and Akanbi, 2012).

This paper observes that, no specific study addresses the electronic payment system and cash usage. Thus, this study aim at examining the impact of Electronic Payment System on Cash Usage.

3.0 METHODOLOGY

3.1 Model Specification

A model was used for the purpose of this study. It was modeled towards examining the impact of the e-payment system on bank customers' cash usage and also for the purpose of testing whether a significant relationship exists between the e-payment system and customers' cash usage. This was subjected to the following model specification:

$$\text{Prob.}(CU_i=1/EPS_i)=f(ATM_i, DC_i, MT_i, INTB_i).....(1)$$

The equation (1) can be transformed into linear equation and thus becomes;

$$\text{Prob.}(CU_i=1/EPS_i)=\beta_0+\beta_1ATM_i+\beta_2DC_i+\beta_3MT_i+\beta_4INTB_i+e_i.....(2)$$

Where:

Prob. = Probability

CU_i = Cash Usage (Dependent variable)

EPS_i = Electronic Payment System (Independent variable).

Prob. ($CU_i = 1/EPS_i$) = probability of Cash Usage (CU) being equal to one (1) is conditioned on the Electronic Payment System (EPS).

And where proxies for EPS_i are: Automated Teller Machine (ATM_i), Debit Cards (DC_i), Mobile Transfer (MT_i), and Internet Banking ($INTB_i$).

β_0 = the intercept to the equation

$\beta_1, \beta_2, \beta_3$ and β_4 = the parameter estimates (coefficients)

e_i = the error term

The dependent variable is the Cash Usage represented by CU, while the independent variables (explanatory variable) are the Automated Teller machine (ATM), Debit Cards (DC), Mobile Transfer (MT) and Internet Banking (INTB). The data for this model was obtained from the responses on the questionnaire.

3.2 Model Estimation

In estimating the models, a dprobit regression, as well as Probit and Logit regression analysis were used to test the validity of the three models.

3.3 Sources of Data, Population, Sample Size and Sampling Technique

This study made use of the primary data which was obtained through the questionnaires administered. The questionnaire was a close-ended type, designed to seek definite responses from the respondents. The population for this study is the users of the e-payment system in the Ilorin metropolis of Kwara State. A sample size of five hundred (500) was selected from the users of the electronic payments system in Ilorin metropolis of Kwara State, using purposive sampling technique.

3.4 Method of Data Collection

The instrument for the collection of the primary data was the questionnaire designed and administered.

3.5 Method of Data Analysis

The data obtained for this study was subjected to dprobit, as well as probit and logit regressions, using the Statistical Package for Analysis (STATA 11.0). The descriptive statistics was also adopted, using percentile and drawing inferences.

4.0 RESULTS AND DISCUSSION

4.1 Factors Influencing the Adoption of Electronic Payment System by bank Customers

The Table 4.1 below shows the factors influencing the adoption of Electronic Payment System by the Nigerian bank customers'.

Table 4.1 Factors Influencing the Adoption of Electronic Payment System

Questions	Percent %
Do you find the e -payment platform to be user-friendly?	
Yes	71.15
No	28.85
Electronic Payment System has brought you convenience?	
Yes	88.89
No	11.11
Do you find the e -payment platform as useful?	
Yes	86.75
No	13.25
Do you find the e -payment platform as difficult to understand?	
Yes	33.12
No	66.88

Source: Author's Survey, 2013.

From the above Table 4.1, responses received shows that 71.15% of the respondents agreed that the e-payment platform is user-friendly and this perhaps resulted to the high adoption rate by the respondents. 88.89% of the respondents are also of the opinion that the Electronic payment System has brought convenience into their banking transactions. 86.75% are of the opinion that they find the e-payment platform as useful. As to whether customers' find the e-payment platform difficult to understand, only 33.12% agreed that the e-payment platform is difficult to understand. Perhaps these factors amounted to why bank customers have adopted the e-payment system as a medium of transaction.

4.2 Results of dprobit, Probit and Logit Regressions

4.2.1 Impact of Electronic Payment on Cash Usage

Variables	Marginal effect (dprobit)	Probit	Logit
CONSTANT			
Coefficient		-0.3055993	-
Prob. (z-stat)		0.014**	0.5119056
Robust std.		0.1243536	0.011**
Err.			0.201037
ATM			
Coefficient	-0.1494053	-0.4097088	-
Prob. (z-stat)	0.087*	0.087*	0.6514283
Robust std.	0.0833327	0.2393699	0.090*
Err.			0.3847701
DC			
Coefficient	0.3300148	0.8627161	1.389185
Prob. (z-stat)	0.000***	0.000***	0.000***
Robust std.	0.869227	0.2353125	0.3798253
Err.			
MT			
Coefficient	0.1374987	0.3637629	0.6127102
Prob. (z-stat)	0.003***	0.003***	0.002***
Robust std.	0.0453799	0.1212991	0.1988795
Err.			
INT.B			
Coefficient	0.0963795	0.2545824	0.4319442
Prob. (z-stat)	0.042**	0.042**	0.034**
Robust std.	0.0472585	0.1254303	0.203501
Err.			
Pseudo R2	0.0659	0.0659	0.0667
Wald chi 2 (4)	37.61	37.61	35.61
Prob. Chi 2	0.0000***	0.0000***	0.0000***

***significant at 1%, **significant at 5%, *significant at 10%.

Source: Author's computation (2014)

The coefficients of the marginal effect regression (dprobit) indicates that a unit increase in the use of the Automated Teller Machine decreases the likelihood of customers' cash usage by -0.1494053 i.e., decreases customers cash usage by approximately 15%. The 0.3300148 coefficient for Debit Card indicates that a unit increase in the use of debit card by bank customers increases the likelihood of customers' cash usage by 33%.

The 0.1374987 coefficient for the Mobile Transfer facility implies that a unit increase in the use of the facility increases the probability of customers' cash usage by 13.75%, while a unit increase in the use of Internet Banking has the probability of increasing customers' cash usage by 9.63%.

The probabilities of the z-statistics for Debit card, Mobile Transfer, and Internet Banking are 0.000, 0.003 and 0.042, and shows that both Debit Card and Mobile Transfer are statistically significant at 1% level of significance, while the Internet Banking is statistically significant at 5% level of significance. The ATM is statistically significant at 10% level of significance.

The Wald Chi-square (Wald $\chi^2(4) = 37.61$) is large with an associated probability of 0.0000 i.e., Prob. $\chi^2 = 0.000$ indicating that the model is statistically significant at 1% level of significance.

Results from the Probit regression show that three out of the four predictors (Debit Card, Mobile Transfer and Internet Banking) of the model all have positive coefficients. The coefficient of the Debit Card is 0.8627161, Mobile Transfer is 0.3637629 and Internet Banking is 0.2545824. These positive coefficients imply that the likelihood of customers' cash usage increases with the use of Debit Card, Mobile Transfer and Internet Banking respectively. The coefficient of the Automated Teller Machine is -0.4097088, and implies the likelihood that customers' cash usage will decrease with the use of ATM. The coefficient of the constant variable is -0.3055993 and implies that customers' cash usage is likely to decrease constantly by -0.8754835 with the use of the electronic payments system.

The probabilities of the z-statistics for the Debit Card, Mobile Transfer, Internet Banking and the constant are 0.000, 0.003, 0.042 and 0.014 respectively. This implies that both Debit Card and Mobile Transfer are statistically significant at 1% level of significance, the Internet Banking and the constant variable are statistically significant at 5% level of significance, while the ATM is statistically significant at 10% level of significance.

The Wald $\chi^2(4)$ is 37.61 with a probability of 0.0000. This implies that the model is statistically significant at 1% level of significance. The figure in parentheses indicates the four predictors (ATM, Debit Card, Mobile Transfer and Internet Banking) used in the model.

The results from the Logit regression indicate positive coefficients of 1.389185, 0.6127102, and 0.4319442 for Debit Card, Mobile Transfer and Internet Banking respectively. This implies that the probability of cash usage increases with the use of the Debit Card, Mobile Transfer and Internet Banking. The coefficient for ATM is negative with a value of -0.6514283 and implies the probability of cash usage decreases with the use of ATM.

The constant variable has a negative coefficient of -0.5119056 and implies that customers' cash usage is likely to decrease constantly by -1.586667 with the use of the electronic payments system.

The associated probabilities of the z-statistics for Debit Card, Mobile Transfer, Internet Banking and the constant variable are 0.000, 0.002, 0.034, and 0.011 respectively. This implies that both the Debit Card and Mobile Transfer are statistically significant at 1% level of significance, the Internet Banking and the constant variable are statistically significant at 5% level of significance, while the ATM is statistically significant at 10% level of significance.

The Wald Chi ² (4) is 35.61 with an associated probability (Prob. Chi 2) of 0.0000, implying that the model is statistically significant at 1% level of significance.

Applying the theories adopted by this research work in discussing the findings of this study; the Diffusion of Innovation theory and the Technology Acceptance model are two similar theories on technology adoption with five and two constructs respectively. The findings of this research work that factors influencing the adoption of the electronic payment system are its user-friendliness, convenience, usefulness and ease-of-use (non-difficulty to understand), as well as the findings on benefits of the electronic payment system which include reduced risk of cash related crimes, cheaper access to out-of-branch banking services as well convenience in conducting banking transaction are all in conjunction with the constructs provided by the two theories. The findings of this research work is therefore consistent with the findings of Rogers (1995); Pikkarainen, Pikkarainen, Karjaluoto and Pahnla (2004); Hogarth, Kolodinsky and Gabor (2008); Park (2009); and Okafor and Ezeani (2012).

5.0 CONCLUSION AND RECOMMENDATIONS

Based on the findings of this study, we therefore recommend that: (i) the Central Bank of Nigeria (CBN) being a supervisory and regulatory body concerned should embark on public enlightenment on the use of e-settlement platform; (ii) It should specifically put in place a policy on 'e-transact' to enable more Nigerians adopt the use of the electronic payment system before going fully into a cashless economy. This is because the cashless policy which the CBN has recently introduced cannot thrive or work without customers first embracing the e-payment facilities. This study concludes that if the above recommendations are implemented, more users are likely to adopt the e-payment technology, which will in-turn reduce customers' cash usage, and subsequently impact positively on the Nigerian financial system.

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EXTERNAL DEBT AND ECONOMIC GROWTH IN NIGERIA: THE NEXUS

By

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Abstract

The rationale for raising external loans has always been to bridge the domestic resource gap in order to accelerate economic growth and development. The Nigerian government embarked on external borrowing just like other developing countries in order to accelerate economic growth and ensure sustainable economic growth and development. This study tried to ascertain the relationship between external debt and economic growth in Nigeria. Data were gathered from secondary sources and this ranged from 1980 to 2013. The Variables used are External debt- output ratio, external debt service-output ratio, public investment, private savings, export and import. Augmented Dickey-Fuller test was used to test for the stationarity of the variables. To determine the long-run relationship between the variables, Engle-Granger co-integration approach was used. The variables were over parameterized and the parsimonious error correction model was applied to determine the speed of adjustment to equilibrium. The study also estimated the relationship between external debt and economic growth in Nigeria using Pairwise Granger Causality Test. The result showed that external debt indirectly affects growth when channeled into investment. It was therefore, recommended that since debt is inevitable, Government should be guided in its accumulation.

Keywords: External Debt, Economic Growth, Granger Causality Test, Error Correction Model, Nigeria.

1.0 Introduction

The accumulation of foreign debt is a common phenomenon among developing countries at the stage of economic development where domestic savings are low, current account deficits are high and capital imports are necessary to augment domestic resources. Accumulated external debt has an impact on the economy's capacity to reap the benefits of its participation in the multilateral trading system.

Most developing countries borrow for two reasons: macroeconomic reasons to either finance higher investment or higher consumption, and to circumvent hard budget constraint, implying that countries borrow to boost economic growth and reduce poverty (Soludo, 2003; Sulaiman and Azeez, 2012). External borrowing thus creates an avenue to reduce the obstacles posed to economic growth and investment. This implies that given the drive for development, developing countries had to borrow from external sources with the hope that these loans would put them at faster development. In this regard debt is seen to be inevitable. But over time, it has been observed that resources are diverted from investment and other productive uses into servicing the debt and this is not good for a growing economy.

Nigeria as a developing and lower middle income country resorted to external borrowing to meet up with its capital requirements that will ensure growth and enhance living standard of its citizens. In the 1950s, Nigeria did not have the need to borrow much from abroad and so the external debt outstanding was minimal. At that time, substantial earnings from export of agricultural product coupled with external assistance (grants) from the United Kingdom made external borrowing unnecessary. But in 1960s, shortage of foreign exchange became one of the bottlenecks to national economic development.

During this period, the problem of foreign exchange constraints was caused by declining terms of trade and depletion of the huge foreign exchange reserves accumulated during the boom period of agricultural exports. Consequently, the country had to rely heavily on foreign resources from the 1960s till the early 1970s to meet various national development needs. Thus from 1983, Nigeria's external debt grew very fast and became very large in absolute magnitudes, rising from US\$14,607.2 million to US \$33,145 million in 1991. Increases in Nigeria's external debt stock are largely attributed to the accumulation of arrears, foreign exchange exposure of the country's debt portfolio and reporting currency, the US dollar, against the three major external debt portfolio currencies, namely the Euro, the British Pound Sterling and the Japanese Yen (DMO, 2008). External debt was acquired to contribute meaningfully to the economy but debt service had posed a threat to economic growth. This has made the country to experience debt overhang problem and crowding out effect of debt on economic growth. Even after the debt relief in 2006, Government had embarked on another journey of external sourcing of finance. There is a gradual and steady increase in external debt accumulation (Egbon, 2011). In 2011, external debt stock stood at US\$5828.8 million, US\$ 6520.04 million in 2012, and US\$8307.3 million in 2013. The goal of public debt (External debt or/and Domestic debt) in Nigeria is to ensure achievement of its growth objectives and improve the living standard of its populace through infrastructure projects. Given this background, the question now is; has Nigeria witness or achieve any tremendous economic growth given the fact that in recent times, Nigeria is experiencing a gradual rise in debt accumulation that is in line with the aim of achieving its growth and development objectives? External debt role in the growth process of Nigeria is questionable since Nigeria is faced with low economic growth rate and high level of poverty.

This study therefore tries to examine the relationship between external debt and economic growth in Nigeria. It tries to ascertain if external debt accumulation causes an economy to experience growth thereby helping to achieve its growth objectives.

This study tries to improve on the past studies by broadening the data set from 1980 to 2013 and introducing some macroeconomic policy variables.

2.0 Literature Review

Debt is a contract, and the holder is obliged to fulfil the stated obligation along with the accruing interest. One major source of aid and public receipts for developing countries is External borrowing or foreign financing. The motive behind external borrowing stems from the fact that there is inadequacy in the domestic savings and domestic revenue that can augment fiscal/budget deficit of most developing countries. External borrowing is desirable and necessary to accelerate economic growth, provided they are channeled to increase the productivity capacity of the economy and promote economic growth and development (Gana, 2002; Ezeabasili, et.al. 2011). External debt is seen as a capital flow with a positive effect on domestic savings and investment and thus on growth, which implies that foreign savings complements domestic savings and investments (Maghyereh, et. al. 2002).

The dual gap model states that for a country to achieve a given target of growth rate, such growth may be limited to availability of domestic savings (investment limited growth) or foreign exchange (trade limited growth). Ayadi and Ayadi (2008) in their analyses of the Dual-Gap theory also noted that investment is a function of savings and that investment that requires domestic savings is not sufficient to ensure economic development, thereby necessitating complementary external goods and services.

Any increase in investment without a corresponding increase in savings must be financed in part by borrowing from abroad. Nonetheless the impact of the accumulation of such debt is highly dependent on use and the purpose which such debt is undertaken. The Dual-Gap analysis therefore stresses the additional role of foreign borrowing in supplementing foreign exchange, without which a fraction of foreign exchange might be unutilized because actual growth would be constrained by the inability to import necessary inputs.

There are several literatures on the dichotomy between external debt and economic growth. These studies present conflicting findings as some affirm the external debt support growth while others show that it deters growth. For instance, Muritala (2012) analyzed the impact of external debt on economic growth in Nigeria using OLS and ADF test for stationarity to test. The study hypothesized negative relationship between external debt, debt servicing and economic growth. The result indicates positive relationship between external debt service and economic growth while a negative relationship exist between external debt and economic growth. Ajayi and Oke (2012), in their study, 'the effect of external debt on economic growth and development of Nigeria, observed that external debt burden has an adverse effect on the national income and per capital income of the nation. Ordinary Least Square Method of analysis was employed in this study and data was sourced from CBN statistical bulletin, Economical and Financial Reviews. Uma, Eboh and Obidike (2013) empirically investigated the influence of total external debt cum debt servicing using annual time series data ranging from 1970-2010 on economic growth.

Battery tests of stationarity and establishment of a long-run relationship was carried out using ADF test and Johansen test for co-integration to analyze the data. It was observed that external debt stock adversely affects economic growth. Adebisi (2002) applied cointegration and error correction method of analysis in his study on debt service-education expenditure nexus in Nigeria. Using time series data over 1970 to 2000, the result showed that debt service exerts a negative effect on educational expenditure.

The implication of his findings is that a removal of debt service constraint would not only be good for economic growth but also directly contribute resources to the education sector. In a similar study carried out by Adam (2002) on external debt and human development in Sub-Saharan Africa, using a simultaneous equation model (2SLS), the result showed that debt service-income ratio and debt income ratio have a significant depressing effect on growth, investment and human capital. He advocated for debt relief, openness to international trade, as a remedy to the debt crisis. There is another school of thought who opined that external debt influences growth positively.

Sulaiman and Azeez (2012) studied the effect of external debt on economic growth of Nigeria using annual time series data ranging from 1970 to 2010. Applying OLS, ADF unit root test, Johansen cointegration and Error Correction Mechanism, it was observed that external debt has contributed positively to the Nigerian economy. Hanson (2001) finds that in a sample of 54 developing countries (including 14 HIPC's), the inclusions of three additional explanatory variables (the budget balance, inflation and openness) leads to rejection of any statistically significant negative effect of external debt on growth. Oke and Sulaiman (2012) examined the impact of external debt on economic growth and investment in Nigeria, using annual time series ranging from 1980-2008. Multiple regression analysis was applied and the result showed that a positive relationship exist between growth and external debt. Ogiemudia and Ajao (2012) studied the effect of foreign debt management on sustainable economic development in Nigeria. OLS and ECM method of analysis was employed in analyzing annual time series data. Their findings showed that a positive and significant relationship exist between external debt and economic development in Nigeria. Zafar et al., (2008) carried out a study on trade liberalization and external debt burden. Using annual time series data ranging from 1992 to 2007 on Pakistan economy, and applying autoregressive distributed lag (ARDL) technique of co-integration to investigate the long run relationships and ECM for short run dynamics. The result showed that a significant long run positive relationship between external debt and trade liberalization exist in Pakistan economy.

Ajisafe et al., (2006) in their research on external debt and investment used co-integration approach and Granger causality test for data analysis on time series data ranging from 1970 to 2003. The variables were tested for stationary using ADF and Philip Perron test. The result shows that the variables are stationary at first differencing. Cointegration test was performed and the result shows that the variables are not related in the long run, using the likelihood ratio as a measure of significance. Using vector autoregressive model to test for causality, the result showed a bi-directional relationship between external debt and investment in Nigeria.

3.0 Methodology

The data adopted for this study is annual time series data ranging from 1961-2013 on external debt, and some macroeconomic policy variables for Nigeria. The choice of this data range was to critically evaluate external debt from the early stage of foreign assistance till recent times when Nigeria is relying now on foreign borrowing to augment for a short fall in its revenue given the fall in oil price. Data was collected from the online database of the Central Bank of Nigeria (CBN); National Accounts archives of Federal Office of Statistics, FOS (now National Bureau of Statistics), 1965-2000. Some macroeconomic policy control variables were introduced in the external debt model. These macroeconomic variables are carefully chosen from the determinants of aggregate demand.

The variables for this study include:

RGDP= Real Gross Domestic Product.

DEBTGDP= External Debt-output ratio

EDSGDP= External Debt Service Payment-output ratio

PINV = Public Investment-

EXPT = Export

IMP = Import-

PSAV= Private Sector Savings

Based on the above, the following model is specified:

$$RGDP = a_0 + a_1 DEBTGDP + a_2 EDSGDP + a_3 PINV + a_4 EXPT + a_5 IMP + a_6 PSAV + U_i$$

3.1. Estimation Technique

Overtime, it has been observed that time series data generally suffer from serial correlation i.e. $E(U_i U_j) = 0$, is likely to be violated, and multicollinearity problem (Egbon, 2011). This gives a spurious correlation result especially when ordinary least square method of analysis is applied to it since macroeconomic variables are said to be in a non-stationary state (Omotor, 2008; Adebisi, 2002). In order to ascertain if these problems exist in the variables listed above and to correct methodological weaknesses inherent in the traditional or ordinary least square methods, the study used Augmented Dickey Fuller test (ADF) to test for the stationarity of the variables. Engle Granger Method of Cointegration test of the residual (ECM) was applied, thereby testing for its unit root and its significance at trend and intercept. Testing for cointegration is a necessary step to check if the modeling exhibit empirically meaningful relationships. Over parameterizing the variables followed by the parsimonious Error Correction Model done to ascertain if the variables will return to equilibrium whenever the actual level deviates from the long-run equilibrium. On the other hand, to establish the relationship between external debt and economic growth, the study adopted the Granger Causality test to determine the direction of causality.

4.0 Empirical Result and Findings

Table 4.1: OLS Regression Result
Dependent variable = RGDP

Variables	Coefficient	Standard Error	t-statistic	Prob.
C	3.640986	0.722597	5.038752	0.0000
LDEBTGDP	-0.098304	0.052676	-1.866209	0.0738
LEDSGDP	0.235601	0.115223	2.044735	0.0515
LPINV	0.462655	0.181414	2.550276	0.0173
LPSAV	0.017452	0.103633	0.168397	0.8676
LIMP	0.045978	0.118969	0.386471	0.7024
LEXPT	-0.145715	0.148871	-0.978800	0.3371

$R^2 = 0.877$, F-STATISTIC = 29.89252, D-W = 1.391118,

The OLS result above showed a spurious regression result. Only PINV is statistically significant at 5 percent level of significance. Other variables are not statistically significant. The high R^2 of 88 percent is accompanied with a very low Durbin Watson value of 1.391118 which showed the presence of autocorrelation in the model. To correct this abnormality (spurious regression), cointegration test was adopted. The first step was to check for the stationarity of the variables so as to ascertain their order of integration. This was done using ADF test for unit root. This is shown in table 4.2

Table 4.2: Stationarity test using ADF

	ADF Statistic	ADF Statistic		Decision
Variables	Levels	First Difference		5%
LRGDP	-1.059589	-4.978300		I(1)
LDEBTGDP	-3.103114	-3.270243		I(1)
LEDSGDP	-1.905438	-5.586794		I(1)
LPINV	-0.695819	-3.603503		I(1)
LPSAV	-1.560849	1530249	-4.314766	I(2)
LIMP	-1.011437	-2.441162	-5.014876	I(2)
LEXPT	-0.306814	-4.475916		I(1)

ADF Critical Value at 5% = 2.96

The result above showed that the dependent variable (GDP) is not stationary at first levels but stationary at first difference. The explanatory variables are all stationary at first difference except LIMP and LPSAV that are stationary at second difference.

The ADF test for stationarity showed that the variables are stationary at different order (I(1), I(2)). This implied that cointegration test which shows or ascertain the long-run equilibrium to which economic system converges overtime can be conducted.

To conduct the cointegration test, the study adopted Engle-Granger cointegration test and conducted on the residual term generated from the regression result in Table 4.1 a unit root test using ADF. The results are shown below.

Table 4.3a: ECM Residual with Intercept and Trend

Dependent Variable = ECM

Variable	Coefficient	Std. Error	t-statistic / Prob.
C	0.001693	0.061467	0.027537 /0.9782
@trend	-9.96E-05	0.003155	-0.031563 /0.9750

The result showed that the residual (ECM) has no trend or intercept. This was deduced from the insignificant t-statistic of the ECM at trend. This finding informed the form of unit root to be performed on ECM as shown below

Table 4.1.3b: ADF unit root test on ECM

	ADF Statistic	Decision
Variables	Levels	5% Critical Value = -2.9591
ECM	-4.310757	I(0)

Since the ADF test statistic of -4.310757 is significant at 5 percent critical value, it implied that a linear combination of the non-stationary series (LRGDP, LDEBTGDP, LEDSGDP, LPINV, LPSAV, LIMP and LEXPT) is stationary. Therefore the variables are cointegrated.

From the ADF test, the variables are cointegrated, it becomes necessary to consider the short-run evolution of the series and dynamics of adjustment. The fact that there may be disequilibrium in the short-run necessitated the use of the error correction mechanism. Since the study adopted Engle-Granger method, the variables were over parameterized and the result shown below:

Table 4.4a: Over Parameterized Result

Variables	coefficient	Std. Error	t- statistic	Prob.
C	0.028719	0.131629	0.218183	0.8335
DLOG(DEBTGDP)	-0.221745	0.169549	-1.307848	0.2322
DLOG(DEBTGDP(-1))	0.078140	0.151234	0.516684	0.6213
DLOG(DEBTGDP(-2))	0.235556	0.145591	1.617925	0.1497
DLOG(EDSGDP)	0.192090	0.216871	0.885734	0.4052
DLOG(EDSGDP(-1))	-0.152019	0.215658	-0.704908	0.5036
DLOG(EDSGDP(-2))	-0.383744	0.266801	-1.438317	0.1935
DLOG(EXPT)	-0.515021	0.348009	-1.479909	0.1824
DLOG(EXPT(-1))	-0.278309	0.307126	-0.906171	0.3950
DLOG(EXPT(-2))	0.113633	0.249451	0.455534	0.6625
DLOG(IMP)	0.151101	0.268569	0.562614	0.5913
DLOG(IMP(-1))	0.385727	0.297106	1.298280	0.2353
DLOG(IMP(-2))	0.371170	0.257447	1.441734	0.1926
DLOG(PINV)	0.426830	0.283564	1.505233	0.1760
DLOG(PINV(-1))	-0.016978	0.316507	-0.053643	0.9587
DLOG(PINV(-2))	-0.452993	0.364550	-1.242609	0.2540
DLOG(PSAV)	-0.028195	0.338041	-0.083407	0.9359
DLOG(PSAV(-1))	-0.069022	0.315073	-0.219067	0.8328
DLOG(PSAV(-2))	-0.105878	0.301057	-0.351687	0.7354
DLOG(RGDP(-1))	0.031854	0.393526	0.080945	0.9378
DLOG(RGDP(-2))	0.036871	0.364028	0.101287	0.9222
ECM(-1)	-0.841999	0.502401	-1.675950	0.1377
R-squared	0.821899	Akaike info criterion		0.336332
Adjusted R-squared	0.287595	Schwarz criterion		0.700927
Durbin-Watson stat	2.206718	F-statistic		1.538260
		Prob(F-statistic)		0.289605

The over parameterized result showed that some of the variables are not significant. The result therefore needs to go through a process of re-parameterization during which insignificant variables are sequentially removed. This is shown below:

4.4b: Over parameterized Result after some adjustments

Dependent Variable = DLOG(RGDP)

Variables	coefficient	Std. Error	t- statistic	Prob.
C	0.048738	0.040084	1.215874	0.2397
DLOG(EXPT)	-0.470813	0.138274	-3.404920	0.0032
DLOG(EXPT(-1))	-0.266773	0.110254	-2.419623	0.0263
DLOG(IMP(-1))	0.318038	0.131690	2.415051	0.0266
DLOG(IMP(-2))	0.322996	0.111354	2.900609	0.0095
DLOG(PINV)	0.437133	0.116871	3.740311	0.0015
DLOG(PINV(-2))	-0.250487	0.102065	-2.454196	0.0245
DLOG(DEBTGDP)	-0.228570	0.073250	-3.120412	0.0059
DLOG(DEBTGDP(-2))	0.172266	0.064576	2.667666	0.0157
DLOG(EDSGDP)	0.252059	0.081030	3.110674	0.0060
DLOG(EDSGDP(-1))	-0.075980	0.071461	-1.063235	0.3017
DLOG(EDSGDP(-2))	-0.192713	0.075902	-2.538979	0.0206
ECM(-1)	-0.820776	0.194961	-4.209949	0.0005
R-squared	0.762383	Akaike info criterion		-0.792556
Adjusted R-squared	0.603971	Schwarz criterion		-0.191207
Durbin-Watson stat	2.031632	F-statistic		4.812674
		Prob(F-statistic)		0.001463

Table 4.4c: Parsimonious Error Correction Mechanism

Variables	coefficient	Std. Error	t- statistic	Prob.
C	0.029236	0.040552	0.720967	0.4785
DLOG(EXPT)	-0.300001	0.138356	-2.168330	0.0412
DLOG(EXPT(-1))	-0.224132	0.110557	-2.027304	0.0549
DLOG(IMP(-1))	0.221068	0.140477	1.573689	0.1298
DLOG(IMP(-2))	0.226585	0.108193	2.094273	0.0480
DLOG(PINV)	0.394198	0.129983	3.032687	0.0061
DLOG(DEBTGDP)	-0.173382	0.072758	-2.383008	0.0262
DLOG(EDSGDP)	0.238952	0.085787	2.785393	0.0108
ECM(-1)	-0.679737	0.207975	-3.268354	0.0035
R-squared	0.633869	Mean dependent var	0.049286	
Adjusted R-squared	0.500731	S.D. dependent var	0.223213	
S.E. of regression	0.157720	Akaike info criterion	-0.618291	
Sum squared resid	0.547263	Schwarz criterion	-0.201972	
Log likelihood	18.58351	F-statistic	4.760976	
Durbin-Watson stat	2.021246	Prob(F-statistic)	0.001701	

From the parsimonious error correction result, the ECM is statistically significant, effortlessly passing 5 percent level of significance. This is deduced from its t-statistic of -3.268354. The coefficient of ECM (-0.679737) is largely negative which shows that the speed of adjustment to equilibrium in the course of displacement will take place in a very short period of time. R^2 of 63 percent showed that there is goodness of fit in the result. 63 percent of the systematic variation in RGDP is explained by external debt, external debt service, public investment, one year/ two years lags of import, export and a year lag of export. The explanatory variables are all statistically significant judging from their t-statistic at 5 percent level of significance, except import by one year lag. The F-statistic of 4.76 showed that the explanatory variables are statistically significant in explaining the dependent variable when put together. The D.W of 2.02 showed that there is no autocorrelation in the model.

Pairwise Granger Causality test was used to ascertain the relationship between external debt and economic growth. The result is shown in the table below.

Table 4.1.5: Result of the Granger Causality Test

Null Hypothesis:	Obs	F-Statistic	Probability
LRGDP does not Granger Cause LPINV	32	2.05159	0.14810
LPINV does not Granger Cause LRGDP		2.03945	0.14967
LDEBTGDP does not Granger Cause LPINV	32	6.59302	0.00466
LPINV does not Granger Cause LDEBTGDP		0.88979	0.42245
LDEBTGDP does not Granger Cause LRGDP	32	0.96216	0.39478
LRGDP does not Granger Cause LDEBTGDP		0.28034	0.75770
LEDSGDP does not Granger Cause LDEBTGDP	32	0.94667	0.40054
LDEBTGDP does not Granger Cause LEDSGDP		2.46886	0.10359

From the result above, there is no causal relationship between external debt and economic growth. A uni-directional relationship exists between External Debt and public investment. This implied that external borrowing (external debt) significantly affects public investment. Public investment on the other hand affects economic growth as shown in the table above. It therefore, implies that the resultant effect of channeling external debt into investment by government is economic growth. Therefore external debt affects growth indirectly through investment.

5.0 Conclusion and Recommendations

As noted early, most developing countries borrow finance at higher investment or higher consumption, and to circumvent hard budget constraint, implying that countries borrow to boost economic growth and reduce poverty. External borrowing thus creates an avenue to reduce the obstacles posed to economic growth and investment. In this regard, debt is seen to be inevitable i.e a necessary evil that cannot be avoided by developing countries in their process of achieving its growth objectives. It had been shown in the study that Nigeria borrows for various reasons especially for fiscal deficit financing. The result from the empirical result had shown that debt does not directly influence growth but indirectly influences growth through public investment. Therefore, it is recommended that:

1. Since debt is inevitable in the process of development and achieving growth objectives of the country, its accumulation should be guided.
2. Government should continue to channel borrowed funds into infrastructure development and other forms of investment that can yield income for debt servicing and at the same meet its growth objectives.

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MILLENNIUM DEVELOPMENT GOALS' INTERVENTION AND PRIMARY HEALTH CARE DELIVERY IN SELECTED LOCAL GOVERNMENTS OF ZAMFARA STATE

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Abstract

Nigeria has put in a lot of effort and committed a lot of resources to support the capacity of the states and local governments to implement the Millennium Development Goals (MDGs) programs. Despite all these efforts, a wide gap exists between the capacities of the local government to fully implement the MDGs declaration and their performance in achieving the health targets. This paper examines the contributions of the MDGs intervention on the capacity of the local government to provide Primary Health Care (PHC) services. Multi stage sampling technique was used to select our sample LGAs and Yamane formula was used to arrive at the sample size. Multiple regression analysis was used to test the hypothesis that the MDGs intervention in health has not significantly contributed to the capacity of the local government to manage primary health care service delivery. Based on the data collected and analyzed the results provide evidence of the acceptance of the null hypothesis. Hence, the study concludes that the MDGs intervention support initiatives for health was grossly insufficient and selective to make any significant contribution on the local government's capacity to managing primary health care activities. The study therefore recommends that adequate infrastructural facilities and personnel required for the effective performance of the PHC staff should be made available. Facilities and personnel should also be evenly distributed among local communities within the LGAs so that all parts of the state will reap the benefits of MDGs intervention.

Keywords: MDGs intervention, Local Government capacity, Policy Implementation, Health related MDGs targets and Counterpart contribution

1.0 Introduction

Millennium Development Goals (MDGs) are series of eight time-bound development goals that seek to address issues of poverty, education, gender equality, health, the environment and global partnerships for development as agreed by the international community at the United Nations Millennium Summit in November 2000. Three of these goals are health related. These are: reducing child mortality rates, improving maternal health and combating the spread of HIV/AIDs, malaria and other diseases. The goals are to be achieved by the year 2015 and 1990 was set as the baseline (MDGs, 2013).

The MDGs targets in Nigeria are consistent with the country's Transformation Agenda. However, these initiatives did not require the setting up of separate institutional arrangements, but rather the introduction of an effective system of monitoring and evaluation that will efficiently track down government resources and expenditure in the direction of the MDGs set targets. Thus, the Federal Government established the Office of the Senior Special Assistant to the President on Millennium Development Goals (OSSAP-MDGs) to oversee and monitor the implementation of the MDGs initiatives. The MDGs program in Nigeria is partly funded by the Debt Relief Gain (DRG) negotiated with the Paris Club of Creditors in September, 2005 that resulted in the saving of about one billion United State (US) Dollars per annum to Nigeria. The funds are appropriated in the Federal Government annual budget as Conditional Grants Scheme (CGS) to States/Local Governments to leverage additional resources and policy reforms at the sub-national levels in order to support the capacities of the States and Local Governments.

In 2007 a total sum of 18.4billion Naira was accessed by 19 States including Zamfara. In 2008 the counterpart funding was a mandatory requirement for accessing the CGS and the available Federal funds was also increased to 24.4billion Naira. It further rose to 26.8billion and 28.45billion Naira in 2009 and 2010 respectively. By 2011 the MDGs –CGS to Local Governments was commissioned with the sum of 11.3billion Naira to 113 selected LGAs (at least 3 from each state). Each of the selected LGA's received the sum of 100 million Naira. The amount was raised to 14.4billion and 21.6billion Naira (for at least 4 to 6 LGAs from each state) for 2012 and 2013 respectively. This brings the total number of benefitting LGAs to 473 and 35% of these funds were to be spent on health care delivery (MDGs, 2013). From these funds it was established that 2,616 Primary Health Care (PHC) clinics were constructed; 2,312 renovated; 6,673 health workers trained; 2,444,374 insecticide treated nets and 44,673,390 doses of medical drugs were procured and distributed across local communities in Nigeria (MDGs, 2013). The overall aim is to compliment and support the capacity of states and local governments in the implementation of the health related MDGs targets. Despite these incredible MDGs supports and achievements in health, there are still a number of challenges that constitute a bottle neck to the attainment of the health targets by 2015. UNICEF (2013) reported that $\frac{2}{3}$ of all Nigerian women and $\frac{3}{4}$ of the rural women lacks access to basic health care services. As a result, about 2 million women of reproductive age do not survive pregnancy or child birth. In addition, the child mortality rates was on the increased from 110 per 1000 live birth in 2005 to 201 per 1000 live birth in 2012.

Malaria caused some 22 million acute illnesses and over 78,000 estimated deaths, annually (Anup, 2014). It appears that in spite of the MDGs intervention efforts in supporting the capacity of the local government, there seems to be a gap between the capacity of the local government to fully implement the MDGs declaration and their performance in achieving the health targets.

Therefore, the most basic question is why are the MDGs not more easily achievable at local level in Nigeria? Is this because of the absence of political will or the weak economic structure of the Local Governments or perhaps due to unnecessary interference of the State Governments in the affairs of the Local Governments, or the dependency nature on federal statutory, or weak management structure and capacity or some combination of all or some of the above? These are the questions which this study would answer.

Recent survey (Otiye, 2006; Kabeer, 2010) showed that there is an overwhelming support, determination, optimism and high level of expectation by Nigerians for the realization of the MDGs targets by 2015. However, attention is focused on policies and programs from the central and state governments which are distant to the greater majority of Nigerian to the detriment of the family, village, community, traditional rulers and local politicians who constitute the real world for most Nigerians. This therefore, justifies the significance of this study. This study, therefore, is set to examine the extent to which the MDGs intervention effort has contributed to the capacity of the local government to implement PHC services.

2.0 Literature Review

The MDGs are a group of measurable development targets agreed to by 189 United Nations (UN) member states as part of the 2000 Millennium Declaration. The idea behind the MDGs originated from the Millennium Declaration document presented by the UN Secretary General at the UN summit held between 6-8 September 2000 at the UN headquarters in New York. The 32 point document entitled, "we the peoples". The role of the UN in the 21st century asserted that every individual has the right to dignity, freedom, equality and basic standard of living, freedom from hunger and violence, and encourage tolerance and solidarity. The goals chosen were intended to bring increase on individual human capacity and advance the means to a productive life. The action plan focuses on the objective of improving food security, health and education (UN, 2010).

From the onset a fifteen-year timetable for implementation of the MDGs appeared reasonable in 2000, but with 2 years to go it seems inevitable that a number of goals will not be met by many African countries. As concluded by the European Commission (2009) that most developing countries are projected not to meet most of the MDGs and sub-Saharan Africa lags very much behind. This position is further confirmed by the UN Secretary General's Report in February, 2010 that "the prospect of falling short of achieving the Goals because of lack of commitment is very real".

Several factors were said to be responsible and many are broadly categorized into three. The first category has to do with the kind of intervention put in place.

Evidence has shown that many developing countries are used to the 'copy-and-paste' style of policy intervention. There are some policy makers in the developing country that are of the notion that what is good for the west is good for them. Thus, western policy programs are packaged and applied unmindful of the difference in culture, resource capacity and other local factors (Ogunlela, 2012). The second category is associated with the policy implemented program itself. Many of these countries have a record of weakness and often very poor implementation procedures. Many beautiful policy programs are poorly and haphazardly implemented, thereby, undermining the objectives for which the program were meant to achieve (Jega, 2007). Several factors accounted for this; such as, corruption, weak administrative structure to handle the program implementation, poor finance, low political will, low management and monitoring capacities among others.

The last category has to do with other external and natural factors, such as, natural calamity, extra ordinary conditions placed by donors, spillover effect of economic recession or fall in oil price, national strike, tribal or religious conflicts and the like that might constraint the smooth delivery of an intended policy program (Otiye, 2006).

In this regard, a high level forum on the health by MDGs set up by the Economic Commission for Africa (ECA), conducted an assessment study in 2009 on achieving the health millennium goals in fragile states in which Nigeria is identified as one among the eight consistently mentioned in various categorization of fragile states (ECA, 2009). The study identified certain characteristics features associated with fragile states namely: State collapse (Somalia) loss of territorial control (Sudan) low administration capacity (Niger) political instability (Congo) conflict affected (Angola and Afghanistan) repressive politic (Myanmar) and poor governance (Nigeria). These eight countries because of this feature are together said to hold 58% of people living on less than a dollar a day and 54% of total under five mortality (out of the 46 fragile states as defined by World Bank).

In further confirming the earlier categorization, the study discovered that achieving the health MDGs in these states is a complex and challenging task, particularly because of their low-income and poor deteriorating economic and social condition, weak governance and ineffective government-donor relationship. It was noted that in some of the fragile states, government lack the will to provide basic health care services rather than the capacity to pay for the health care delivery. However, in others they do not have the requisite resources due to poor economies and thus, even if an adequate percentage of the national budget were spent on health, a substantial health financing gap will continue to exist due to weak economy.

Again, many donor countries avoid partnership with most of the fragile states due to poor governance, lack of transparency and accountability. Sometimes Donor states avoid partnership with the recipient states and channel their resources through non-state providers due to low level of trust between the two and this make Development Co-operation very difficult. This has undermined the long term objective of supporting the state to improve its capacity to provide health service to its people.

It is in view of this that the ECA (2009) study, recommended a full-fledged health package to be made available and accessible to every community or on the alternative a basic health care package that provide basic facilities for the treatment of common diseases and illnesses. Either of these packages should be made universally available and affordable to the local communities. How visible and practical these recommendations are to the Nigeria situation will depend on a number of factors. The extents to which these factors are handled would determine the capacity of the government to manage health care delivery services.

In Nigeria the MDGs Conditional Grants Scheme is a program in which State and Local Governments are availed the opportunity to access funds annually from the Federal Government's share of the Debt Relief Gains. The CGS intervention is a way of making financial grants available to State and Local Governments in a clearly designed conditional partnership agreement where the States and/or Local Governments contribute equal amounts (i.e. fifty percent as cash counterpart contribution) for the execution of projects in line with the objectives of the MDGs. The CGS is seen as an opportunity to maximize the use of information and expertise at every level of government and share the burden of expenditure responsibility among different levels of government (Sallah, 2012).

Indeed, it is an opportunity to leverage spending towards supporting State and Local Government programs that are fully aligned with national policy objectives and the MDGs. There are some that are of the opinion that the Conditional Grants Scheme seeks to build the capacities of States and Local Governments in order to improve governance, service delivery, financial management, transparency, and accountability as well as the attainment of the MDGs (Michelle, 2011; FMOE, 2011; UNDP, 2012). The CGS is therefore, one of the Federal Governments ways of intensifying its efforts at achieving the MDGs at all levels of government in the country. We are of the opinion that the activities of the CGS were meant to leverage and enhance the capacity of the states and Local governments in attaining the MDGs targets by 2015. How best this has been attained depends largely on how enhanced the capacity of the States and Local Governments are in managing the MDGs activities.

3.0 Methodology

The research design adopted for this study is the descriptive and the survey designs. The descriptive design attempts to extensively depict the magnitude and level of an aspect within a defined period of study with the use of mostly secondary data. The survey design on the other hand explain a phenomenon being investigated through the use of primary data. These two research designs were considered appropriate and used for this study because the phenomenon under study is still an ongoing event and thus required data already in existence as well as current opinions of stakeholders. The primary and secondary sources of data were used to generate information. The secondary data sourced information from MDGs Reports, LGA budgets estimates, official health statistics and records on the subject matter were extensively sourced and used. For primary data, questionnaire, interviews and non-participant observation were used.

In selecting our sampled population, the stratified sampling technique was used where the state (Zamfara) was further divided according to senatorial zones. From each senatorial zone one LGA was randomly selected bearing in mind the conventional urban, semi urban and rural categorization of LGA. The LGA in the state capital represent urban because of its proximity to the center (Gusau LGA). In selecting the other two LGAs basic features of semi urban and rural LGA were considered. Thus, Kauran Namoda and Bakura LGAs matched the semi urban and rural LGA specification and therefore were selected. In arriving at our sample size, the population of the three selected LGAs using the 2006 population census was considered (851,434). Yamane (1967: 886) simplified formula using 5% precision levels where confidence level is 95% was used to arrive at calculated sample size of 400. The sample is proportionately distributed among the three selected LGAs. In all 162, 119 and 79 questionnaires were administered in Gusau, Kauran Namoda and Bakura LGAs respectively. The remaining 10% (40) was used for interview. The number is proportionately distributed among the three selected LGAs. Opinion leaders, health managers, DHC and MDGs officials were purposively selected and interviewed. Because of the nature of the study, the non probability sampling technique was used. Thus, our respondents were purposively selected from each of the LGA, with the bulk of them from the health department, LG legislature, heads of department of health, including staff of the State Primary Health Care Development Agency (SPHCDA) and State MDGs office. The study hypothesized that the MDGs intervention effort in health has not significantly contributed to the capacity of the local government to manage primary health care service delivery. The scope of the study was 2007-2014.

This is because the year 2007 marked the commencement of the Conditional Grant Scheme (CGS) arrangement. Also because of the many facet and integrated nature of the health related MDGs targets emphasis will be placed on PHC aspects that are managed by the LGA. In analyzing the data appropriate tables and percentages were used to compare the results and multiple regression analysis was used to test the hypothesis. The multiple regression equation is represented as follows:

$$Lcp = a + b_1 \text{FinSp} + b_2 \text{InfSp} + b_3 \text{H\&MgtSp}$$

Where, Lcp = Local Government capacity, b_1 FinSp = Financial support, b_2 InfSp = Infrastructural support, b_3 H&MgtSp = Human & Managerial Support, and a = intercept, b_1 , b_2 , b_3 are regression coefficients associated with the respective independent variables (FinSp, InfSp, H&MgtSp). The proxy used to measure Local Government capacity are the number and condition of health infrastructural facilities, quantity and quality of health workforce, managerial skills and competencies of the health workers

4.0 Data Presentation and Analysis

Out of 360 questionnaires administered, 211 were returned representing 58.6% of the total questionnaires administered and thus formed the basis of the analysis. The questionnaire contained 34 items divided into four sections: demographic profile of the sample; MDGs intervention support on infrastructure; human and technical/managerial support.

The interview schedule and observation check list were developed along these angles. The demographic information revealed that 80% of the respondents are diploma holders and above, and the remaining 20% have secondary school certificate. This shows that our respondents are educated enough to respond to our questionnaire.

MDGs Financial Support

The major intervention support for health related MDGs targets in Nigeria comes from the MDGs Conditional Grant Scheme arrangement. Accessing states governments have to pay 50% of the accessed funds as counterpart funds. Benefiting Local Government on the other hand, had to pay 40% of the total counterpart funds, while the State Government put in the remaining 60% to make up the 50% counterpart agreement. The following table shows benefitting LGAs in Zamfara State from 2011 to 2014.

Table 1: Number of benefiting LGAs from the MDGs Conditional Grants Arrangement to Local Governments, 2011- 2013 (Amount in Naira).

State	2011/ LGA	2012/LGA	2013/LGA
Zamfara state	Zurmi Maru Bukkuyum Bakura	Birnin Magaji Tsafé Talatan Mafara Anka	Bungudu Gumi Kauran Namoda Maradun Shinkafi Gusau
Total	4 LGAs	4 LGAs	6 LGAs

Source: MDGs Office, Zamfara State, 2013.

Table 1 has shown that all the 14 LGAs in Zamfara state benefitted at different period.

Each of these Local Government Areas received the sum of 100,000,000 Naira from the MDGs office plus an equivalent amount as counterpart funds to execute projects that were directed at specific MGDs targets. That is to say that each LGA spent the sum of two hundred million naira plus their counterpart funds. Thus, in 2011 and 2012 the sum of 1.6 billion naira was expended on MDGs activities by the eight benefiting LGAs. In 2013, 6 more LGAs were said to have spent the total sum of 1.2 billion Naira on MDGs activities thereby, bringing the total expenditure to 2.8 billion Naira. In addition, the MDGs Report (2013) revealed that Zamfara State had accessed over 22 billion naira from the MDGs State track grants, including the counterpart funds from 2007 to 2012. Hence, by arithmetic summation the state has expended the total sum of over 24.8 billion Naira on MDGs projects including counterpart funds. 40 – 45% of the total sum is supposed to be spent on health (10-11 billion Naira). Expectedly, all these expenditures would improve the capacity of the Local Governments to attain the MDGs set targets particularly the Health related targets. The extent to which these funds have contributed to the local government capacity was examined under three interrelated aspects. These are infrastructural, human and managerial capacity support.

MDGs Infrastructural Support and Infrastructural Capacity of the Local Government

The table below shows the number of health facilities provided by the LGA under study from the MDGs grants received over the period of three years.

Table 2: Number of Health Facilities (Infrastructural) Provided from MDGs Conditional Grants Funds to Local Government, 2011- 2013

Projects	K/Namoda LGA	Bakura LGA	Gusau LGA
Construction of Health facility	1	1	1
Renovation of Health facility	15	15	15
Construction of toilets	-	-	-
Procurement of clinic furniture	10	10	10
Procurement of Basic Drugs	11	10	11
Health facility perimeter fence	3	3	3

Source: ZSPHCDA, various Reports from 2007-2013.

Table 2 gives the summary of the number of health infrastructural facilities provided from the MDGs accessed funds that have direct bearing to Primary Health Care services. Information from the Table revealed that Kauran Namoda, Bakura and Gusau LGAs from Zamfara state constructed 1 health facility each, renovated 15, procured furniture in 10 and fenced 3 health facilities each within the period. Gusau and Kauran Namoda LGAs procured basic drugs for 11 health facilities each while, Bakura LGA procured basic drugs for 10 health facilities within the LGA from the MDGs intervention grants. On whether these health infrastructural facilities put in place have strengthened the capacity of the Local Governments to provide effective health care services, the responses of the District Health Committees (DHC) and women attending health clinics in our focus group interview revealed that these facilities provided were by far inadequate to make any significant impact on health care service delivery. Moreover the location of the projects and distribution of the materials were in most cases politically influenced. We were further informed that at times the few drugs and equipment sent were often diverted or cornered by some of the local health staff and bureaucrats.

To further ascertain this claims, we looked at the adequacy and distribution of the basic health facilities across the state.

Table 3: Number of Health Facilities by Categories Compared with Political Wards and Units

State	PHC centers		PHC clinics		Health Post	
	Available	Required	Available	Required	Available	Required
Zamfara	34	174	66	241	335	2,410

Source: National Demographic and Health Survey: Fact Sheet, 2013.

Table 3 revealed the situation of primary health care facilities across the state. The table shows the number of Primary Health Care facilities by category in comparison with political wards and units within the state. The table indicates that 34 PHC centres, 66 PHC clinics and 335 Health Post are available. It is important to note that the National Primary Health Care Development Agency (NPHCDA) recommends the establishment of three types of health facilities in each LGA. First is the establishment of PHC centres which shall be located at each political ward to serve an estimated population of 10,000 - 20,000. Second is the establishment of PHC clinics which shall be located in a village neighborhood or settlement of communities to serve an estimated population of 2,000-5,000 people. Lastly is the establishment of Health Posts. Each shall be located in a village or smaller settlement within the Local Government to serve an estimated population of 500 and below. In view of this the state is short of 140 PHC centers, 175 PHC clinics and 2,410 health posts. On comparative term, 1 health post serves 9,788 people as against 500 people per health post. This is by far inadequate. It is also important to note that the Health post is the first primary health care referral point that provides basic health services to people and thus, are expected to be available and accessible to the people. Hence it is expected to be located in each settlement or neighborhood to serve an estimated population of 500 and below.

Table 4 below presents the opinion of our respondents on the adequacy or other wise of the health facilities locally. The result of the questionnaire as presented in table 4 further revealed the inadequacy of health centres. 68.4% of the total respondents were of the opinion that the PHC centres and clinics were inadequate. These stakeholders in health went further to maintain that the PHC personnel in the health clinics and centres were also inadequate to effectively manage the existing health care facilities as indicated in the table below. The Health facilities include health equipment, drugs and basic apparatus. The responses from Table 4 revealed that basic health equipments in clinics and health centres were not available (75.5% of the total responses). However, for Essential Drugs the responses reports fair availability (62.2% of the total responses).

Table 4: Opinion of State Respondents on Adequacy of PHC Facilities.

	Items	Level of responses				Total
		Undecided	Not available	Fairly available	Available	
1	PHC Clinics/Centres	2 (1.0%)	134 (68.4%)	54 (27.6%)	6 (3.1%)	196 (100%)
2	Basic Health Equipments in Clinics	-	148 (75.5%)	46 (23.5%)	2 (1.08%)	196 (100%)
3	Essential Drugs in Health Clinics	-	12 (6.1%)	62 (31.6%)	122 (62.2%)	196 (100%)
4	PHC Personnel in Health Clinics	-	116 (59.2%)	78 (39.8%)	2 (1.0%)	196 (100%)

Source: Survey, 2014.

MDGs Human Support and Manpower Capacity of the Local Government

Another MDGs intervention program was in the area of manpower capacity and development. Part of the MDGs strategy is the introduction of the Federal Rural Nurses & Midwives (FRN&M) scheme. The scheme was meant to strengthen the existing health workers strength at the local level particularly the rural health facilities. The scheme recruited and deployed qualified Nurses/Midwives and Community Health Extension Workers (CHEW) to LGA to serve as Primary Health Care providers for a period of one year and it was expected that at the expiration of the one period, the LGA should absorb them.

Table 5 shows the number and category of these health workers recruited and deployed to the LGAs in the state. In 2009 when the program was introduced, a total of 96 Midwife and 48 CHEW were recruited in Zamfara state. After the expiration of their contracts, their contracts were renewed and their total number was raised to 144 for Midwife and 72 for CHEW in 2010. Due to the inadequacy of these categories of health workers, (Nurses and Midwife) the contract of these set of health workers continued to be renewed up to the time our study was conducted in December, 2014.

Table 5: Number of Federal Rural Nurses & Midwife Scheme Allocated to Zamfara State 2009 - 2013

Category	2009	2010	2011	2012	2013
Mid-wife	96	144	144	144	144
CHEW	48	72	72	72	72

Source: NPHCDA, 2013.

Further observation revealed that most of the health workers did not want to serve in rural areas where their services are highly needed. We noticed that even those posted to the urban health facility hardly stayed. Perhaps this is because of the cultural and often language barriers that make it difficult for some of the nurses to assimilate and integrate themselves with the people. The views of our respondents (in health) in the questionnaires distributed indicated that the Federal PHC Rural Nurse/Midwife scheme had not significantly boosted or strengthened the health related manpower requirement of the local governments. This implies that despite the recruitment of the PHC FRN&M deployed to LGAs within the state to serve, their presence have not made any significant change in the PHC delivery services rendered to the local people. It was also felt that this has not improved the manpower capacity of the LGAs in that direction.

Table 6 below shows the number and distribution of health workers in the selected local governments under study.

TABLE 6: Number and Distribution of Health Workers in the Selected Local Governments

Category of Health workers	Gusau LGA	Bakura LGA	Kauran Namoda LGA
Doctors	-	-	-
Nurses/ Mid wife	12	2	10
CHO	5	-	2
Pharm. Tech/Asst.	1	-	1
CHEW	16	2	14
Medical Laboratory Scientists/Asst.	-	-	-
Environment & Pub HW	18	5	16
Food & Nutrition	1	-	2
JCHWE	20	4	16
Dentists	2	-	-
H/Attendant	188	111	147
Total	263	124	208

Source: PHC Departments of the Local Governments. Nov. 2013.

The study has collected the health staff statistics of our sampled Local Governments. Table 6 above provides the distribution of the health staff, who mostly are non-professionals such as; Health Attendants and Environmental Public Health Officers. Also, none of the LGA employed the services of a Medical Doctor. Gusau LGA has 63 health facilities with only 41 PHC staff (5 CHO, 16 CHEW and 20 JCHEW), Bakura LGA has 11 health facilities with only 6 PHC staff and 2 Nurses/Midwife to cater for the entire health facilities while, Kauran Namoda has 10 Nurses/Midwife to serve the existing 69 health facilities with only 32 PHC staff (2 CHO, 14 CHEW and 16 JCHEW). We observed further that some of these health facilities, particularly those in the rural areas were managed by Environmental Health Officer and Health Attendant which should not be the case. This posed serious challenge to primary health care delivery.

The Table further revealed the uneven distribution of the health workers with great concentration in urban Local Governments. Gusau LGA had 55.3% of the total health workforce of the three Local Governments, followed by the semi- urban local governments with 36.6% (Kauran Namoda), while Bakura a rural Local Governments have only 8.1% of the total workforce. This shows that there is a serious shortage of health workers of all categories in the rural Local Governments under study.

This inequality in distribution of health workers is greater in some category of workers like; CHO, Pharmacist and to some extent Nurses and Midwives, which goes contrary to the principle of PHC delivery (equitability of health services). Some of the factors responsible for the uneven distribution are financial and social difference among the Local Government Areas, in addition to the fact that most of the health workers prefer to work in urban centres. The overall results on human resources at local level depict that there were generally inadequate number of health workers in all the three LGAs under study, and the situations in the primary health post were more critical.

MDGs Management Support and Managerial Capacity of the Local Government

The other strategy adapted by the MDGs to further enhance local capacity of health workers was through capacity development programs. It's important to note that the health workers in the LGA enjoyed two kinds of capacity development programs. One organized by the Local Government Service Commission (LGSC) from the staff training funds and the other organized by the State Primary Health Care Development Agency (SPHCDA) from state MDGs grants. These two programs were meant to enhance the managerial skills and competencies of the health workers and managers. This study focus on the MDGs organized capacity program. Table 7 below provides a synopsis of the types of training received by the PHC staff of the 14 LGAs of the state.

Table 7: Types of Training Organized for PHC Staff and Community Health Workers by State PHCDA and Number of Beneficiaries from 2009-2013.

Types of Training Organized	No of Beneficiaries
Training on MDGs targets and intervention programs	280
Training on Community Development Committee System	1,030
New Techniques of Data Collection and Reporting system	480
Training on TB and HIV/AIDs surveillance system	320
Training on Drugs Management and administration	230
Training on specific disease diagnosis, treatment and prevention	940
Total	3,280

Source: NPHCDA/SPHCDA, 2013.

Table 7 provides the summary of types of training organized for PHC service providers by both the National and State PHCDA. The Agency was established in the States in 2009. The picture revealed that the training programs were more specific, focused and directed at delivery of MDGs activities. These programs include training of stakeholders on Community Development Committee system for effective management of the District Health Committees at each facility level. As a result of these training 1,030 stakeholders from the state benefitted. Other areas of training were on the new techniques of Data collection and Reporting, where 480 PHC staff attended. Also 320 PHC staff were trained on TB and HIV/AIDs surveillance system and another 230 received training on Drugs management and administration.

The bulk of the training received by the PHC staff were in the areas of disease diagnosis, treatment and prevention as revealed from the Table. In all 3,280 PHC staff selected from the 14 LGAs of the state had the opportunity to attend one or more training program organized by the SPHCDA in between 2009-2013. The extent to which these organized workshops and seminars have improved the technical and managerial capacity of the health workers and managers was also an issue widely discussed by our respondents. However, the perception of our stakeholders from the focus groups interviews revealed that they are yet to see either improvement in the managerial skills of the health managers or a significant improvement in the managerial skills of the health workers. Information has shown that the supervisors and coordinators of PHC activities at the local level do not live up to expectation. Infact, they are yet to practically demonstrate the managerial skills acquired from the series of trainings attended. Observation has shown that the PHC managers (i.e Head of Department, 5 – 6 Assistant HODs, the District Health Supervisors and other in charge heading the various health facilities) do not supervise their field officers regularly and do not conduct periodic evaluation of PHC activities and also not on regular basis engage in program planning to set goals and determine work methods and procedures.

This study has revealed that the PHC providers in the respective health facilities have not demonstrated evidence of application of training received in their daily clinical activities and services. During our visit to some of the health facilities, we observed the nonchalant attitude and unprofessional ethics of most of the health providers. Some came to work very late and the few that were punctual were found busy chatting rather than attending to patients. We were reliably informed that a handful of these health providers engage in numerous private practices in nearby clinics and medicine stores as such, come to work after attending to their private patients. Even though many of them have attended training workshops on MDGs activities, it's surprising to note that very few know what the program is all about, talk less of the health related target sets and their attainment. These therefore, imply that the training has little impact on the managerial capacity of the PHC managers and staff in our sampled Local Governments.

Test of Hypothesis

In testing test the hypothesis that the (MDGs intervention effort in health has not significantly impacted on the capacity of the local government to manage primary health care.), multiple regression analysis was used. For the independent variable, MDGs intervention for health, three variables were used as proxy. These are: quantum and nature of MDGs financial support, the number and conditions of MDGs infrastructural support and lastly, the quantity and quality of MDGs human and managerial support. For each of these variable, questions were asked and responses were sorted, coded and run against the dependent variable, local government capacity in managing primary health care services.

Table 8: Multiple Regression Standard Coefficients Result

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	21.872	1.715		12.750	.000
Fin_Support	-.068	.161	-.036	-.421	.674
H&Mgt_support	-.146	.196	-.087	-.748	.455
Infrast_support	.119	.084	.186	1.412	.160

a. Dependent Variable: LG_CAPACITY

Source: Survey, 2014

The result of the Regression statistics in Table 8 above shows that MDGS intervention effort in Health has not significantly impacted on the capacity of the local government to manage primary Health care. This is because the p – values of all the independent variables used appeared not significant at all. As for the first independent variable financial support, it has a t-value of –0.421 and p-value of 0.674. The second independent variable which is human and managerial support, also has a negative t-value of -0.748 and a p-value of 0.455. The last independent variable which appeared to be infrastructural support has a positive t-value of 1.412 that is not significant as its p-value is 0.160.

Table 9: Analysis of Variance (ANOVA)

ANOVA ^a					
Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	35.706	3	11.902	.919	.433 ^b
Residual	2695.176	208	12.958		
Total	2730.882	211			

a. Dependent Variable: LG_CAPACITY in health

b. Predictors: (Constant), MDGD_efforts_in_health, Fin_Support, H&Mgt_support, Infrast_support

Source: Survey, 2014

Looking at the fitness of the model, the F statistic value in Table 9 above is 0.919 with a p-value of 0.433 that is not significant. This could be attributed to insignificant p-values of the independent variables and also the extent of the degree of the relationship amongst the variables as confirmed by the R- value which appeared to be 11.4%, as shown in Table 10 below. Again, the extent to which the independent variables explain the dependent variable represented by the R² is also insignificant, as its value is 1.3%. Consequently, the null hypothesis is hereby accepted and retained.

Table 10: Model Summary of the Regression Result**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.114 ^a	.013	.001	3.59966	.013	.919	3	208	.433

a. Predictors: (Constant), Fin_Support, H&Mgt_Support, Infrast_Support

Source: Survey, 2014

5.0 Conclusion and Recommendations

The study seeks to ascertain the effect of the MDGs intervention efforts for health on the local government capacity in managing primary health care delivery. Specifically the study intends to examine whether the MDGs intervention support for health has contributed positively on the local capacity to manage primary health care services. Based on the data presented, analyzed and the hypothesis tested, the results provide evidence for the acceptance of the null hypothesis. Hence, the study concludes that the MDGs intervention support initiatives for health were grossly insufficient and selective to make any significant contribution on the local government capacity to manage primary health care activities.

We therefore, recommend that adequate infrastructural facilities and personnel required for the effective performance of the PHC staff should be made available, accessible, in good usable conditions and quality. Again, the facilities and personnel should be evenly distributed among local communities within the LGA. Finally, this study also recommends a follow up study to determine other (s) intervening variables on MDGs intervention support for health on local government capacity that were not considered in this study.

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HUMAN RESOURCE MANAGEMENT AND NIGERIA UNION OF TEACHERS' GOALS ACHIEVEMENT IN NIGERIA

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ABSTRACT

This study examines relationship between human resource management and Nigeria Union of Teachers goals achievement. Descriptive research design was adopted for the study. The target population comprised all states NUT nationwide. Purposive sampling technique was used to select two states in each of the six geo-political zones in Nigeria. Stratified random sampling technique was used to select 1,000 respondents. Questionnaire was the instrument used for data collection. Four hypotheses were formulated for the study and analysed using Pearson Product Moment Correlation statistics. The research questions raised were answered using Mean and Standard Deviation. The calculated p-value was compared with the significance level of 0.05. Findings of the study revealed a positive significant relationship exists between human resources management and NUT goals' achievement. Also, factors such as staff planning, training, development and reward are determinants of NUT goals achievement. The paper concluded that for attainment of the stated goals, effective management of resources is imperative. Also, staff development and rewards are components of human resources management that enhance the stated goals. The study recommended that NUT management should improve on staff training.

Key words: Human Resources, Goals, NUT, Teachers & Management

1.0 INTRODUCTION

Human resources are groups of individual that constitute the work force of a particular organization. It could also be described as people who operate an organization and are directly or indirectly involve in supporting, facilitating and influencing transmission of knowledge, skills competence for the purpose of achieving goals of an organization. Human resources constitute a veritable tool in an organization as they could be regarded as active force that determine the success or otherwise of an organization.

Other resources to be added to human resources for attainment of the set objectives are financial and material resources of the Nigeria Union of Teachers (NUT) and their effective management determine to a large extent the goals achievement of the organization.

The Nigeria Union of Teachers is the recognized professional and syndical body encompassing all teachers at the primary and post-primary levels of education in Nigeria. It is known that some teachers at the tertiary level of education have shown and demonstrated interest in the total effort of the union to realize its objectives in education. This implies that the Nigeria Union of Teachers is the largest body of organized professional teachers in Nigeria which has responsibility to champion the cause of the professionally oriented contributions to the development of the education industry in Nigeria, and the overall development of our society. This background therefore, arose the interest of researchers to examine how the Union can achieve the predetermined goals through effective management of human resources. In this regard therefore, the NUT has no illiterate as a member. Because of their level of education they live and teach in all areas of Nigeria-urban, rural, riverine, etc. the Nigeria Union of Teachers in this little way contributes its fundamental quota to the developmental effort and growth of Nigeria. This may not seem too obvious but let us get the concept of development clear in a relevant perspective.

Nigeria Union of Teachers is an organization that comprised varying categories of staff: this includes teaching and non-teaching (career officers) who are expected to be effectively managed for the attainment of set goals. Management could however be described as efficient allocation and utilization of resources (human, physical and financial) for the attainment of organization's goals. Both human and materials resources must be optimally utilized in order to achieve the set objectives at a particular time. The so called, scarce resources of an organization must be combined in the right and appropriate proportion by the management. This implies that effective management of these inputs (resources) is pertinent to the goal achievement.

The state management of the Nigeria Union of Teachers (NUT) comprised the State Wing Standing Committee (SWSC), the State Wing Executives Council (SWEC), and the State Conference of Delegates (SWSCD). The career staff are headed by the Union Secretary while political staff are headed by the Chairman. The members of the state management committee are drawn from the Local Government Executive Committee who are teachers, the career officers and political appointees of the Union.

There are many set goals expected to be achieved by this trade Union. It is believed that effective management of this Unions resource particularly, the human resources determines the extent of its goal achievement. It is in the light of this that the paper examines if human resource management has a significant relationship on the NUT goals achievement in Nigeria.

2.0 LITERATURE REVIEW

HUMAN RESOURCES MANAGEMENT

The concept of human resources management can be defined as the process of planning, organizing and effective utilization of human resources for the attainment of organization's objective. Fadel (2012) define it as the total knowledge, skills, creative, abilities, talents, and aptitudes of an organization's workforce as well as the values, attitudes, approaches and beliefs of an individual involves in the affairs of the organization. This shows that human resources management is a body of knowledge and a set of practice that defines the nature of work and regulates the employment relationship. Thus, human resources remains indispensable in the organization and their effective management is pertinent to attainment of the set goals.

Human resources management in education is not only the effective utilization of people but also the harnessing of the totality of the people's skills, knowledge, abilities, capacities and social characteristics to achieve educational objectives. Esan (2014) submitted that human resource management is concerned with employees at work and their relationship within the organization. Dirk (2012) opined that human resources management is a function of business administrators. It entails everything within the organization's policies and practices that impacts the staff. This definition implies that the concept involves various polices, practices and styles that could influence staff behaviour and abilities to be expended in the production of goods and services in an organization. This however, suggest that human resource management include recruitment, selection, training, evaluating and rewarding of employees of an organization.

Ojo (2005) submitted that human resource management entailed staffing, rewarding, employee development, employee maintenance and employees relation. In his own case, Fadel (2012) identified human resources management activities to include: recruitment, selection and placement of personnel, training and development of staff, appraisal of employees performance and transfer of staff from one job to another. Citeman (2006) asserted that objectives of human resource management are pre-determined goals to which individual or group activity in an organization is directed. Bratton and Gold (1999) referred to human resources management as part of the management process that specializes in the management of people of an organization. It emphasized that employees are critical to achieving both efficiency and equity objectives of an organization. Thus, it involves the method of integrating and maintaining workers in an organization so that the purpose and goals could be achieved. Webb and Norton (2007) explained that human resources management process comprises six programmes: human resources planning, recruitment, selection, professional development, performance appraised and compensation. These stated functions are expected to be performed by the management of Nigeria Union of Teachers (NUT) for the purpose of goals achievement.

NIGERIA UNION OF TEACHERS (NUT)

NUT as a trade union and as a professional organization was formed in 1973. The Nigeria Union of Teachers is essentially a teacher trade union and also a professional body. The teaching profession binds on all its practitioners at the primary, secondary and Teacher-training level together under a trade banner.

Membership of NUT comprised every teacher in the employment of the Federal, State, Local Government and any other approved educational institutions. Also, every teacher who earns a salary and pays his monthly dues to the coffers of the union shall have the right of admission to the branch of the union within the Local Government Area or branch where he/she works. Any member on in-service training or study leave shall remain an active member of the Branch in which he was enrolled immediately prior to the commencement of the in-service training or study leave with pay provided he pays his due (NUT Constitution, 1973).

The Nigeria Union of Teachers (NUT) operates through functionally determined and defined components and sub components. By this organizational arrangement, the NUT has the national body based at the National Head Office, a State Wing in each state of the Federal Republic of Nigeria and Abuja the Federal Capital Tertiary. Each State Wings operate from the State Wings office and at grassroots level through Local Government. NUT is structured to agree with the political pattern of the country to enable it to be administered in such a way as to protect the interest of the teachers and help to advance the course of education at every level of decision making in education. (Lararfarbundet, 2003).

The union is governed by a constitution, the bye-law and standing order. The management of the union is vested in the following organs: The National Conference of Delegates, the National Executive Council, the National Standing Committee, the State Wings Conference of Delegates, the State Wings Executive Council, the State Wings Standing Committee, the Local Government Area (LGA) Branch Conference, the LGA Branch Executive Council and the LGA Branch Standing Committee. Administrative structure of NUT corresponds to the organizational structure. At the national level which is the apex office of union, there is the Head office administratively headed by the Secretary General who is assisted by his Deputy with provision for several high caliber Departmental Heads, immediate and other supporting staff. The State Wings also operate the state wings' offices reached by the state secretaries, also supported by relevant levels of staff below the state level at branch offices which are except in few cases, run by full-time paid officers. The goals of the Nigeria Union of Teachers are to: Foster unity and progress among all members in Nigeria, raise the status of the teaching profession through improved quality of education and condition of service, promote and advance the course of education and the teaching profession throughout the Federation and also to endeavour to secure the removal of difficulties, abuses, anomalies and obsolete regulation detrimental to progress, enhance the social and economic well-being of members and establish welfare funds for the benefit of members of the union, provide a forum for the co-operation of teachers and promotion of their welfare,

the interest of education and teaching profession, promote the corporate image of the union both nationally and internationally by ensuring the continued existence of a strong, virile and well articulated organization, give leadership and stimulate interest in matters which foster national and international unity and understanding (NUT constitution, 1973).

STATEMENT OF THE PROBLEM

Human resources remain the bedrock of organizational growth and development which is also paramount in realization of education objectives. Their effective management enhances the goal achievement. In recent years, past researchers have written on the effective management of human resources and contributions of the Nigeria Union of Teachers to educational development. For instance, Abdulkareem (2014) worked on human resources management and secondary school effectiveness in Kwara State. Esan, (2014) researched on human resources management and school effectiveness in Oyo State senior secondary schools. Adetoro (2014) examine human resources management strategies and school effectiveness in Osun State secondary schools. Also, Seriki (2013) investigated on the effective management of human resources in secondary school. The aforementioned researchers sought to know the influence of human resources management on secondary schools effectiveness without any relationship to NUT as an important education agency. In an attempt to fill this gap, this study however, examined human resources management and Nigeria Union of Teachers (NUT) goals achievement.

3.0 METHODOLOGY

The research design adopted for this study was a descriptive survey of correlation type. The design was considered appropriate because it examined the existing relationship between the dependent variable (NUT goal achievement) and the independent variable (human resources management). It also enables the researcher to collect data for the purpose of describing and interpreting existing condition, in the Nigeria Union of Teachers, in selected States' Chapter.

In this study, designed questionnaire was the instrument used to elicit information from the respondents. The instrument tagged " Human Resource Management and NUT Goal Achievement Questionnaire " (HMNGAQ) was divided in to two sections. The first section was concerned with bio data of the respondents while the second section dealt with information on human resource management and Nigeria Union of Teacher goals' achievement. The validity of the instrument was ascertained; and its reliability coefficient determined by test-retest method at two weeks interval was 0.72

The target population for this study comprised all staff in all 36 states of federation. Purposive random sampling technique was used to select 12 states. Two states each were chosen from each of the six geo-political zone in Nigeria using a simple random sampling technique. However, 1000 respondents were selected through a proportional sampling technique. The respondents comprised of Local administrative staff of NUT.

Inferential statistics of Pearson Product-Moment Correlation method was adopted to analyse all the formulated hypotheses. The calculated p-value was compared with the significant value of 0.05 to determine the rejection or otherwise of the hypotheses.

RESEARCH QUESTION

What is the rating of different elements of Human Resources Management in NUT?

RESEARCH HYPOTHESES

The following hypotheses were formulated to guide this study.

- H1: There is no significant relationship between resource management and NUT goals achievement
- H2: There is no significant relationship between human resource planning and NUT goal achievement
- H3: There is no significant relationship between staff training and development, and NUT goal achievement
- H4: There is no significant relationship between staff reward and NUT goal achievement

4.0 DISCUSSION OF RESULTS

In response to the Research Question: What is the rating of element of Human resource management in Nigeria Union of Teachers (NUT)? Table below examines the rating of element of Human Resources Management in NUT using Mean (X) and Standard Deviation (SD)

Table 1: Rating of element of Human resources management in NUT.

Element of Human Resources Management	X	SD
Planning	4.78	0.80
Organizing	4.75	0.78
Directing	4.00	0.72
Coordinating	3.95	0.68
Controlling	3.10	0.61

Source: Fieldwork, 2015

Table 1 revealed a higher rating of Mean X (4.78) and Standard Deviation (SD) in favour of human resource planning in the Nigeria Union of Teachers. This is closely followed by Human resource organizing with mean and Standard Deviation score of 4.75 and 0.78 respectively. The least rating was the human resource controlling. The interpretation of this result is that effective Human Resource Planning brings about the goals achievement in the Nigerian Union of Teachers.

The goals and objectives of the Union are attained through adequate and effective personnel planning and organizing. With these put in place the Union does not required much of staff controlling before attainment of the goals.

H1: There is no significant relationship between human resource management and the Nigeria Union of Teachers' goals achievements.

Table 2: Correlation Analysis of Human Resource Management and NUT goals achievement

Variable	N	df	Calculated r-value	P-value	Decision
Human resource management	1000	982	.782	.000	Rejected
NUT goal achievements	1000				

Source: Fieldwork, 2015

Table 2 indicated that p-value of 0.000 is less than the significant value of 0.05 for 982 degree of freedom. Hence, the null-hypothesis which stated that there is no significant relationship between human resource management and Nigeria Union of Teachers goals achievement was hereby rejected. This therefore, suggests that there is positive significant relationship between Human Resource Management and NUT goals achievement. This result implies that effective human resources management is a determinant of goal attainment of NUT. The effective staff management will enhance the goal achievement of the union.

H2: There is no significant relationship between Human Resources Planning and NUT goals achievement.

Table 3: Correlation Analysis of Human Resource Planning and NUT goals achievements

Variable	N	df	Calculated r-value	P-value	Decision
Human resource planning	1000	982	.526	.000	Rejected
NUT goal achievement	1000				

Source: Fieldwork, 2015

Table 3 revealed that p-value (0.000) is less than the significant value (0.05), therefore the hypothesis which stated that there is no significant relationship between human resources planning and Nigeria Union of Teachers' goals achievement is hereby rejected. This implies that the two variables are significantly related. This finding reveals that human resource planning is a determinant and an indicator of NUT goals achievement. The interpretation of this is that if employees are properly planning for the task, there would be ease at which the stated goals of the union are achieved.

H3: There is no significant relationship between staff training and development, and NUT goals achievement

Table 4: Correlation analysis of staff training/development and Nigeria Union of Teachers goals achievement

Variable	N	df	Calculated r-value	P-value	Decision
Staff training and development	1000	982	0.670	.000	Rejected
NUT goal achievement	1000				

Source: Fieldwork, 2015

Table 4 showed that the calculated p-value of 0.000 is less than the significant level of 0.05, hence the hypothesis which stated that there was no significant relationship between staff training and development; and Nigeria Union of Teachers goals achievement is hereby rejected. This implies that both variables are significantly related. The result suggests that staff training/development has influence on NUT goals achievement. The implication of the finding is that proper periodic training of staff will enhance the goals achievement of the union.

H4: There is no significant relationship between staff reward and Nigeria Union of Teachers goals achievement.

Table 5: Correlation analysis of staff reward and NUT goals achievement.

Variable	N	df	Calculated r-value	P-value	Decision
Staff rewarding	1000	982	.618	.0001	Rejected
NUT goals achievement		1000			

Source: Fieldwork, 2015

Table 5 revealed that p-value (0.001) is less than the significant level of 0.05 at 982 degree of freedom. Thus, the hypothesis which stated that there is no significant relationship between staff reward and NUT goal achievement is rejected. This means that staff reward has a positive significant relationship with Nigeria Union of Teachers goals achievement. Hence staff reward is a determinant of NUT goals achievement. This suggests that staff reward will serve as a motivating factor for staff job performance and thereby stimulate goals achievement on part of the union.

CONCLUSION AND RECOMMENDATIONS

From the result, the following conclusion could be drawn:

1. Human resources management was the major determinant of Nigeria Union of Teachers goals achievement.
2. There is a positive significant relationship between human resources planning and Nigeria Union of Teachers goals achievement.

3. Staff reward has a positive influence on Nigeria Union of Teachers' goals achievement.
4. Staff training/development exercised a positive significant impact on Nigeria Union of Teacher goals achievement. From the findings, it was concluded that for proper achievements of the stated goals, an effective management of human resources is also imperative. For this to be realized, the issues of staff planning, training, development and staff reward should be vigorously pursued as they are positively related to the overall goals achievements of Nigeria Union of Teachers.

The paper recommends the following:

The management of Nigeria Union of Teachers at all levels should regularly engage in their staff training and development. This is expected to enhance the skills, knowledge, competencies and abilities of workers for a better job performance aimed at attainment of the stated objective. Proper personnel planning should always be conducted. This will improved division of labour and eventually staff productivity. Staff reward is essentially a motivating factors that should not be taken with levity and all human resources management ingredients are engines to drive the wheel of the union towards goal achievement.

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AN EVALUATION OF 2011 PERSONAL INCOME TAX POLICY REFORM IN NIGERIA

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Abstract

This study evaluates the 2011 personal income tax reform in Nigeria with the aim of determining how successful the reform has been in achieving its main objective of reducing tax burden of low and middle level income earners and increasing that of high income earners. The income of federal government public servants on the Consolidated Public Service Salary Structure (CONPSS) was used for the study. The CONPSS and its breakdown were obtained from the National Salaries, Incomes and Wages Commission and PAYE Tax Computation based on 2011 tax provisions obtained from the Joint Tax Board. The Effective Tax Rates under the 2011 tax reform were compared with those of 2001. The Average Effective Rates were also put into a paired sample t-test to determine the materiality of their differences. The finding shows that federal public servant across all income levels, currently pay tax at rates ranging from 1% to 11.98% which were much lower than that under the previous tax regime albeit the policy had planned an increase in the tax burden of high income earners. It further shows that the degree of reduction in tax burden was large enough to impact on the disposable income of tax payers. However, the marginal tax rate may have to be raised if the high income earners must pay higher tax.

Keywords: Average Effective Tax Rate; Effective Tax Rate; PAYE; Personal Income Tax; Tax Reform

1.0 Introduction

Personal Income Tax System in Nigeria has always been a subject of continuous reforms both during the colonial era and post-colonial era.

Nigeria at independence in 1960 inherited the Direct Taxation Ordinance No 4 of 1940 as a tax law under which individuals and companies were chargeable to tax. Because of the unscientific nature of its administration and the need to have a tax law specific to personal income tax, the Income Tax Management Act (ITMA) No 21 of 1961 was promulgated by a newly independent Nigerian government to replace the ordinance (Odusola, 2006; Ola, 2004).

ITMA 1961 witnessed several reforms in 1968, 1972, 1975, 1977, 1985, 1987, 1989, and 1992 before it was finally repealed and replaced with the Personal Income Tax Act (PITA) 1994. PITA 1994 which was enacted to modernize the practice of personal income tax in Nigeria and further enhance uniformity of taxation within the federation, has equally witnessed several reforms. Some major amendments to the act include that of 1995, 1997, 1998 and 2001.

The latest reforms are contained in the Personal Income Tax (Amendment) Act, (PITAM) 2011. Oruba (2012) quotes the then Executive Chairman of the Federal Inland Revenue (FIRS) as saying that the objective of the 2011 reform, *inter alia*, was to increase the disposable income of tax payers by reducing the tax burden of low and middle level income earners and increasing the tax payable by high level income group. To this end, the reform reduced the marginal tax rate, increased the taxable income brackets, broadened the taxable income in each bracket and increased the tax free allowance. Undoubtedly, the need to assess the success or otherwise of this 2011 reform cannot be over-emphasised.

This study therefore, evaluates the effects of the amendments contained in PITAM, 2011 on the individual tax burden with the aim of determining the effectiveness of the new tax policy. The study determines the Effective Tax Rates (ETRs) at which individuals pay tax under current tax regime and compares them with the ETRs under the immediate tax regime of 2001 as a measure of the success of the 2011 reform. It also measures the significance of the differences between the 2001 and 2011 ETRs to assess the impact on disposable incomes.

The idea of using the ETR to assess the effectiveness of the new tax policy is premised on the followings. First, like most countries of the world, the statutory personal income tax rate in Nigeria is not a fixed percentage and it is considered important to determine the flat actual rate (i.e. ETR) at which individuals pay tax, more so that Kitches (2013) observes that the ETR is a good measure of tax burden. Second, most empirical studies of ETR concentrate on corporate income tax and third, it seems studies on tax reforms in Nigeria do not find the ETR useful.

Apart from indicating the success of the new personal income tax policy, this study also has the policy implication of directing the attention of policy makers to further reform needed especially in relation to the marginal tax rate.

2.0 Literature Review

2.1 Personal Income Tax/Reforms in Nigeria

The Direct Taxation Ordinance (DTO) No. 4 of 1940 represents the first attempt of the colonial government to promulgate an ordinance that is applicable throughout Nigeria (the colony and the protectorate). Ola (2004) however, argues that the haphazard and unscientific nature of the administration of the ordinance led to its repeal and the promulgation of Income Tax Management Act (ITMA) No 21 of 1961. Under ITMA, personal income was chargeable to tax after the deduction of reliefs and allowances (including personal allowance, wife allowance, and children allowance). The resultant income was then taxable at graduated income tax rates peculiar to the taxable income bracket(s) of the tax payer.

By the time ITMA (1961) was repealed in 1993, the amount of personal allowance was $\text{^}3000$ plus 15% of earned income, children allowance at $\text{^}500$ /child to a maximum of 4 children and dependant relative allowance to a maximum of $\text{^}600$. Others were disabled person allowance- the higher of 10% of earned income and $\text{^}2,000$, life assurance policy to a maximum of $\text{^}5,000$. The marginal tax rate stood at 35% Of taxable income in excess of $\text{^}100,000$ (ITMA, 1961).

The Federal Inland Revenue Service (2012) asserts that the provisions of Personal Income Tax Act (1994) at inception were significantly similar to the ITMA (1961) it repealed. Several amendments were made to this act notably in 1995, 1996, 1997, 1998 and 2001. The amendments, inter alia, review grantable reliefs and allowances and the tax rates. By 2001, personal allowance stood at $\text{^}5000$ plus 20% of earned income, children allowance at $\text{^}2500$ /child and dependant relative allowance to a maximum of $\text{^}2,000$. There was tax free income of $\text{^}30,000$, minimum tax rate of 1/2% and marginal tax rate of 25% of taxable income in excess of $\text{^}160,000$. All these while, Section 3 of PITA (1993) has exempted from tax certain portion of housing allowance grantable to employees (2001 – N150,000), transport allowance (2001 – N20,000), and meal subsidy N5,000. Others are utility allowance N10,000; entertainment allowance N6,000 and 10% of annual basic salary as leave allowance.

The latest reform of Personal Income Tax in Nigeria took place in 2011. The reform introduces Consolidated Relief Allowance (CRA) of the higher of 1% of gross emolument and N200000 plus 20% of gross income (Sixth Schedule, PITAM, 2011). This allowance replaces all sundry reliefs and allowances that had hitherto been granted till 2011. The reform, however, retained gratuity, contributions to pension fund, life assurance premium, National Housing Fund and National Health Insurance Scheme as deductible allowances. It also increases minimum tax from 1/2% to 1%. Table 1 shows a comparison of the old (2001) and the new (2011) tax rates.

Table 1: Comparison of Old and New Tax Rates

Old	New
First ₦30,000 @ 5%	First ₦300,000 @ 7%
Next ₦30,000 @ 10%	Next ₦300,000 @ 11%
Next ₦50,000 @ 15%	Next ₦500,000 @ 15%
Next ₦50,000 @ 20%	Next ₦500,000 @ 19%
Above ₦160,000 @ 25%	Next ₦1,600,000 @ 21%
	Above ₦3,200,000 @ 24%

Source: Sixth and amended Sixth Schedule, PITAM, 2011

Table 1 reveals that initial taxable income was increased ten times, initial tax rate increased from 5% to 7%, the tax bands were increased from five steps to six steps and marginal tax rate reduced to 24% from 25% between 2001 and 2011.

2.2 Review of Related Studies

Odusola (2006) examines the tax policy reforms of all types of taxes imposable in Nigeria mainly from independence in 1960 to 2003. His conclusions suggest that tax policy reforms have failed to achieve most of their objectives especially those relating to reversing the dominant nature of revenue from primary products as against the traditional tax revenue. This makes the country susceptible to vagaries of fluctuations in the world oil. Fjeldstand (1995) surveys the tax policy reforms in Tanzania from 1969 to 1991 and then evaluates the success of the “low-rate, broad base” reform of 1991 targeted at fiscal self-reliance. The implementation of this reform resulted in a significant drop in revenue compared to the budgeted and the actual revenues of the previous four years. This, Fjeldstand concludes was related to the shortcomings in the implementation of the reform chiefly as a result of pervasive tax evasion and inefficient tax administration.

Following the 1998 Personal Income Tax reform in Nigeria, Osakwe (1999), uses hypothetical income figures to demonstrate the impact of the reform on the disposable income of tax payers. Comparing the 1995 and 1997 reforms with that of 1998, he finds a relative reduction in tax liability from 1995 to 1998 but concludes that the increase in disposal income was not significant enough to enhance the purchasing power of, especially, the low income group. Ogbonna and Ebimobowei (2012) investigate the relationship between tax reforms and economic growth in Nigeria using time-series analysis.

Although they conclude that tax reforms have positive impact on economic growth, they were skeptical about the attainment of reform objectives in a system riddle with corruption and inefficiency. Bogetic and Hassan (1997) examine the effect of the 1993 amendment to the 1992 Personal Income Tax Law on income tax revenue and net income distribution in Bulgaria. The 1993 increased both the taxable income brackets and the tax rates. This study finds that with the increase in tax rates, income revenue as a percentage of GDP dropped from 5.4% in 1992 to 4.9% in 1993 and to 4.3% in 1994.

The reforms would however, seems to have achieved positive net income distributive effect since the study reveals an increasing effective tax rate rises from one tax bracket to another, suggesting the tax system is progressive and progressivity is a means of income distribution (Steenekamp, 2012).

Steenekamp (2012)'s study of the impact of tax reforms, in South Africa from 1994 to 2011, on tax structure reveals an increasing importance of direct tax during the study period. He also finds the burden of Personal Income Tax to be fairly stable during the period as it ranges from 11.3% to 14.2%. The study also confirms the progressive nature of personal income tax in South Africa though, the progressivity tends to reduce from 1994 to 1999.

2.3 Theoretical Background

There are two basic theories in public finance literature, the Benefit Theory and the Ability-to-Pay Theory. Lindahl (cited in Encyclopedia Britannica) propounds the Benefit Theory which suggests that tax should be levied on individual based on the benefits he receives from government provisions that is the more benefits an individual enjoys from government facilities, the more his tax burden should be. This theory emphasizes revenue accruing to government aspect of taxation and connects government revenue with government expenditure (Birch, 1988). However, several criticisms have been levied against this theory. First, is how to measure the benefits an individual derives from government. Second, it is against the tenet of taxation as tax is levied without *quid pro quo*. In fact, the poor is penalised if tax is based on this theory since they benefit more from government facilities which means they will pay more tax than the rich who benefit less from government facilities (Majura, n.d).

On the other hand, the Ability-to-Pay Theory as championed by Piquou (1928) operates to the effect that tax is levied on the individual according to his wherewithal rather than the benefit he enjoys, that is, the higher the ability of the individual to pay, the higher should be his tax burden. This theory ensures that there is equality in individual sacrifice, equality in proportional sacrifice and equality in marginal sacrifice (Musgrave, 1959). This theory treats government revenue separate from government expenditure (Birch, 1988). The demand of this study seems to be met by the Ability-to-Pay Theory since it deals with the level of tax burden individual bears at different income levels. Hence, this study is based on the Ability-to-Pay Theory.

3.0 Methodology

3.1 Data

The main data for this study is the Consolidated Public Service Salary Structure (CONPSS) and was obtained from the National Salaries, Incomes and Wages Commission (NSIWC). CONPSS represents the salary structure of Federal Government of Nigeria employees in the Ministries, Departments and Agencies (MDAs).

Also obtained from NSIWC is the breakdown of the consolidated salary into basic and other allowances. This is to enable us determine the tax liabilities of officers on CONPASS based on 2001 tax regime provisions. We also obtained from the Joint Tax Board (JTB) the Pay-As-You-Earn (PAYE) tax computation for CONPSS based on 2011 tax regime provisions.

3.2 Measurement of Effective Tax Rate

The Kitchens (2013) definition of ETR that is “the clients total taxes paid divided by the total income” is adapted in this study. In this study, it is the annual tax liability divided by the annual gross emolument. The annual tax liabilities and annual gross emoluments were extracted from the 2011 CONPSS PAYE Tax Computation Table to determine the ETRs under the 2011 tax reform. The annual tax liabilities on CONPSS annual gross emoluments were computed based on 2001 tax policy provisions in order to ascertain what the ETRs would be if the 2001 tax provisions were applied to the 2011 salary structure. This enables us to compare the two strands of ETRs and thus assess the success of the 2011 tax reform. Lower ETRs for low and middle level income earners and higher ETRs for high income earners then hitherto portend the success of 2011 tax reforms.

3.3 Measurement of Average Effective Tax Rate

The AETR for each grade level on the salary structure was determined by dividing the summation of annual tax liabilities of all steps under a grade level by the summation of the total annual gross emoluments of the steps under each grade level under the two tax regimes. The AETR is represented by:

$$\frac{\sum_{j=1}^n a_{1-j}}{\sum_{j=1}^n y_{1-j}} \times 100\%$$

Where:

$$\sum_{j=1}^n a_{1-j} = \text{the summation of annual tax liabilities under a salary grade level}$$

$$\sum_{j=1}^n y_{1-j} = \text{the summation of annual gross emolument under a salary grade level}$$

The materiality of the differences between the AETR of 2001 and 2011 tax reforms was determined using the paired sample t-test. The presence of material differences suggests a reduction in tax burden that leads to a substantial increase in the disposable income of tax payers while an insignificant difference represents lack of it.

3.4 Breakdown of CONPSS

The breakdown of the consolidated salary figures available in the NSIWC is that of the Harmonized Public Service Salary Structure (HAPSS) called Explanatory Notes on the Consolidated Emolument. The HAPSS was the salary structure of federal public servants in the MDAs before the introduction of CONPSS in 2007. Although two increments have been made to HAPSS (in 2007 and 2011) to arrive at the 2011 CONPSS, the proportions of the various components have remained unchanged. This makes it possible to estimate, with a high degree of accuracy, the basic salary, rent, transport, utility, leave and furniture allowances components of the consolidated salary. The meal subsidy component was an absolute figure on the HAPSS and was therefore increased by 15% and a further 53.37% being the rates of increases that have been made since 2007 (NSIWC, 2013).

3.5 Determination of Tax Liability based on 2001 Provision

In computing the tax liabilities based on 2001 provisions, all reliefs and allowances deductible were adequately granted, however, the life insurance premium (LIP), the disabled person's allowance, the special incentives of a maximum 20% of total income for ownership of equity in a research and development oriented company and donation of a maximum of 10% of taxable income to a research centre that were allowable under the 2001 tax regime were not granted because they are allowances that are not universal to all tax payers and are difficult, if not impossible, to estimate. Besides, although the 2011 reforms retained LIP as a deductible relief, the JTB also did not grant it while making up its PAYE Tax computation.

3.6 Categorisation of Income Levels

The CONPSS as a salary structure recognises sixteen cadres/categories of government officers, each represented by a grade level (GL). The next promotion of an officer on GL10 is to GL12 because there is no GL11 on the salary scale. Hence, CONPSS runs from GL01 to GL17. The steps on a grade level represent the annual movement on the level. With the outsourcing of GL01 and GL02 jobs, income levels are now categorised as: GL01 –GL07 low income level, GL08 – GL14 middle income level, and high level group is represented by officers on GL15 – GL17 (Federal Republic of Nigeria, 2006) This categorisation is followed in this study.

4.0 Results and Discussion

4.1 Effective Tax Rates under 2011 Reform

From Grade Level 1 step 1 (GL01/1) to Grade Level 4 step 15 (GL04/15), the statutory personal income rate is the same with the Effective Tax Rate (at 1%). This is because, both the reliefs and allowances grantable on their gross emoluments are in excess of the gross emoluments, therefore, there are negative taxable incomes or the tax payable with positive taxable incomes is less than the minimum tax payable. In both circumstances, the tax law requires that the minimum tax of 1% should apply (PITAM, 2011).

This also explains the 1% ETRs recorded on GL05/1 to GL05/11 and GL06/1 to GL06/4 in Table 2. After these levels, the ETR begins to rise steadily (sometimes at an increasing rate especially after GL10) from low income group to the middle and high income group, as shown in Table 2. Table 2 further shows that the low income earners (GL01 – GL07) have markedly lower ETRs than the high income group (GL15 – GL17). The ETRs of the high income group rise more sharply with increase in income than the low and middle income earners. The ETRs of high group is between 3 to about 5 times that of the low income group. ETRs of the middle income earners also increase at a lower rate than the high income group but higher than the low income group. The ETRs of low income group range from 1% to 3.25%, middle income group from 2.76% to 6.78% and high income group from 6.71% to 11.98% under the 2011 tax regime. The progressivity of personal income tax in Nigeria is demonstrated by the continuous increase in ETR from one salary grade level to another and from one step on a salary grade to another as shown in Table 2.

4.2 Comparison of ETRs under 2001 and 2011 Reforms

Table 3a presents the comparison of the ETRs of 2001 and 2011 reforms. Table 3 shows that the ETR of low income group ranges from 1% to 3.28% under the 2011 reform as against 1.66% to 9.18% under the 2001 tax regime. The middle level income group now pays tax at effective rates ranging from 2.76% to 6.78% as against 7.67% to 14.19% under the 2001 tax regime while the high income group now pays tax at rates ranging from 6.71% to 11.98% as against previous rates of 14.54% to 17.17% of 2001.

The lowest paid low income earner currently pays tax at 1% as against 1.66% under the old regime while the highest paid low income earner pays tax at the rate of 9.18% under new regime compared to 17.17% under the old regime. Within the middle level group, the lowest and highest paid have ETRs of 2.76% and 6.78% respectively under this regime as against 7.67% and 14.19% respectively under the old regime. The least paid high income group now pays tax at 6.71% as against 14.54% under the 2001 tax regime. The highest paid 2001 ETR is 17.17% compared to the 11.98% he now pays under the new tax regime. These reductions in tax burden imply increased disposable income in the hands of tax payers and decrease in tax revenue accruing to government.

It is observable from Table 3a that the 2011 amendment to PITA (1994) has resulted into a decrease in the tax burden for all federal public servants regardless of income bracket. The generous tax free allowance represented by the high CRA which outweighs all reliefs and allowances put together under the 2001 tax regime could be responsible for the general reduction in tax liability. Another reason, which is reliefs and allowances related, could be that some allowances (furniture, domestic staff and driver) which constitute a large proportion of the consolidated salary do not enjoy relief under the 2001 reform. This has the propensity to increase the amount of tax payable. Moreover, the effect of the reduction in marginal tax rate and the income level at which it becomes payable have been noted.

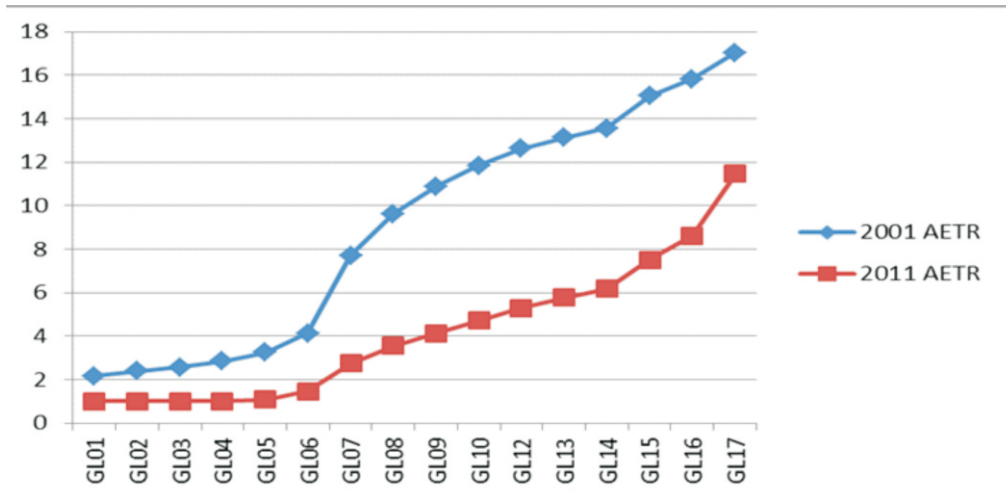


Figure1: 2001 AETR AND 2011 AETR.

Figure 1 depicts the AETR 2001 and AETR 2011 from GL01 to GL17. The upward slope in the trend lines for AETR for both 2001 and 2011 suggests that the average tax burden increases as income level increases, this supports the Ability-to-Pay Theory and demonstrates the progressive nature of personal income tax in Nigeria. That the 2011 trend line is perpetually under the 2001 line also suggests that the average tax burden is lower in 2011 than in 2001 across all income levels.

Table 3b presents the Average Effective Tax Rates (AETRs) and the percentage reduction in tax burden. From this table, the average reduction in tax burden ranges from 32.75% to 66.77%. On the average, the group of people who benefits most from the most recent tax reform is the officers on GL05 who have a reduction of about 67% on their tax liability, and the people of least benefit are directors on GL17 with only 32.75% reduction in tax liability.

Table 3b: AETR of 2001 and 2011 Reforms and Reduction in Tax Burden

Grade Level	2001 AETR	2011 AETR	% Reduction
GL01	2.17	1.00	53.92
GL02	2.38	1.00	57.98
GL03	2.57	1.00	61.09
GL04	2.85	1.00	64.91
GL05	3.25	1.08	66.77
GL06	4.13	1.45	64.89
GL07	7.72	2.75	64.37
GL08	9.63	3.54	63.24
GL09	10.88	4.13	62.04
GL10	11.84	4.71	60.22
GL12	12.62	5.30	58.00
GL13	13.12	5.76	56.10
GL14	13.56	6.18	54.42
GL15	15.04	7.52	50.00
GL16	15.83	8.62	45.55
GL17	17.04	11.46	32.75

Table 3b further shows that the low income group's reduction in tax burden ranges from 53.92% to 66.77%, the middle level income group enjoys a reduction in tax burden of from 54.4% to 63.24%, while the high income group witnesses a reduction in tax burden between 32.75% and 50%. There is an increasing reduction in tax burden from GL01 to GL05 (where it appears to reach an optimal level); thereafter, decreasing reduction is noted till GL17. This shows that public servants, generally, are paying lower tax under 2011 reform than 2001 tax regime. However, Affe (2015) reports a general complaint by tax payers to the effect that the new tax regime has brought about additional tax burden. The findings of the study do not support Affe's report. The renewed interest in the strict compliance with tax rules against the backdrop of dwindling revenue allocation by the federal government may be responsible for this gap between the tax payers' perception and the actual situation.

Further, the findings show that the decrease in tax burden cuts across all income groups and this is in contradiction to the intent of the 2011 reform for high income to pay higher tax.

4.3 Test of Equality for the AETRs

Table 4 presents the descriptive statistics of the AETR 2001 and 2011 for all categories of income group. Table 4 shows that the mean of AETR (2001) is 9.0394 and AETR (2011) is 4.1562 and their medians are 10.25207 and 3.831767 respectively. The mean of the 2011 reform is just about half of that of 2001 and the median of 2001 is about three times that of 2011 which is a result of reduction in tax liabilities from 2001 to 2011. The standard deviation of AETR (2001) is 5.40787 and AETR (2011) is 3.18182 which do not show considerable variation.

Table 4: Descriptive Statistics of all Income Groups

	AETR 2001	AETR 2011
Mean	9.0394	4.1562
Median	10.25207	3.831767
Standard Deviation	5.40787	3.18182
Minimum	2.168501	1.0000
Maximum	17.03883	11.46054

The result of paired sample *t*-test indicates that at 1%-level, there is significant difference between the means of 2001 and 2011 ETRs, the *t*-value is 7.58 and *p*-value is 0.000 and; therefore, the 2011 has affected the disposable income of tax payers considerably. The reduction in tax burden appears low for high income group, the effect of which might have been submerged by high reductions in low and middle level income groups, hence separate *t*-tests were run for low and middle level income groups and the high income group.

The descriptive statistics of the low and middle level income groups shows the mean of the 2001 AETR is 7.44 and 2011 to be 2.9923 while the median for 2001 is 7.72164 and 2011 is 2.746232. The mean and median of 2001 are more than double that of 2011 so also are their standard deviations (4.64840 and 2.03436 respectively) which show moderate variation.

These results suggest that the tax burden of these classes of tax payers in 2011 is less than half of that of 2001. Furthermore, the result of the *t*-test reveals that the *t*-value is 6.051 while the *p*-value is 0.000, therefore we could conclude that the reduction in tax burden is material enough to significantly affect the disposable income. The tests results show the descriptive statistics of the high income group to be: mean of 2001.

AETR is 15.97 while that of 2011 is 9.2. The median are 15.82544 and 8.618867 respectively. The mean and median of AETR (2001) is slightly higher than that of 2011, and their standard deviations do not vary considerably.

Albeit, the absolute differences between the AETR of high income group 2001 and 2011 appeared small relatively, the paired sample test shows that the difference is still significant (*t*-value, 11.252; *p*-value, 0.008) and have considerable impact on their disposable incomes.

5.0 Conclusion

The main objective, inter alia, of the amendments to the Personal Income Tax Act in 2011 is to increase the disposable income of tax payers by reducing the tax burden of low and middle level income earners and increase that of the high income group. We evaluate the achievement of this policy objective by determining the ETRs under the 2011 reform and compared them with that of the 2001 tax regime using the income of the federal government public servants under the Consolidated Public Service Salary Structure. We also put the AETRs under both regimes into a two-sample paired comparison *t*-test to determine the significance of any reductions in tax burden.

The finding shows that there is a general reduction in tax burden across all levels of income by the effect of 2011 reform. It also shows that the amount of the reduction is significant enough to have positively impacted on the disposable income of tax payers. Because the group of tax payers used for the study represents the least paid of all federal government employees, the results of this study may be considered representative of all other classes of employees or income earners within Nigeria.

Since the reduction in tax burden cuts across all income groups, the aspect of the 2011 reform which seeks to make high income earners pay more tax seems not to have been achieved. This represents policy failure; therefore, tax policy makers may have to consider an upward review of the marginal tax rate if this aspect of the policy change must also be achieved.

Table 2: Effective Tax Rates under the 2011 Reform

Level/ Step	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	AE TR
GL05	1	1	1	1	1	1	1	1	1	1	1	1.1	1.2	1.29	1.38	1.08
GL06	1	1	1	1	1.03	1.15	1.27	1.38	1.48	1.58	1.67	1.76	1.84	1.94	1.99	1.45
GL07	2.16	2.24	2.33	2.43	2.53	2.64	2.74	2.84	2.94	3.04	3.14	3.24	3.34	3.44	3.54	2.75
GL08	2.76	2.94	3.12	3.30	3.48	3.66	3.84	4.02	4.20	4.38	4.56	4.74	4.92	5.10	5.28	3.54
GL09	3.29	3.47	3.65	3.83	4.01	4.19	4.37	4.55	4.73	4.91	5.09	5.27	5.45	5.63	5.81	4.13
GL10	3.93	4.04	4.15	4.26	4.37	4.48	4.59	4.70	4.81	4.92	5.03	5.14	5.25	5.36	5.47	4.71
GL12	4.42	4.53	4.64	4.75	4.86	4.97	5.08	5.19	5.30	5.41	5.52	5.63	5.74	5.85	5.96	5.3
GL13	4.8	5.0	5.2	5.4	5.6	5.8	6.0	6.2	6.4	6.6	6.8	7.0	7.2	7.4	7.6	5.76
GL14	5.3	5.5	5.7	5.9	6.1	6.3	6.5	6.7	6.9	7.1	7.3	7.5	7.7	7.9	8.1	6.18
GL15	6.7	6.8	7.0	7.3	7.5	7.7	7.9	8.1	8.3	8.5	8.7	8.9	9.1	9.3	9.5	7.52
GL16	7.8	8.0	8.2	8.4	8.6	8.8	9.0	9.2	9.4	9.6	9.8	10.0	10.2	10.4	10.6	8.62
GL17	10.91	11.04	11.17	11.29	11.41	11.53	11.65	11.77	11.89	12.01	12.13	12.25	12.37	12.49	12.61	11.46

Table 3: Comparison of the ETRs of 2001 and 2011 Tax Reforms

Level/Step	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	AETR
GL01: 2001	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
2011	1.66	1.72	1.77	1.82	1.89	1.98	2.06	2.15	2.23	2.30	2.38	2.45	2.52	2.59	2.65	2.17
GL02: 2001	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
2011	1.70	1.78	1.84	1.95	2.06	2.17	2.27	2.37	2.46	2.55	2.64	2.72	2.80	2.88	2.95	2.38
GL03: 2001	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
2011	1.74	1.82	1.94	2.08	2.21	2.33	2.45	2.56	2.67	2.77	2.86	2.95	3.04	3.12	3.20	2.57
GL04: 2001	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
2011	1.86	2.03	2.19	2.47	2.60	2.73	2.84	2.95	3.06	3.16	3.25	3.34	3.44	3.57	3.20	2.85
GL05: 2001	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.10	1.20	1.29	1.38	1.08
2011	2.20	2.37	2.53	2.68	2.82	2.95	3.07	3.18	3.29	3.39	3.54	3.69	3.83	3.96	4.09	3.25
GL06: 2001	1.00	1.00	1.00	1.00	1.03	1.15	1.27	1.38	1.48	1.58	1.67	1.76	1.84	1.92	1.99	1.45
2011	3.01	3.15	3.28	3.40	3.59	3.77	3.94	4.09	4.24	4.38	4.51	4.63	4.75	4.92	5.08	4.13
GL07: 2001	2.16	2.26	2.34	2.43	2.50	2.58	2.64	2.71	2.77	2.83	2.88	2.95	3.07	3.18	3.28	2.95
2011	6.22	6.43	6.62	6.80	6.96	7.12	7.27	7.41	7.70	7.98	8.24	8.50	8.74	8.96	9.18	7.72
GL08: 2001	2.76	2.83	2.90	3.01	3.14	3.27	3.40	3.51	3.62	3.72	3.82	3.92	4.00	4.09	4.17	3.54
2011	7.67	8.00	8.34	8.61	8.89	9.15	9.40	9.63	9.85	10.06	10.26	10.45	10.63	10.80	10.96	9.63
GL09: 2001	3.29	3.43	3.57	3.69	3.81	3.82	4.03	4.13	4.22	4.31	4.40	4.48	4.55	4.63	4.70	4.13
2011	9.18	9.47	9.74	10.00	10.23	10.46	10.67	10.88	11.07	11.25	11.42	11.58	11.73	11.88	12.02	10.88
GL10: 2001	3.93	4.04	4.15	4.25	4.35	4.44	4.53	4.61	4.68	4.82	4.96	5.09	5.21	5.33	5.44	4.71
2011	10.47	10.70	10.92	11.13	11.32	11.50	11.68	11.84	12.00	12.14	12.29	12.42	12.55	12.67	12.79	11.84
GL12: 2001	4.42	4.55	4.66	4.87	5.08	5.27	5.44	5.61	5.76	5.91	6.04	-	-	-	-	5.30
2011	11.46	11.73	11.98	12.21	12.42	12.62	12.80	12.97	13.13	13.28	13.42	-	-	-	-	12.62
GL13: 2001	4.80	5.02	5.23	5.42	5.59	5.76	5.91	6.05	6.19	6.31	6.43	-	-	-	-	5.76
2011	12.14	12.36	12.58	12.77	12.96	13.13	13.29	13.43	13.58	13.71	13.83	-	-	-	-	13.12
GL14: 2001	5.33	5.53	5.71	5.88	6.03	6.18	6.31	6.44	6.56	6.68	6.78	-	-	-	-	6.19
2011	12.68	12.89	13.07	13.25	13.41	13.56	13.71	13.84	13.96	14.08	14.19	-	-	-	-	13.56
GL15: 2001	6.71	6.86	7.07	7.30	7.51	7.70	7.88	8.05	8.21	-	-	-	-	-	-	7.52
2011	14.54	14.68	14.81	14.93	15.04	15.15	15.24	15.33	15.41	-	-	-	-	-	-	15.04
GL16: 2001	7.84	8.04	8.23	8.41	8.58	8.75	8.94	9.12	9.28	-	-	-	-	-	-	8.62
2011	15.46	15.56	15.66	15.74	15.83	15.90	15.97	16.03	16.10	-	-	-	-	-	-	15.83
GL17: 2001	10.91	11.04	11.17	11.29	11.40	11.53	11.69	11.84	11.98	-	-	-	-	-	-	11.46
2011	16.87	16.92	16.96	17.00	17.04	17.07	17.11	17.14	17.17	-	-	-	-	-	-	17.04

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FIRMS PERFORMANCE AND STOCKS PRICE IN NIGERIA: A STUDY OF QUOTED FIRMS IN NIGERIA STOCK EXCHANGE (NSE)

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ABSTRACT

The recent global crisis which suddenly results to Nigerian stock market crash revealed some peculiarities of Nigerian firms. There are some firms in Nigeria that are performing but their stock prices are not increasing while some firms are at the brink of collapse but their stock prices are increasing. Thus, this study examines the relationship between firm performance and stock price in Nigeria. The study covered the period of 2005 to 2009. This period is of stock boom and also marked when stock market crash as a result of global financial meltdown. The study is a panel study. A total of 140 firms were sampled from 216 firms listed on the Nigerian Stock Exchange (NSE). Data were collected from secondary source. These data were divided into four strata comprising the most performing stock, the least performing stock, most performing firms and the least performing firms. Each stratum contains 35 firms with characteristic of most performing stock, most performing firms, least performing stock and least performing firms. Multiple linear regression models were used to analyse the data while statistical/econometrics package of Stata 11.0 version was used to run the data. The study found that, relationship exists between selected firms performance parameters (operating efficiency, firm profit, earning per share and working capital) and stock price. As such, firms' performance has predictive power on stock prices movements in Nigeria for all the years under study. The study recommends among others that Managers of firms in Nigeria should formulate policies and exert effort towards improving firm performance that will enhance stock prices movements.

Keywords: Firm, Nigeria, Performance, Stock Price and Stata 11.0 version

1.0 INTRODUCTION

The primary goal or objective of a firm should be to maximize the value or prices of firm's stock. The success or failure of management's decisions can be evaluated only in the light of the impact of firm stock prices (Remi, 2005).

The firm's stock prices have direct purview in the managerial efficiency which is one of the signals of firm's performance. The firm's performance can be determined by external factors (such as aggregate supply of money, interest rate, inflation among others) or internal factors (firm specific such as firm earning, inventory management, dividend, price-Earnings ratios among others). The external factors are beyond the control of firm and are generally economy-wide, while the internal factors are under the control of the firm. The internal and external factors directly or impliedly affect stock prices as they also affect firm performance. Stock prices are kept within a particular level, upon which if they fall below that level it would be 'delisted' in most developed capital markets.

Thus, the arguments on whether firm performance has any predictive power on stock price are not very clear in financial literature. Gompers, Ishii & Metrick, (2003) believe that firm performance have predictive power on stock prices. This argument holds the view that Operating Efficiency, Profitability, Return on Asset (ROA), Return On Equity (ROE), Return On Investment (ROI), Price – Earnings ratio (P/E ratio), sound Working Capital Efficiency and earnings have influence on stock price.

In contrast, the other researchers argue that firm performances do not determined stock prices. For example, Kopcke (2000) reports that since 1982, stock prices in New England have more than tripled, while operating income of corporations has risen by less than one half. From 1997– 2000, prices have increased by more than one half, while earning has fallen. In January, 2000 the price of equity for Standard and Poor composite of 500 stocks exceeded 23 times earnings, a comparatively high multiple by historical standard. The price of stock fell 17 times earnings in the late 1970s. From this argument performances of corporations did not cause stock prices to increase but to decrease. In this situation, Stock prices are not directly determined by earning and other firm performance measures but they are directly determined by the balance between the demand for and supply of firm stock. Demand and Supply cause the stock prices to fluctuate. In Nigeria, the relationship between stock prices and firm performance is also ambiguous. There are some firms' which are not even in operation, while others are at the edge of collapse, but their share prices are increasing (SEC, 2007). Also, to understand the basis of stock price increase is very difficult. This study examines whether Nigerian Stock prices movement are influence by firms' performance as in the former argument or firms' performance have nothing to do with Stock price movement as in later argument.

The study attempt to answer the following questions: To what extent does operating efficiency predict stock price movement? In what ways do firm profits predict the movement of firm stock prices? How does firm earning per share predict the stock price movement? and does working capital efficiency predict the firm's stock prices? The major objective of the study is to examine the relationship between firm performance and stock price in Nigeria. The specific objectives are to: evaluate the extent to which operating efficiency predict stock prices movement, to examine the ways firm profits predict the movement of stock prices, establish how earnings per share predict stock price movement and to examine whether working capital efficiency predict the movement of stock price. In achieving the above objectives the following hypothesis was formulated:

H₀ Firm performance has no predictive power on stock price.

This study is expected to reveal the predictive power of firm performance measures on stock price. If the predictive power is established, it would assist prospective investors to know the criteria to be used in channeling their investment fund to the right portfolio in their quest for investment. Nigerian firms would identify which of the firm performance measures affect stock price and which of them have less/high effect on stock price. The study covers the period between 2005 and 2009. The period of the study is chosen because it was when Nigerian Stock Market in particular and World Stock Market in general have their highest booming and serious depression. Reasons could easily be seen and understood from Nigerian firm performance and the performance of Nigerian Stock Exchange. This study focuses on the predictive power of firm performance on Stock Prices. As a result of the ongoing difficulties in obtaining data from private organizations, due to the fear that competitors will get access to the data, the study fully relied only on secondary data published by Nigerian Stock Exchange (NSE), Securities and Exchange Commission (SEC) and Nigerian Deposit Insurance Corporation (NDIC).

In order to mitigate the influence of this limitation on the quality of the findings of this research, the study compared data obtained from the firm with the ones obtained from regulatory authorities such as SEC, NSE and NDIC to ensure equality and reliability of the data. If discrepancies exist such data is discarded.

2.0 Literature Review

Stock prices are seen as the value attached to each individual equity in a given period of time, which may or may not be as a result of information asymmetric (Fama, 1970). This concept of stock prices originated from Random Walk theory in the work of Fama (1970). Lo & Mackinlay (1988) argue in wider sense, they viewed stock price as a value of unit of account for various investments.

These may be true if stock price are seen as value attached to individual equity, then equity can as well be used to value an entire firm. According to Christopher, Rufus & Jimoh (2009) Stock prices could be determined by bankruptcy cost, loss of reputation, drop in market share, resignation of key employee and impairment of regular operation. Broadly speaking, stock prices are determined by micro and macro economic factors. A firm is a legal entity which can sue or be sued, and exists for a purpose. A firm exists as an alternative system to the market mechanism when it is more efficient to produce in non-price environment (Richardson, 2000). Managerial theories of a firm developed by William (1962), Robin (1964) & Oliver (1966), suggest that managers would seek to maximize their own utility and consider the implication of this for firm behavior in contrast to the profit – maximizing case.

Performance is a difficult concept, both in terms of definition and measurement (Keats & Hitt, 2000). Measurement of performance is a very controversial issue in literature and no agreement is arrived at (Meyer & Gupta, 2004). According to Encyclopedia of Business (2001) Firm performance measures can be group into two basic types: those that relate to results (outputs or outcomes such as competitiveness or financial performance) and those that focus on the determinants of the results (input such as quality, flexibility, resource utilization, and innovation). Firm Performance could be seen at the specific segment of a firm.

The studies conducted by Shiller (2000), Fama & French (2002) indicate the extent to which firms parameters predict stock price movements. These studies use regressions of stock returns on the lagged dividend and earnings yield on a pooled data of 25 firms quoted on New York Exchange (NYSE). They conclude that both endogenous variables have explanatory power to stock price movements. In the same vein, Chang & Wang (2008) conducted a study using Ohlson (1995) model on 100 Taiwan firms in 2004. The result indicates that firm's stock price movements have a positive significant relationship with firm's earnings. Ball & Brown (2001) conducted a study to investigate the annual association between annual changes in stock prices and annual changes in earnings. The results obtained show that annual changes in stock prices cause earnings to change the following year. These could rarely occur at firm level but could be true at individual investor. Return of an investor is stock price appreciation plus dividend. These finding could be valid, individual investor is after what firm earned will determined what investors will have, which will cause for demand for stock and price movement. One can observed that the relationship between profit and stock price could not be exhausted, varying study with different method and data from different countries give a contradictory result. To generalized whether profit has any predictive power on stock prices could be misleading.

In contrast, a positive relationship between stock price and the working capital efficiency with direction of causation running from working capital efficiency to stock prices is also expected. Solnik (2000) use multivariate analysis on working capital efficiency and stock price collected from 120 firms across (Japan, U.S, Hong Kong, France, Germany, Britain, China and Netherlands) from 1989 to 1999 and found no significant effects of working capital efficiency on stock prices in industrialized countries. Hennigan & Soenen (2008) reports strong negative interaction between working capital and stock price using monthly data of U.S stock market index. This may be true because liquidity level does not account at all times in the performance of firms in developed world. The relationship between a firms stock price movements and its operating efficiency has also been a subject of considerable research interest in recent years but results are also inconclusive. Lam (2006), Shiller (2000), Fama & French (2002), and Sivakumar & Waymire (2000) both use co integration in an attempt to find out the extent of relation between operating efficiency and stock price. They found that the firm's operating efficiency can explain a significant portion of the stock price movements.

Co integration techniques have a certain level ability in measuring long term relation. Operating Efficiency at whatever level improve all company fundamentals which is sufficient reasons for stock price movement. Dehuan & Zhenhu (2008) conduct a study on Chinese stock market in order to determine whether and to what extent stock prices in the Chinese Stock Market are driven by firms operating efficiency. Samples of 10% of most performing firms listed in Shanghais Stock exchange from 1996 to 2000 in terms of annual returns were examined. Simple and Multiple regressions were deployed to determine, at the firm level, whether and to what extent these variables are related to stock price changes and what portion of the stock price movements can be explained by these firm performance variables. The results indicate that while firm performance measures had some explanatory power to stock price changes in the first two years during the testing period, the operating efficiency measures explanatory power of the stock price movements generally declined as the stock prices went up.

The short run response of firm operating efficiency to predict stock prices movement is higher. The finding of Loughran & Ritter (2003) is consistent with the finding of Hansen & Crutchley (2006) in their attempt to find out whether operating efficiency could be used to forecast prices movement. All the finding agrees that poor operating efficiency could be used to forecast stock prices movements. These could not be valid findings as sound Operating Efficiency causes all firms fundamentals to change positively and stock prices as well. The result of study conducted in Dhaka differs from Bogota and that of China. This may implies that countries and market relationship may be important when conducting a study in this nature.

3.0 Methodology

The design for this study is the Panel research design. The Panel design is selected because the study has to do with collection of data from across large population and at different point in time. The Panel designed is suitable for this study because quoted Nigerian Firms have similar characteristics and behaviour in the Nigerian Stock Exchange. A stratified random sampling technique was used in the selection of the most performing firms, most performing stocks, firms with the low stock performance and firms with the low performance. The most and least performing firms are determined by profit after tax divided by total asset, the higher the relationship the better. The most and least performing stocks are defined in terms of the volume of traded stocks in a year.

This method takes into cognizance the identified characteristics or subculture relevant to the study. This means that a firm has the chance to appear in more than one stratum. A firm may not also appear in either of the stratum depending on the characteristic of the firm in relation to the stratum. If a firm appears in more than one stratum for the year, only one should be considered. The sample size was statistically determined using Yamane (1967) formula for a finite population as adopted in this study. The population of this study total 216 firms in 31 sectors, then the sample size can be determined with the following formula;

$$n = N / 1 + N(e)^2$$

Where n is the sample size, N is the finite population and e is the level of significance. Given a population of 216 firms, at 5% degree of level of confidence, the sample size is 140 firms. This sample size is divided into four strata. The strata constituted 25 percent of top performing stock prices, 25 percent of the least performing stock prices, 25 percent of highest performing firms and 25 percent of the least performing firms. These strata comprise 35 firms from each stratum of the most performing firms, the most performing stock, the least performing firms and the least performing stocks. For the purpose of our analysis multiple regression model was employed. The multiple regression was used to analyse the group performance metrics influence and their contribution to stock price movements. A statistical/econometrics package stata version 11 was used to analyze the data.

Model specification

The relationship between firm performance and stock price under pooled ordinary Least Square (OLS) Multiple Regressions is considered as follows;

$$\text{StockPric}_i = \alpha + \beta_1 \text{Oppeff}_i + \beta_2 \text{Profi}_i + \beta_3 \text{Earnpsh}_i + \beta_4 \text{WorkCap}_i \quad (1)$$

Where β_1 , β_2 , β_3 and β_4 are regression parameters which are defined as coefficient of the selected performance indicators. **Oppeffi**, **Profi**, **Earnpsh** and **WorkCap** are performance indicators of *i* firm. **Stockpric** is Stock Prices, **Oppeffi** is the operating efficiency which is defined as ROA + ROE. Where ROA = Net income/ average total asset, ROE = Net income/ Net worth. **Profi** is the firm profit which is defined as price-unit cost or total revenue – total cost.

Earnpsh is the firm earning per share ratio which is defined as the amount of company shares in relation to it earnings. **WorkCap** is the firm working capital which is defined as Current Asset – Current liability and α is the constant of the model. The model with the future response is;

$$\text{StockPric}_i = \beta_0 + \beta_1 \text{Oppeff}_{t-1} + \beta_2 \text{Profi}_{t-2} + \beta_3 \text{Earnpsh}_{t-3} + \beta_4 \text{WorkCap}_{t-4} \quad (2)$$

This is one way to model the dynamic response to include lagged values of firm performance variables on the right hand side of the model; this is the basis of the distributed lag model in which a series of lagged explanatory variables account for the time adjustment process.

The relationship between firm performance and stock price is considered as follows;

$$\text{StockPric}_{it} = \beta_0 + \beta_1 \text{Oppeff}_{it1} + \beta_2 \text{Profi}_{it2} + \beta_3 \text{Earnpsh}_{it3} + \beta_4 \text{WorkCap}_{it4} + \mu_{it} \quad (3)$$

μ_{it} is normal distributed error – terms with zero expected mean, constant variance, no cross section and time series correlation, and no autocorrelation. The independent variables are for *i* firm at *t* time.

The model of random effects pooled regression is as follows;

$$\text{StockPric}_{ij} = \beta_0 + \beta_1 \text{Oppeff}_{ij1} + \beta_2 \text{Profi}_{ij2} + \beta_3 \text{Earnpsh}_{ij3} + \beta_4 \text{WorkCap}_{ij4} + \alpha_i + \mu_{ij} \quad (4)$$

This model captures constant Auto-Covariance within panels. The adequacy of the model to explain a given relationship is very important. Breuth Pagan langragian Multiplier is used for the selection of the most adequate model in explaining the relationship between firm performance and stock price

$$\begin{aligned}
 LM &= \frac{NT}{2(T-1)} \left[\frac{\hat{\mathbf{e}}' \mathbf{J} \mathbf{e}_T \otimes \mathbf{I}_N}{\hat{\mathbf{e}}' \hat{\mathbf{e}}} - 1 \right] \chi^2_{(1)} \\
 &= \frac{NT}{2(T-1)} \left[\frac{\sum_{i=1}^N \left(\sum_{t=1}^T \hat{e}_{it} \right)^2}{\sum_{i=1}^N \sum_{t=1}^T \hat{e}_{it}^2} - 1 \right]^2 \quad (5)
 \end{aligned}$$

where $\hat{e}_{it} = y_{it} - \begin{bmatrix} \mathbf{x}_{it}' & 1 \end{bmatrix} \begin{bmatrix} \hat{\boldsymbol{\beta}} \\ \hat{u} \end{bmatrix}$ Pooled

LM is the Breuth Pagan langragian Multiplier, \mathbf{X}_{it} represent the exogenous variables (i.e. oppeff, profit, earnpsh and work cap) of i firm at t time, $\hat{\mathbf{e}}$ is error term, **T** is the year t = 1, 2, 3—T, **N** is the firm i = 1, 2, 3-----N and $\hat{\mathbf{e}}_{it}$ is $y_{it} - \mathbf{x}_{it}\boldsymbol{\beta}$.

4.0 Results

Data for five years period of the study were subjected to normality test, using Shapiro-Wilk W test for normal data. The null hypothesis (H_0) stated that the data are not normally distributed. The results revealed the Z value of stock price, operating efficiency, profit, earning per share and working capital as 12.155, 12.177, 13.074, 13.444 and 12.500 respectively. This shows a significant value of Z, as such is a sign of abnormality of data. While the |Z| is 0.0000, which is significant at less than 1 percent. The null hypothesis is accepted. This normality test provides the premise and insight to subject the data to further test. Transformation could have been a way to correct the abnormality but the data were mixed up with negative integers, thus, taking the log or Lin may result to error. The errors of this magnitude, however, have no effect on the regression model. Abnormality of data is mostly seen in the residual, then Robust regression could be used as an alternative. Consequently, pooled OLS, Simple, Fixed or Random effect could be used. From the appendix the expected mean value of stock price is N20.4, the minimum expected value is at .10k, and the maximum expected value is N331.19. This revealed that majority of the firm sample in Nigeria have prices below N50. The operating efficiency has a mean expected value of 0.8643 times with maximum of 58 times and minimum expected value of 0.969 times. This implied that majority of the sample firms have operating efficiency below 1time. Unlike operating efficiency, the profit mean is N3, 708.298 million, the minimum expected loss is -N42, 762 million and the maximum expected profit N95, 281 million. This revealed that in Nigeria, some firms suffer from serious loss while some firms make huge profit. The expected Earning per share is -N0.19399998 with minimum expected value -N551.16 and maximum expected earning per share of N108.9.

The period under study across the cross section exhibited serious problems with many firms incurring loss in their operations.

The expected value of working capital for the sample firms is N11, 939.68 million, the minimum expected value of working capital for the sample firms is –N527, 765 million, while the maximum expected value of working capital is N602, 202 million. The result of correlation matrix test revealed that, there is a weak association between firm performance and stock prices except the association of operating efficiency with stock price which indicated a significant association of 36.22 times. The association of profit with exogenous variable is 1.9 times, the correlation of earning per share and stock price is 8.97 times.

The association of working capital and stock price is less than 1time. This revealed that operating efficiency moved with stock price more than any performance parameters. Profit, EPS and working capital have weak association with stock price.

Table 4.2: The Regression Results

Independent variables	Dependent variable Stock price		
	Models		
	Pooled-OLS	Fixed effect	Random effect
Operating Efficiency (Oppeff)	0.4654018 (2.64)***	-0.0579855 (-0.33)	0.4654018 (2.64)***
Profits (Profi)	0.00000887 (0.46)	0.0000138 (0.74)	0.00000887 (0.46)
Earning per share (Earnpsh)	0.025098 (0.48)	-0.0046282 (-0.09)	0.025098 (0.48)
Working Capital (Workcap)	0.00000232 (0.11)	- 0.00000357 (-0.18)	0.00000232 (0.11)
R ²	0.1311	0.0242	0.1311
F- Statistic	7.88***	0.16	7.88***
No of observation	441	441	441
LM(1) = 371.35***			

Source: Extract from the multiple regression test

From the table 1.2, the pooled-OLS model is significant at 10 percent. This implied that the model is adequate at 10 percent significant level to explain the relationship. The Z values of the entire endogenous variables are low except for operating efficiency that was found to be 2.64. Probabilities of the variables are also insignificants except for operating efficiency which is significant at 5 percent. The coefficient of determination and Z statistics are low, in addition to the insignificant probabilities in the pooled-OLS model. These made the study to suspect the presence of multi- co linearity. The multi co- linearity Diagnostics test on the variables revealed that multi- co linearity is absent in the model. The absence of multi-co linearity, gives further information as to whether some important variables are omitted in the model.

The study conducted by Ramsey Reset Test is using powers of the fitted values of stock price. The Null Hypothesis (H_0) model has no omitted variables. The Ramsey Reset Test revealed $F(3, 436) = 69.65$ and $P > F = 0.000$. The F statistics is higher and the P value is significant at less than 1 percent. The null hypothesis is rejected, and the alternate hypothesis (H_1) is accepted. (H_1) holds that the model has omitted variables. The omission of the variables may be as a result of the scope. The scope of the study covers only four independent variables operating efficiency, profits, earning per share and working capital. However, other firms performance parameters are not captured by this study, such as dividend per share, price-earnings ratio among others, these defined the scope of this study as well as its limitation. A fixed effect regression was run on 163 groups of firms with 441 numbers of observations. Thus, the test revealed $F(4, 274) = 0.16$, the probability $> F = 0.9580$. From the overall results, the model was found to be inadequate to explain the relationship between firm performance and stock prices. The F statistics was found to be very low and the probability is greater than F statistics. Random effect test was conducted on 163 groups of firms with 441 observations. The overall R^2 was found to be 13.11 percent; Wald chi 2(4) value was 7.88, probability of chi 2 was found to be 0.0962. This model was found to be significant at 10 percent; the Wald 2 (4) was also adequate to explain the relationship between the selected firm performance parameters and stock price.

The study was faced with taking a course of action in determining the best model for that purpose, Breuth-Pagan Langregian Multiplier was employed given as: The Null hypothesis (H_0) in LM test is that variances across entities are zero. That there is no significant difference across units (i.e. no panel effect). If no panel effect, then OLS or Pooled –OLS can be used. The result revealed chi 2 (1) value was found to be 371.35 and the probability of chi 2 was significant at less than 1 percent. The null hypothesis was rejected. The variances across entities are not zero; therefore, there is panel effect pooled –OLS was not fit to explain the relationship between firm performance and stock price movements. Random effect regression model was found to be the most adequate model to explain the relationship between firm performance and stock price. Random effect regression model revealed that, the model could not only explain 13.11 percent of the relationship between firm performance and stock price. 86.89 percent of the relationship was explained by the model. This is statistically significant and econometrically adequate. The F- statistic (Wald chi 2(4)) = 7.88 was also found to be significant at 10 percent significant level. This result revealed that there is a significant relationship between firm performance and stock price.

The relationship exist between firm performance and stock price, and then firm performance has predictive power on stock price. The joint contributions of the firm performance parameters indicated that operating efficiency has a higher influence of 2.64 t- statistics. On the other hand, profit, earning per share and working capital has an insignificant contributions with t- statistics of 0.46, 0.48 and 0.11 respectively. The result indicated that operating efficiency has higher influence to stock price movements. The test also revealed that profit, earning per share and working capital have less influence on stock price movements, thus:

$$\text{StockPric}_{ij} = 16.77844 + 0.465402\text{oppeff}_{ij} + 0.000009\text{Profi}_{2ij} + 0.025098\text{Earnpsh}_{3ij} + 0.000002\text{WorkCap}_{4ij} \quad (6)$$

4.2 Discussion of Results

This study reaffirms the position held by Lam (2006), Fama & French (2001), Shiller (2000) and Sivakumar & Waymire (2000) where they find that firm's operating performance can explain a significant portion of stock price movements. The finding of Uddin & Alan (2007) is in line with the finding of this study, where they found that a firm performance had a significant positive relationship with share prices on Dhaka Stock Exchange (DSE). From the random effect model, this study revealed that there exist a significant relationship between firm performance and stock price movements on NSE. The influence of each selected performance parameter may vary. In a similar study, Yu (2003) applies co-integration technique on daily stock price indices and firm performances obtained from financial markets of Hong-Kong, Tokyo and Singapore over the period from 1993 to 2003. He found that there is possible interaction between firm performance and stock price. Chang & Wang (2008) support the findings of this study where lower firm performance was hypothesized to depress stock price. This result of this study negates the findings of Solnik (2000) where he finds that operating performance is not significantly related to contemporaneous stock price. The finding of this study contradicts the finding of Hsing (2004) when he uses structural VAR model that allows for the simultaneous determination of company fundamentals found that inverse relationship exist between firm performance and stock price.

5.0 Conclusion

There exist a relationship between selected performance parameters and stock prices in Nigeria. This relationship varies from one selected performance parameter to another. This significant relationship resulted to high predictive power of firm performance to stock price movements in Nigeria. The relationship of firms' performance and stock price in Nigeria does not go with that of New England or U.S.A and to some instance it does not oppose the argument of demand and supply of stock. The contribution, determination and predictive power of the selected performance parameters differ in Nigeria. The study recommends that Financial Analyst, Investors and researchers alike should take cognizance of all performance variables such as operating efficiency, profit, earning per share, working capital, price-earning ratio, dividend per share, return on investment, return on asset, return on net worth among others in the process of analyzing, investigating and even taking investment decision.

This is because some performance variables are said to have complete power in predicting stock prices movements, while some performance variables have no power in predicting stock prices movements in Nigeria.

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STABILIZATION OF HUMAN RESOURCES FLOW: AN APPLICATION OF DISCRETE POTENTIAL THEORY

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ABSTRACT

This paper examined the stabilization of human resources flow; an application of discrete potential theory (DPT) using two oil and gas companies selected from the oil industry. The study employed secondary data and stratified random sampling was adopted to select the locations. The data were analyzed using mean, standard error, matrix and ANOVA while F-distribution statistics was used to test for the significance between means. The research findings were: management control (intervention) is necessary to stabilise employee distribution in all the locations; the use of DPT has a positive significant relationship with employees' movements in the organisations and DPT can optimally distribute employees dynamically.

Keywords: Human Resources flow, Corporate Human Resources, ANOVA, Human Resources Planning and Discrete Potential Theory (DPT).

1.0 INTRODUCTION

Human resources planning ensure that organisation obtains and retains qualified and efficient employee(s) it needs and deploys them productively (Money and Odibo, 2012). It is concerned with performance management and employee development policy and practice. Human resources flow is a subset of human resources planning; overall human resources management. Human resources flow implies managing the movement flow and the performance of people.

According to Price (2004), human resources flow involves managing movement and performance, into the organisation, through the organisation and out of the organisation. Human resource flow is a key to successful enterprise, and indeed, important to national development.

Taylor (2002) opines that human resource planning is having the right people, with the right skills, in the right place at the right time, while the human resources flow is concerned with looking ahead and using systematic techniques to assess the extent to which an organisation will be able to meet its requirements for labour in the future (Foot & Hook, 2005).

The importance of human resources flow dwells on the attraction of employees to different locations of the organisation that emphasis efficient utilization, motivation, improved human relations and high productivity. This in turn promotes internalization of better human relations; in terms of effective control, clear communication, effective supervision and concern of leadership. Therefore, the effective management of human resources flow, especially a company with multi-locations, becomes vital for the organisation success. Hence, optimal (ideal) spatial of employees in organisation is the focus of this study and this problem lends itself to Discrete Potential Theory (DPT).

2.0 LITERATURE REVIEW

Human Resources Flow

Human resources has been defined as the work power supplied by men rather than machines (Procter, 2010). Manpower is referred to as human resources. Human resources are the most valuable assets of any organization. Human resource flow is the management of movement (flow) and performance of people. It involves managing movement and performance:

- Into the organisation by means of recruitment and selection techniques to have the most suitable people.
- Through the organisation by position/fixing them in the most appropriate jobs, appraising their performance and promoting the better employees.
- Out of the organisation by terminating, the employment of those no longer required, deemed unsuitable or have attained retirement age (Price, 2004).

Conclusively, Price (2004) argued that human resources policies should ensure that the organization has the right mix and number of staff. This can be achieved through the processes of resourcing and development of employee competences.

Human Resources Supply

Human resources supply is the process of finding and engaging the people according to the organization needs, and deciding which applicants or candidates should be appointed to the job(s). Human resources supply is the total number of human resource available in the organization at a particular point in time. The human resources supply data are recorded and kept by the human resources department of the organization (Armstrong, 2009).

The aim is to ensure that the organisation's demand for human resources are met by attracting potential employees (recruits) in a cost effective and timely manner; and to identify, from those coming forward, the individuals most likely to fulfill the requirements of the organisation (Cole, 2005).

We have identified four stages of human resources supply; these stages are:

- Defining requirements.
- Planning requirement campaigns.
- Attracting candidates.
- Selecting candidates (Armstrong, 2009).

Job Transfers

Job promotions may at times lead to job transfers, moving the employee from his/her current job to a new job. Job transfer is the practice or system of moving employees from job to job within the same company so that they can develop a wide variety of skill (Stoner, Freeman & Gilbert, 1996). It expresses the fact of “on the move”; the moving up of young employees in the company, that implies the transfer to new locations and new jobs. The company talented employees (Managers) are moved from one assignment to another, thus, providing a broad range of experiences; this is very common in the oil and gas industry.

CORPORATE HUMAN RESOURCES PLANNING

Human resources planning are not just a matter of hiring and firing, and certainly, are not as simple as keeping control of the headcount. For company to meets her needs and the challenges of the rapidly changing business environments, managers must designed a functional system to plan for and keep track of the movement of employee(s) in and out of the organization (Money & Odibo, 2012). Human resources structure can be described as a random dynamic system of stocks and flows (Agbadudu, 2006). At given times t , the employee working in the organisation can be classified into groups on the basis of some attribute e.g. profession, age, grade, etc.

The numbers in such groups are often called stocks at time point t . If there are K groups, the stocks in group i at time t can be written as $n_i(t)$, thus $n(t) = (n_1(t), \dots, n_K(t))$ which represents the total stocks working in the organization at time point t . The objective of manpower planning is to model the dynamic nature of the stocks in time; how stocks move from one time point t to another time point $t + h$. Flows are made up of three (3) components; promotions, wastages and recruitments. Promotions can be seen as the number of employees moving between different categories within the organisation. Wastages are employees leaving the organisation for various reasons such as death, resignation or retirement while recruitments are seen as promotion to a grade within the organisation from outside (Agbadudu, 2006).

Thus, we can define $n_{ij}(t-1)$ as the number of manpower moving from category i to j in the time period $(t-1, t)$. If we denote by O and $K+1$, the categories outside the organisation, then the wastages flows can be respresented by $n_{k+}^+ = (n_{1k+1} + n_{2k+1} + \dots + n_{kk+1})$, while n_i (category from outside the organisation), $i = (n_{1, k+1}, n_{2, k+1}, \dots, n_{k, k+1})$ can be seen as the recruitments to grades from outside. And so, the total flows are represented by the flow matrix below:

$$n(t-1) = \begin{bmatrix} n_{11}(t-1) & n_{12}(t-1) & \dots & n_{1, k}(t-1) \\ n_{21}(t-1) & n_{22}(t-1) & \dots & n_{2, k}(t-1) \\ \cdot & \cdot & \dots & \cdot \\ \cdot & \cdot & \dots & \cdot \\ \cdot & \cdot & \dots & \cdot \\ n_{k1}(t-1) & n_{k2}(t-1) & \dots & n_{k, k}(t-1) \end{bmatrix}$$

and become;

$$n(t-1) = \begin{bmatrix} n_{1, k+1}(t-1) \\ n_{2, k+2}(t-1) \\ \cdot \\ n_{k, k+1}(t-1) \end{bmatrix}$$

finally as;

$$n(t-1) = \begin{bmatrix} n_{o, 1}(t-1) \\ n_{o, 2}(t-1) \\ \cdot \\ \cdot \\ \cdot \\ n_{o, k}(t-1) \end{bmatrix}$$

Often, instead of the flow matrix, we give the proportion of the employees moving from one category or group to another in a given time interval $(_{t-1,t})$ are represented thus:

$$P(t-1) = \begin{bmatrix} P_{11}(t-1) & P_{12}(t-1) & \dots & P_{1,k}(t-1) \\ P_{21}(t-1) & P_{22}(t-1) & \dots & P_{2,k}(t-1) \\ \cdot & \cdot & \dots & \cdot \\ P_{k1}(t-1) & P_{k2}(t-1) & \dots & P_{k,k}(t-1) \end{bmatrix}$$

$$W(t-1) = \begin{bmatrix} W_{1,k+1}(t-1) \\ W_{2,k+2}(t-1) \\ \cdot \\ W_{k,k+1}(t-1) \end{bmatrix}$$

$$r(t-1) = \begin{bmatrix} r_{o,1}(t-1) \\ r_{o,2}(t-1) \\ \cdot \\ r_{o,k}(t-1) \end{bmatrix}$$

The $P_{ij}(_{t-1,t})$ is called the promotion and it is interpreted as the probability of an employee moving from group i to j in time interval $(_{t-1,t})$. The $W_{1,k+1}$ is the wastage probability of an employee leaving the company in the time period $(_{t-1,t})$ and $r_{o,i}$ has similar interpretation. The manpower system can thus be represented as a non-homogeneous

Markov Chain $n(t)$ with transition matrix $P(_{t-1,t})$, recruitments and wastages.

Therefore, the objective of human resources planning is described as probabilistic study of transient and training behaviour of multidimensional, non-homogenous Markov Chain as well as statistical inference. And in concurrence, it states that, movements of employees among the grade levels are also movements along the transient states (Agbadudu, 1996).

DISCRETE POTENTIAL THEORY

Discrete Potential Theory (DPT) remains a convenient term for describing the study of functions which satisfied the Laplace Equation (Axler, Bourdon, & Ramey, 2001); which focuses on the properties of the functions as applied to the properties of the equation. The fundamental matrix is the inverse of the identity matrix minus human resources flow (P) matrix, needed to compute equilibrium conditions with respect to absorbing states. Solomentsev (2001) and Kellogg (1969) described a Markov Chain as a mathematical model of certain types in which the processes move in a sequence of steps through a set of states. It is an effective model that is used in forecasting the frequency of brand loyal in marketing management, manpower planning in human resources management, assessing stock prices movement in finances (Prilenko & Solomentsev, 2001).

3.0 METHODOLOGY

The study employed secondary data, complemented with interviews and transfer data from location to location. The population size is all oil and gas companies in Nigeria and they are seventy-one. Stratified Random sampling technique was used to select two companies with six locations of three; for each company spread over Port-Harcourt, Lagos and Warri. For convenience, the two oil companies selected are Mobil Oil Nigeria Unlimited and Pan Ocean Oil Corporation Nigeria Limited. The data were analysed using mean, standard error, matrix and analysis of variance (ANOVA) and the hypothesis was tested by using F-distribution statistics at 0.05 level of significance in order to determine employees' movement and distribution within the locations in the organisation. The work covered a period of 10 (Ten) years (2005 – 2014).

4.0 DATA ANALYSIS AND INTERPRETATION

The study analysed the data collected using both descriptive and inferential statistics. This study employed the measure of human resources flow, which is the total human resources flow (THRF) divided by the total number of years (TNOY). This gives us the average total human resources flow for the companies.

$$\text{THRF} = \frac{\text{Total Human Resources flow}}{\text{Total Number of Years (Study)}}$$

$$\text{Deviation of HR} = \frac{\begin{array}{l} \text{The Square root of the differences b/w} \\ \text{HRflow (A) and Mean all Square (B)} \end{array}}{\begin{array}{l} \text{The number of means less one (N -1)} \end{array}} = \sqrt{\frac{(A - B)^2}{N - 1}}$$

TABLE 1: DATA OF HR FLOW FROM LOCATION TO LOCATION IN MOBIL OIL NIGERIA UNLIMITED

LOCATIONS	HR FLOWS										Total HR Flow	Mean Total HRFlow
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
LAGOS	9	8	8	7	8	9	7	8	8	8	80	8
P/H	9	8	9	8	9	8	9	8	8	9	85	8.5
WARRI	8	7	7	7	8	7	8	7	8	8	75	7.5

Source: Survey Data, (Money & Odibo, 2015)

There are three selected locations, and the mean of the studied company (locations) indicated a clustering number of eight (8) employees; showing that about eight employees are moved from location to location yearly.

TABLE 2: DATA OF HR FLOW FROM LOCATION TO LOCATION IN PAN OCEAN OIL CORPORATION NIGERIA LIMITED

LOCATIONS	HR FLOWS										Total HR Flow	Mean Total HR Flow
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
LAGOS	6	6	5	4	8	6	5	6	6	8	60	6
P/H	7	6	6	8	6	9	6	8	6	8	70	7
WARRI	5	6	4	6	4	6	4	4	4	7	50	5

Source: Survey Data, (Money & Odibo, 2015).

There are also three selected locations of Lagos, Port/Harcourt and Warri. The mean of the HR flow for this company indicated a clustering value of six (6), which indicates that about six employees are moved around from one location to another in a year.

Hypothesis Testing:

H_a : Management control (influence) and employees' flow are significant determinants in employee's distribution in the oil industry.

For Mobil:

$$\begin{aligned}\bar{X} &= 8, \quad S\bar{X}_s = 0.5 \\ F_c &= 3.72 \\ F_t &= F_{\alpha/2, 27, 0.05} = 3.39\end{aligned}$$

Decision Rule:

We accept the alternative hypothesis (H_a) and reject the nul hypothesis (H_o). Since both ($F_c = 3.72$ and 3.69 greater than $F_i = 3.39$ each), as tabulated at 0.05 level of significance for the two companies. It indeed, shows that both variables are significant determinants for employees' distribution in the industry.

FINDINGS:

1. Employees' movement (flows clustered on the average around the head office mean in the employees' distribution or dispersion.
2. The intervention of management in human resources flow, exhibits a significant relationship with employees' distribution and company stability.
3. The use of discrete potential theory was found to be significantly positive with respect to employees' movement in the organisations.
4. The DPT can optimally distribute (transfers) employees from one location to another.

5.0 CONCLUSION AND RECOMMENDATIONS

Management intervention (control) and human resources flows are empirically related to organisation stability. The deliberate intervention action of management in the movement of human resources from location to location helps checked shortage/surplus of employees) within locations and maintain employees confidence in the companies. The empirical study supports the most conducted research works on human resources flow especially the one done by Armstrong (2009); Price (2004); Beardwell and Claydon (2007); Bratton and Gold (2003); Boalla (2000) and Taylor (2002). The result reveals that the periodic management interventions have a favourable redistribution of employees. Also, the discrete potential theory (DPT) is a powerful tool for redistribution of employees in the Nigerian oil companies with dispersed locations.

This study, therefore recommend that the oil and gas companies and other organisations with dispersed locations should use DPT technique in redistributing employee since human resources flow is a crucial spectrum in human resources management (Money and Odibo, 2012).

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MUSIC, ANGER AND THE TRANSFORMATION OF NIGERIA'S POLITICAL ARENA

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Abstract

This paper examines how Nigerians utilize music to channel their anger and rally around to construct a national identity, form social cohesion, and provide civic education for the 2015 national polls. Through arts and music, they came together as a collective source of political and change agents and transformed the political arena by deciding over governance - who, how, and by whom their resources will be allocated. With specific reference to Hausa and Yoruba, the paper acknowledges the role of musicians in the transformation of Nigeria, demonstrating its power to socialize the community and breed democratic and civilian values. Though, the study acknowledges the role of electronic devices and social media as change agents but it credits music as the engine to channel social anger for political transformation. Future research suggestions and policy recommendations are provided, including the need for the government to appreciate the music industry and support it to thrive as a major contributor to sustainable national development.

Key words: Music, Anger, Transformation, Civic education, Political behavior and Power.

1.0 Introduction

African languages in general are rich in vocabulary (King, 1971) and rightfully possess criteria for conveying many important messages as evident in musical instruments and all of its aspects of music-making. The role of music and musicians in social change, especially in contemporary civilized society cannot be overemphasized. Furniss (1998) identifies some of the functions that musicians play to include addressing the problem of demobbed soldiers after the Civil War, the corrupt judge, the city slicker, the country bumpkin, the arrogant prince, and so on. Music has didactic and entertainment functions as well have a special place in political and other interpersonal conflicts. Buttressing the above position, Brown (2008) argued that music is filled with political content as one only has to be a casual listener of any number of musical genres to observe this.

For example, hip-hop music is historically rooted in the expression of social and political protest as voiced by urban African-American youth. Similarly, the protest music related to the Vietnam War and the Civil Rights movement in America during the 1960s and 1970s was profoundly political, and country music is widely laced with overtly patriotic overtones and politically explicit content. In addition, music has also been an avenue for profound political expression for centuries, with contributions coming from various composers.

Erlmann and Magagi (1981) argue that despite the roles of music in the various aspects of human endeavour, appropriate research and appreciation of the field at least in policy formulation and implementation are lacking. Accordingly, any research on this field is of utmost importance and relevance to contemporary cultural studies as well as building democratic institutions. This research aims at expanding this tradition by identifying and enumerating this rich cultural heritage that seems to be neglected by scholars.

With specific reference to Hausa and Yoruba, the article acknowledges the role of musicians in the transformation of Nigeria, demonstrating its power to socialize the community and breed democratic and civilian values.

2.0 Literature Review

Many of the extant social and political investigations of music have been conducted by social scientists and musicologists who focus on musically-mediated approaches to social theory. For example, at the beginning of the 20th century, Mason (1917) examines the relationship between democracy and music, demonstrating how the elites controlled musical styles. Cerulo (1984) demonstrates that music creation responds to the events of society, and societies that experience dramatic change or trauma tend to develop music with message content that reflects these circumstances. Later, Blau (1988) finds that listening to popular music is related to feelings of social dislocation and alienation, while listening to music with elite appeal (such as classical orchestral music) corresponds with low levels of alienation. Peterson and DiMaggio (1975) argue that evolving musical styles can reveal emerging classes within cultures that are defined more in terms of consumption patterns than by socioeconomic criteria. An excellent (although early) survey of research examining the political relevance of music as a force of change can be found in an examination of musical preferences of college students by Fox and Williams (1974). Another important study is Scott (1997) and Bokina's (1997) that extends the idea of linking musical analysis to the examination of social and political thought. In this case Scott (1997) explores the connectivity between the musical writings and political philosophy of Rousseau, while Bokina (1997) offers political interpretations of a variety of operas.

The Role of Music in Instigating Citizens to Channel their Actions

Globally, the potential for music to directly influence the political evolution of society has long been recognized by some thinkers, and even Plato (1961) warned that “the modes of music are never disturbed without unsettling of the most fundamental political and social conventions” (Republic, Book IV: 424).

In the United States- a country that got its political independence from England in 1776, the civil rights movement (CRM)- a mass popular movement to secure for African Americans equal access to and opportunities for the basic privileges and rights of U.S. citizenship has utilized music for mobilization. Although the roots of the movement go back to the 19th century, it peaked in the 1950s and 1960s (Davies, 2014). Paul (2013) gives an account of the role of music to the movement's success, asserting when we think about the civil rights struggle in the United States, a tune called "Freedom Song" comes to mind. It was the type of music you could expect to hear at the civil rights movement's mass meetings and protest rallies. Strikingly, it was usually based musically in the spiritual tradition. Gane-Mc Calla (2001) examines many of such popular songs that inspired the struggle for freedom, the challenge to social segregation, voting rights, black power, and so on.

Similarly, Paretskaya (2015) argues that Martin Luther King knew that the CRM needed a sound track and that every hero needed theme music. The Civil Rights movement incorporated jazz, folk, R&B and gospel to use music that everybody could relate to and be inspired by to help change America in the 1950s and 60s. On music and struggles on the African continent, Ballantine (1991) examines the social role of Black Jazz in the growth of radicalized political consciousness in South Africa. Recently, Mthembu (2014) examines the role of protest songs in the formation of a democratic South Africa. He asserts that both historically and in the present, music has played a key part in showcasing the restlessness of its people: prior to the release of Nelson Mandela and the arrival of democracy in 1994; provided the soundtrack for the political and moral struggles of the country's citizens across colour lines; and has collectively developed a discography that speaks to the contradictions that exist throughout the dark days of Apartheid and during times of freedom.

Smith (2001) posits that lyrics often reflected the exact situation that the activists were confronting at that moment. For instance, if they were arrested at a rally, they would often sing the songs in jail to keep their spirits up. Accordingly, the music of the civil rights era would change as the dissidents themselves changed. This vital role of music and songs as well as its dynamism are important entry point that could be utilized to explain Nigeria's situation.

Music and the Development of Democratic Values among the Hausa and Yoruba

Returning to Nigeria, in a study of the Hausas in diaspora, the empirical findings of Adamu (1981) revealed the penetration of Hausa influence into various kingdoms and what can now be considered countries and continents could be traced to the eighteenth century. He presented evidence of history of Hausa migrants to various distant places in the pre-*jihad* period, where in some instances, despite the Islamic faith of the Hausas was lost, and sometimes their language; they nevertheless retained their Hausa identity including musical instruments, drumming, dancing, and their music. An important factor worthy to note is that while the Hausas were known to be migrants to distant places as traders or scholars *Malams* as they moved, they were accompanied by musicians, drummers and artisans who were the custodians and responsible for the influence of the Hausa material and artistic culture.

An impressive aspect of this movement is the gender dimension, where Smith (1952) identified the role of Hausa women in contributing to the domestic economy by actively engaging in various forms of craft specialties as well as composing poems, songs, and various forms of music.

Accordingly, Podstavsky (2004) argue that out of the various kinds of specialists of Hausa entertainers that comprise musicians, jesters, comedians, declaimers, and others musicians constitute the majority, and a great repertoire of performance and patronage is by females. Podstavsky cites certain feasts like during birth and marriage where women take the lead. An important work that exposes the unabashed celebration of unacknowledged, creative, and highly productive roles of the Hausa women is by Mack (2004). She argues that Muslim Hausa women's poetry and songs demonstrate that women's status in Northern Nigeria is neither subservient, static, nor stoic. Rather, they are their own agents and their roles are firm yet negotiable or flexible, and they insist on lives that incorporate their demands of their private domestic roles. More so, despite that the Hausa women are married to patriarchal homes, it does not hinder them from drumming, singing, dancing, and making fun. In the same line of thought, Omo (1991) recognized the role of poems that the opposition under Malam Aminu Kano of the NEPU/PRP utilized during their struggle. That was equally evident in the various poems, songs and music during the various political dispensations in Nigerian politics: the songs of Sa'adu Zungur -NEPU PRP of the first republic, Mamman Shata- the second republic and Garba Gashuwa - third republic.

On the other hand, the Yoruba language is very rich in songs and music, every Yoruba situation has a corresponding song, which is inspirational. There are three broad categories of Yoruba songs: Traditional; Christian; and Islamic songs. Strikingly, the contemporary Yoruba music is a hybrid of the three categorized songs vis-à-vis lyrics, styles and instruments (Grass, 1986). Through adaptation, certain Islamic and Christian songs are similar to the traditional song- a feature that shapes and re-creates the Yoruba music. Each of the above songs is subdivided into many forms. For example, the traditional song has ceremonial, praise, burial or mourning songs, and so on. This is evidence of the rich cultural heritage of the Yorubas through art and music. In terms of genre, the richness of the Yoruba music is equally present in this. One could argue that there are as many genres as the various types of songs in Yoruba. Only a few will be mentioned here starting with *Afro beat genre*- a variety of Highlife music that combines funk, jazz, and highlife with a chanted vocal and prominent Afro-beat singer was the late Fela Anikulapo-Kuti. Tejumola (2004) argues that Fela Kuti's Afro beat is probably the most significant critique of his time on the African continent.

He examines the aesthetic and political dimensions of Fela's afro-beat as a musical idiom that draws from multiple styles like highlife, jazz, and varieties of indigenous African music, and through which Fela addressed many of the challenges that beset the African postcolonial environment. Musical features like multi layered ostinato patterns, corroborative punctuations of brass instruments, solo-dominated call-responsorial phrases, and the sheer force of a massive ensemble, though initially devoid of any strong political meaning in Fela's music, would later become bearers of a dissident political ideology.

Tejumola (2004) further asserts that despite Fela's clarity of political messages, there is a seeming element of ambivalence that pervades his music: a persistent advocacy of an "authentic" African culture amidst negation of the quite considerable impact of European elements on his music.

One fundamental fact about his music remains that Fela transformed from an "apolitical hustler" to an ideologically committed artist. The **Juju genre**- is the most popular and widely-known music genre in Yoruba land, prominent juju maestros include: Sunday Ish?la Adeg?ye Adeniyi (King Sunny Ade) and Ebenezer Fabiyi (Chief Commander Ebenezer Obey); **Sakara**- a Yoruba music with Islamic tonation, mainly attributed to late Yussuf? latunji; **Wéré** music- another version or a brand of Islamic styled Yoruba music with the Ajiwere or Oniwere leading group of performers; **Apala**- a Yoruba song with Islamic tone used during Ramadan, but has more musical instruments than Wéré and Ajisari; and **Highlife** - a genre that originated from Ghana. Due to the easy movement among the four former British colonies of West Africa back then, cultural assimilation soon became a way of life. Specifically, the introduction of highlife music into Yoruba way of life by Ghanaians in the early days of colonialism was example of cultural assimilation. A major take-home from the above is how arts and specifically music occupies an important role in everyday life of the people, paving the best way to send messages, precisely political. But how does anger play out in transforming Nigeria's political arena?

The Oxford Advanced Learner's Dictionary (2005) defines anger as a "strong feeling of annoyance and hostility" (p.39). Similarly, Videbeck (2006) described anger as a normal emotion that involves a strong uncomfortable and emotional response to a perceived provocation. At least three important features could be deduced from the above definitions: 1) the strength of feeling 2) the commonality of the act and 3) being a response to something negative. Rothenberg (1971) succinctly distinguishes anger from aggression and hostility asserting that while aggression includes violence, hatred, hostility, and all manifestations of destructiveness, anger does not necessarily involve destructiveness, harm, or pain to another. Hostility like anger is either an effect or behavioural manifestation or both – one can feel hostile or be hostile. "The critical distinction between anger and hostility is that hostility always has a destructive component, whereas anger does not" (p.456). Feeling hostile always involves the wish or intent to inflict harm, pain, or actual destruction on another person or object.

Music as a Mechanism for Transforming Nigeria's Political Arena

From the foregoing therefore, we can understand that the post-election violence that erupted in the 2011 presidential polls in Nigeria were the reactions of some hostile youth that believed that the elections were rigged. *The Human Rights Watch* (2011) reported that the deadly election-related and communal clashes following the April 2011 presidential voting left more than 800 people dead. Those hostile protesters therefore decided to express their aggressive feelings through inflicting harm, pain, and destructions. But there was calm reactions from the aspirants who "lost" and the vast majority of Nigerians who did not engage in those hostile behaviours, they channeled their anger through other legitimate means: going to court, decamping from some political parties, consultations and forming alliances, educating the populace on civic engagement, and mobilizing the electorates not to vote for corrupt politicians and the ruling party that failed to deliver its promises to the masses.

How then was Nigeria's political scenario prior to the 2015 general polls and how did anger and music play out? Since independence in 1960, Nigeria has produced a catalogue of ethno religious conflicts that resulted in “an estimated loss of over three million lives and unquantifiable psychological and material damages” (Salawu, 2010:345). Fortunately, the 2015 presidential and state elections made history. The Daily Independent Newspapers (2015) describes Nigeria's political arena prior to the 2015 polls as characterized by uncertainties due to the possibility of election-related violence. Citing examples with the federal and states elections at least 100 people were killed and many more were injured. Worst still, in 2011 more than 800 people were killed and millions of properties were destroyed. The factors attributed to these upheavals the Daily Independent Newspapers suggest are chiefly high level of poverty and illiteracy. Worthy to mention is how the elites arm the youth to manipulate electoral outcome, kidnap or kill opponents, threaten and intimidate electorates, disrupt electoral process as well destroy properties to achieve electoral and political success. But Nigerians utilized all resources at their disposal, especially music to educate the voters and engage in electoral revolution in the 2015 historic, peaceful, free, fair, credible and acceptable presidential and state elections. What then are civic education programs?

Civic education programmes are activities designed to promote political knowledge, engagement, and support for democratic norms and values among ordinary citizens (Finkel, 2014). These programmes include voter education, instruction about the social and political rights of women, neighbourhood problem solving, resistance against election violence, vote buying or selling, ballot box snatching, aggressive behaviours against election staff, the culmination of tolerance, safeguarding the casted votes, ensuring people's votes count, and promotion for peaceful resolution of political disputes. Certainly, the success of the change in Nigeria's political atmosphere could be attributed to so many factors, largely through civic education and engagement championed by the youth using various media and networking. Evidently, the mass media have become the dominant social institution in contemporary society (Croteau and Hoynes, 2005).

An important segment of the society that has the tendencies for exerting immense influence in bringing social change is the youth. They remain the most active and promising social group with a lot of potentials for growth in any nation. With proper support and guidance, the youth constitute a formidable resource for the transformation of the society (Mekote and Steeves, 2001). Several artists from all over Nigeria have individually and collectively showcased their talents through composing, singing (and performing) various songs for civic education and engagement, which facilitated the transformation of the political arena. To mention but a few, with focus on some Hausa and Yoruba are: Panshak Zamani “Ice Prince,” David Adedeji Adeleke “Davido,” Oladapo Daniel Oyeбанjo “D’banj,” Olamide Adedeji, *Ayodeji Balogun* “Wizkid,” Eedris Turayo Abdulkareem Ajenifuja “Eedris Abdulkarim,” BankyW, Desmond Eliot, Yinka Ayefele, King Saheed Osupa Lola Idije, Funke Akindele, Yemi Alade, Dauda Kahutu Rarara, Alhaji Abdul Aziz Ningi, Aminu Ladan Ala, Adam A. Zango, Nazifi Asnanic, Mahmud Nagudu, Abubakar Sani, Ali Nuhu, Misbahu M. Ahmad, Nazir Ahmad, Abubakar Ibrahim Justice Jemau Safana, Binta Labaran “Fati Niger” and Maryam A. Baba.

5.0 Conclusion

Since Nigeria's political independence in 1960, there have been tremendous changes in the entire society, notably among them were unprecedented population growth and migration due to urbanization that pulled our teeming youth into the cities in search for jobs mainly in the formal sector. Nevertheless, economic development in the country has failed to generate adequate employment and income opportunities in the modern sector. This imbalance has compelled the surplus labor force to generate its own means of employment and survival in the informal sector. Monga (1994) defines civil society as “New spaces for communication and discussion over which the state has no control” (p.4).

Evidently, the Nigerian music industry falls into this categorization, paving way for the success story of electoral revolution. This further proves Merton's (1965) paradigm of anticipated socialization according to which individuals tend to assume the values and behaviours of the groups to which they aspire to belong rather than those to which they are assumed to belong. The shift in the scale of values against which Nigerians measured their interests in the 2015 general elections implies the demolition of the powerful myth of the tribal, ethnic, regional, religious or even economic as the dominant social factors.

This article supports Certeau's (1984) dilettantism that reveres the behaviour of ordinary people such as musicians, peasants and others commonly assumed to be passive and manipulated by corrupted elites or governments. With reference to Hausa and Yoruba, it examines the role of music in the 2015 general elections which forces us to reconsider viewing music as merely entertainment piece to a multi-dimensional cultural heritage and a powerful political, social and economic force in the wake of transformation. This demands that we take seriously the consequences of the potentials of music in the lives of Nigerians.

It is most likely that political and sociological musicology will continue to mature as an area of research as social scientists become increasingly aware of the developing interactive dependency between the evolution of our society and the music that it generates. Also, the productive interaction between political science, sociology, and psychology in the study of music is necessary considering how music plays an important role in our daily lives. It should therefore be recognized as a cardinal element of political and social change.

What is sociologically striking about the contemporary relevance of music as a conveyor of political ideas is not that music is being used at all in this regard. Rather, what is new is the magnitude of this phenomenon combined with technological advances in the distribution and accessibility of music, minimally affecting hundreds of millions of mostly young adults across nearly all cultures in the world today.

Thompson (2007) posits that Africa has long been renowned for its musical heritage, but it's only comparatively recently that the continent has been exporting it abroad. Accordingly, stakeholders should take the music industry to the international market through the Ministry of Commerce and Industry, and through the Nigerian film industry popularly known as the *Nollywood*. Certainly, it is not difficult to witness music's potential as a political force. The use of electronic devices via social media outlets bring to light the importance of cultural artifacts married to sound technology and of their rapid spread to every part of the world. But music was the engine that Nigerians utilized to channel their social anger and brought about the political transformation in the 2015 General Poll.

5.1 Future Research Suggestions and Policy Recommendations

The astute contributions of the music industry to Nigeria's political arena with particular reference to the success of the 2015 polls cannot be overemphasized. Indeed, the need for social scientists to understand the interaction of politics and music is very important, especially given the potential long-term impacts this phenomenon has on current and subsequent generations of young adults. Regrettably, in both Yoruba and Hausa cultural studies, the growing precision and refinement of ethno musicology research in the contemporary Nigerian society is lacking. Any research on this field is of utmost importance and relevance to modern cultural studies. This research expands this tradition by identifying and enumerating this rich cultural heritage that seems to be neglected by scholars. Accordingly, researchers should focus on how music plays out in sending important messages that raise the citizens' consciousness, increase awareness, serve entertainment purposes, critique government officials, sustain cultural heritage, boosting the informal economy through providing job opportunities for our teeming youth, and so on.

They should equally examine the relationship between arts and politics, proffering practical solutions to social upheavals, as well as recommending on the best ways to utilize both human and natural resources to harness the potentials of technology, good governance and social media. The extent to which music facilitated the construction of identities and the formation of social cohesion in Nigeria despite its complexity and heterogeneity calls for establishing a strong relationship between theory and practice. Government should provide a fair-level ground that will lay favorable atmosphere for the entertainment industry. This could be achieved in many ways including establishing theatre and arts colleges; providing adequate funding for these institutions; and networking with other entertainment industries worldwide. Since there is a ministry of Arts and culture, it requires transformation compatible with modern realities. This can be achieved through providing more funding, training, and support to relevant democratic centers for utilizing music in different ways for different reasons and in order to attain various ends. In addition, economic development must be equitable, giving consideration to the very resourcefulness of the lowly placed Nigerians, most of who are participants in the informal sector- some are into arts and others into various menial jobs. The informal sector in Nigeria is a source of self-reliance not only among the rural dwellers but equally among the urban communities as against what some would think that it is a last resort (Sethuraman, 1979).

The role that the informal sector plays on the lives of the population and in sustaining the livelihoods of the majority of the citizenry cannot be over emphasized. The sector comprises needs value-based reforms that can be achieved through government's exploration of new ways of engaging the viability of the sector through harnessing the potentials of the musical public and through public private partnership (PPP).

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PATTERN AND BEHAVIOURAL APPROACH TO FRAUDULENT PRACTICES IN THE INFORMAL ECONOMIC SETTING IN IBADAN, NIGERIA

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Abstract

The experience of consumers in recent time has been described in various studies as disastrous and one that portends serious anger to safety of human life. The frequently reported cases were those that pertained to agricultural food items. It is amusing that consumption of these products that ought to complement nutrient in human life has become source of discomfort and health hazard. Coupled with this was the case of fraudulent practices which were reported as rampant within the traders in public markets. In spite of this, such cases were not given adequate attention they deserved by scholars. This study therefore, emerged as a response to this with objectives of interrogating the experiences of the victims of this anomaly through the dimension the fraudulent practices was taking and the management being adopted to address it. The study is descriptive in nature; a total of 28 respondents that comprised of the consumers, foodstuff sellers and officials of Foodstuff sellers association were involved in the study. Both purposive and snowball sampling procedures were used to reach out to these respondents. Interview guide was the major instrument used to source for data from the respondents who were engaged in in-depth and key informant interview sessions. All the consumers engaged as respondents, as well as some sellers acknowledged the existence of fraudulent practices within Bodija Market, Ibadan. The common fraudulent practices within this market according to the findings of this study included measurement cheat, hoarding of goods and mixture of the products with bad/diseased variety. Only few of the victims of the fraud reported the matter to the officials of the Market. Measures adopted by the respondents to counter the fraudulent practices range from extensive consultation with other consumers who patronize the market over the credibility of the sellers and their wares. There are consumers who move with their measurement modules (kongo) when going to the market; this category of people will not buy from any seller except those that allowed the usage of the consumers' module alone. Recommendations presented emanated from the respondents and were in line with the findings of the study; this includes the need for stability of the economy in order to fight fraud in the society.

Key words: Consumers, Food Stuff, Fraudulent Practices, Kongo, Sellers.

1.0 Introduction

Social exchange though may differ in forms takes place in every society base on rule or trust. Some could be monetary, via business activities while others could be non-monetary that reflect a service free activities in human interaction. Social exchange takes place both in formal and informal settings. This work therefore is an attempt at complementing the existing works on monetary aspect of social exchange within informal setting. This becomes necessary in view of its implication on societal moral fabric and sustainable living. Unethical behaviour which is precursor of fraud and criminality (Rossouw and Arkhuysn, 2000) can be destructive where no proactive action is taken and may lead to collapse of the entire system. Academic discourse on corruption and/or fraud is not a new phenomenon in the country; it has attracted the attention of scholars (Ibrahim, 2003, Aluko, 2002, Nwabueze, 2002, Anifowose, 2001, Olaopa, 1998, Maduagwu, 1996, Akindele, 1995) over the years.

Though the two concepts (fraud and corruption) are often used interchangeably, nevertheless there is a need for their clarity for better appreciation. For instance, corruption is mostly associated with public sector and public officials; for example Joubert (1993) defined corruption as the practice of misuse of public positions. Contrary to this view, Rossouw and Arkhuysn (2000) highlighted that fraud is a phenomenon that is not limited to the public sector. They maintained that the public officials, any employee or even outsiders can be perpetrators of fraud. In view of this, the distinction between corruption and fraud is that corruption implies a third party involvement while fraud does not necessarily imply third-party involvement. In the case of corruption, employees violate duty to principals, they abuse their positions by either accepting or demanding a bribe offered by or demanded from a third party (Coleman, 1989). Though very attractive is the study of fraud and corruption within the society, however, academic efforts on corruption and fraud have been limited substantially to the formal sector of the economy.

The thrust of this study therefore is on the fraudulent practices in the informal sector particularly among traders/sellers of household consumption items (food stuffs) like rice, beans, salt, palm/groundnut oil to mention but few. The need for criminological focus of this aspect of the economy was based on its importance on human life. Many consumers of the above mentioned essential materials have been noted to have suffered varying degree of cheats, damage, and short change in the hands of numerous unscrupulous sellers or distributors (Nkamnebe, *et al.*, 2009; NAFDAC, 2008). In spite of this, adequate scholarly effort was not being given to the activities of players within the informal market sector. The work is therefore, exploring the experience of the victims of fraudulent practices in the informal economic setting specifically Bodija Market, Ibadan. Other areas of interest of this study are the pattern and behavioural approach towards the practices by the stakeholders (the buyers and sellers within the market).

2.0 Literature Review

The informal economy sector captures one type of activity in informal employment – work that takes place in unincorporated enterprises that are unregistered or small.

According to International Labour Organisation (ILO), the informal economy comprises half to three-quarters of all non-agricultural employment in developing countries. Informal sector has been very helpful in the economic fortune of developing societies and still continues to improve on its contribution to national development efforts. It is therefore, important to have a clearer perspective of the concept of informal sector and corrupt/fraudulent practices through a brief literature review.

As a separate marginal economy not directly linked to the formal economy, the informal economy provides income or a safety net for the poor (ILO 1972). In the 1970s and 1980s, the Structuralist School emerged and identified the informal economy as subordinated economic activity to the formal economy. Informal enterprises and workers reduce costs for formal enterprises and subsequently increase their competitiveness. This perspective views the informal and formal sectors as inextricably connected and interdependent (Castells and Portes, 1989). The informal sector consists of small-scale, self-employed activities (with or without hired workers), typically at a low level of organization and technology with the primary objective of generating employment and incomes (Tshuma and Jari, 2013). The sector comprised of all those activities which generate incomes that go unrecorded in the formal accounts of the national economy. Thus, the sector encompasses all the economic activities undertaken by entrepreneurs who sell legal goods and services within a space deemed to be public property (Seshamani, 1990). In cities, informal commerce and other services, of which itinerant street vendors are amongst the most visible, are symbolic of the informal economy (Jones, 1988; Cross and Balkin, 2000). They sell anything from water to state-of-the-art electronics, providing much needed work that fends off destitution, introduces some social stability and offers the prospect of new economic opportunities and a better quality of life (Mingione, 1996).

There are thousands of street vendors in all the mega-cities and they are one of the clearest indications that capitalism does not need to be taught or that the poor and the migrants can be entrepreneurs without the need to be wealthy. The concern on the informal sector becomes imperative due to its sheer size (for example about half of national output, more than 80% of total employment and 90% of new jobs in African low income countries), and its implications for economic development, notably its effects on employment opportunities, productivity, fiscal revenues, and growth. At the same time, gathering knowledge about the sector poses formidable challenges since, by definition, some or all aspects of informal economic activity are off the formal record (Mbaye, 2014).

In sub-Saharan Africa of which Nigeria is inclusive, the types of activities carried out in this sector have existed even prior to colonialism (Sparks and Barnett, 2010). With independence, there arose the distinction between informal and formal activities as countries around the region sought to formalize or 'modernize' their economies. The focus since that period was rapid industrialization. Now, for much of the region, it is the informal sector - not the formal sector - that is the growth engine. It should be noted that around the world, about two - thirds of all employees work in the informal sector (World Bank, 2009). Thus, how governments treat the informal sector has profound impacts on employment, growth, equity and sustainability.

What makes informal trading attractive worldwide is that the sector typically requires relatively small capital which in most cases comes from the traders' own personal savings. The sector is also not homogenous and can come in almost any form. For example, it can cover the (i) sale of cooked and uncooked foods which reflects the dominance of agriculture in the economy; (ii) service sector which includes barber shops, general stores (or kiosks), open-air garages and sale of used clothing; and (iii) the manufacturing of wood and metal products notably furniture and related household metal-based goods. The bottom line of the forgoing is that women are over-represented in the informal sector worldwide. This basic fact has several dimensions. Firstly, the informal sector is the primary source of employment for women in most developing countries (Tshuma and Jari, 2013; Chen, *nd*). While reporting the scenario in South Africa, Tshuma and Jari (2013) specifically revealed that women dominate the less profitable food and beverages sub-sector while the males have a near-monopoly in the more profitable manufacturing enterprises such as the production of household metal goods and furniture.

Corruption, a concept denoting *wrongdoing by those in a special position of trust is commonly applied to self-benefiting conduct by public officials and others dedicated to public service*. It is among the greatest obstacles to economic and social development. The harmful effects of corruption are especially severe on the poor, who are hardest hit by economic decline, most reliant on the provision of public services, and least capable of paying the extra costs associated with bribery, fraud, and the misappropriation of economic privileges (International Finance Corporation, IFC, 2015). Further implication of corruption is that it represents a significant additional cost of doing business in many developing countries. It undermines development by distorting the rule of law and weakening the institutional foundation upon which economic growth depends. With fraud and corruption in place, policies and programs that aim to reduce poverty are often damaged. With this situation, the sole aim of economic sector most especially in developing countries, which is the promotion of sustainable private sector investment and subsequently helping to reduce poverty and improve people's lives often becomes unrealisable.

Morally, corruption is a corrosive drain on public trust and on the legitimacy of public and private sector institutions. Its toll can be devastating to a national economy, particularly at a time when open global markets can rapidly reverse investment and capital flows if confidence and trust are compromised by revelations of systemic corruption. Corruption affects all types and sizes of business firms, from global conglomerates to Small and Medium-Sized Enterprises (SMEs) and co-operatives, each with varying degrees of resources and capabilities to deal with the consequences.

It has the power to destroy firms and with them the livelihoods of stakeholders who depend on a company's success. This further dehumanizes and undermines the reputation of the private sector as a positive force for economic growth and development in poor countries (Sullivan, 2009). The World Bank had estimated that roughly \$1.5 trillion in public contract awards are influenced by corruption, and that the volume of bribes exchanging hands for public sector procurement alone, estimate to about US\$ 200 billion per year (Kaufmann, 2005).

The National Public Procurement Integrity Baseline Survey (2006) also estimated an 18 to 20 billion dollars budgeted loss due to procurement related fraud at local government level (in USA). Fraud losses continue to pose a significant problem to many industries despite significant advances in fraud detection technologies. Wilhem (2004) estimated annual losses due to fraud for various industries in the US to include \$67b (Insurance), \$150b (Telecommunication), \$1.2b (Bank), \$40b (money laundering), \$5.7b (Internet) and \$1b (Credit card). These losses pose a significant threat to banks considering their role in the economy. Owolabi (2010) noted that the problem of fraud in the banking industry is not limited to any economy, nation, continent or environment.

In the developed economies of the West, evidence emerged (which was at first difficult to believe) that the criminal manipulation of Company balance sheets created a much more favourable picture about their finances than was the reality. The Enron Company which unexpectedly went bust is probably the best known example of accounting books manipulation in our time. In Nigeria, the Lagos state government funds are trapped while there was also crisis in US in the management of mortgages which were inflated. It was a boom and investors made huge profits on their mortgage investments. This encourages people and financial institutions all over the world to finance mortgages in the USA hoping to earn profits which proved both unrealistic and unsustainable. With time, there were massive defaults in payments leading to foreclosures which caused chaos, doom and gloom in housing market. Since the world is a global village, investors in the business were world-wide; the financial crisis in the US had a contagion effect on the world economy (Okoye & Gbegi, 2013).

In reference to the centrality of informal sector to the sustainable development in developing societies, exploration of corruption through fraudulent practices is necessary. Though this work will not go beyond qualitative assessment, but the outcome will serve as baseline data upon which subsequent study on the sector can be built. Clearer perspective of fraudulent practices in the informal sector will help in making a case for policy intervention.

3.0 Methodology

This study adopted qualitative approach, where in-depth interview and key informant interview were used to collect the data. The study area is Bodija market in Ibadan. The selection of the market was based on the researchers' familiarity with the market and to ease the process of data collection.

The study population composed of 46 participants in interview sessions, which included the foodstuff sellers, the officials of foodstuff sellers association. This sample size is reasonable¹ for a qualitative study.

1 Large sample size is abnormal in qualitative study. This is because a qualitative study requires small sample size; the magnitude of the actual size is determined by the experience and capability of the researcher in order to safeguard the loss of the beauty, which the study intends to showcase in the course of analysis and interpretation. Qualitative study (when it is not combined with quantitative study) is almost always meant to serve as baseline data upon which subsequent quantitative study derive its direction

The study population was purposively selected, while the consumers (specifically, those who have been victims of fraudulent practices in the market) were selected from various settings through snowball approach. The sellers and the buyers were engaged in in-depth interview (IDI); the officials of foodstuff sellers association were involved in key informant interview (KII). The data collected were analyzed through content analysis. The results were presented with quotations of expressions of the respondents to support the issues being expressed.

In line with ethical standard, approval was obtained from the market union where the central goal and benefits associated with the study were highlighted. The purpose of this study, which is purely academic, was further disclosed to the respondents in order to encourage responses. Every action taken in this regard was based on consent of the participants.

4.0 Results and Discussion of Findings

The consumers and sellers cut across educated and non-educated participants. Data showed that they were residents of Ibadan North Local Government area (LGA) of Oyo State. The study population comprise of both gender. The female gender constituted the majority of the study population. The breakdown of the study population across the social relation in this study, gender status, instrument used was illustrated in the table below.

Instrument Adopted, Social and Gender status of the Respondents

<i>Respondents (Social Relation)</i>	<i>Gender Status and Instrument Used</i>		
	<i>Male</i>	<i>Female</i>	<i>Instrument</i>
Foodstuff Sellers	6	10	IDI
Consumers	-	20	IDI
Foodstuff Association officials	5	5	KII
Total	11	35	

Virtually all the traders in this market have attained secondary school certificate. There are other category that composed of National Diploma certificate holders. The rationale behind this was stressed by one the officials of the Market Association thus:

At inception of this market in the early 1980s the highest educational qualification of the traders then was primary school leaving certificate. The event has changed now because we have people with National Diploma Certificates while countless numbers are secondary school certificate holders. This is good for this business because ability to read and write is always an added advantage. Most of us met our parent(s) or Uncles doing this business; it was like training ground for us while we were assisting them in this business. Majority of us took over this business after the voluntary retirement of our forbearers from this business; some started the business while the parent(s)/uncle(s) were still active on the job under their direct supervision. Countless number became traders in foodstuff business due to absence of job and inability to further their educational pursuits after initial academic graduation.

This is where the people with National Diploma certificate belong (Male KII, Official of Foodstuff Sellers Association/62 years old/Bodija Market, Ibadan North LGA)

Most of the respondents confirmed existence of fraudulent practices among the sellers within Bodija market, Ibadan. They further revealed that this was not peculiar to Bodija market alone that the practices were obtainable in virtually all the market across the country. The data further revealed the common fraudulent practices within this market; these include measurement cheat, hoarding of goods and mixture of the products with bad/diseased variety.

Experience of fraudulent Practices

Among the respondents who were buyers/consumers, the range of food items mostly consumed and purchased by these respondents includes beans, rice, yam/cassava flour, cooking ingredients, and all kinds of agricultural food. However, beans constituted the constantly cited type of food where the victims reported experiences of fraudulent practices.

For instance, a respondent submitted that:

We bought our household needs especially foodstuff on monthly basis; though we used to buy our needs in bulk, but things have changed since my husband was transferred to the far North. With all my children in tertiary institutions far away from our home, I've resorted to purchasing of what is needed for the use of just my last born (an eight years old girl) and I. It was through this that I realized the experience of people who go to market for retail services. My sudden desire for beans actually showed the dimension the traders can go to in order to shortchange their customers (Female IDI, Consumer/53 years old/Oke Orogun area, Ibadan North LGA).

A similar case revealed further that:

Beans formed parts of my family menu. We always included beans as protein supplement of starchy foods that the kids usually preferred. However, this aspect of food stuff is equally a controversial one; It is either you are buying beans that have been infected by weevils or the one later certified as unfit for public consumption due to purported killing of innocent souls, still we cannot do without beans (Female IDI, Consumer/39 years old/Sango area, Ibadan North LGA).

Other perspective was:

Though people usually make reference to beans when relieving their experiences of fraudulent practices in the market; however my first experience of this practice was on vegetable oil and frozen chickens. The vegetable oil was adulterated with other element that could not be ascertained. It was from the nauseating smell it was given when frying with it and while tasting it that I knew I've been swindled. The chicken on the other hand was of poor quality and taste. I was very bad about this, but I console myself and decided against going to that market for such items again. Though I've not experience such occurrence again but I only go to that market for 'unprocessed yam flour'. Also I don't just go to the market for the sake of it, I patronize only those who have been tested, trusted and certified by other people. In spite of this, I still don't feel satisfied with this until I've obtained verbal warranty on the items purchased before going away (Female IDI, Consumer/41 years old/Agbowo area, Ibadan North LGA).

Pattern of fraudulent practices

Data showed that these fraudulent practices usually take different patterns depending on the situation, the environment and the nature of goods bought in the market. Such practices range from tampering with measurement module (kongo)², short-changing people through prices, adulteration of products (mixing with 'foreign' products) for extra gains and offering substandard products for sale. A respondent revealed that:

I once bought yam flour that was mixed with another substance, which was not noticeable at the point of sale. All my children including myself ate the yam flour and excessively passed excreta. We were all admitted into a government hospital.

The money I spent for treatment was very exorbitant (Female IDI, Consumer/52 years old/Samanda area, Ibadan North LGA). Another pattern or method by which the act of dishonesty was perpetrated by the sellers according to the consumers was captured thus:

.....personal enquiry showed that these sellers engaged in the act of boiling the measurement module (kongo) in hot water in order to reduce the size. Some engaged in cutting of the edge of the kongo. At times, some sellers measure the beans quickly in order to short-change consumer. Some manufacturers equally assist sellers to produce smaller size of kongo which does not measure up to the original size (Female IDI, Consumer/35 years old/Barika area, Ibadan North LGA).

Some sellers equally affirmed the existence of fraudulent practices within the market.

2 Kongo is a Yoruba concept for measurement module. In the southwest Nigeria it comes in the form of plastic container that was generally recognized as the 'standard measure' for grains and the likes in the informal market setting. A Military Governor in Oyo State, Nigeria introduced this plastic version, which was produced by the Government with the zeal of the Government placed on it to ensure uniformity. In recent time, its production is generally under the control of private plastic manufacturers.

They however classified those involved in the act 'unprincipled elements' within their ranks. In the words of one of them:

We cannot dispute that some sellers are dishonest, particularly those that sell beans, rice, yam flour, cassava powder and other agricultural items. We are aware that some of them mix yam flour with other substance; they engage in cutting of the edge of their Kongos. The beans seller for example may sell wrong type of beans if the buyers are not vigilant. For instance, we have different types of beans that we sell. It differs according to prices, however, some sellers do deceive unsuspecting buyers by selling low quality beans at high price (Male IDI, Sellers/47 years old/Bodija Market, Ibadan North LGA).

While reacting to this, a respondent traced the cause of such practices to poverty and related problems. According to her:

High level of poverty in the land accounted for this; it has affected the thinking of every person including the sellers. People are increasingly becoming greedy; they want to get rich quickly. High level of illiteracy among sellers is making them to lose knowledge of ethics in business. The mentality of abnormal profit is a major problem. There is lack of government agency monitoring of market to maintain standard. Transportation cannot be exempted from the cause (Female IDI, Seller/56 years old/Bodija Market North LGA).

The Behavioural Approach of the Stakeholders

There are some of the victims who revealed that they did not bother to take action over the incidents. Series of reasons were given for their refusal to report the matter to the appropriate quarters. Part of the reasons presented by one of the respondents was:

I do not bother to report because I am always busy. Time does not permit. For me, I often suspect the fraud, but I decided to leave everything to God. If you report to them (sellers), they will never agree because I have heard of somebody in similar situation who reported similar issues (though not as dangerous as what happened to me and my family) who was roundly embarrassed. At times the sellers may turn the issue to fighting if one is not careful (Female IDI, Consumer/48 years old/Abadina Community, University of Ibadan, Ibadan North LGA).

On the other hand, the officials of the Foodstuff Sellers Association within the market revealed that they have received complaints over this and have handled such cases appropriately on number of occasions. They were somehow bitter over the failure of the victims in reporting such cases. In regard of this, a respondent revealed that:

There are cases of members apprehended over this matter.

We engaged in thorough investigation of the matter to ensure that no party is unfairly dealt with especially the consumers who for long have remained our pillar of strength. Without them we cannot operate that is why we always ensure that their interests are well protected. At the same time, we know that failure to take action may lead to wrong accusation and blanket assessment of every member of our association as fraud (Male KII, Official of Foodstuff Sellers Association/62 years old/Bodija Market, Ibadan North LGA).

It was shown that many of their erring members have been severely punished; the punishment ranged from payment of compensation and verbal apology. Further disciplinary action depended on whether the seller is a first or perpetual offender. Insight into this was further presented thus:

We've discovered that most of the time, the seller do not always intend to be evil. Their case was that they themselves were victims of fraudulent practices at the point of purchasing their goods from farmers or local middlemen. It was always while preparing their goods for sale that they usually discover this problem; rather than bear this in good faith, the fear of suffering the financial consequence of this was the yardstick behind various sharp practices they involved themselves (Female KII, Official of Foodstuff Sellers Association/65 years old/Bodija Market, Ibadan North LGA).

Another official shed light into circumstance that makes the sellers vulnerable as victim of bad products at the point of purchase from the farmers. In his words:

It is always tug-of-war when looking for goods to purchase from the farmers/middlemen, this is because the demand for foodstuffs is all the time higher than supply. All the sellers especially in the southern part of the country usually meet in the same destination. For instance we buy our goods/foodstuffs at Mokwa, Ibbi, Zugruma, Zungeru, etc in Niger State. When goods are brought from the rural areas to these market towns everybody will be scrambling to make a purchase out of these; there will be no room for checking whether the product being offered for sale are of high quality. In the course of trying to do this the fear of losing out to the aggressive buyers like those from Lagos who are ever ready to pay for everything will not make the need for the clarification of quality of these goods possible. Also one would not like to come all the way from Ibadan or wherever and return back empty handed without any purchase. However, this is not enough reason for one to become a cheat. It is not new to us, almost every one of us in the executive arm of this association have experienced such situation. My resolve is that one cannot be winning all the time; a day will come when one will recoup what one has lost. The main concern therefore, should be how to maintain one's customers; this is only possible when the confidence being reposed in one by these customers is maintained through quality services (Male KII, Official of Foodstuff Sellers Association/56 years old/Bodija Market, Ibadan North LGA).

Another official was of the view that the consumers should share in the blame of being victims of this circumstance. According to her:

There are sellers that are veteran and unrepentant in the quest to make easy money by offering their goods for sale at odd times (like very early in the morning and later in the evening). In most cases, greediness and indecision make many consumers to fall victim of this group of people. The issue is that there is a limit to which we can operate as association because we are in democratic era.

If one goes beyond the limit, one would only end up spending his/her hard-earned money on prosecution of unnecessary cases in the court of law (Female KII, Official of Foodstuff Sellers Association/62 years old/Bodija Market, Ibadan North LGA).

Adopted Measures for handling the Problem

In view of the 'mutual mistrust' created among the buyers about what the sellers have for sale, most of the respondents have resorted to extensive consultation about the credibility of the buyers they are about to transact business with beforehand. Some adopted the need for verification of religious background of the sellers as yardstick of ascertaining their reliability. Other consumers go to the market with their own measurement modules (Kongo) to avoid cheating. A respondent said:

I did not bother to waste my time by reporting to anybody or their union; the situation has gotten to a level that I used to see everybody in that market as devil incarnates. For almost six months, I avoided Bodija market until someone introduced a seller to me who was reputed to be born again as well as upright in her dealings within the market. Through her, I was able to know people of such reputation selling other kinds of thing I may need (Female IDI, Consumer/42 years old/Ashi-Bodija area, Ibadan North LGA).

Another respondent revealed that:

I make sure I buy my foodstuffs from the sellers who are elderly; not only this, I reckoned with those who are found in a fairly large clusters. I have discovered that the elderly ones are full of experiences; they dislike insults and are always considerate in their dealings. When such people are in fairly large number, cheating is constantly checkmated (Female IDI, Consumer/39 years old/Bashorun area, Ibadan North LGA).

From another perspective, a respondent said:

I bought foodstuffs for my consumption and for sale, so I cannot do without Bodija market most especially since it is the only fairly large market that is very nearer to my house. What I do to checkmate sharp practices especially the measurement module is to come to the market with my own.

The standard one introduced during the time when retired General Olurin was the Governor of Oyo (old) State is still in existence. I purchased my foodstuffs from the seller(s) who agreed to use my module only. There are those who would not want to hear of this and there are those who are willing and ready (Female IDI, Consumer/37 years old/Agbowo Express area, Ibadan North LGA).

Discussion

No marked difference was noted in the perceptions of the respondents on the issue under focus in this study. On the basis of this, highest certificate of National Diploma was seen as having no advantages or edge over the outlook of those with Secondary school certificate. The result further showed the respondents revealing that there was no working system by which complaint can be effectively presented to achieve positive results. The manifestation of this emerged from that fact that the perpetrators are unlikely ready to accept the negative implications of their acts or stop such criminal acts despite the fact that some victims/consumers did report these cases of fraud. A remark on the fear of spending hard-earned money to prosecute cases by those who did not report the cases is an indication of existence of financial incapability to channel their cases. It is also a manifestation that many poor Nigerians are incapacitated to initiate action against injustice done to them hence the rigid belief that they cannot get redress.

This therefore pointed to the need for the government to live up to its responsibility through its agency like Consumers Protection Council (CPC) by protecting and giving justice to the poor consumers. This ever blossoming problem of corruption in Nigeria is best understood through the observation of Makinde (2008) which he ex-rayed as being occasioned by dearth of thinkers. Though speaking from macro perspective, Makinde (2008) saw every human action (political, economic, social and moral) as being preceded by human thought. The import of this is that all the evils, which militate against good governance, are products of bad and depraved thoughts. Meanwhile, philosophical thinking always has direct positive bearings on integrity, selflessness, honesty, accountability, transparency and good governance. In relation to the findings of this study, it is obvious that the absence of clear cut and effective policy or political will to ensure that the menace of corruption is curbed at macro level in Nigeria has provided a fertile ground for the same to breed and manifest at the micro level as obtained in the informal economic settings like Bodija Market Ibadan. As a result of this, the principle of general happiness of the greatest number has been greedily and selfishly turned to that of the special happiness of the least number.

Affirmation of this is apparent through the fraudulent activities in the discharge of goods and services within the informal market environment like Bodija Market, Ibadan. While establishing the permeation of corrupt practices in every segment of the society, it equally indicates the absence of or/a near collapse of effective regulatory measures for ethical standard within the society. This has given rise to the tradition of mutual suspicion among the buyers and sellers in terms of the sincerity in appropriateness of measures being used in the market and practice of coming to the market with their own supposed 'perfect' measure is a manifestation of widespread mutual mistrust within the society.

The attendant result of this is gradual destruction of patriotism, which in the long run will impact negatively on the developmental process of the country if allowed to continue unchecked. This thus, corroborated the general assertion of corruption as antithetical to good governance and affront against ethical principles. By this, it is obvious that we as nation are yet to learn the principles on which societies must be founded for the citizenry to be happy.

The implication of this is prevalence of dishonesty in social dealings; the effects of this on agricultural items will equally have multiplier effects on the social and economic wellbeing of the country. Negative social effect will manifest in the sense that consumption of adulterated foodstuff means Nigerians are at high risk of health hazard. Not only this, it will lead to loss of interest in Nigerian agricultural products by the international community and drastic reduction in our export earnings. On the basis of this, there is need for all stakeholders comprising of the government, sellers through their associations and even consumers to take proactive step towards eradication of sharp practices being perpetrated on agricultural products if human society must be a better havens.

5.0 Conclusion

The findings of this study showed that corruption exists both at the formal and informal settings. Within the informal setting, the scope of corruption cut across the issues like social, religious, economic and political angles. However, attention of scholars on corruption is extensively skewed towards formal. In the informal setting, economic aspect was not given adequate attention. This is apparent in the work of Labanji (1970) who defined corruption as having to do with bribery-money-giving and money taking to induce the receiver to carry out an action in favour of the giver who is not in fact entitled to the benefit of the action. But inclusion of phenomenon like nepotism, cheating and deception makes little difference. Also, Akindele (1990), Gibbon and Rowat (1976) are limited by their definitions of corruption within political perspectives and issues like election rigging and genocidal political techniques.

Events going around in the society most especially the ones discovered within Bodija Market Ibadan is affirming that corruption is neither an issue limited only to asking, giving, taking gift or favour in exchange for the performance of illegitimate task; hoarding, collusive price-fixing, smuggling, transfer-pricing, inflation of prices, election rigging, illegal arrest for harassment or intimidation purposes; abuse/misuse of office, position or power, diversion of public; corporate or other person's money or property to direct or indirect personal use, and so on as exemplified by Odekunle (1987) and Olaopa (1998).

The limitation of corruption to politics by Babalola (1995) and its description within law-making and law-implementation processes equally showed the utter neglect of corruption at informal and micro levels by various scholars with bias on social phenomenon.

This study has justified the position of Crane and Dirk (2004) that business life is confronted with enormous range and complexity of ethical problems. The study further revealed various dimensions by which unethical practices may appear. The findings equally corroborated the position of Rossouw and Arkhuysn (2000) that fraud and corruption traverses every facet of human endeavour and not necessarily a phenomenon that is peculiar to public sector and public officials.

5.1 Recommendations

In order to correct and check the level of confidence reposed in the sellers (which is seriously deteriorating), the respondents suggested ways by which prevailing fraud within the market could be addressed. These include:

- The need for stability of the economy in order to fight fraud in the society.
- The foodstuffs sellers association should be empowered to advance stiffer punishment for erring sellers.
- Cases were made for every buyer to come to market with his or her Kongo measurement and the need for an improved transportation system in order to ease prices.
- Education and enlightenment or workshop for sellers to uphold good ethics was also stressed.
- The role of government through its agencies like CPC (Consumers Protection Council) cannot be overemphasized; the agency should be mandated to take cases in often neglected areas like Bodija market and the likes into cognizance.
- Government should also reintroduce uniform measurement module which must be constantly inspected by government and union official.

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AN ASSESSMENT OF THE EFFECT OF CAPITAL AND RECURRENT EXPENDITURE ON ECONOMIC GROWTH IN NIGERIA

By

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Abstract

Government oftentimes uses expenditure to control the economy. The study assesses the effect of government expenditure on economic growth of Nigeria over a period of thirty two years, that is, 1981-2013. Total capital expenditure and total recurrent expenditure were used as proxy for government expenditure while economic growth was proxied by gross domestic product. The data used for analysis were obtained from the Central Bank of Nigeria (CBN) statistical bulletin. In order to observe the properties of time series data, diagnostic tests were carried out on the variables. The regression result showed that total capital expenditure is positive and significant in explaining and predicting the economic growth proxy by GDP, while total recurrent expenditure revealed a negative and a significant relationship with gross domestic product. Inflation which serves as a control variable showed a positive and significant relationship with gross domestic product. The study was able to conclude that total capital expenditure contributed positively to gross domestic product and that higher total recurrent expenditure decreases economic growth of Nigeria under the study period. The study recommended that the proportion of government total expenditure that goes into capital expenditure financing should be increased. Also, a high degree of accountability and transparency be maintained on government spending at various units of the economy to prevent channeling of public funds to private accounts of government officials.

Keywords: Public Expenditure, Government Funds, Economic growth, Nigeria & Private accounts.

1.0 INTRODUCTION

Government expenditure is often seen as a way of contributing to the development and growth of a community or Nation through the effective and efficient use of the resources at the disposal of agents of government. By implication, such government expenditure is expected to follow the rules, regulations and policies that shape the planning, budgeting, forecasting, coordinating, directing, influencing and governing the inflow and outflow of funds in order to maximize the objective of the institution of governance (Obilonu, 2011; Sharp and Slinger, 1970).

In other words, government expenditure deals with government spending and the level of liquidity in the economy in order to achieve some stated objectives which include growth and development.

Economic growth as a major objective of governance refers to increase in a country's potential Gross Domestic Product (GDP). The utilization of economic resources to achieve increase in productivity and eventual growth in the gross domestic product of any nation matters a lot. Thus, economic growth must be sustained for a developing economy to break the circle of poverty and achieve increased standard of living. To buttress this point, a recent World Bank (2004) report revealed that 80 per cent of oil revenue in Nigeria benefits only one (1) per cent of the population. This implies that there is a high level of inequality in income distribution in the economy, hence a high level of poverty.

The government of any nation performs two major important functions which are categorized into security and the provision of public goods. For instance, the role of protection or security encompasses the creation of rule of law and enforcement of property right which would reduce risks of criminality, protect lives, prosperity and protection from external aggressions. On the other hand, government has responsibilities towards ensuring that the provision of public goods such as; good roads, education, health and electricity, just to mention a few are adequate for the citizens. Therefore, it is argued that an increase in government expenditure on both recurrent and capital expenditure has the tendency to induce or enhance economic growth (Abdullahi, 2000). Olukayode (2009) noted that government expenditure; either recurrent or capital, can be growth-enhancing; although the financing of such expenditure to provide essential infrastructural facilities-including transport, electricity, telecommunications, water and sanitation, waste disposal, education and health can be growth-retarding, but for a country like Nigeria, gross domestic product has been increasing far more consistently over the years compared to the total government expenditure (Ighodaro and Okiakhi, 2010).

Fiscal policy may be used by any nation for the purpose of achieving accelerated economic growth and eradicating poverty. In the Federal Republic of Nigeria, fiscal policies focus on several aspects of the various sectors of the economy such as adjustment and changes in taxation, revenue and expenditure, budget balancing, borrowing, import duty monitoring, export expansion grant and Economic Community of West African States (ECOWAS) trade liberalization scheme among others. Tanzi (1994) observed that fiscal policy applies to the use of fiscal instruments (taxation and spending) to influence the working of the economic system in order to maximize economic welfare with the overriding objective of promoting long-term growth of the economy. By implication, government expenditure is an important variable and needs to be looked into critically.

According to Central Bank of Nigeria statistical bulletin (2013), Federal Government expenditure in Nigeria, both capital and recurrent is classified as follows:

- i. Administrative expenses which could be sub divided into general administration, defence, internal security and expense incurred by the national assembly.

- ii. Social and community services which entails education, health, and other social and community services.
- iii. Economic service such as construction, agriculture, transportation, communication and others
- iv. Transfers such as public debt servicing, pensions and gratuities, contingencies or sub ventures, and others.

Since growth in size can be represented by the index of growth in the size of government expenditure, then Government expenditure as classified above is a significant variable that can be used to explain economic growth of a country. Furthermore, Ezirim and Ofurun (2003) observed that the size of government spending in a country can be measured in terms of the total public spending expended on it. Over the past decades, the public sector spending has been increasing in geometric term through various activities of government and their interactions with its Ministries, Departments and Agencies (MDAs). Available CBN statistical data showed that total government capital and recurrent expenditure continued to rise throughout the study period. For instance, while total government capital expenditure increased from N6,567 billion in 1981 to N883,870 billion in 2013, total government recurrent expenditure increased from N4,846.7 billion to N2,961,850 trillion within the same period (CBN Statistical Bulletin, 2013).

Based on these facts, government expenditures would be expected to generate a corresponding growth trend in the economy. Therefore, it is necessary to determine whether the behaviour of Nigerian public expenditure and the economy can be hinged on the Wagner's (1883) Law of Ever-increasing State Activity or the displacement effect hypothesis of Wiseman and Peacock, concerning the level of expected growth in the long-run.

With the huge amount of money available for government activities, the planning of the nation's resources in terms of the spending pattern to adopt becomes a major challenge. This planning pattern is basically related to fiscal policy of the Federal Republic of Nigeria. In an effort to ensure proper planning, there is a constitutional provision in which the national assembly; comprising senate and house of representative have a joint sitting in order to come up with objective decision on economic matters that will lead to economic growth. While this can be considered a laudable achievement that joint sitting provision exists, the major concern is, does the country really achieve economic growth despite huge expenditure and ratification of the national assembly? .

The main objective of this study therefore, is to examine the effect of government expenditure proxies as capital and recurrent expenditure on economic growth of Nigeria which is proxied by Gross Domestic Product (GDP). Specifically, the study

- (i) examines the effect that capital expenditure has on economic growth in Nigeria; and
- (ii) assesses the effect that recurrent expenditure has on Nigeria's economic growth. On the basis of the above objectives, the study formulated the following hypotheses in null (H_0) form.

- H₀₁:** Capital expenditure has no significant effect on economic growth of Nigeria.
- H₀₂:** Recurrent expenditure has no significant effect on economic growth of Nigeria

2.0 LITERATURE REVIEW

This section examines relevant related literatures and theoretical framework on the relationship between government expenditure and economic growth in Nigeria and other countries. Several studies have been conducted to investigate relationship between government expenditure and economic growth in developed and developing countries but their findings revealed mixed results

Theoretical Framework

This study is hinged on Wagner's Law of increasing state spending which argued that increased modern industrial society would result into political pressure for increased share of public expenditure as a result of social activities, administrative actions and welfare functions of the State (Doessel and Valadkhani, 2003; Lybeck, 1988; Srinivasan, 2013; Tarschys, 1975). Using this theory, Muritala and Taiwo (2011) opined that there are inherent tendencies for the activities of different layers of a government (such as central, state and local governments) to increase both intensively and extensively. The study maintained that there was a functional relationship between the growth of an economy and government activities with the result that the governmental sector grows faster than the economy. Citing Nitti (1903), Maku (2014) opined that all kinds of governments, irrespective of their levels (say, the central or state government), intentions (peaceful or warlike), and size, etc., had exhibited the same tendency of increasing public expenditure. At times, some social or other disturbance takes place creating a need for increased public expenditure which the existing public revenue cannot meet. However, there has been mixed findings on this theory. While, Bohl (1996) found that Wagner's law was valid only for the United Kingdom and Canada, out of the G7 countries, during the post-World War II period; Bagdigen and Cetintas (2003) did not found any causal nexus between national income and public expenditure for the Turkish case. Moreover, Frimpong and Oteng-Abayie (2009) supported neither Wagner's hypothesis nor its reverse for the West African Monetary Zone (WAMZ) countries. Therefore, this theoretical argument on the inter-relationship subsisting between growth and activities of government as occasioned by public expenditure is evaluated using Nigeria data.

Empirical Evidence

There has been a lack of consensus among the scholars of finance and economics on the relationship between government expenditure and economic growth.

The nature of their relationship is inconclusive while some scholars believed that impact of government expenditure on economic growth is negative (e.g. Luadan, 1986; Baro, 1990; Nasiru, 2010; Ighodaro and Okiakhi, 2010; Akpan, 2005) others held the view that the impact is positive and significant (e.g. Cooray, 2009; Olukayode, 2009; Ram, 1986). However, Desmond, Titus, Timothy, and Odiche (2012) had mixed results.

Deverajan, Swaroop and Zou (1996) shed light on the composition of public expenditure and economic growth for 43 developing countries from 1970 to 1990 and applied ordinary least square regression. Their findings suggest that increase in the share of recurrent expenditure has positive and statistically significant growth effects. By contrast, capital as a component of public expenditure has a negative impact on economic growth.

These results imply that developing countries governments' have been misallocating public expenditure in favour of capital expenditures at the expense of recurrent expenditures. Niloy, Harque and Osborn (2003) studied the growth effects of government expenditure for a panel of thirty (30) developing countries between 1970s and 1980s with a particular focus on sectorial expenditure. The findings revealed that the share of government expenditure is positively and significantly correlated with economic growth but recurrent expenditure is insignificant. In addition, at the sectorial level, government investment and total expenditure in education are the only outlays that are significantly associated with the growth once the budget constraint and omitted variables are taken into consideration.

Laudau (1993) studied the effect of government expenditure on economic growth for a sample of 96 nations. The result shows a negative effect of government expenditure on growth of real output. Kormain and Brahmarsene (2007) examined the economy of Thailand by employing granger causality tests. Their findings was that government expenditure and economic growth are not co-integrated but indicated runs from government expenditure to growth and also detected a significant positive effect of government spending on economic growth. Barro (1990) opened a new ground for the investigation of the impact of fiscal policy (government expenditure) on economic growth. In line with this, Esterly and Rebelo (1993) emphasized that government expenditure activity influences the direction of economic growth.

Belgrave and Craigwell (1995) examined the impact of government expenditure on economic growth disaggregating the level of government on economic growth into functional and economic categories of Barbados for the period 1969-1992 and employed Augmented Dickey Fuller and Engle and Granger co integration technique. Their results revealed that there is a positive relationship between capital expenditure on agriculture, housing and community, road, communication, health and economic growth. However, the effects of capital expenditure on education and all current expenditure are negative. There was the use of error correction model that prevented possibility of spurious result. In Nigeria, many studies have attempted to investigate the relationship between government expenditure and economic growth.

Studies by Taiwo and Abayomi (2011) revealed existing research concerning the effect of government spending on the growth rate of real GDP in Nigeria over a period of thirty two years (1970-2008) using econometric model with ordinary least square (OLS). They pointed out that there is a positive relationship between real GDP as against the recurrent and capital expenditure. Desmond, Titus, Timothy, and (Odiche 2012), examined the effect of public expenditure on economic growth in Nigeria for a period of thirty nine years, that is, 1970-2009.

The result revealed that capital expenditure on economic services had insignificant negative effect on economic growth during the study period. Also, capital expenditure on transfer had insignificant positive effect on economic growth.

Abayomi and Kabir (2011) analysed the implication of government spending on the growth of Nigeria economy over the period of 1980-2009 using Johansen co-integration unit root test and error correction model, it was discovered that total capital expenditure, inflation rate, degree of openness and recurrent government expenditure are significant variables to improve growth in Nigeria.

Nasiru (2012) investigated the relationship between government expenditure (disaggregated into capital and recurrent) and economic growth in Nigeria from 1981-2010. The causality result revealed that government capital expenditure granger causes economic growth. No causal relationship was discovered between government recurrent expenditure and economic growth. The paper revealed that any reduction in capital expenditure would have a negative repercussion on economic growth in Nigeria.

With co-integration test, Loto (2011) investigated the growth effect of government expenditure on economic growth in Nigeria from 1980-2008 with a particular focus on sectorial expenditure i.e. (security, health, education, transport, communication and agriculture). The result showed that in the short-run, expenditure on agriculture was found to be negatively related to economic growth, the impact of expenditure on health was found to be positively related to economic growth. Though expenditure on national security, transport and communication were positively related to economic growth, the impacts were not statistically significant.

Nurudeen and Usman (2010) observed that rising government expenditure has not translated to meaningful development as Nigeria still ranks among world's poorest countries. Using disaggregated analysis approach, they investigated the effect of government expenditure on economic growth in Nigeria in the period 1970-2008 and found that government total capital expenditure, total recurrent expenditure and expenditure on education have negative effect on economic growth. Only expenditure on transport, communication, and health had positive effects on growth in their findings. This is partly in consonance to Fajingbensi and Odusola (1999) which found the contribution of recurrent expenditure to growth as insignificant.

Ighodaro and Okiakhi (2010) used time series data for the period 1961 to 2007 and applied co-integration test and Granger causality test to examine government expenditure disaggregated into general administration and community and social services in Nigeria.

The results revealed negative impact of government expenditure on economic growth. Kazeem (2013) studied government expenditure and economic growth in Nigeria using disaggregated approach. The period of his study was from 1981-2010. Recurrent expenditure was disaggregated into economic service and social and community service. The secondary data analysed showed that recurrent expenditure on social and community services had significant negative effect on economic growth while recurrent expenditure on economic services revealed a positive insignificant effect on economic growth.

Over and above all, from the array of several empirical literatures reviewed above, it could be deduced that government spending has both positive and negative significant effect on economic growth in both developed and developing countries. But this current study asserts that this assumption cannot be fully believed except the current study can be validated empirically. More so, it is also the interest of this study to ascertain which among the government expenditures exert more influence on economic growth which is proxied by GDP. However, this current study is quite different from other empirical works in terms of (i) the period of the study covered which extended to 2013 (ii) the method of analysis and variables used in the study and as well observed properties of time series data in order to avoid generation of spurious result.

3.0 METHODOLOGY

The research design adopted for the purpose of the study is descriptive design. Descriptive design is a design which involves observing and describing the behaviour of a subject without influencing it in any way. The study adopted this design because the researchers assessed the prevailing practice in government expenditure pattern. The population of the study consists of all federal ministries in Nigeria as at 31st December 2013. The secondary source of data was used to collect data on the relevant research variables. Annual time series data were extracted on Gross Domestic Product (GDP) at constant basic prices and functional classification of government expenditures disaggregated into capital and recurrent expenditure while inflation was included as control variable since it has lasting impact on economic growth. The variables included in the model were considered as the components of government expenditures which are adequate enough to explain economic growth. The annual data covered 1981-2013 and the choice of this period was guided by data availability consideration. The information was extracted from the published data of the Central Bank of Nigeria (2013). This study empirically examined the relationship between government expenditure (disaggregated into capital and recurrent) and economic growth, proxy by GDP at constant basic price in Nigeria, using annual time series data from 1981-2013.

The relationship between government expenditure and economic growth were tested using linear regression techniques, and the model used is adapted from the study of Kazeem (2013) with some modification. The model is stated below:

$$GDPG = f(TCE, TRE, INFL) \dots \dots \dots (1)$$

For econometric computation, operationally, equation (1) in its linear form transformed to the equation below:

$$GDPG = \beta_0 + \beta_1 TCE + \beta_2 TRE + \beta_3 INFL + \mu \dots\dots\dots (2)$$

Where:

GDPG = economic growth proxies by Gross Domestic Product

β_0 is the intercept

β_1 , β_2 , and β_3 are the various slopes co-efficient and parameter to be estimated with a priori expectations

TCE = Total capital expenditure

TRE = Total recurrent expenditure

INFL = Inflation rate which serves as a control variables.

μ , is the error term or is a stochastic variable to accommodate the influence of other determinant of economic growth not included in the model.

On a priori, β ($i = 0, 1, 2, 3$) > 0 implying that each components of government expenditure is expected to correlate positively with economic growth. Prior to the above estimated model, standard econometric tests such as stationary test and co-integration test were conducted so as to avoid the generation of spurious regression results. A non-stationary series could be made stationary by differencing once or twice. It could be integrated of order 1 which is often denoted as $I(1)$ or order of 2 represented by $I(2)$. The stationary linear combination of the variable under consideration is called co-integration equation (Engle and Granger, 1991). A result indicating that the variables co-integrated implies that they share a long run relationship and will move closely together over time, meaning that differences between such variables are stable overtime and there is some degree of convergence in the long run.

4.0 RESULTS AND DISCUSSION OF FINDINGS

This section present the preliminary analysis of data collected for the purpose of the study. This is immediately followed by the presentation of results of the model estimations and inferences were drawn from the tests of hypotheses. The section is concluded by various robustness tests to improve the validity of the result. Findings are discussed and policy implications are analysed.

Unit Root Test

The analysis observed the statistical properties of time series variables used in the estimation. This was done to ascertain whether all the variables included in the regression model are stationary or not. This is because macro-economic data often appear to possess stochastic trend which can be removed by differencing the variables. The study therefore, employed the Augmented Dickey Fuller (ADF) to test the order of integration of the variables included in the model. The result is shown in the table 1.

Table 1: Results of Order of Integration

VARIABLES	ADF-STATISTICS	CRITICAL VALUES	ORDER OF INTEGRATION
GDGP	-4.580528 (0.0009)	1%=-3.653730 5%=-2.957110 10%=-2.617434	LEVEL 1(0)
TCE	-4.845070 (0.0000)	1%=-3.661661 5%=-2.960411 10%=-2.619160	LEVEL 1(0)
TRE	-4.506670 (0.0000)	1%=-3.661661 5%=-2.960411 10%=-2.619160	LEVEL 1(0)
INFL	-5.368128 (0.0001)	1%=-3.661661 5%=-2.960411 10%=-2.619160	First difference 1(1)
ECM	-4.556424 (0.0010)	1%=-3.661661 5%=-2.960411 10%=-2.619160	LEVEL 1(0)

Authors' Computation, 2014

As shown in Table 1, all the variables are found to be stationary at level i.e. 1(0) except for inflation (INFL) which was stationary after differencing it once i.e. 1(1). The result therefore revealed that all our variables included in the model are found to be stationary after their first differencing.

Co-Integration Test

The unit root test revealed that all variables are integrated either at level 1(0) or integrated of order one 1(1). By implication the linear combination of one or more of these variables may therefore exhibit a long run relationship. In order to capture the extent of co-integration among the variables, the multivariate co-integration method originated by Johansen (1990) and Juselius (1991) was used. The maximum Eigen value and the trace test from this technique were used to establish the number of co-integration vectors. The result is shown in Table 2.

Table 2a: Results of Unrestricted Co-integration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigen value	Trace Statistic	0.05 Critical Value	Prob. **
None *	0.649135	39.40188	29.79707	0.0029
At most 1	0.170833	6.933941	15.49471	0.5854
At most 2	0.035689	1.126587	3.841466	0.2885

Table 2b: Unrestricted Co-integration Rank Test (Maximum Eigen value)

Hypothesized No. of CE(s)	Eigen value	Max-Eigen Statistic	0.05 Critical Value	Prob. **
None *	0.649135	32.46794	21.13162	0.0009
At most 1	0.170833	5.807353	14.26460	0.6381
At most 2	0.035689	1.126587	3.841466	0.2885

Source: Authors' Computation, 2014

The results from Tables 2a and 2b revealed that both trace and a maximum Eigen value test shows that there is a single co-integration vector at 5% level of significance. The outcome of the result therefore indicated that there exists a long run relationship among the variables in the model as the result of the maximum Eigen value and trace test indicate that there is a single co-integrating equation in the model as the test rejected the null hypothesis of no co-integrating equation and accepted that of at least 1 co-integrating equation.

Table 3: Summary of Regression Result

<i>VAR</i>	<i>CO-EFF</i>	<i>STD ERROR</i>	<i>T-STAT</i>	<i>PROB</i>
<i>C</i>	0.223576	0.018427	12.13332	0.0000
<i>TCE</i>	0.552787	0.193523	2.856435	0.0083
<i>TRE</i>	-1.339797	0.408793	-3.277447	0.0030
<i>D(INF(-1))</i>	0.002069	0.000744	2.781820	0.0099
<i>ECM</i>	0.973645	0.105259	9.249999	0.0000
<i>R-square</i>	0.816103			
<i>Adjusted R-square</i>	0.787811			
<i>F-statistics</i>	28.84592			
<i>F-sig</i>	(0.00000)			
<i>Durbin-Watson</i>	1.226767			

Source: Authors' Computation, 2014

From Table 3, the regression equation is transformed to the equation below:

$$GDPG = \beta_0 + \beta_1 (TCE) + \beta_2 (TRE) + \beta_3 D (INFL (-1)) + ECM + \epsilon$$

The analysis in table 3 shows that the t-value and the beta value for total capital expenditure is 2.86 and 0.22 respectively with a significant value of 0.000. This implies that total capital expenditure (TCE) is significant at 1% level of significance. This therefore, signifies that TCE has a strong, positive and significant effect in explaining and predicting the economic growth of Nigeria which is proxy by Gross Domestic Product (GDPG). The positive effect of total capital expenditure on economic growth is consistent with our a priori expectation; this implies that for every one naira increase in the value of total capital expenditure causes economic growth to increase by 22k. Although, the positive effect of this variable is also in line with Wagner's theory which states that an increase in government expenditure brings about an increase in economic growth of a nation. The result therefore, provide an evidence of rejecting hypothesis of the study which states that total capital expenditure has no significant effect on the economic growth of a nation which is proxy by GDPG. Our result is in harmony with those reported by Deveranjan *et al* (1996), Desmond *et al* (2012) but contradicted those reported by Belgrave and Craigwell (1990) and Niloy *et al* (2003).

More also, the co-efficient value of the total recurrent expenditure was observed to be negative and significant at 1% level of significance. This implies that total recurrent expenditure is negatively, strongly and significantly influencing the economic growth of a nation proxy by GDP. This shows that there is an inverse relationship between TRE and Economic growth of a nation. That is, the higher the TRE, the lower the reported GDP.

The negative effect of TRE is inconsistent with our a priori expectation, implying that every 1% increase in total recurrent expenditure causes economic growth to decline by 1.33%. The result therefore, provide an evidence of rejecting the hypothesis of the study which states that recurrent expenditure has no significant impact on the economic growth of a nation which is proxy by GDP. Our finding is congruent with those reported by Devarajan *et al* (1996), Taiwo and Abayomi (2011) but contradicted the findings reported by Kazeem (2013), and Belgrave and Craigwell (1990).

Finally, on the individual interpretation is inflation, the lag value of inflation which is a control variable is 2.78 with a significant value of 0.0099. This means that inflation is positively and significantly influencing the economic growth of a nation. This implies that an increase in the value of inflation increase the economic growth, implying that for every one per cent increase in the value of inflation causes economic growth to increase by 0.002%. This finding is in line with the work of Kazeem (2013). Finally, the Error Correction Model (ECM) has been found to be significant and correctly signed, implying that there exists a long run relationship among the variables.

Cumulatively, the joint effect of the explanatory variables and explained variable is statistically significant as indicated by the computed fisher statistics and its probability. We therefore, concluded that the government expenditure which is proxy by total capital and recurrent expenditure is strongly and significantly influencing the economic growth of Nigeria as there is a relationship between the government expenditure and economic growth proxy by Gross Domestic Product (GDP). Also, the analysis shows that the explanatory variables included in the regression model explain about 81% variability in economic growth during the study period as this is indicated by R-square. The adjusted R-square which also buttress on the position of R-square also shows the extent to which the explanatory variables explain the explained variable. The high explanatory power is an indication that the model is fit and variables in the study are properly and carefully selected. We therefore, concluded that the government expenditure proxy by total capital and recurrent expenditure are important determinants of economic growth in Nigeria. Finally, The Durbin Watson (DW) statistics is 1.22, from the Durbin Watson table, with 5% level of significance, $n=33$ observations and $k^1 = 3$ independent variables, the significance points of upper limit (D_U) and lower limit (D_L) are $d_U = 1.055$ and $d_L = 1.432$. The calculated DW is 1.22 which lies between the lower limit of (1.055) and the upper limit of (1.432), which implies that there is inconclusive evidence regarding the presence or absence of positive first order serial correlation.

5.0 CONCLUSION AND RECOMMENDATIONS

Based on the discussion and analyses in the preceding section, the study concludes that empirical and statistical evidence from two independent variables of total capital expenditure and total recurrent expenditure are useful tools in explaining and predicting the economic growth of a nation. Second, the total capital expenditure has positive and significant effects on the economic growth of a nation. This implies that total capital expenditure has contributed positively to GDP. That is, the more the expenditure incurred on capital project, the higher the Gross Domestic Product.

Finally, for total capital expenditure, the study found an inverse relationship but significant impact with economic growth of a nation proxy by GDP. Hence, higher total recurrent expenditure decreases economic growth of a nation under the period of study.

From the findings of the study, the following recommendations are proffered:

- i) The proportion of government total expenditure that goes into capital expenditure financing should be increased since this component exerts significant positive effect on economic growth in Nigeria. Also, Government should ensure that capital expenditure are encouraged through increased funding as well as ensuring that the resources are properly managed and used for the development of various sectors as this will go a long way to boost economic growth of the nation.
- ii) For total recurrent expenditure to exert positive and significant impact on gross domestic product, the government should ensure that a high degree of accountability and transparency is maintained on government spending to prevent channeling of public funds to private accounts of government officials.

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PARTICIPATORY BUDGETING AND GOAL COMMITMENT IN A SOCIAL VENTURE

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ABSTRACT

Using the phenomenal relationship between participatory budgeting and goal commitment, as a measure of accountability, this study evaluates accountability in a typical for-profit social venture organisation from the dimension. Relying extensively on primary data, a case study research design was adopted in this study. The primary data were gathered from the responses of eleven respondents drawn from a population of twenty responsibility centre managers in a for-profit social venture. Descriptive and inferential statistical tools were employed in providing response to research questions and testing purported research hypotheses. Results of analysis showed that though extent of participatory budgeting was low among the responsibility centre managers, level of commitment to organisational goal was moderate. Results of Correlation suggest the existence of a positive and high though not significant relationship between attributes of participatory budgeting and goal commitment. It is concluded that accountability as measure of commitment is higher than accountability as a measure of budgetary participation in the organisation studied. Consequently, relationship between participatory budgeting and goal commitment of social venture organisations does not conform to what is obtained in a typical for profit business entity. Similarly, internal accountability of the case study is uncertain.

Keywords: Participatory budgeting, Goal Commitment, Social Venture, Accountability

JEL code: D21, L1, M13

1.0 INTRODUCTION

The need for accountability cuts across all spheres of business. Consequently, this study seeks to evaluate accountability in a social venture organisation from a Management Accounting perspective.

In a typical society, the existence of a Government is to promote and increase the efficiency of social organisations (Watson, 2008). This is in its bid to satisfy the social function of governance to citizens. But persistent poverty and unemployment in the face of decreasing governmental and philanthropic support have led many not-for-profit organizations to establish social ventures to address these growing concerns (Brinkerhoff, 2000; Seelos & Mair, 2005, Darby & Jenkins, 2006). According to Thompson & Doherty (2006) Social ventures unlike not-for-profit and charity organizations are established to engage in competitive business activities, and are not heavily dependent on grants, gifts, donations, and government funding. In the opinion of Davis (2008) these organisations address social issues including poverty, inequality, education, the environment, and economic development. It suggests that these organisations by their nature are not primarily motivated by profit. Though they are similar to non-profit and non-governmental organisations, they are distinguished by their economic, social, and or environmental aims (Elkington & Haugh, 2007).

Some social ventures are financially sustainable (from trading), while others rely on a combination of earned income, service delivery contracts, grants and donations (Haugh, 2007). Social ventures may be structured in many forms, including sole proprietorships, for-profit and not-for-profit businesses, non-governmental organizations, youth groups, and community organizations (Austin, Howard & Wei-Skillern, 2006). Although for-profit social ventures are businesses similar to for-profit companies, they operate with a strong social purpose rather than that of profit maximization and profit associated objectives. They often seek to empower disadvantaged groups of people (Seelos & Mair, 2005). In Nigeria, Okobiah (2002) observed a level of imbalance in western education between the northern and the southern region. This situation has paved way for the creation of western education opportunity for the less privileged, most especially working class indigenes of Borno and neighbouring states, through the distance learning centre at the University of Maiduguri. The centre is a typical for-profit social venture with the primary aim of meeting a social needs (provision of university education to working class adults) (Dees & Anderson, 2003, Mair & Marti, 2006).

Evidence from literature suggests that studies in the field of social venture are still emerging with paucity of empirical evidence (Weerawardena & Mort, 2006). Consequently, Short, Moss & Lumpkin (2009) have recommended the need for more pragmatic studies in different aspects of social venture organisations. Though studies on accountability in social venture organisations abound, this study builds on previous studies to evaluate internal accountability in a for-profit social venture organisation from a management accounting perspective. This study evaluates the relationship between participatory budgeting and goal commitment, particularly in a developing economy.

2.0 LITERATURE REVIEW

SOCIAL VENTURE ORGANISATIONS

A social venture organisation is a business undertaking created for a social purpose in particular to mitigate or reduce a social problem as well as generate social value, while operating within the purview of financial discipline, innovation and with the determination of a private sector business (Emerson & Twersky, 1996; Alter, 2006; Darby & Jenkins, 2006; Meyskens, Robb-Post, Stamp, Carsrud, & Reynolds, 2010; Woolley, Bruno & Carlson, 2013). These organisations differ from charity organisations, trusts and foundations, because proceeds from sales of goods and services are injected back into the venture in order to support the social purpose of the venture (Brinckerhoff, 2000; Maitland, 2006). Though definitions of social venture abound, Thompson and Doherty (2006), concluded that they are organisations seeking business solutions to social problems.

From an institutional perspective social venture organisations have been classified as either a for-profit or a non-profit (Dees, 1998, Pache & Santos, 2013). In the opinion of (Reis, 1999) social venture organisations as hybrid organizations can either, be non-profit organizations engaged in commercial activities; or be for-profit firms pursuing social responsibility objectives. These organisations are distinctly characterised by their focus on social rather than economic goals (Mair & Marti, 2006). Social ventures may be established as a subsidiary of a public sector entity (Krupa, Lagarde & Carmichael, 2003), a typical example of which, is the Centre for Distance Learning University of Maiduguri, in Nigeria. As a subsidiary of the University of Maiduguri, its mission is to complement efforts of conventional universities across the country in providing accessible, affordable and qualitative university education. In particular, provision of university education to persons who are advanced in age and who are still seeking university degree. An important objective is to provide access to University education to a large number of potential adults who have missed the opportunity of higher education at the early stages of their lives. This will inadvertently contribute to efforts geared towards reducing the education gap between the northern and southern states of Nigeria. The operation of this centre is a replica of activities of a for-profit social venture.

For-profit social venture

For-profit social ventures are organisations that have been legally incorporated as such, which are explicitly designed to serve a social purpose (Dees & Anderson, 2003). In other words these are organisations with a social objective but operate with a profit making philosophy. By their nature they can exist as buyers of supplies from disadvantaged communities or persons, employers of socially disadvantaged persons, designers and producers of specialised social goods, or market for target customers (Porter, 1985). The target market of the Centre for Distance Learning in this study is a pool of adults who have missed out on university education at the early part of their lives. The dual nature of these organisations requires them to adopt management skills and strategies in order to survive the challenges of the market place where they operate.

ACCOUNTABILITY IN SOCIAL VENTURE ORGANISATIONS

According to Edwards and Hulme (1996), accountability is an information generation process in which actors report to authorities and the actors are held responsible for their actions. More than an information generating process, Fox and Brown (1998) viewed it as a mechanism, which allows responsibility managers to be held accountable for their actions. From a legal perspective accountability connotes an obligation to either meet prescribed standards of behaviour or an obligation to disclose information about one's actions even in the absence of a prescribed standard (Chisolm, 1995). Lyon (2013) expresses that accountability is a prerogative of managers of social venture organisations to stakeholders, who are either internal or external to the organisation.

For organisations like social venture businesses, accountability can be observed from either an external perspective or internal perspective (Cutt & Murray, 2000; Ebrahim, 2003). In the opinion of Ebrahim (2003), when emphasis of control is placed on external accountability alone, there is a high possibility of missing the relevance of internal accountability. According to Volkmann, Okarski & Ernst (2012), internal accountability from a social perspective requires managers to ensure that resources are allocated in line with goals of the venture, while economic perspective of internal accountability focuses on creation of economic value and efficient allocation of resources. These depositions suggest that responsibility centre managers have an implied obligation to meet certain standards of behaviour which should be in agreement with the mission of the social venture.

Accountability by persons in authority to stakeholders is a fundamental requirement for good governance. Peculiar attributes of accountability includes ensuring heads of responsibility centres remain focused on the strategic vision of the entity where they function, by securing their commitment to immediate and future objectives. In addition, accountability promotes the commitment of members of staff because it fosters their understanding of how their efforts contribute to the successful accomplishment of departmental and program goals and objectives.

The adoption of decision making processes which have a strategic management and planning undertone will enable social venture organisations operate successfully (Paton, 2003). Planning has been identified as an important tool which allows organizations determine whether or not available resources have been utilized in achieving organisational mission (Bryson, 2004). From a Management Accounting perspective, effective utilization of available resources can only be achieved through budgeting (Dewith & Dijkman, 2008). This consequently allows for the achievement of organisational objectives. It has been deduced that an important tool for fostering accountability is budgeting (Bowsher, 1990). In the views of Hansen, Otley and Van der Stede (2003), budgeting is the cornerstone of management control process in many organizations. In this study, participatory budgeting is adopted as an important attribute of accountability.

Participatory budgeting

Budgeting as a part of management control system (Silva & Jayamaha, 2012) has been observed to influence organisational performance (Osundina & Osundina, 2012). Participation in the development of budgets has been observed to engender amazing benefits (Tănase, 2013). Participatory budgeting is described as the involvement of lower level managers in budget setting (Maiga & Jacobs, 2007; Hughes, 2008). According to Yuen (2006) participatory budgeting can only be of benefit when participants have an understanding of the task required of them. This suggests that participatory budgeting is more than providing financial figures. Rather it accentuates the extent to which lower level managers (responsibility centre managers) are able to understand their role in the mission vessel of organisations. Wampler (2007) is of the view that accountability is fostered through participative budgeting.

With regards to social venture organisations, particularly where there are several responsibility centres, participatory budgeting connotes the involvement of heads of responsibility centres in the budget process. Responsibility centre managers in this context are heads of departments and units in the social venture organisation. Studies in the field of Management Accounting has shown that extent of participatory budgeting has a far reaching effect on divers attributes of an organisation. Introducing this phenomenon into for-profit business venture organisations will provide more reasoning for observed practices with regards to utilization of resource and activity levels.

Goal Commitment

Mowday, Porter, and Steers (1982) describe commitment as the relative strength of an individual's identification with, and involvement in activities of an organization. Evidence from literature has shown that over the past few decades, an impressive amount of research efforts have been devoted to understanding the nature, antecedents, and consequences of organizational commitment (Chughtai & Zafar, 2006). According to Mowday et al. (1982) commitment can be observed in terms of a strong belief in, and acceptance of, the goals and values of an organization; willingness to exert a considerable effort on behalf of the organization, and a strong intent or desire to remain with the organization.

From a budgeting perspective, Wentzel (2002) is of the view that commitment to budget goals is particularly important since the productivity of subordinate managers determines, to a large extent, whether or not an organization is able to achieve its objectives. The implication of these descriptions of commitment suggests that the level of commitment of responsibility centre managers will have a significant effect on the extent to which organisations achieve their objectives. From a management accounting perspective organisational missions are usually broken down into workable action plans which exist in the form of budgets.

Budget is a quantified financial plan for a forthcoming accounting period (Arthur & Sheffrin, 2003). The use of budgets as workable mission statements expressed in financial terms, suggests that the mission of an organisation will be met when responsibility centre managers blend their personal objectives into the budget.

Budgets irrespective of their elaborateness are useful tools for communicating organisational objectives (Atkinson, Kaplan, & Young, 2004; Castro, 2010), however, the effective use and application of any budget is dependent on the extent to which employees are committed to the ideals of the budgetary process (Raghunandan, Ramgulam & Raghunandan-Mohammed, 2012) which translates into organisational commitment. Levels of commitment to organisational goals have been observed to be secured by the expectations of responsibility centre managers in the form of incentive (Giritli, Sertyesilisik & Horman, 2013).

With focus on social venture organisations, missions are often broken down into workable goals, in the form of budgets. The expectation therefore is that the mission of social venture organisations will be met when responsibility centre managers are committed to broken-down short period workable objectives. This interaction consequently fosters accountability.

Participatory budgeting and goal commitment

Empirical evidence abounds on the relationship between participatory budgeting and commitment with budget goals by responsibility centre managers. According to Hoque (2005), participation in a budgetary process increases commitment to goals of the budget. In a related study Noor and Othman (2012), conclude that participatory budgeting allows for feedback as well as more organizational commitment. In the view of Tănase (2013), increased level of participation in a budget process leads to more devotion which culminates into enhanced accountability.

THEORETICAL BACKGROUND

A principal agent relationship often arises when there is a decentralization of authority. Consequently, lower level managers can perform tasks on behalf of higher level managers. The existence and functioning of hybrid organizations poses interesting conceptual questions for Agency theory because, of the importance of actor and authority relationship. From an economic entity perspective this relationship suggests the existence of an agency relationship. This study extends the agency theory to appraise participatory budgeting and goal commitment as derivatives of accountability.

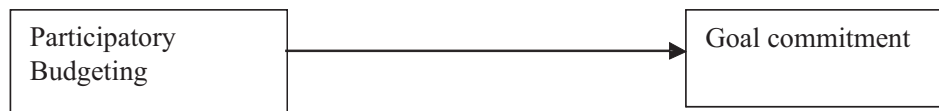
As a paradigm for explaining accountability, it implies that heads of responsibility centres have a duty to management. In this study, heads of responsibility centres are agents while the directors are the principal. According to Gailmard (2012), agency theory focuses on the responsiveness of the decision of agents to the goal of a principal, and how this responsiveness is influenced by actions available to each actor as well as institutional settings in which they interact. Agency theory from a budgeting perspective views budgeting as a negotiation mechanism between principal and agent in order to ensure efficient allocation of resources (Kilfoyle & Richardson, 2011).

RESEARCH MODEL AND HYPOTHESES

Based on proposition of agency theory and the objective of this study, it is proposed that participatory budgeting will influence goal commitment of responsibility centre managers. Consequently the interaction of the two concepts will determine the extent of accountability among responsibility centre managers such that the more the level of participatory budgeting; the higher the extent of goal commitment which implies a higher level of accountability. This eventually provides a model for evaluating level of accountability in a for-profit social venture organisation.

The conceptual model in Figure 1 suggests that high level of participatory budgeting will engender high level of goal commitment which invariably translates into high level of accountability.

Figure.1: Hypothesised relationship between participatory budgeting and goal commitment



Hypotheses

H₁: there is a significant variation in the level of participatory budgeting among responsibility centre managers.

H₂: there is a significant variation in the level of goal commitment among responsibility centre managers.

H₃: significant relationships exist between level of participatory budgeting and goal commitment.

3.0 METHODOLOGY

Research design

This study used a case study design. This design allows for an in-depth understanding of the peculiar nature of operation with regards to accountability from the dimensions of participatory budgeting and goal commitment. As noted by Yin (1989), it is a desirable research strategy which is well suited for providing contextual analysis for processes involved in a phenomenon under study.

Population and Sample

The population for this study comprised of programme coordinators of the Centre for Distance learning (CDL) University of Maiduguri. There were twenty two programme coordinators as at the time of the study. Information about the programme coordinators was obtained from a copy of most recent minutes of meeting. The coordinators were selected for this study because they represent responsibility centre managers who act as agents while the director of the centre is the principal.

All the respondents are in the employment of the University of Maiduguri, but also earn financial benefits for participating in the activities of the Centre for Distance Learning.

Simple random sampling was adopted in selecting the sample used for the study. Simple random sampling involved assigning random numbers to each coordinator. At 95% confidence level twenty one respondents were sampled. From the sample a response rate of 52.3% was achieved. This response rate was considered satisfactory since it was higher than the 24% recommended by Henry (2006) for studies in management sciences.

Data and data collection

This study relied extensively on primary data. The primary data was gathered by administering questionnaire. The questionnaire contained three parts. The first part captured demographic data of the respondents. The second part was used to gather data about level of participatory budgeting, while the third part was used to gather data about extent of goal commitment.

The second part was adapted from the work of Williams, Macintosh, and Moore (1990) for measures of participatory budgeting, and Maiga and Jacobs (2007) for goal commitment. The data gathering instrument required about eight minutes to be completed by the respondent. This was a necessary condition because of the busy nature of job description of the respondents.

Data gathering was done in two phases. The first phase involved having meetings with programme coordinators in order to understand the operations of the centre for distance learning in the University of Maiduguri. Outcome of the interview informed adjustments made to data gathering instrument. This was to ensure that appropriate and adequate data were gathered for the study.

The second phase focused on collection of the data. This phase was performed with three visits made to programme coordinators. The first visit was to deposit the data gathering instrument. The second visit was after three working days to serve as follow up. Where the respondents had completed the instrument, the third visit was not performed. However the third visit became necessary where at the second visit the instrument had not been completed.

Another period of two days was given after the second visit. In the course of collecting data, respondents were neither held against their will nor were any form of enticement given to solicit their cooperation.

Measurements

The concepts underpinning this study were measured by adapting instruments that have been validated in earlier studies. Measurements of variables are as follows:

Participatory budgeting

Participatory budgeting, which connotes the extent to which responsibility centre managers are involved in the budgeting process, was measured with items adapted from Williams et al. (1990). This concept was measured using three-items, on a seven-point likert-type scale as follows:

- 1.00 = "not at all aware of a budget process"
- 2.00 = "aware to an extent of the budget process"
- 3.00 = "aware to a very little extent"
- 4.00 = "aware to a little extent"
- 5.00 = "aware to an extent"
- 6.00 = "aware to a large extent"
- 7.00 = "aware to a very large extent"

The following questions were asked; to what extent do you

- i. work with superior in preparing the budget for your unit?
- ii. work with other unit heads in preparing the budget for your unit?
- iii. work with bursary department budget staff when preparing the budget for your unit?

In this study, item i, was observed as vertical participation, ii, horizontal participation and iii, institutional participation. Cronbach's alpha reliability value for this variable was observed at 0.91

Budget Goal Commitment

This variable was adapted from the work of Maiga and Jacobs (2007). Responsibility centre managers were asked to indicate on a seven-point Likert-scale the following: where commitment to a goal means acceptance of it as your own personal goal and your determination to attain it. The scale is presented as follows

- 1.00 = "absolutely not at all committed"
- 2.00 = "not committed"
- 3.00 = "a little bit committed"
- 4.00 = "fairly committed"
- 5.00 = "well committed"
- 6.00 = "very committed"
- 7.00 = "absolutely committed"

Respondents were asked the following questions

- i. How committed are you to attaining your responsibility area's budget?"
- ii. How important is it to you to at least attain your responsibility area's budget?"
and
- iii. To what extent are you striving to attain your responsibility area's budget?

The validity of this instrument was ascertained at a Cronbach Alpha value of 0.78.

Statistical tool of data analysis

A combination of descriptive and inferential tools of data analysis was used in this study. Descriptive statistics such as values of mean and standard deviations were used to observe distribution of responses among the respondents. Inferential statistical tool used include Pearson Moment Correlation test and one-sample student's t-test.

The Student's t-test was considered well suited for this study because of the small sample size (DeWinter, 2013).

The Pearson correlation was done to measure the level of association between measures of participatory budgeting and goal commitment. While, student t-test was used to ascertain if there is a significant difference in the mean response of the respondents with regards to extent of participatory budgeting. Statistical Package for Social Sciences (SPSS) version 18.0 was used in performing the analysis.

4.0 DATA PRESENTATION AND ANALYSIS

For the purpose of interpretation of values of mean, the following indices are applied:

Mean	Interpretation of value of mean
1 - 3.99	low
4 - 6.99	moderate
7	high

Descriptive analysis

Table 1: Descriptive statistics based on responses from sampled respondents

Focus of Questionnaire item	Description	Mean	SD
committed to attaining responsibility area's budget	Identification	6.8	.405
important to attain responsibility area's budget	Importance	6.6	.674
striving to attain responsibility area's budget	Effort	6.9	.302
work with superior in preparing the budget	Vertical participation	3.0	2.490
work with other unit heads in preparing the budget	Horizontal participation	2.0	1.414
work with bursary department budget staff	Institutional participation	1.9	1.044

From the Table 1 above, it can be observed that all the responsibility centre managers have a moderate level of commitment toward the budget goal, but low level of budget participation. Values of standard deviation indicate a wide variation in opinion of responsibility centre managers with regards to their extent of participation in the budget process. However values of standard deviation for goal commitment suggest otherwise.

Test of hypothesis 1

Hypothesis 1 was tested using one-sample t-test to ascertain whether observed difference in level of participatory budgeting was significant among Centre for Distant Learning (CDL) programme coordinators. Result of analysis is presented Table 2:

Table 2: One-Sample student t-test for difference in extent of participatory budgeting

EXTENT OF PARTICIPATORY BUDGETING	Test Value= 0				95% Confidence Interval of the Difference	
	t	Df	Sig. (2-tailed)	Mean Difference	Lower	Upper
Extent of vertical participation	3.996	10	.003	3.00000	1.3272	4.6728
Extent of horizontal participation	4.690	10	.001	2.00000	1.0499	2.9501
Extent of institutional participation	6.062	10	.000	1.90909	1.2074	2.6108

From Table 2 above it can be observed that vertical participation score was statistically significantly low with a mean of 3.0 (95% CI, 1.32 to 4.67) at, $t(10) = 3.996$, $p = .003$. The same was observed for horizontal participation at $t(10) = 4.690$, $p = 0.001$, and for institutional participation $t(10) = 6.062$, $p = 0.000$. Consequently the purported hypothesis that there is a significant variation in the level of participatory budgeting among responsibility centre managers was accepted. Since the mean value of elements of participation is observed to be low, it is inferred that there is a low level of accountability with regards to participatory budgeting.

Test of hypothesis 2

Hypothesis 2 was tested using one-sample t-test to ascertain whether observed difference in level of goal commitment was significant among CDL programme coordinators. Result of analysis is presented below;

Table 3: One-Sample student t-test for difference in level of commitment to goal

LEVEL OF GOAL COMMITMENT IN TERMS OF:	Test Value= 0				95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
Dedication to unit goal	55.902	10	.000	6.81818	6.5464	7.0899
Importance	32.647	10	.001	6.63636	6.1834	7.0893
Effort	76.000	10	.000	6.90909	6.7065	7.1116

From Table 3 above it can be observed that score for measures of level of commitment were statistically significantly moderate for dedication to unit goal of 6.81 (95% CI, 6.55 to 7.09) at, $t(10) = 55.902$, $p = .000$. Results for importance placed on goal of the budget at $t(10) = 32.647$, was observed to be significant at $p = 0.001$; and efforts put into achieving preset goals, $t(10) = 76.000$, $p = 0.000$. Thus, the hypothesis that there is a significant variation in the level of commitment to budget goal among responsibility centre managers was accepted. Based on the moderate value of mean it can be inferred that level of commitment is moderate, and consequently accountability in this regard is moderate.

Test of hypothesis 3

The aim of this hypothesis is to ascertain the level of relationship that exists between the components of participatory budgeting and goal commitment. This hypothesis was tested using Pearson Moment Correlation test. The closer correlation values are to 1, the stronger the association. A result of test is presented in the Table below:

Table 4: Summary of Correlation values between measures of participatory budgeting and goal commitment

ELEMENTS OF PARTICIPATORY BUDGETING		ELEMENTS OF COMMITMENT		
		DEDICATION TO UNIT GOAL	IMPORTANCE OF UNIT GOAL	EFFORT TO ATTAIN GOAL
EXTENT OF VERTICAL PARTICIPATION	Pearson Correlation	.199	.357	.261
	Sig. (2-tailed)	.558	.281	.439
EXTENT OF HORIZONTAL PARTICIPATION	Pearson Correlation	-.175	.105	.076
	Sig. (2-tailed)	.607	.759	.823
EXTENT OF INSTITUTIONAL PARTICIPATION	Pearson Correlation	-.043	.090	.169
	Sig. (2-tailed)	.900	.792	.618

** . Correlation is significant at the 0.01 level (2-tailed). N= 11

From Table 4 above, a positive but not significant relationship exists between measures of participatory budgeting and goal commitment, except for the relationships between commitment and horizontal and institutional elements of budgetary participation which are negative. Thus the hypothesis that a significant relationship exists between budgetary participation and goal commitment is rejected. Though this is not a test of causation, correlation result negates the position of Noor and Othman (2012), that participation enhances goal commitment. In this study participatory budgeting was observed to be low though level of goal commitment was moderate. As determinants of level of accountability it implies that accountability in this social venture under study is uncertain.

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

This study aimed to examine the relationship between participatory budgeting and budget goal commitment among responsibility centre managers of a for-profit social venture. The concepts of participatory budgeting and goal commitment were used as determinants of accountability. Based on the propositions of agency theory, this study proposed that responsibility centre managers are agents while the director of the centre for distance learning is the principal.

Results obtained from analysis of data suggest that the relationship between participatory budgeting and goal commitment in profit oriented and public sector organisations is different from what is observed in a typical for-profit social venture. The low level of participation has resulted in a moderate level of commitment.

This study advocates for an improvement in level of participatory budgeting in order to yield a more impressive level of commitment and consequently enhance level of accountability.

This study recommends that future research may adopt a longitudinal study, as well as include analysis of possible endogenous variables that may affect participatory budget and goal commitment as measures of internal accountability. Furthermore a related study should consider other such organisations in the country as a whole. This will allow for greater generalization of results and a broader contribution to the theoretical construct under study.

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APPENDIX : SAMPLE OF QUESTIONNAIRE

Based on the notion that commitment to a goal means acceptance of it as your own personal goal and you are determined to attain it, kindly score the questions in the Table. Assign one (1) to infer = not at all committed and seven (7) to infer very committed

Please indicate the extent to which you perceive the following being achieved.	1. not at all committed/ not important/ no extent	2.	3.	4.	5.	6.	7. very committed/ very important/ the highest extent
How committed are you to attaining your responsibility area's budget?							
How important is it to you to at least attain your responsibility area's budget?							
To what extent are you striving to attain your responsibility area's budget?							

Budgetary participation is the extent to which you participate in the budget process of the centre for distance learning. kindly score the questions in

Please indicate the extent to which you perceive the following being achieved.	1.	2.	3.	4.	5.	6.	7.
I collaborate with my superior in preparing the budget for my unit							
I collaborate with other programme coordinators in preparing the budget for my unit							
I collaborate with bursary department budget staff when preparing the budget for my unit							

the Table. Assign one (1) to infer = to no extent and seven (7) to infer= very large extent

1= I am not aware of a budget process, 2= to no extent, 3= to a very little extent, 4= to a little extent, 5= to an extent, 6= to a large extent, 7= to a very large extent

ENTREPRENEURSHIP AND INFRASTRUCTURAL DEVELOPMENT IN NIGERIA: (The case of the Power Sector in Delta state).

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ABSTRACT

This paper examines the effect of epileptic electricity supply on the Entrepreneurial development in Delta State. The study uses a simple random sampling technique to select respondents for the sample. Questionnaires were designed in line with Ahmed and Mallo(2015) format and distributed to the entrepreneurs in selected senatorial district in Delta State. The responses from the respondents were collated and analyzed. It was found that goods and services produced using electricity generated by government and its agencies were about 50 percent cheaper than those produced by entrepreneurs owned power-generators. The study also found that there is a significant relationship between entrepreneurial development (in terms of profit realized) and constant power supply. It is recommended that government especially, state and local government should make the power sector a priority sector to provide a stable and reliable power supply.

Key Words: Power supply, Entrepreneurs, Economies of scales, Generating Plant and Industry

1.0 INTRODUCTION

Infrastructure is a capital intensive project and its provision in most countries and states is the responsibility of government. Investment into infrastructural development like power (electricity) is a long- term investment whose payback period may span above twenty years. In line with finance principles, investors are advised to use short-term loan to finance short-term investment and vice versa. Based on the above, it is difficult for the private sectors to raise such a long term loan hence they face higher risk of implementing or executing such a project. This is because most commercial banks are not willing to lend long- term loans to private sectors. In this regard, government in most developing countries provides infrastructure and this accounts for failure in supply of these services because of the bottleneck faced by the public sector especially where there is high level of corruption. Also, the citizenry see provision of infrastructure as a social service that ought to be provided by government since they pay their taxes.

These arguments had made most governments to subsidize for the amount of money paid by the users of power services in Nigeria. The effect of this is poor services (quality and reliability). For instance, entrepreneurs in Nigeria, experience power failure or voltage fluctuations seven times a week, each lasting for about two hours. The irregular power supply had given rise to idle staff, spoiled materials, loss of output, damaged equipment and restrain cost (Adenikinju; 2005).

Adenikinju (2005) had demonstrated that the National Electric Power Authority (NEPA) is still in existence because of the cost of generating power. He emphasized that NEPA takes advantages of huge existing economies of scales in the industry and supply electricity at much lower cost than privately owned. And the cost differential runs to over four times. Also, the UNDP/World Bank carried out a study in 1983 to estimate the cost differential between the cost spent on using power generated by NEPA and private power supply. Their study found out that the cost differential was about 16-30% for large industrial establishments in the country with auto-generation. Also, Ajayi (1995) asserted that banks consider provision for investments in captive generating equipment as a major consideration in accepting a feasibility studies provided by firm seeking project loans. This study observes that the Government power generating offices (NEPA/PHCN/BEDC) still uses alternative source of electricity in their office. Despite the high cost of generating power individually, over 95% of Nigerians (including entrepreneurs), make alternative provision to provide a standby generating plant. Although few studies have tried to measure the cost of electric power shortage in Nigeria (Ukpong; 1973, Iyanda; 1982, Lee and Anas 1991, 1992, Uchendu; 1993, Ajayi, 1995 and Adenikinju; 2003). This study is different from others because it intends to examine the cost implication of entrepreneurs using self-generating power despite the large differential cost.

2.0 LITERATURE REVIEW

THEORETICAL METHODS OF ESTIMATING ELECTRICITY OUTAGE.

Electric power failure causes welfare loss which is the theoretical basis of estimating electricity outage cost. From available literature there are three major methods which have been formulated and applied to establish welfare losses from power outages.- Production factor analysis; economic welfare analysis and empirical analysis or consumer survey (Sanghvi, 1982). In addition, Adenikinju (2005) noted that the empirical analysis or consumer survey can further be decomposed into Self-assessment analysis, Contingent valuation and Revealed Preferences approach. Hence, in his study, he clearly stated that there are five approaches to establishing welfare loss which are: Production factor analysis, Economic welfare analysis, Self-assessment analysis, Contingent valuation and Revealed Preferences approach. The three major approaches are briefly explained as follows:

Production Factor Analysis.

This approach works on two major assumptions- homogeneous output for each industry and equating outage cost to economic index and input. The second assumption shows that outage cost is equal to the ratio of an economic index (output- value added by manufacturing gross domestic product (GDP) or factor production-wages) to input such as electrical energy consumed (kwh) over the same period as the economic index. The use of the assumption proportionality between output and electricity consumption may give a misleading results or finding and therefore cannot be justified (Munasinghe, 1990).

Economic Welfare Analysis.

This approach assumed that there would be consumers' surplus, if consumers long-term demand curve for electricity is used. This is because; there is a lot of unconsumed electricity due to electricity outage or disruption which ought to have been consumed if there is stable electricity supply. Therefore, any electricity outages estimate computed may give a misleading cost of electricity outage since long-term demand is used to estimate short-term impact of electricity outage.

Empirical Analysis Or Consumers Survey

In this approach when specific questions are posed by the researchers to the users of electricity, their responses will help to establish the actual outage cost. Sanghvi (1982,1983), Anderson and Taylor (1960), Woo and Train (1988) and Kenne, McDonald and Woo (1988) established that customers with actual and recent outage experience valued electricity higher than hypothetical customers without electricity outage experience.

This study will adopt the empirical analysis or consumers' survey because survey methods are more effective to ascertain actual electricity outages. This is in line with Munasinghe (1990) who argued that in Nigeria context, survey methods are more appropriate because actual electricity outages have been experienced and still in continuous process.

EMPIRICAL REVIEW

Iwayemi (1983) used the Self-assessment analysis to analyze the structure of electricity demand between 1964 to 1978 in Nigeria and found that in 1975 the industrial consumers constituted 40.4% compared to 37.4% for the residential class. In 1978 residential consumers constituted 50 percent compared to 33 percent for industrial consumers. He concluded that the decline in the relative position of the industrial class was because of their reduced dependence on public electric power supply as they acquired standby generating sets to minimize production losses that would result from power outages. The captive power plant is currently a regular part of new capital investment by business enterprises in Nigeria. A situation where firms spend as much as 20% to 30% of initial investment on the acquisition of facilities to enhance electricity supply reliability has a significant negative impact on the cost competitiveness of the manufacturing sector.

This assertion was supported by the findings of Ogisi, Oghotomo, Tarurhor and Inoni (2007) “that due to irregular power supply in most parts of Nigeria, most business owners had frantically generates their own power so that their operations will not be disrupted.

In their study, about 47.06 percent of the entrepreneurs use loans to buy power generators. This had led to increase in cost of production because such entrepreneurs would spend money on fuelling and maintaining the power generators used in running their plants and equipments.

It was also observed by Iwayemi (2008) that the irregular electric power supply in Nigeria (since the early 1970's) has some socio-economic cost which was categorized as macro and micro-economic levels. At the macroeconomic level, he emphasized that irregular electric power supply can disrupt production and will directly affect the pace of economic growth while at the microeconomic level; the effect is on both the consumer and producer. He argued that the consumers incurred “welfare loss due to deprivation of using it for leisure activities. The value of leisure forgone in addition to the cost of repairing or buying new equipment to replace those damaged constitutes the costs of unreliable electricity supply to residential consumers. Also, producer losses can be approximated by the downward shift in producer's profit function due to irregular production, low capacity utilization and need for running and maintaining very expensive generators. Producers consequently try to offsets these cost by shifting it to the consumers through high product prices, in order to minimize losses.

Cares, Herriges and Windle (1992) found out that the existing measure of outage costs vary between \$1.27 to \$22.46/kwh and \$0.02 to \$14.61/kwh unserved electricity for industrial sector and residential sector respectively. Ukpong (1973) uses the production function approach in his study on the costs of power outages to the industrial and commercial sector in Lagos Area of Nigeria. The time frame of the study was two years period 1965-1966, using aggregated data and the sample size of 38 firms. He found out that in 1965 the unsupplied electrical energy was 130kwh and 172kwh for 1966. The study concluded that the industrial sectors spent 1.68 million Naira and 2.75 million Naira for 1965 and 1966 respectively for cost of power outage.

Uchedu (1993), and Lee and Anas (1991) used the self-assessment survey in their studies. For instance, Uchedu (1993) found out that the value of unproduced output due to power outage was estimated at 1.3 million Naira, 2.0 million Naira and 1.32 million Naira in 1991, 1992 and 1993 respectively. Elhance and Lakshamanan (1988) using a formal sector, established that changes in the stock of economic infrastructure have a direct impact on the cost structure of manufacturing firms in India.

From the available literatures, it is clear that entrepreneurs' cost of production increases due to the amount of money invested on independent generating plants. This will definitely affect the profit because profit is determined as the excess of total revenue over total cost ($\text{Profit} = \text{Total revenue} - \text{Total cost}$).

Overview of Electricity Sector in Nigeria

Electricity sector was transferred by the ordinance No.15 of 1950 from electricity development which was operated by the public works departments in the country to Electricity Corporation of Nigeria (ECN). ECN was charged with the responsibilities of electric power generation, transmission, distribution and sales throughout the country. The corporation was empowered to suspend electric power supply to consumers during periods of carrying out inspections, tests or repairs and also make new connections.

During such periods of power interruptions, electricity consumers have no legal recourse of damages suffered. This immunity clause may be the reason why power generating companies do not attend to complains from users urgently.

In 1962, the Niger Dam Authority came into existence as another powerful electricity operating parallel with the ECN. Despite the parallel operation of the Niger Dam Authority (NDA) and ECN, there were still outages in power supply. In 1972, the prevalent incidence in electric power outages led to a major overhauling of the sector. As part of the restructuring, in April 1972, Decree No 24 enacted National Electric Power Authority (NEPA) and grants NEPA the power to acquire the functions, powers, assets required to conduct its business (generating, transmission and distribution) of electricity in such a way as to recover all its costs. The inefficiency of NEPA to perform her duty made consumers coined NEPA as “*NEVER EXPECT POWER ALWAYS*”. NEPA as a state owned establishment remained inefficient in service delivery, innovation and management. In 1986, the Federal Government introduces Structural Adjustment Programme (SAP) with a measure to revamp the sub-sector. This led to commercialization of NEPA in 1988 which enabled the organisation to review its tariff from N6.00 per kilowatt to its generating cost officially put at N11.00 per kilowatt (Gani, 2001).

As part of restructuring effort late President Yar'dua signed into law the Electric Power Reform Bill in 2005 that broke the monopoly of NEPA with the following objectives.

- To ensure a system of generation, transmission, distribution and marketing that is efficient, safe, affordable and cost effective throughout the industry. In the long run, to provide access to electricity, although not necessarily through grid.
- To ensure that the electricity supply is made more reliable so as to effectively support the socio-economic development of the country.
- To ensure that the power sector attract private investors from both within and outside the country.
- To ensure minimum adverse environmental impact; and
- To ensure a leadership role of Nigeria in the development of the proposed West African Power Pool.

In July 1st 2006, the name National Electric Power Authority (NEPA) was changed to Power Holding Company of Nigeria (PHCN).

The change of the name did not improve power supply; in fact epileptic power supply grew from bad to worst. This had made the users to refer to PHCN with this nomenclature “*Please hold your Candle now*” because you will soon experience darkness. PHCN ceased to exist from 30th September, 2013 following a privatization process by Goodluck Jonathan government and to actualize power reform bill enacted in 2005. Before this time, electricity industry has been operated as state-own monopoly with the attendant inefficiency in service delivery, innovation and management particularly in the developing countries.

Competition is the most powerful force pushing the economy to higher levels of achievement, increasing efficiency in the use of resources, protecting consumers against exploitation and ensuring reasonable opportunities for men to make the most of their abilities and assets. For instance, in Nigeria, the coming in of private owned network provider like MTN, GLO etc had salvaged the initial problems the telecommunication sector encountered many years ago.

Electricity consumption and Economic Growth in Nigeria.

The greatest challenge faced by entrepreneurs in Nigeria is lack of reliable power supply. No country can develop when there is epileptic power supply to all sectors of the economy, which relies on electricity to run machines or when such sector have to invest heavily on alternative sources to sustain productivity of running their equipment.

Aminu (2008) found that electricity consumption have a positive effect on all sectors of the economy. He adopted the Computable General Equilibrium (CGE) model to establish the impact of a substantial and sustained investment in electricity in Nigeria. This study suggested that the electricity sector need to be properly funded, to enable her generate power to full capacity. He therefore, proposes that if the government can inject 200 billion dollar on yearly basis from 2008-2013 into the electricity sector, it will lead to an economic growth of 10.58 per cent and 6.69 per cent for the electricity sectors and other sectors in Nigeria respectively.

Aqueel and Butt (2001) carry out a study to establish the relationship between electricity consumption and economic growth in Pakistan. They found out that economic growth lead to total energy consumption and not to electricity consumption. Total energy consumption is influenced by the level of income, tastes, expectations concerning other goods and services whose production in turns depends on energy and substitution between different types of energies. Co-integration and Granger causality test were used in this study, and the results obtained show that electricity consumption leads to economic growth without feedback effect. Also Ndulu (2007) carried out a similar study and his findings are at variance with the result of Aqueel and Butt (2001). He found that electricity consumption will lead to economic growth. In the study, he established that an increase in the per-capital growth of electricity consumption from 2 per cent (observed in Africa) to 6 per cent (observed in East Africa) would lead to 0.5 per cent increase in economic growth.

Ubi and Effiom (2013) found out that Nigerians have adapted to epileptic power supply and these has led to high cost of generating plant. They emphasized that despite the exorbitant cost of these generating plants, hazard of diesel fumes to the environment, it has also contributed significantly to increase in production costs in a highly depressed economy. The worst aspect of it, Nigeria being the sixth oil producing country in the world cannot refine her products but end up importing refined products like fuel, diesel to run their own generating plants at a high cost. There are situations where production of goods will even be distorted due to scarcity of these petroleum products.

And the resultant effects of scarcity lead to increase in petroleum products above the official pump price. This burden will automatically be transferred to the consumers. Adenikinju (2005) analyses the cost of infrastructure failures in the Nigeria electricity sector due to power outages to the business sector using the revealed preference approach. The paper reported that the poor state of electricity supply in Nigeria has imposed significant costs on the business sector. This finding is supported by the fact that Power Holding Company of Nigeria (PHCN) has not been able to meet the electricity supply requirements for domestic commercial and industrial purposes and thus has adversely affected the country's socio-economic development.

Ekpo (2008) as cited by Atser (2008) observed that the most critical aspect of infrastructures to investment is power (electricity) supply which unfortunately had been a problem in Nigeria. He established that the statistics from state owned electricity supply is about 3400 megawatts in a country of 140 million people.

3.0 Materials and Methods

The methodology adopted in this study is the narrative – textual case study (NTCS) method because of lack of adequate or sequential data relating to Electricity supply and the Entrepreneurial development in Nigeria. NTCS is a research instrument that is used for an in-depth study of various social and clinical problems, to understand stages or phases in processes and to investigate a phenomenon within its environmental context (Gilgun, 1994). This method is adequate because NTCS combines the use of quantitative and qualitative observation, text content analysis and available official statistics in solving problems. The choice of this technique was informed by the nature of the study which sought to explore the usefulness of electricity sector to the entrepreneur residing in the oil producing area of Delta State.

From the population, a sample was drawn using the simple random sampling technique from the population of the entrepreneur in the oil producing areas of Delta state. The research generates primary data through the use of interview and structured questionnaires personally distributed to the respondents by the researcher and research assistance employed for this purpose. Five hundred and forty (540) entrepreneurs participated in the survey. In order to avoid influences from the survey mode two sub-samples were formed. 340 entrepreneurs were interviewed directly (i.e. face to face) and two hundred (200) responded online.

The questionnaire was designed in line with Ahmed and Mallo (2015). It comprises general information of the company, respondents experience with power interruptions, respondents satisfaction with the status power supply as adopted by Bliem (2009). And the estimate cost of power deficiency on the respondents operations as used by Lee and Anas (1998), Rennika and Svenson (2002), Adenikinju (2005), etc. Data collected were analyzed using the descriptive statistical techniques (such as percentages) and non-parametric statistical test model (the chi-square test for independence).

This test instrument is very appropriate for correlational studies of this nature since it deals with trial permitting more than two possible outcomes, Freund, Williams and Partes; 1988. The entrepreneurs used were in the area of Mechanical Trades (Welding), wood works (carpentry) polythene bags manufacturers, tailors and barbers.

Area of Study

Delta State which is one of the nine states in the Niger Delta region of Nigeria is the location of the study. The state is made up of 25 local government areas with Asaba as its capital. It is one of the largest producers of crude oil in Nigeria; which ought to draw the attention of the Federal Government to provide infrastructural development in this region of the country.

4.0 Results and Discussion

The information obtained from the field survey through the questionnaires and personal interview are presented, analysed and their implications discussed. Simple percentages were used in presenting the data in tabular form for easy understanding. The table below shows the availability of electricity supply among sampled senatorial districts in five major towns in Delta state of which two of the towns are from Delta Central (Abraka and Sapele) and Delta South (Warri and Oleh); and one from Delta North as shown in table 1 below.

Table 1: Availability of Electricity in the Sampled Senatorial Districts.

Communities/ Towns	Availability	Developed by	Frequency of light	Hours per day
Abraka	YES	Govt.	1 day light, 2 days off	12 hours
Asaba	YES	Govt.	1 day off, 1 day light	24 hours
Warri	YES	Govt.	2 days light, 1 day off	18 hours
Oleh	YES	Govt.	1 day light, 2 days off	12 hours
Sapele	YES	Govt.	1 day light, 1 day off	24 hours

Sources: NEPA offices in various towns

The results show that there is electricity supply in the 5 towns used for this study and the light is provided by the government. The striking feature of the study was that no town enjoys stable power supply of electricity. The irony of it is that Sapele Power Station generates electricity supply to Niger Republic that had celebrated one year of non- power failure, while Sapele suffer epileptic power supply. This contradicts the African adage that says “a person that leaves close to the ocean never suffer for water”.

The study found from oral interview and observation that the above table is only obtainable when there is breakdown of equipment's and scarcity of diesel. Evidence from interview exercise conducted shows that about 10% of those interviewed agreed that the light is shared and also there are situations when there will be total blackout for weeks especially when there are major technical faults. The former Vice Chancellor of the only State university (Delta state university, Abraka) Prof Eric Arubayi complained of epileptic electricity supply from government and or Multi-national companies to the university communities. He told members of the university congregation on the 19th March, 2014 that the university spends an average of 20 million Naira monthly in buying diesel to run the plants in three campuses of the university (Abraka, Oleh and Asaba) due to irregular power supply. This huge sum of money would have been spent on capital project if there is stable power supply. From the responses, it is a clear indication that there is epileptic power supply in Delta State. These findings support the findings of Ejedegba and Obagbinoko (2012) that there is no electricity in most communities (government provision) in Delta State, except which is provided by Shell Petroleum Development Company (SPDC) in their study around communities in the Forcados Terminal in Delta state. These communities had about 70% of the oil wells in the state, which ought to have attracted infrastructural development to these areas. Efforts were made in this study to take a comparative analysis of prices of some selected commodities and services. This is to ascertain whether there is huge difference between the cost paid by consumers on goods & services rendered when the source of power is generated by government or self-provision as shown in table 2.

Table 2: Comparative Prices of Commodities and Services using different Power sources

	Electricity (Government)	Personal owned Generators	Percentage Increase
Widow Protector	3,800	4,600	21.05%
Iron Door	18,000	21,000	16.67%
Wooden Door	12,000	14,000	16.67%
Barbing of Hair.	200	300	50%
Polythene Bag	150	200	33.33%
Sewing a Suite (Tailor charges)	5,000	7,000	40%

Computed by the researcher.

From table 2 above, there are evidences that the costs of commodities are higher if provided with own power supply (Generators). For instance, the cost of hair cut is 200 Naira with electricity and 300 Naira with generator, which is 50% increase.

Therefore, for the entrepreneurs to sustain the costs of fueling the plants used for production, such expenses had to be shifted to the final consumers, by increasing the prices of the commodities or services. This is the major reason, why some imported goods are cheaper than locally produced ones in Nigeria.

In addition, the study was able to establish a relationship between entrepreneurial development and constant power supply. From analysis and interpretation of the responses received from questionnaires distributed to the respondents as tabulated in table 3 below.

Table 3: Power Supply

Entrepreneurial Development	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
High	36 (52.80)	27 (42.67)	54 (30.13)	27 (18.40)	144
Middle	72 (66)	63 (53.33)	27 (37.67)	18 (27.60)	180
Low	90 (79.2)	70 (64)	32 (45.20)	24 (27.60)	216
Total	198	160	113	69	540

Source: Extracted and computed by the researcher from responses from questionnaires.

Note: Each column and row comprises of observed and expected frequencies, which are the variables required for calculating chi- square. The expected frequencies are in brackets as shown in table 3. The chi-square test is very adequate in testing for the independence of two variables (Nworgu, 2006). The two variables from the above contingency table are Entrepreneur development and Power supply. From the contingency table above the calculated chi-square value is greater than the table value. That is $X^2_{Cal} = 46.79$, $X^2_{table} = 12.59$ at the degree of freedom at 5% level of significance. Therefore since the calculated chi-square value is higher than the table value ($X^2_c = 46.79 > X^2_t = 12.59$), it implies that there is a significance relationship between entrepreneurial development (in terms of profit realized) and constant power supply.

Finally, the study established the impact of power supply on the manufacturing industries in Nigeria, using the manufacturing capacity utilization ratio. It was found out that between years 2000 to 2003 the manufacturing capacity utilization increased by 18%, 29% and 2% respectively and fluctuates from 2003 to 2007 as shown in table 4. According to BEEP (2007) they asserted that this fluctuation is majorly caused by frequent power outage, multiple taxes and other challenges to entrepreneurship development.

Table 4: Performance of the Nigerian Economy 2000-2010

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Manufacturing capacity utilization	36.1	42.7	54.9	56.05	55.7	55.88	53.3	54.6	NA	NA	NA
% Percentage /Economy	-	18	29	2	-0.01	0.003	-0.05	0.02	-	-	-

Source: Computed by the Author using CBN Annual Report (for various years)

5.0 Conclusion and Recommendations

From the results and discussions in the study, it is a clear fact that power outages in Delta State, has imposed additional cost to the entrepreneurs and other users. Entrepreneurs are forced to invest part of the funds sourced for the business to acquire a power-generating plant since the government owned power source is unreliable or of low quality. Acquisition of such power-generating plants has become one of the conditions to be satisfied by firms seeking project loans from some banks or other finance houses in Nigeria.

The study reveals that electricity supply has a significant impact on the growth of the entrepreneur business. Entrepreneurs would minimize the cost of production and maximize more revenue if the provision of electricity from government is reliable, consistent, affordable and available. For the entrepreneur to maximize profit, the burden (in terms of cost) of power generation, plant maintenance and fuelling of such self-generating plant would have been shifted to the final consumers indirectly by increasing the cost of goods and services. As shown in table 2, the prices of commodities and services produced using government owned electricity is far cheaper than self-generating plant.

It is therefore, recommended that developing countries like Nigeria, should take the power sector as a major priority by providing stable electricity that is free from undue fluctuations, interruption and low voltage. This will encourage rapid economic development of the Nigerian economy since other sectors will save a lot of funds and reduce wastage for perishable goods.

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OVERVIEW OF INTERNAL REVENUE GENERATION OF SELECTED LOCAL GOVERNMENTS IN BAUCHI STATE, NIGERIA

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Abstract

Local Governments in Nigeria are recognized as a tier of government by the 1999 constitution, that serves as the most responsive to the needs of the people in terms of political participation and development. Funds are allocated to them from the federation account and subventions from state governments together with its internally generated revenue. Yet the internally generated revenue is not adequate enough to supplement the other sources of revenue for developmental purpose. The study then examines the assessment, collection and remittance of internal revenue generation in selected four Local Government Areas of Bauchi State. The study anchored on the Public Expenditure Theory of Public Finance, used a survey questionnaire and focus group discussion to collect data on the machinery for internal revenue generation at the selected Local Governments. The data collected are analyzed using chi - square. The findings reveal that the internal revenue generation mechanism is ineffective due to corruption and lack of legal instruments of tax administration at the local government level. The study, therefore, recommends that internal revenue generation should be handled by the Federal, state government, local government and the private sector; so that adequate fund would be available for developmental purposes at the grass root level.

Key Words: Local Government, Revenue, Development, Public Finance, Public Expenditure and Service Delivery.

1.0 Introduction

Local Governments in Nigeria are recognized as a tier of government after the State and the Federal Government by the 1999 Constitution. They are meant to serve as the most responsive to the needs of the people at the grass root through redistribution of wealth and income, promote the welfare of the citizens and the regulation of the economy within their jurisdiction.

To achieve the above depends on the availability of funds together with the ability to raise revenue by the local Governments to finance their expenditure, especially such public expenditure that has the potential of contributing to the performance of the economy. The expenditure that will lead to the promotion of Small-Scale industries; generate employment, stabilization of the general prices of the economy, reduction in poverty level and the general increase of the people's standard of living. But the above is far from been attained due partly to lack of revenue for developmental purpose.

This study therefore, seeks to examine the various issues of assessment, collection and remittance of internally revenue generation in four local government areas of Bauchi State.

Statement of the Problem

Fiscal federalism based on the literature of Public Finance is known as the layer-cake model, it is a normative model of the public household in which the Federal (or central) Government would assume responsibility for stabilizing the economy, redistributing income according to social consensus, and providing public services that are nationwide in scope or of strategic importance. The state and local government on the other hand would primarily benefit from taxes and designated grant from the Centre.

Section 162 of the 1999 Constitution provides that the amount standing to the Federation Account shall be distributed among the various governments in Nigeria. State governments are empowered to open a Joint Account for the purpose of distributing any amount that stands to the credit of local governments. The amount that stands to the credit of local governments is subjected to multiple deductions by State Governments. After deductions are made, local governments have very little from their largest source of revenue (the Federation Account). This has resulted in the inability of local governments to meet the expectations and genuine demands of the masses at grassroots level. At best, some local governments are only able to pay staff salaries and allowances. These give more impetus to the need for an internal revenue generation.

Based on the above, therefore, the major sources of internal revenue open to local governments are:

- (1) Tax Income.

- (2) Administrative Revenue such as fees, license, fines, tax on profits of certain activities of the private sector.
- (3) Public debts or loans
- (4) Commercial revenue (or income from investments in municipal bonds and receipts from government business enterprises.

The issue then is, do the Local Governments possess the capacity to even generate revenue internally? What the Local Governments are generating is it adequate enough to cater for their developmental activities? Are the costs of generating the revenue more or less than the revenue generated?

Are the selected Local governments having the capacity to generate revenue and are they generating enough revenue? These and many more questions shall form the research questions for this study.

Objectives of the Study

The main objective of the paper is to examine the nature of internal revenue generation of the selected local governments. The specific objectives include establishing whether or not there are flaws in the way and manner in which internal revenue are generated at the selected local governments in Bauchi state.

Significance of the Study

The clamour for more developmental role for local governments gives impetus to the need for more finance, thus the need to examine the methods of revenue generation. The findings and recommendations will be of empirical and theoretical importance to the government and policy makers in solving the teething issues of revenue generation. The study will also be useful and significant to the academia that may want to undertake further studies on the phenomenon of internal revenue generation at the local government level.

Scope of the Study

This paper examines the nature of internal revenue generation in four selected Local Government Areas of Bauchi State. The paper covers the period from 2007 to 2010, in which democratic elections in the Local Government Areas have taken place with the high expectations of development projects for the citizenry but the issue of lack of finance becoming a recurring decimal.

2.0 Literature Review

Conceptually, a tax can be defined as a non penal yet compulsory transfer of resources from the private to the public sector. As a matter of fact, the need to increase government level of spending, to a large extent, determines her tax level. Generally, monies through taxation and other sources are raised in the bid to finance local government projects as programs (i.e. Expenditure) and or influence developmental activities in the domestic economy.

Taxation at Local Government Level

Adewumi (1994) observed that one of the major problems of internal revenue generation in the Local Government centers on the inability of Local Governments to enforce bye-laws that will enhance revenue collection at the Local Government areas. These indicate that, the main issues surrounding the tax-raising power of local government center on the inadequacy, in terms of coverage, and the non-buoyancy/inelasticity of those tax or revenue heads that fall under the jurisdiction of local government, as we have mentioned above.

From Table 1.1, in the Appendix, only four tax head falls within their legal and administrative jurisdiction of Local Governments in Nigeria.

These are: licenses and fees on television and wireless radio; market and trading licenses and fees; car park duties; and advertising fees. In practice, only one tax head or source, (i.e. Market, etc.) is exploited by local government.

The State Joint Local Government Accounts

Section 162 (5) of the 1999 Constitution guaranteed the local government share in the Federation Account. Subsection (6) of section 162 requires each state to maintain a state-joint account into which shall be paid all allocations to the local councils from the Federation Account and by the Government of the State.

The above constitutional provisions provided the state governments in the country the opportunity to exact their statutory control over the affairs of Local Government Councils. There have been reports on a daily basis that most states of the Federation are short-changing the local governments.

While some local governments complained of inadequate finances due to non – release of statutory funds by the state governments, some are not even aware of what is due to them on a monthly basis. In most states and local governments, one hardly gets a record of what is allocated and what is disbursed to the local governments.

The 1999 constitution further directs the House of Assembly of each state under section 149 (7) to prescribe through legislation, the terms for which the funds in the Account will be distributed among the local government councils of the state.

This is a mild centralization of local government finance which enables many state governments to use the funds accruing from it to create state, local joint projects account without express permission of the local governments in most cases.

Extra-budgetary expenditure

Perhaps more damaging to the emergency of capacity building at local government level is the issue of extraneous monetary allocation, which local governments are forced to contribute to federal and state agencies located in their area of jurisdiction. For instance, local governments are funding National Youth Service Corps (NYSC), Nigeria Police Force (NPF), the Nigeria Immigration Service (NIS), National Population Commission (NPC), the Nigeria Custom Service (NCS), Nigeria Civil Defense Corps (NCDC) etc., In terms of impress and logistic support which require heavy capital outlay over time. The problem being expressed is that most of the aforementioned budgetary expenditures have little or no bearing on the locality in the ranking of their priority and in most cases are not reflected in the annual budget (Awotokun, 2006). Most state governments are known to have extracted obligatory contribution to the Office of the First Ladies (Governor's wives) to service the First Ladies' pet projects.

After deductions are made, local governments have very little left of their largest source of revenue (the Federation Account). This has resulted in their inability to meet the expectations and genuine demands of the masses at grassroots level. At best, some local governments are only able to pay staff salaries and allowances.

Theoretical Framework

The theory of public expenditure by Wagner & Buchanan (1978) maintains that there is a functional relationship between the growth of an economy and government activities. According to him, Government sector grows faster than the economy when there is an increase in public expenditure.

Though, Peacock and Wiseman (1979), reveal that public expenditure does not increase in a smooth and continuous manner, rather in step like fashion. As sometimes, some social or other disturbances created a need to increase public expenditure which the existing public revenue cannot meet. The theory of Public Goods also provides a rationale for the fiscal function of government, which included allocation, distribution and stabilization. These are also the pivot of internally generated revenue at any level of government.

3.0 Methodology

The study employed both primary and secondary data. The Primary data were obtained through questionnaires and focus group discussion with various stakeholders. Secondary data were generated through books, journals, periodicals, etc. The data generated were analyzed, using both descriptive and inferential statistics such as simple percentages and tables. Pearson Chi-square test was applied in testing the hypothesis.

4.0 Data Presentation and Analysis

The survey research of selected four Local Government Areas of Bauchi State involves both primary and secondary data. A total of eighty (80) questionnaires were distributed, twenty per local government to the revenue collectors, their supervisors and some taxpayers. A focus group discussion was held with the management committee of the local governments. The instruments of data collection were all tailored towards the assessment, collection and remittance of internal revenue generation.

Table 4.1 below shows the relationships between statutory allocation and IGR for 2007 & 2008 in percentage for the four local governments selected for this study. The table indicates a dismal performance of the Local Governments in terms of IGR compared to the statutory allocation. The Bauchi Local Government had 4.3% in 2007 as IGR which dropped to 1.4% in 2008. Das LG had 1.1% in 2007 which dropped to 0.4% in 2008. Kirfi LG had 2.1% in 2007 which increase slightly to 2.4% in 2008. Toro LG had 2.8%, which remained 2.8%.

Table 4.1 Relationships between Statutory Allocation and IGR for 2007 & 2008

Local Government	Statutory	IGR	Total revenue	% IGR
2007				
BAUCHI	1,323,777,430.65	59,962,800.00	1,383,740,230.65	4.3
DASS	670,076,974.24	7,749,797.00	677,826,771.24	1.1
KIRFI	843,823,455.92	18,083,465.00	18,083,465.00	2.1
TORO	1,431,214,291.51	40,868,157.00	1,472,082,448.51	2.8
2008				
BAUCHI	1,819,551,716.42	25,873,061.00	1,845,424,777.42	1.4
DASS	793,532,057.13	3,286,728.00	796,818,785.13	0.4
KIRFI	971,412,907.90	4,197,813.00	975,610,720.90	2.4
TORO	1,647,244,487.08	48,034,589.00	1,695,279,076.08	2.8

Sources: Compendium of Federal Statutory Allocations for 2007 – 2010 and Local Govt Audited Accounts for 2007 – 2009.

Table 4.2 below shows the relationships between statutory allocation and IGR for 2009 & 2010 in percentage of the four local governments of this study. The table indicates a dismal performance of the Local Governments in terms of IGR compared to the statutory allocation.

The Bauchi Local Government had 1.1% in 2009 as IGR but which increased greatly to 14.8% in 2010. Das LG had 2.0% in 2009 but increased to 2.0% in 2010. Kirfi LG had 0.4% in 2009 which increase slightly to 3.3% in 2010. Toro LG had 2.7% in 2009 which increase greatly to 7.9% in 2010.

Table 4.2 Relationships between Statutory Allocation and IGR for 2009 and 2010

Local Government	Statutory	IGR	Total revenue	% IGR
2009				
BAUCHI	1,738,033,444.60	18,584,611.00	1,756,618,055.60	1.1
DASS	742,342,539.56	15,458,055.00	757,800,594.56	2.0
KIRFI	928,138,072.21	3,262,948.00	931,401,020.21	0.4
TORO	1,561,004,038.89	43,495,706.00	1,604,499,744.89	2.7
2010				
BAUCHI	1,279,253,528.02	222,251,770.00	1,501,505,298.02	14.8
DASS	557,982,118.35	28,117,179.62	586,099,297.97	4.8
KIRFI	871,496,760.19	29,735,917.60	901,232,677.79	3.3
TORO	834,202,774.62	71,647,039.30	905,849,813.92	7.9

Sources: Compendium of Federal Statutory Allocations for 2007 – 2010 and Local Govt Audited Accounts for 2007 – 2009.

A total of fifty (50) questionnaires were returned and the respondents were required to provide their views based on the assessment, collection and remittance of Internal Revenue Generation in their local government areas. A total of 86% respondents believed that there are problems relating to the assessment, collection and remittance of internal revenue generation compared to 14% of respondents that state otherwise. The above is also corroborated by the focus group discussion which indicates that there are cases of poor assessment of revenue, leading in some cases to multiple taxation on the populace. The focus group discussion revealed the phenomenon of infrastructure deficiencies as more local government areas, apart from the Secretariat, don't have infrastructures that can be used by tax collectors such as offices for accommodation of tax materials and collections.

The study also tested this hypothesis:-

Ho. There is no significant relationship between IGR and the development of the Local Government areas.

Using the Chi square test, the following output was also generated:

Table 4.3 Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	45.417 (a)	9	.000
Likelihood Ratio	61.376	9	.000
Linear-by-Linear Association	27.241	1	.000
N of Valid Cases	50		

From Table 4.3 above, the calculated value is 45.42 while the critical value at 0.05% level of significance and 9 degrees of freedom from the chi square table is 16.91. This indicates that the calculated value is greater than the critical value. Thus we reject our null hypothesis and accept the alternative one. The decision is guided by the decision rule which states that if the calculated value is greater than the critical value we reject and if less than we accept.

Therefore, the conclusion is that there is a significant relationship between IGR and the development of the Local Government areas. The above is further corroborated by an increase of the IGR in relationship to the Statutory Allocations of the four local areas of this study as can be seen in Table 4.1 and Table 4.2 above.

Findings

A look at the individual Local Government's performance on the drive for the internally generated revenue in comparison with the statutory allocation showed a reasonable level of complacency and total dependence on federal allocations. Other findings include the following:-

1. There is insufficient manpower both skilled and unskilled in the area of Revenue Assessment and Collection.
2. Lack of adequately motivated revenue collectors.
3. Lack of proper sensitization and mobilization of the taxpayers on the relevance of tax payment.
4. Most of the tax laws at the Local Government are outdated.
5. Lack of comprehensive database of tax payers and poor revenue assessment & methods of collection.
6. Poor service delivery by the local governments in most of the revenue generation and collection points such as markets and motor parks.

5.0 Conclusion

The issue of revenue generation at the local government levels can be summarized to include poor revenue assessment and methods of collection, obsolete revenue byelaws, sheer fraud, uncooperative and uncompromising attitude and '419' sharp practices on the part of tax collectors and tax payers (the public), inefficient supervision and control, and ineffective auditing system.

5.1 Recommendations

Based on the above, the following recommendations will enhance the mechanism of revenue assessment and collection.

1. Raising of tax payers' awareness through radio jingles, posters, town hall meetings etc.
2. While revenue collectors should be send on regular training workshops and seminars in order to update their knowledge of tax administration.
3. There should be a review of all the existing tax, fees, rates and fines schedules such as to address the current situation.

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Appendix

Table 1: Nigerians tax jurisdiction, 1999

Federal income Tax	State government	Local government
Company's income tax	Personal income Tax (on residents of the state)	Tenement rate
Petroleum profit tax	Capital Gains tax (on individuals only)	Shop and kiosks Rates
Value Added tax	Stamp duties (on individuals) only	Liquor license fees
Education Tax (on companies)	Road taxes, e.g. Vehicle license	Slaughter slab fees
Capital gains tax (on Corporate bodies and Abuja Residents)	Betting and gaming taxes	Marriage, birth and death Registration fees
Stamp duties (on corporate bodies)	Business premises and Registration levies	Street name, registration fees (excluding state capital)
Withholding tax (on companies)	Development levies (max of #100 per annum for taxable individuals only)	Market/motor park fees (excluding state owned markets)
Personal income tax (on personnel of the armed forces, police, external affairs Ministry and residents of Abuja)	Street name registration fees (state capital only)	Domestic animal license fees
Mining rents and royalties	Right of occupancy fees (state capital only)	Bicycle, trucks, canoe, wheelbarrows, carts and canoe fees.
Customs duties (i.e. Import duties and export duties)	Market fees (where the market is financed by state government)	Right of occupancy fees (excluding state capital)
Excise duties	Miscellaneous revenues (e.g. Rents on property)	Cattle tax

Sources: Federal Ministry of finance and 1999 constitution of the Federal Republic of Nigeria.

SUSTAINING COMPETITIVE ADVANTAGE THROUGH ICT ADOPTION AMONG SMES IN HOSPITALITY INDUSTRY: A CASE OF SELECTED HOTEL OPERATORS

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Abstract

The creation and sustenance of competitive advantage is essential as it affords businesses some opportunities for survival and incremental growth. In recent times, many businesses within the hospitality industry have suspended operations, while some have completely shut down due to inability to cope with the intense market competition. In an attempt to address this, the study examines how ICT adoption enhances competitive advantage in the hospitality industry with a focus on small and medium hotel businesses. A survey of 180 self-administered questionnaires were undertaken across twenty-five (25) selected small and medium hotels in Ilorin, Kwara State. The data were collected and analyzed using simple percentage, t-test and correlation analyses. Findings reveal that there was high correlation between adoption of ICT and hotels' operations, customer satisfaction and employees' output. It was further revealed that the rate of adoption of ICT is low due to inadequate finance, low skilled personnel and poor ICT perception among others. The study concludes that ICT adoption is essential for sustaining competitive advantage among hotel businesses. More so, ICT adoption is low due to certain striking factors such as poor access to finance, low quality personnel among others. Subsequently, the study recommends a partnership between Hotel Owners Forum of Nigeria (HOFN) and Bank of Industry (BOI) for special financial intervention for Small and Medium Hotel (SSHs). More so, National ICT policy must be constantly reviewed to foster Small and Medium Hotel (SSHs) businesses' adoption of ICT, as this will help in superior value chain delivery among operators.

Keywords: Information and Communication Technology (ICT), Competitive Advantage, Hospitality industry, Small and Medium Hotels (SSHs), Value Chain Delivery

1.0 Introduction

The hospitality industry in Nigeria has experienced growth in recent years. This is necessitated by an economic position which is growing at 7% (World Bank, 2014), increasing population which grows by 2.28% annually (NBS, 2014) and rapidly expanding middle class, increasing urban development and an influx of foreigners.

There is no doubt that hospitality industry is the livewire of tourism at all levels (Akpabio, 2007; Sanni, 2009). The United Nations World Tourism Organization (UNWTO) further confirms that between 70% and 75% of international tourists' expenditure goes to hospitality services on annual basis (UNWTO, 2005). Therefore, the importance of growth and development of quality hotels in Nigeria cannot be over emphasized based on the central role they play in the development of the hospitality industry. Hotels businesses account for about 50% of the tourism expenditure and the availability of comfortable and safe accommodation constitutes a central point in a tourist's decision to visit a particular destination (Olise, Anigbogu, Edoko, and Okoli 2014)). In view of the above, it can be argued that tourism and hospitality sector is one of the world's largest and enduring industries. Its revenues support a significant proportion of the economies of many nations and it is one of the largest employers worldwide (Nwakanma, Ubani, Asiegbu, Nwokonkwo, 2014).

In recognition of this, the Nigerian government both at federal and state levels, have in recent years emphasized on the promotion of tourism and hospitality industry as alternative medium of earning more revenue, generating more foreign exchange and creating new jobs. The hospitality industry comprises businesses whose primary activities are the provision of accommodation, selling of food, beverages for consumption on the premises and provision of entertainment (Ofobruku, Kamoli and Amagbkhen, 2012). However, there have been various concerns about the growth of the sector especially in relation to small and medium hotel businesses. Studies have revealed a number of socio-economic, regulatory and general business environment changes such that have caused intense competition in the sector (Oni 2012). Pavic, Koh, Simpson and Padmore (2007) assert that modern business environment is highly dynamic and dominated by globalization, hyper-competition, knowledge-base, information-driven and has revolutionized the way businesses are generally conducted globally. This to a large extent has intensified competitive pressure and the search for survival and growth of businesses, especially in the hospitality industry.

Statement of Problem

As the hospitality industry especially the hotel enterprises are increasingly searching to take advantage of the enormous opportunities in the ever expanding sector in Nigeria, it is important to note that hotel enterprises are not immuned to the influences of the economy and business cycles, so the difficulties that befall businesses in general also affect hotel enterprises (Kuteyi, 2009). Therefore, how to survive and grow among this volatile business environment caused by political, technological and regulatory change is a major challenge to many operators. Both large organizations and SMEs are seeking ways to reinforce their competitive position and improve their productivity (Premkumar, 2003). There are different strategies that have been put forward by scholars on how Businesses can compete favourably in an environment. Porter (1997) identified three different competitive strategies – cost leadership, product differentiation and niche focus.

In a different view, other studies emphasized how the adoption of ICT can ensure survival and enhance growth of SMEs. Accordingly, Ghobakhloo, Sabouri, Hong and Zulkifli (2011) noted that SMEs account for major source of employment, technological advancements, and competitive advantages for both developed and developing countries.

Studies have further revealed that in spite of an increased ICT awareness within the hospitality industry, the rate of adoption by hotel operators has remained relatively low (MacGregor and Vrazalic, 2005). The Creating and sustaining of a competitive advantage grows out of the enterprise's ability to provide greater value than it costs to create it (Riquelme, 2002). Many studies have investigated the role of ICT adoption for SMEs expansion e.g. (Macgregore et al. 2012; Olise et al. 2014; Nwakanma et al. 2014), others have investigated the challenges in the ICT usage among SMEs in Nigeria e.g. (Apulu, Latham and Moreton, 2013). Close to none has investigated the adoption of ICT as competitive strategy within the hospitality industry with specific focus on Small and Medium hotels businesses in Ilorin, Kwara state. This study tries to examine the competitive advantage these hotels stand to gain by adopting ICT.

Research Objective

The focus of this study is to examine how competitive advantage can be sustained in small and medium hotel businesses through the adoption of ICT. Specifically, this is done with a focus on three sub-objectives:

- i. To examine the impact of ICT on customers' satisfaction and employees' output in hospitality businesses.
- ii. To identify the factors influencing the adoption of ICT among small and medium hotel businesses.
- iii. To examine various ICT facilities available and how their usage create a competitive advantage among hotel operators.

Research Questions

From the research objectives above, these research questions were raised:

- I. To what extent does customers' satisfaction and employees' output is influenced by ICT usage among hospitality businesses?
- ii. Does the adoption of ICT influenced by the availability of finance, skilled personnel and perception of owner?
- iii. Do ICT facilities such as website presence, online booking/reservation and online payment platform create superior advantage among hotel operators?

Research Hypotheses

- i. Customers' satisfaction and employees' output are not in any way influenced by ICT in hospitality businesses.

- ii. ICT adoption is not significantly influenced by finance, personnel and owners' perception, infrastructure and socio-cultural elements.
- iii. Availability of ICT facilities does not in any way create superior advantage in hospitality industry.

2.0 Literature Review

In recent years, ICT has become an integral part of human daily activities that sometimes one hardly notice its effect. It has further made a major impact on the way we live, work, play and even carry out our activities (Olise et al. 2014). As the trend of globalization persist, it has been argued that ICT is fast becoming one of the main drivers of change and innovation in different business operations (Apulu et al. 2011; Adebambo and Toyin, 2011). As technology advances with high pace, Adekunle and Tella (2008) argue that new ICTs especially the internet, have become a major investment area for small and medium enterprises especially in the hospitality industry. Information technology has made it easier for both small and large enterprises to convert, store, manipulate and share information (Nwankanwa et al. 2014). It involves the use of computers hardware; software and communication devices to process; send and receive information from one party to another. This has generally revolutionized the value delivery in hospitality industry. The way hotel companies sell to customers is changing dramatically over the past few decades and this creates competition among the operators (Choi and Kimes, 2002).

ICT and Hospitality Industry

ICT encompasses all forms of technology or devices used to create, store, exchange and utilize information in its various forms including business data conversion, multimedia presentations among others (Mahmoud, Umar and Usman 2014). In the opinion of Bjork (1999), ICT is described as the use of electronic machines and programmes for the processing, storage, transfer and presentation of information through computers, software, networks and even telephone and fax machines. The recent development of a knowledge-based economy has induced ICT to be an increasingly important tool for national economic growth (Adekunle et al. 2008) and it has implications on the growth of the tourism and hospitality industry in many ways (Chan, 2008a). Ghobakhloo et al. (2011) argued that today's technological progressions and application of ICT is a significant driving force behind many socioeconomic changes. In a similar view, Bjork (1999) found that utilization and commercialization of ICT is widespread throughout the world, and adoption of novel ICT generates new business opportunities and value chain delivery. This was explained to ultimately improved business performance of SMEs in hospitality industry. The adoption of ICT is further considered as the most important tourism infrastructures as it improves destination competitiveness and innovative tourism services (Nanthakumar, Ibrahim and Harun, 2008). Studies have revealed that more hotel customers are making enquiry, comparing prices, booking and making payment online than ever, hence for hotel companies to remain competitive in the industry, they must establish their own websites among others for promotion, marketing and online transactions (Chan, 2012; Ezech and Ezeoke, 2013; Dennis, 2014).

Hotel websites have become the first, often the only and, in many cases, the last point of contact with hotel customers (Dennis, 2014; Olise et al. 2014). They have thus become a new channel for marketing and distribution, for mediating between customers and hoteliers (Dennis, 2014) and for attracting potential customers (Yousaf, 2011). In a similar view, Riquelme (2002) states that the Internet plays an important role in mediating between customers and hotel companies by being a place for information acquisition and business transaction and it may contribute to the creation of points of reference for word of mouth.

ICT Adoption

The increasingly volatile business environment in Nigeria has compelled many enterprises to adopt ICT as a survival strategy. The adoption of ICT has been proved to enhance growth and innovation in the hospitality industry (Yousaf, 2011). In fact, to compete favourably in the hospitality industry in modern time is barely impossible without some forms of ICT adoption (Herington, 2009). Apulu and Latham (2011), advocate that the rapid adoption of ICT has changed the conventional way of conducting businesses in different sectors. In the same vein, Singh and Kasavana (2005) state that, organizations in recent years have developed new means of communications and information flow among their partners and customers resulting in a total paradigm shift in their operations. The adoption of ICT can fulfil a number of business needs such as strategic, operational and marketing needs or a combination of all of them (Choi and Kimes, 2002). In addition, the use of ICT in enabling SMEs to partake in the knowledge economy offers enormous opportunities to narrow social and economic inequalities, thus help in achieving broader development goals (United Nations, 2007). In the hospitality industry especially the hotel business, ICT has diverse usage. It covers the whole value chain delivery to the customers (Premkumar, 2003). It can be argued that the increasing ICT knowledge among the hotel customers has made its demand important in the value delivery.

Factors Determining ICT in the Small and Medium Hotel Businesses

There exist different literatures which have examined the issues affecting the adoption of ICT in SMEs. ICT adoption means a firm's inclination towards innovativeness and the reflection of its ability to evaluate, accept new ICT (Nwakanma et al. 2014). It can be argued that ICT adoption propensity among hotel operators is powered by attitude and belief in innovation as a source of competitive advantage. It was observed that skill deficiency, economic constraints, lack of infrastructure, lack of funds, confidentiality and security concerns, low level of internet penetration and bandwidth, inappropriate ICT policies among others were the major factors affecting ICT adoption in SMEs (Apu et al. 2013; Law and Jogaratnam, 2005). In a similar view, Ghobarkhloo et al. (2012) emphasized that limited financial resource is a single and most significant determinant of ICT adoption among small businesses as they have little capital base. In addition, management techniques such as financial analysis, forecasting and project management are rarely used by SMEs (Dibrell, Davis, and Craig, 2008).

Thong, Yap and Raman (1996) argued that inability of SMEs to adopt ICT is explained by SMEs distinctive characters. These characters revolve around inability to hire IT experts, reliance on short-term planning, informal and dynamic strategies and decision-making process and unwillingness to develop and use standard operating procedures. Premkumar (2003) further argued that lack of scholarly focus, in terms of technical skill tends to hinder ICT adoption in developing countries.

Singh et al. (2005) argued that ICT adoption in hotel businesses may be closely affected by the user's assessment of perceived performance, perceived potential utility and perceived resource readiness. In the same vein, OECD (2009) observed that SMEs in hospitality industry face two specific constraints to adopt and use, namely internal constraints which refer to organizational resources or capabilities and the company's approach; and external barriers which are related to factors such as the environment, infrastructure, social and cultural barriers and legal, regulatory and political barriers. In a more comprehensive form, Nwakanma et al. (2014) observed that the adoption of ICT especially in the hotel businesses depend on firm's internal capabilities and external factors. The internal capabilities include the resource based of the hotel while the external includes the location of the hotel, the expectations of the customers based on their profile and the size of the market. It was hence concluded that a hotels will be more inclined to adopt and use ICT if it expects the ICT based facilities to either provide greater competitive advantage or to tap the advantage enjoyed by its competitors considering the characteristics of its customer profile, its market size and the intensity of competition that it has to face.

Sustaining Competitive Advantage through ICT Adoption

Competitive advantage is a concept that relates to all companies and industries. Majority of research and literature on competitive advantage has focused on industry specific topics, Barney (1991) shows how all companies in all industries can be defined by the activities they undertake in order to create value. Barney (1991) describes competitive advantage as the heart of a company's performance, which reveals a company's ability to offer target audience greater value either by means of lowering prices or by providing greater value that justifies higher prices. Considering the growth rate in hotel businesses in Nigeria, resulting to an intense competition among the operators, it becomes essential to create and sustain strategies for competitive advantage. A company is a collection of activities and so the strategy of that company is determined by those activities. Schwire (2003) explained that competitive advantage grows out of the company's ability to provide greater value than it costs to create it. Value is what the buyer is willing to pay for; hence, the entire hospitality industry is built on value delivery to customers. Superior value stems from offering lower prices than competitors for equivalent benefits or providing unique benefits that are higher than the attached cost to customers (Porter, 1991). In recent times, businesses adopt different means to create and deliver values to the target market due to increased competitive nature.

Riquelme (2002) asserts that the use of ICT in many modern businesses has assisted in reducing transactional cost, overcome the constraints of distance and have cut across geographic boundaries there by assisting to improve coordination of activities within the organizational boundaries.

Pavic et al (2009) argue that ICT offers enterprises avenues to compete on a global scale with improved efficiency and closer customer and supplier relationships. Similarly, Melville et al (2004), highlight that the use of ICT brings about customer satisfaction by improving service quality thereby offering new opportunities for business expansion. Macgregor (2012) emphasized that if ICT is avoidable in any industry, it is not like in the hospitality. In a more affirmative statement, Shabir and Naree (2011 p.7) state *'if your hotel business will capture market, deliver super value, survive the heat of the competition and stand tall among others, adopt ICT'*. Therefore, ICT should be viewed by businesses as an imperative strategy to remain competitive. In view of the above, it can be established that ICT adoption in hospitality industry especially the hotel businesses is a means of creating and sustaining competitive advantage.

Theoretical Framework

There are several theories and approaches that have been used in literatures to explain and advance the understanding of ICT adoption among SMEs (Law and Jogaratnam, 2005). Prominent among these are technology acceptance model, innovation decision process model which explain factors affecting the flow of innovation in relation to the attitude of potential users. However, this study is anchored on diffusion of innovation theory popularized by Everett Rogers in 1962. Diffusion of innovation theory seeks to explain how, why, and at what rate new ideas and technology spread through cultures (Rogers, 2003). Rogers argues that diffusion is the process by which an innovation is communicated through certain channels over time among the participants in a social system. Rogers proposed that innovation, communication channels, time and the social system constitute the major elements in the diffusion of new ideas. The major emphasis of Rogers was the social systems, which is a set of interrelated units that are engaged in joint problem-solving to accomplish a common goal. Relating this to ICT adoption at creating competitive advantage in hospitality industry, it may be argued that ICT are generally adopted to influence the social system of the hotel operators and the customers through enhanced communication channels, innovative products and good timing of service delivery. All these reduce cost and increase value delivery to the customers. In a related study Dibrell, Davis, and Craig (2008) assert that ICT has played a major role in the hospitality industry by reducing operational inefficiency and improving decision-making in many areas of governance.

3.0 Methodology

This study adopts a survey research design as primary data was gathered through a self-administered questionnaire. Kothari (1978) asserts that it is unusual to be able to deal with the whole population in a survey thus a sample is essential. For the purpose of this study, the population of interest consists of all Small and Medium Hotels operating in Ilorin metropolis.

The population frame is 187 hotel operators contained in the registered list of hotel enterprises in Ilorin metropolis as at July, 2015. This data was obtained from Kwara state Tourism Board and it constitutes the study population.

A survey of 180 questionnaires was undertaken across twenty-five (25) selected Small and Medium Hotels in Ilorin, Kwara State – see appendix 1. To ensure a wider coverage of selection, five (5) hotels were sampled each from Ilorin West and East, while 15 from Ilorin South due to higher concentration of hotels in the area. The questionnaire was designed to generate responses on questions relating to relevant variables – ICT adoption, importance and influence of ICT on performance, and competitive advantage using ICT. The questions were based on a 5-point Likert attitude scale. Each level of the scale is represented: 5 for Strongly Agree, 4 for Agree, 3 for Undecided, 2 for Disagree and 1 for Strongly Disagree. Out of the 180 questionnaires distributed, a total of 156 which is 86.7% were correctly filled and returned. The data were analyzed by SPSS 16.0 version, using simple percentage, t-test and correlation analytical tools. The reliability of the data were tested using Cronbach's Alpha Reliability Test and the result shows 0.624 which means that the instruments used in gathering the data were reliable and therefore exhibited internal consistency among items (questions) measuring each construct in the questionnaire.

4.0 Data Analysis and Interpretation.

Test of Hypotheses (Hypotheses I and II)

The table below shows the result of hypotheses one and two using t-test. It can be deduced that the average response is above 4.02 at standard error of the mean is 0.000 i.e. significant. Five-point Likert-style rating scale of 5 = Very High, 4 = High, 3 = Fair, 2 = Low and 1 = Very Low were used to scale the responses.

One-Sample Test

	$\alpha = 0.05$					
	t	df	Sig. (2 tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Customer satisfaction	4210.216	156	.000	4.270	4.12	4.42
Employees output	4263.230	156	.000	4.265	4.21	4.32
Finance	3648.716	156	.000	4.310	4.11	4.51
Personal	4722.870	156	.000	4.340	4.16	4.52
Perception	4713.152	156	.000	4.275	4.09	4.46
Infrastructure	5635.110	156	.000	4.325	4.17	4.48
Socioculture	4416.846	156	.000	4.200	4.02	4.38

The result of the table above shows that p-value is 0.000 while the critical value, $\alpha = 0.05$. This means that there is a significant relationship as probability value (p-value) of 0.000 is less than the critical value of $\alpha = 0.05$.

With this result, the null hypothesis I is rejected meaning that customers' satisfaction and employees' output are influenced by ICT adoption. Likewise, hypothesis II is rejected, meaning that finance, personnel, owners' perception, infrastructure and socio-cultural elements significantly influence ICT adoption among hotel operators.

Test of Hypothesis III, using Correlation analysis

Correlations

		ICT	Customer Satisfaction	Employees output
ICT	Pearson Correlation	1	.710**	.697**
	Sig. (2-tailed)		.000	.000
	N	156	156	156
Customer Satisfaction	Pearson Correlation	.710**	1	.482**
	Sig. (2-tailed)	.000		.016
	N	156	156	156
Employees output	Pearson Correlation	.697**	.482**	1
	Sig. (2-tailed)	.000	.016	
	N	156	156	156

In the table above, correlation between employees' output and customer satisfaction equals 0.482 and this is highly significant. The same holds for ICT and employees output = 0.697, ICT and customer satisfaction = 0.710. These correlation coefficients are highly significant. These show that the relationship between the variables are strongly positive correlated.

4.1 Discussions

The result of this study revealed that there is a significant relationship between ICT adoption and sustaining competitive advantage in the hospitality industry. This implies that increase in ICT adoption will lead to better stance to enjoy competitive advantage in the industry while decrease will lead to the opposite effect. This agrees with the positions of Eze and Ezeoke (2013) and Pavic et al. (2007). While the former states that ICT offers enterprises a wide range of possibilities for improving their competitiveness and provides mechanisms for getting access to new market opportunities, the later emphasized that the use of ICT would help to create and sustain competitive advantage.

The findings of hypothesis one and two revealed that finance capacity; personnel quality; owners' perception; infrastructure availability and socio-cultural elements strongly influence the adoption of ICT in hotel businesses. This means, all these aforementioned variables to a large extent determine ICT adoption among hotel businesses, hence they must be well managed.

These findings agree with the findings of Shabir and Naree (2011); Latham (2011); Apulu and Chan (2012). Shabir and Naree (2011) grouped the above factors into internal and external, but emphasized that poor finance base and poor Information Technology (IT) skill of SMEs operators prevent ICT adoption in Africa. Latham (2011) and Apulu and Chan (2012) discovered that personnel capacity, poor owners perception and inadequate infrastructural facilities are critical issues against ICT adoption among small businesses in Nigeria.

The findings of hypothesis three revealed that there is a significant relationship between ICT adoption; customer satisfaction and employees' output. Specifically, this implies that increase in ICT adoption leads to sustaining competitive advantage by increasing customers' satisfaction and employees' output in the hotel business. This finding agrees with the finding of Nwakanma et al.(2014) who discovered in their study that ICT adoption in hospitality industry offers value chain delivery to customers and increases employees' performance in Imo state, Nigeria.

4.2 Summary of Findings

The focus of this study is to examine ICT adoption as a means of competitive advantage in hospitality industry with a focus on Small and Medium hotel operators. Three hypotheses were formulated to guide and direct the study. A survey research design was adopted and a sample size of 180 respondents was selected for the study. A total of 156 questionnaires were correctly filled and returned which is 86.7% retrieval rate. This was considered adequate for the study. The data collected were analyzed using one sample t-test and correlation coefficient. The result from the findings reveals that:

- i. There exist a significant relationship between ICT adoption and customer satisfaction and employees output in the hospitality industry.
- ii. There are certain striking factors that influence ICT adoption in the hotel businesses and prominent among these are: finance capacity; personnel quality; owners' perception; infrastructure availability and socio-cultural elements.
- iii. The adoption of ICT assist in sustaining competitive advantage through the availability of website presence, online booking/reservation and online payment platforms create superior advantage among hotel businesses

The findings from literature reviewed established that ICT is inevitable in hospitality industry considering the competitive nature of the industry. In buttressing this, the empirical investigation further shows that ICT significantly contributes to customer satisfaction and employees' output.

5.0 Conclusion

Based on the findings obtained from the analysis of the hypotheses, it could be concluded that ICT adoption significantly impacted on sustaining competitive advantage in hospitality industry in Nigeria. This implies that the more hotel operators adopt ICT the higher their stance at out performing their competitors in terms of value delivery. The findings also lead us to the conclusion that there exist a significant relationship between financial capacity, personnel quality, infrastructural development, owners' perception and socio-cultural elements with ICT adoption. This means, the more access hotel businesses have to financial facility, quality personnel, infrastructural facilities etc., the more they tend to adopt ICT. Finally, the findings also leads us to conclude that the more ICT platforms created by hotel operators such as online price enquiry, booking /reservation, payments etc., the better value chain delivery system they stand to gain.

5.1 Recommendations

Based on the findings of this study, the following recommendations are presented:

- a. Since it has been established that ICT adoption improves customers' satisfaction and employees' output, it is recommended that Hotel Owners Forum of Nigeria (HOFN) should through National Information Technology Development Agency (NITDA) provide basic ICT facilities to all registered members at a subsidized rate.
- b. More so, government though NITDA should take a conscious effort at reviewing national policy on ICT such that will embrace direct procurement of ICT facilities, organized symposium and workshops for Small and Medium hotel operators to enlighten, educate and guide them on how to obtain and use subsidized ICT facilities.
- c. Furthermore it is recommended that government should through the Bank of Industry (BOI) provide soft loans and/or grants to Small and Medium hotels through affordable and reliable windows of financial support, as this will offset their major barrier to ICT adoption which is financial incapability.
- d. Finally, the Small and Medium hotels should, as a matter of necessity, equip themselves adequately with needful ICT facilities, such as Internet facilities, website, platform for online booking, enquiry and payment as this will enhance their competitive advantage.

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Appendix 1.

Names and Addresses of the Sampled Hotels

S/No	Name	Address
1.	Nocbul Hotel And Tourism	Aderemi Adeleye Street, GRA, Ilorin
2.	Rehoboth Guest Inn and Hotels	University Road, GRA, Ilorin
3.	Park Guest Palace	2, Achimogu Street, Flower Garden, GRA, Ilorin
4.	Kwara Property Suites	No 5, Catchment Road, GRA, Ilorin
5.	Hotel Mirabilis	97, Umaru Audi Road, Fate, Ilorin
6.	Charis Hotel And Garden	12, Adelodun Road, GRA, Ilorin
7.	Dolphin Guest House	6, Umaru Audi Road, GRA, Ilorin
8.	Choice Gate Hotels	No 5 Lafiaji Street, G.R.A. Ilorin
9.	Broadway Hotels	4, Catchment Road, GRA, Ilorin
10.	Choice Gate Hotel	4, Lafiaji Street Sabo Oke, Ilorin
11.	Circular Hotel	7, New Yidi Road
12.	Vineyard Hotel	Off Fate Road, GRA, Ilorin
13.	Alpha Hotel	Adewole Roundabout, Ilorin
14.	Henry George Hotel	Adewole Roundabout, Ilorin
15.	Ly-John Hotel	No 18, Atiku Abubakar Rd, Opp Model Sec. Sch. Ilorin.
16.	Amir Suites and Hotels	34 Kaduna Rd, Abubakar Atiku Way, Adewole , Ilorin
17.	Yebubot Hotels (Nig) Ltd	4 Kadiri Rd, Adewole Area Ilorin
18.	Amasi Hotels & Suites	12b, Abdullahi Aguye GRA, Along Gtb, University Quarters Rd, Ilorin
19.	White House Hotel	No 255 Umaru Saro Road Saw-Mill Ilorin
20.		Hajj Camp Road, Off Airport Road, Gaa – Odota , Ilorin
21.	Purple Hills Hotels Limited	No 1, Sodik Sulyman Street, Off Fate Tanke Road, Ilorin,
22.	Peak Motel Ltd	Abiodun Oni St. Ita Alamu Area, Off Ajase Ipo Rd, Ilorin.
23.	Ayalla Suite	35, Pipeline Road, Ilorin
24.	Gavel Guest House/Hotels	27, Off Pipeline Road, Opposite CBN Staff Quarters
25.	Gboyad Hotels	19, Panat Feeds Area, Off Zango Road Ilorin

FEMINIZATION OF POVERTY IN NIGERIA: EMPOWERING WOMEN FOR SUSTAINABLE NATIONAL DEVELOPMENT

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Abstract

Poverty has been and continues to be the world's most challenging pandemic of our time. Disparity at every level by and large hasn't been a thing of the past. Gender imbalance has a direct impact on the quality of human life. Women as a gender carries most of the burden related to poverty. This paper asserts that there is a feminization of poverty in Nigeria, which is rising faster than among men. Despite many women bear almost all responsibility for meeting the family's basic needs, nevertheless they are systematically denied the resources, information and freedom of action needed to fulfill this responsibility. Against this background, this paper examines feminization of poverty in Nigeria, discusses some of the factors responsible for the menace, highlights key indicators for feminization of poverty, describes various policy approaches to women's empowerment, and finally provides policy recommendations on how best to address feminization of poverty and attain sustainable national development in the country. The authors argue that since poverty has a woman's face in Nigeria, the best way to fully address the menace is through a precise gender focus by policy makers. Equally, women must be supported and empowered to build their capacity and be seen as key change agents for ending hunger, poverty and in sustainable national development.

Key words: Poverty, Feminization, Empowerment, Agency, Sustainability, Development and Millennium Development Goals.

1.0 Introduction

“Social, political and economic equality for women is integral to the achievement of all Millennium Development Goals. Until women and girls are liberated from poverty and injustice, all our goals - peace, security, sustainable development- stand in jeopardy.” - UN Sec. Gen. Ban Ki-moon, TOT, June 2010.

The vast majority of the world's poor are women. Two-thirds of the world's illiterates are female. Of the millions of school age children not in school, the majority are girls. According to UNDP (1995: 4), poverty has a woman's face of 1.3 billion people living in poverty, 70 percent are women. *That was twenty years ago.* The current world food price crisis is having a severe impact on women. Around the world, millions of people eat two or three times a day, but a significant percentage of women eat only once. Some women may deny themselves even that one meal to ensure that their children are fed. These women are already suffering the effects of even more severe malnutrition, which inevitably will be their children's fate as well. Gender disparity causes the society as a whole to suffer from the marginalization of half of its population, functioning only on half steam (Maikudi, 2010). It is nevertheless assumed that countries that have raised the status of their women educationally, socially, politically, economically and so on, generally enjoy a high standard of living. On the other hand, countries, where women remain largely illiterate and confined to the home front, have a low standard of living. This is why the United Nations Development Programme (UNDP) in 2005 decided to include in its measurement of development in countries (usually expressed as Human Development Index (HDI) the measurement of gender inequality. The two indices used for gender measurement were the: 1) Gender-Related Development Index (GDI) and 2) Gender-Empowerment (GEM). Unfortunately, as findings of Maikudi (2010) revealed Nigeria ranks very low in all the above indices, arguing that the country is among the poorest of the poor in all the measures.

Gender equality discourse has had a renewed impetus following the post global gender summits and conventions inspired by options to enlarge the participation of women in governance and decision making processes such as the Beijing 35% affirmative action. However, decades on, institutionalizing gender equality in the periphery societies such as Nigeria has been elusive (Amadi and Amadi, 2014).

Buttressing the above postulate, Anger (2010) argues that meaningful sustainable development entails economic and structural growth, autonomous industrialization, self-actualization as well as individual, national and cultural reliance. Sustainable development presupposes development that can be kept going or maintained. This should entail proper attention given to gender equality, the transformation of productive forces as well as commensurate transformation in the social relations of production. The ability to maintain this guarantees sustainable national development (Redclift, 1996).

2.0 Statement of the Problem

The Gender Inequality Index (GII) reports that women are marginalized in virtually all sectors of human endeavour (UNDP, 2012). Women continue to be in the minority in national parliaments, with an average of 13 per cent worldwide in 1999, despite the fact that women comprise the majority of the electorate in almost all countries (U.N. Women, 2000). In Nigeria as in other developing countries, the condition of women remains largely of subordination to men and at the periphery of political and administrative concerns. To these ends in both urban and rural areas of Nigeria, women are affected by the phenomena of low level of education, ill-health, economic deprivation (difficulties in meeting the challenges of daily want or needs). They also suffer several forms of exploitation, oppression, domination and boredom.

In the rural areas the situation is gloomier due to the influence of cultural practices; patriarchy; poor education background; antecedent poor income-base; general lack of influence and control over resources such as land, tools and equipment, coupled with poor infrastructure, suggesting harsh and difficult living conditions for women. Recent World Bank and African Development Bank report on *World Development 2012 Gender Equality and Development* shows that disparities persist in many areas.

Four such areas are described as priorities: health sector, as female mortality exceeds male mortality; persistent inequalities in education; unequal pay and productivity of women and men; unequal status of men and women within the household and in society (AfDB, 2012).

In the neo-liberal order, the study of global women summits becomes necessary as gender inequality is undermining the standard unit of liberalism namely –equality. Discourses and scholarly evidence on gender studies show that gender equality has recorded minimal success in Africa, parts of Latin America and South Asia at the post- cold war era (AfDB, 2012 and UNDP, 2012). In Africa gender inequality has a long historical antecedence; first was the colonial trajectory extending to the symbolic colonial struggles in places like Ghana, Kenya, Senegal, Nigeria etc.; and later during the post-colonial years. The core issues now are the fight against all forms of injustice mainly the marginalization of women. One major global effort to address gender inequality is through gender summits. For instance, during the Beijing Conference, only 21 of the 189 countries that made commitments to improve the status of women gave the highest priority to the issue of increasing women's participation at all levels of decision-making. Since Beijing, extensive discussions have continued on this at governmental and non-governmental levels.

Similarly, the UNDP (2012) report shows that gender inequality remains a major barrier to human development. Girls and women have made major strides since 1990, but they have not yet gained gender equity.

The disadvantages facing women and girls are a major source of inequality. All too often, women and girls are discriminated against in health, education, political representation, labour market, etc. with negative repercussions for development of their capabilities and their freedom of choice. Nigeria being a signatory to such gender summits arguably underestimates global policy at least in practice.

The current state of insecurity in Nigeria requires an ardent attention and action by every reasonable person, irrespective of any inclinations. This is partly because the negative aftermaths of insecurity are both short- and long-term on children's future, the survival of Nigeria, the safety and security of the citizens. In mapping out policy and programming challenges and opportunities, it is first critical to understand the pattern of child protection vulnerabilities as well as gender inequality. Nigerian children, especially the females are highly vulnerable not only to income poverty but also to a wide variety of other economic and social deprivations (Jones, 2011).

Additionally, today, HIV/AIDS is rapidly becoming a woman's disease. In several southern African countries, more than three-quarters of all young people living with HIV are women. HIV/AIDS is devastating Africa's most productive generation, setting back decades of progress in ending hunger. AIDS is killing farmers, teachers and health workers. Food production and life expectancies are dropping and infant mortality rates are also rising. For Molyneux (2002) development practice must henceforth be more consultative, more sensitive to the needs of the poor, the environment, ethnic minorities, women, and others who have been at the sharp end of it. Despite the fact that much has already been accomplished with respect to this area under discussion, yet it can't be better justified than the way this literature described women at the sharp end of it. This helps to give a meaningful connotation as to how women issue still deserves a significant consideration. Conceivably, gender inequality and poverty, then, are the result of distinct though interlocking, social relations and processes.

3.0 Literature Review

Feminization of Poverty

Historically and up to the present day, women by and large are not seen as equal partners in any accomplishment that is development-oriented. This circumstance has made women the most vulnerable inhabitants in any community they happen to find themselves. It is an established reality that more than 70 percent of the world's poor are women (Schuftan, 2003). In most societies around the world, women are still not considered as equal partners to growth and economic development but mere homemakers. According to Baruah (2009) despite such developments and an expanding body of literature on women in poverty as well as the discourses on gender and development that have moved from welfare, anti-poverty and efficiency to approaches that emphasizes empowerment, human rights and human capabilities, there is still concern that the inter-linkages between gender and poverty have not undergone comprehensive and rigorous study and analysis.

Karekezi, Banda and Kithyoma (2002) pointed out the most obvious disproportion on the impact of poverty on men and women. According to him, gender-related issues specifically in Africa, impacts men and women very differently. They further contend that women suffer severe levels of deprivation than men at every level. A cited case in the above was Zambia, where 72% of household with female being the head as opposed to 61% of male head of household live in abject poverty. The study shows that at the household level, women and children are adversely affected by particulate emissions from burning bio-fuels. Another study undertaken in rural Kenya found women, who do most of the cooking, were exposed to twice as much particulate emission as their male counterparts, and were on average twice as likely to suffer from respiratory infections.

Factors Responsible for the Feminization of Poverty

Schuftan (2003) holds that globalization is responsible for the uneven distribution of resources in the global world, arguing that it limits the ability of union workers to bargain, as well as making it more difficult for government to implement equitable policies. By implication therefore, governments that need to adopt pro-poor strategies are simply not able to do so. Yet, Zuga (2009) increasingly acknowledged the transformation in gender equity that has taken place over the years. He posits that women in non-traditional roles have been slowly creeping into our subconscious. We are also seeing more women in our communities working in professions that were dominated by men. Gender roles are being redefined and this modifies our ideas of women's work. Gwatkin (2000) like Zuga (2009) did recognize the enhancement and diligent progress in gender equality that has taken place over the years. Unlike in the 80s and early 90s Gwatkin (2000) points out that as the third millennium begun, there was an incipient renewal of concern for poverty and equity in health. One sign is the emergence of over a dozen inter-country research projects on health, poverty and equity supported by a wide range of donors and covering over a hundred countries.

Reflecting on another indicator is the meaning and relevance that is now attached to improving the overall health and safety of the poor by the current World Bank's strategy. Gwatkin (2000) argues that despite the fact that much still needs to be done, yet it is evident that today's gender poverty gap is much better than it was in the past. Making a case about inequality from health related standpoint, Smith (2001) argued that some approaches or policies have not been effectively implemented due to the assertion that "women are not often decision makers on fertility issues, since unequal gender relations in the household enable men to control women's sexuality and fertility" (p.96). By implication therefore, cultural relativity becomes a *sine-qua-non* for inequality-related issues. At this juncture, briefly reviewing feminism on Africa would be helpful in understanding our social world.

African feminism is highly political, and it is a response to African social and political developments rather than an outgrowth of western feminism. African women know that women and children have borne the brunt of the recent crises, as measured in high child mortality rates, lowered female literacy rates, the continuing confinement of women to agricultural work, and their exclusion from modern technical, and scientific fields.

Many African women (and some African men as well) are committed to correcting these disparities and, therefore, forging new relationships between state and society, even though western powers and global institutions still exercise tremendous influence over the economic and political conditions of African states. Since the United Nations Fourth World Conference on Women, in Beijing, China (September 1995), western governments and development agencies have urged respect for women's human rights and initiatives for "women's empowerment" in African state policies.

From the above therefore, one can argue that feminist thinking has succeeded in drawing public attention to inequality between women and men, and to the structures within society, which belittles and militates against women. It has led to a reconsideration of women's role in the workplace, resulting in moves towards equal pay and equal opportunities policies. It has also succeeded in challenging perceptions of women's skills, with the result that some women are entering non-traditional areas of education and employment. Okome (1999) critiques the above stating that in most feminist writings African women are portrayed as confused and powerless and unable to determine for themselves both the changes in their lives and the means to construct these changes. Western feminists also often act as superiors who seek to help and enlighten African women. He therefore, calls for a reinvention of a uniquely African feminism compatible with the society, acknowledging the existing institutions and the extent to which it would thrive.

In the developing and emerging societies, women for the most part are bracketed from actively being part of decision-making body for the simple fact that they are women. This among many is responsible for the poor and deplorable conditions women continue to face. Unless and until this inequality ceased to be the reality, poverty will continue to be the prevalent challenge of societies in our time. There are still much more imbalances in the distribution and access to private property between men and women which is even making women more dependent upon their male counterparts (Argawal 1997). Women are also systematically disadvantaged in the labor market, with fewer employment opportunities, lesser occupational mobility, lower levels of training, and lower payments for the same or similar work, compared with men.

Feminization of Poverty in Nigeria: Some Key Indicators

A). *Unpaid Care Work* - The housework and care of persons that occurs in homes and communities of all societies on an unpaid basis - is an area that has generally been neglected by economists, as well as by many development actors. Yet the amount of unpaid care work carried out, the way that the burden of this work is distributed among different actors, and the proportion and kinds of care work that are unpaid or paid, have important implications for the well-being of individuals and households, as well as for the economic growth and well-being of nations. The bulk of unpaid care work across all economies and cultures is performed by women. It is therefore, not all that surprising that feminist economists have led the call for unpaid care work to be "counted" in statistics, "accounted for" in representations of the economy, and "taken into account" in policy making (Elson, 2000: 21).

- B). *Reducing women's workload-* This is an important indicator of gender development. Poverty reduction interventions are usually evaluated in terms of workload. Heavy traditional household activities have physical and psychological implications.
One of the most serious and wide spread occupational health hazards for women is the carrying of water, fuel and other heavy loads because of their triple burdens, *i.e.* reproductive, productive, and community management roles in society, the effects of poverty hit women particularly hard. Reduction in the traditional housework load of women leads to better health, which in turn increases their efficiency and performance. It is also hypothesized that easing women from domestic work burden can increase their economic contribution and thus will reduce poverty.
- C). Access to Micro Credit - Women's accessibility to and utilization of micro credit is an important sign of economic empowerment. A number of empirical studies confirm positive impacts of micro credit on poverty reduction of women The Grameen Bank in Bangladesh and Agha Khan Rural support programme in Pakistan have experienced remarkable progress in producing impressive results through participatory process (Bamberger and Aziz, 2002). The poorest women are taught to save, to invest and to stand on their feet. This is a project that can be replicated in Nigeria through the micro finance banks.

Developing Countries' Policy Approaches to Women's Empowerment

This section highlights approaches to women's empowerment in the developing nations.

- 1). *The Welfare Approach:* Introduced in the 1950s and 1960s, welfare is the earliest policy approach concerned with women in developing countries. Its purpose is to bring women into development as better mothers. Women are seen as passive beneficiaries of development. The reproductive role of women is recognized and government policy seeks to meet practical gender needs through that role by top-down handouts of food aid, measures against malnutrition and family planning (Maikudi, 2010). It is important to note however that this approach is non-challenging and therefore, still widely popular in many developing countries such as Nigeria.
- 2). *The Equity Approach:* Equity is the original Women in Development (WID) approach, introduced within the 1976 - 85 UN Women's Decade. Its purpose is to gain equity for women in the development process. Women are seen as active participants in development. It recognizes women's triple role and seeks to meet strategic gender needs through direct state intervention, giving political and economic autonomy to women, and reducing inequality with men. It challenges women's subordinate position. This policy has however, been criticized as 'Western Feminism' and is considered threatening and is unpopular with many developing countries governments (Maikudi, 2010).

- 3). *The Anti-Poverty Approach*: Anti-Poverty is the second WID approach, or the 'toned down' version of equity; introduced from the 1980s onwards. Its purpose is to ensure that poor women increase their productivity. Women's poverty is seen as the problem of underdevelopment, not of subordination. It recognizes the productive role of women, and seeks to meet practical gender needs to earn an income, particularly through small-scale income-generating projects. This approach is most popular with NGOs operating in developing countries (Maikudi, 2010).
- 4). *The Efficiency Approach*: Efficiency is the third and now predominant WID approach, particularly since the 1980s debt crisis. Its purpose is to ensure that development is more efficient and effective through women's economic contribution. Women's participation is equated with equity for women. It seeks to meet practical gender needs while relying on all of women's three roles and an elastic concept of women's time. Women are seen primarily in terms of their capacity to compensate for declining social services by extending their working day. It is very popular as an approach to women's development in developing nations (Maikudi, 2010).
- 5). *The Empowerment Approach*: Empowerment is the most recent approach, articulated by developing world women. Its purpose is to empower women through greater self-reliance. Women's subordination is seen not only as the problem of men but also of colonial and neo-colonial oppression. It recognizes women's triple role, and seeks to meet strategic gender needs indirectly through bottom-up mobilization around practical gender needs. This approach is however potentially challenging, although it avoids the criticism of being western-inspired feminism (Maikudi, 2010; Pereira, 2007).

4.0 Discussion

This paper argues that there is feminization of poverty in Nigeria which is rising faster than among men. Several factors are responsible including corruption, biased policies, cultural practices unfavourable to females, insecurity, illiteracy, and so on. The study asserts that as long as girls are treated as inferior and treated with less valuable than boys in Nigeria, the country will suffer impaired socio-economic growth and national development. The authors adopt the equity approach believing that there will be no meaningful sustainable national development in any nation without articulating strategic gender needs. This could be achieved through direct state intervention, providing political, economic, educational autonomy and reducing inequality. It posits that the future of Nigeria resides in the future of her girls. The paper argues that women's empowerment contributes to the health and productivity of the entire families and communities and can also improve development prospects for an overall sustainable livelihood. From the foregoing, one would entirely agree with the assertion of Borge Hornlund, the Swedish Prime Minister of Labor that half the world stock of intelligence is female, and half the world's human resources are embodied by women.

It will take male and females' thought, experience and efforts to fashion a new and better world. In the meeting of men and women on equal terms, "a new dynamism and creativity can be developed" (Bullock, 1994:1). In order to reinforce any advances towards financing for gender equality for sustainable national development in Nigeria therefore, participatory governance structure is essential.

The above structure would create the policy space for National Women's Machineries (NWMs), civil society groups and gender equality advocates and experts to highlight from their vantage points the issues that need to be addressed, and to suggest policy approaches. This kind of structure also requires that information flow more freely among economic agencies and institutions such as the Ministry of Finance, Central Bank, Statistical Offices, other government agencies, and other stakeholders. This is well documented that participatory approach, *i.e.* a way of development through participation of the stakeholders such as government, beneficiaries, donor agencies and NGOs can improve women's empowerment more efficiently than any top down approach. It is further argued that a sense of ownership is developed under this strategy which is necessary for reduction in poverty on sustainable bases (Redclift, 2005). The simple mechanism of this approach is that women are organized at the grassroots' level around their needs in such a way that enhances their capabilities by improving their participation in and access to the development schemes.

5.0 Policy Recommendations

Organizational arrangements are the first step in improving the social and economic capacities of women. Group formation for women's development is a powerful tool in weakening the inside and outside dichotomy. It is also considered essential for their better accessibility to resources. Moreover, general awareness about community needs, readiness to accept new technology, openness to change in spite of culture barriers are some of the positive outcomes of grouping. As such, women should be encouraged to form groups and pursue their interests. Government should reestablish marketing boards especially where significant women farmers exist so that they can sell their agricultural products. The millennium development goals (MDGs) are crucial services that enable citizens to secure their basic human rights.

These services can play an important part in achieving gender justice if they are responsive and accountable to women, and provide equal access and outcomes.

The not-for-profit sector or civil society should vigorously embark on campaigns for various de-feminizing poverty schemes in Nigeria. There should be advocacy, lobby, implementation and monitoring programmes that will follow-up on gender declarations and summits to ensure that female poverty is alleviated. On the other hand, micro-credit schemes are a key component in empowering women as evident in other developing nations such as India and Bangladesh (Bamberger and Aziz, 2002). There is the need for Nigerian governments at federal and state levels to engage in collaboration with commercial banks for short- and medium-term loans for women. These loans should be interest-free and devoid of stringent requirements.

Lastly, at policy design and implementation levels, significant others (such as husbands, relatives and community leaders) should be integrated in women empowerment programmes. Establishing and maintaining such networks would increase women's assertiveness, improve their social capital and build trust.

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