

African Development Review **Revue africaine de développement**



Overview

Aims and Scope

African Development Review is a professional journal devoted to the study and analysis of development policy in Africa. Published four times a year for the African Development Bank, the *Review* emphasizes policy relevance of research findings, rather than purely theoretical and quantitative issues.

The African Development Bank is a regional multilateral development finance institution, the members of which are all of the 53 countries in Africa and 25 countries from Asia, Europe, North and South America. The purpose of the Bank is to further the economic development and social progress of African countries, individually and collectively. To this end, the Bank promotes the investment of public and private capital for development, primarily by providing loans and grants for projects and programs that contribute to poverty reduction and broadly based development in Africa.

The review contains:

- High quality articles analyzing recent critical issues relating to Africa's economic and social development;
- Empirical analyses and case studies either of single countries, or of comparative nature, which shed light on development policy choices; and
- Book reviews, conference reports and comments on *Review* articles.

It covers, amongst others, the following subjects:

- Macroeconomic Policies (Fiscal, Monetary and Exchange Rate Policy);
- Economic and Structural Reforms including Issues of Financial Sector Reforms;
- Sectoral Issues on Agriculture, Energy, Mining and Industry;
- Issues of Building Infrastructure and Human Resource Capacity;
- Private Sector Development;
- Regional and International Concerns such as Debt, Trade, Capital Flows, Regional Integration, South-South Cooperation and Globalization; and
- Socioeconomic Issues of Income Distribution and Poverty Alleviation.

Keywords

African, development, Africa, review, analysis, policy, research, bank, social, progress, economic, crisis, loans, grants, poverty, macroeconomic, financial, public, private, investment, debt, trade, capital, journal, studies, periodical, article, theory

Abstracting and Indexing Information

- ABI/INFORM Collection (ProQuest)
- Abstracts on Hygiene & Communicable Diseases (CABI)
- Academic Search (EBSCO Publishing)
- Academic Search Alumni Edition (EBSCO Publishing)
- Academic Search Premier (EBSCO Publishing)
- AgBiotech News & Information (CABI)
- Animal Breeding Abstracts (CABI)
- Business Premium Collection (ProQuest)
- CAB Abstracts® (CABI)
- Criminal Justice Collection (GALE Cengage)
- Current Contents: Social & Behavioral Sciences (Clarivate Analytics)
- EconLit (AEA)
- GEOBASE (Elsevier)
- Global Health (CABI)
- Horticultural Science Abstracts (CABI)
- Ingenta Select
- Irrigation & Drainage Abstracts (CABI)
- Journal Citation Reports/Social Science Edition (Clarivate Analytics)
- Maize Abstracts (CABI)
- OmniFile Full Text Mega Edition (HW Wilson)
- Periodical Index Online (ProQuest)
- Plant Breeding Abstracts (CABI)
- Postharvest News & Information (CABI)
- Proquest Business Collection (ProQuest)
- ProQuest Central (ProQuest)
- ProQuest Politics Collection (ProQuest)
- ProQuest Sociology Collection (ProQuest)
- Protozoological Abstracts (CABI)
- RePEc: Research Papers in Economics
- Review of Medical & Veterinary Entomology (CABI)
- Rural Development Abstracts (CABI)
- Social Science Premium Collection (ProQuest)
- Social Sciences Citation Index (Clarivate Analytics)
- Soils & Fertilizers Abstracts (CABI)
- Tropical Diseases Bulletin (CABI)
- VINITI (All-Russian Institute of Science & Technological Information)
- Wheat, Barley & Triticale Abstracts (CABI)

African Development Review
Revue africaine de développement



Editorial Board

Editor

Hanan Morsy

Managing Editor/Directeur de la Publication

Hanan Morsy

Associate Editors/Rédacteurs associés

John Anyanwu
Amadou Boly
Augustine Fosu
Akin Iwayemi
Abdul B. Kamara
Stephen Karingi
Laetitia Mukurasi
Germano Mwabu
Tchéché Nguessan
Catherine Pattillo
Adeleke Salami

Advisory Board

Olu Ajakaiye
Ernest Aryeetey
Jean-Paul Azam
Arne Bigsten
Paul Collier
Hakim Ben Hammouda
Lahouel Mohammed Hedi
Ravi Kanbur
Louis Kasekende
Steve Kayizzi-Mugerwa

About Wiley Online Library

Privacy Policy

Terms of Use

Cookies

Accessibility

Volume 28, Issue 1

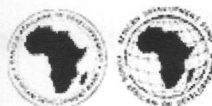
Pages: 1-156, iv
March/mars 2016

< Previous Issue | Next Issue >

GO TO SECTION

Advertisement

African Development Review
Revue africaine de développement



[Abstract](#) | [Full text](#) | [PDF](#) | [References](#) | [Request permissions](#)

Empirical Analysis of the Key Drivers of Income Inequality in West Africa

John C. Anyanwu, Andrew E. O. Erhijakpor, Emeka Obi

Pages: 18-38 | First Published: 02 March 2016

[Abstract](#) | [Full text](#) | [PDF](#) | [References](#) | [Request permissions](#)

L'importance des reformes institutionnelles dans l'attractivité des IDE dans les Etats en période de post conflit d'Afrique subsaharienne: Une analyse empirique

Lewis Landry Gakpa

Pages: 39-52 | First Published: 02 March 2016

[Abstract](#) | [Full text](#) | [PDF](#) | [References](#) | [Request permissions](#)

Dividend Payment Behaviour and its Determinants: The Nigerian Evidence

Rihanat Idowu Abdulkadir, Nur Aadiana Hiau Abdullah, Woei-Chyuan Wong

Pages: 53-63 | First Published: 02 March 2016

[Abstract](#) | [Full text](#) | [PDF](#) | [References](#) | [Request permissions](#)

Does Economic Freedom Enhance the Impact of Foreign Direct Investment on Economic Growth in North African Countries? A Panel Data Analysis

Nahed Zghidi, Imen Mohamed Sghaier, Zouheir Abida

Pages: 64-74 | First Published: 02 March 2016

[Abstract](#) | [Full text](#) | [PDF](#) | [References](#) | [Request permissions](#)

Wage Differentials in Cameroon: A Gendered Analysis

Francis Menjo Baye, Boniface Ngah Epo, Jean Ndenzako

Pages: 75-91 | First Published: 02 March 2016

[Abstract](#) | [Full text](#) | [PDF](#) | [References](#) | [Request permissions](#)

The Threat of Domestic Violence and Women Empowerment: The Case of West Africa

Saikou Amadou Diallo, Marcel Voia

Pages: 92-103 | First Published: 02 March 2016

[Abstract](#) | [Full text](#) | [PDF](#) | [References](#) | [Request permissions](#)

Relative Contribution of Child Labour to Household Farm and Non-Farm Income in Ghana: Simulation with Child's Education

Isaac Koomson, Simplicie A. Asongu

Pages: 104-115 | First Published: 02 March 2016

[Abstract](#) | [Full text](#) | [PDF](#) | [References](#) | [Request permissions](#)

Public Debt and Economic Growth in Ghana

Victor Owusu-Nantwi, Christopher Erickson

Pages: 116-126 | First Published: 02 March 2016

[Abstract](#) | [Full text](#) | [PDF](#) | [References](#) | [Request permissions](#)

Infectious Diseases, Longevity and Labour Productivity in Sub-Saharan Africa

Adedayo O. Adedeji, Anthony E. Akinlo

Pages: 127-139 | First Published: 02 March 2016

[Abstract](#) | [Full text](#) | [PDF](#) | [References](#) | [Request permissions](#)

Survival Analysis of Regional Unemployment in Uganda: Evidence from the Uganda National Panel Survey (UNPS)

Corti Paul Lakuma, Robert Marty, Annette Kuteesa

Pages: 140-154 | First Published: 02 March 2016

[Abstract](#) | [Full text](#) | [PDF](#) | [References](#) | [Request permissions](#)

Article Reviewers

 Free Access

APPRECIATION TO ARTICLE REVIEWERS

Pages: 155-156 | First Published: 02 March 2016

[Full text](#) | [PDF](#) | [Request permissions](#)

Issue Information

 Free Access

Issue Information – Author Guidelines

Dividend Payment Behaviour and its Determinants: The Nigerian Evidence

Rihanat Idowu Abdulkadir, Nur Adiana Hiau Abdullah and Woei-Chyuan Wong*

Abstract: This paper offers new evidence on the existence of disappearing dividend phenomenon in the Nigerian stock market and as to how clientele, catering and life-cycle theories of dividend affect firms' dividend paying behaviour. We did not find conclusive evidence to suggest that dividend payments had become second order of importance in firms' payout policies during 2003–2012 because we only observed a downward trend in dividend payments during 2010–2012. Logistic regression of a probability to pay or not to pay dividend and a panel regression of the size of dividend payment show that clientele theory stands out as compared to catering and life-cycle theories. Firms in our sample shape their dividend policies in line with the preference of foreign investors who have less preference for dividend over capital gain due to dividend taxes imposed on these shareholders. This underlines the importance of foreign investors on firms' corporate decisions given the fact they owned more than half of the total shares traded on the Nigerian Stock Exchange. Other determinants that affect the propensity to pay are profitability, investment opportunities, leverage, cash flow, crisis, stock market performance, past dividend and interest rate with signs that are consistent with the prediction of traditional dividend theories.

1. Introduction

Stock markets play a fundamental role in the financial intermediation process, which leads to achieving financial stability in an economy (Emenuga, 1997; Twerefou and Nimo, 2005). Firms listed on stock markets return profits to shareholders in the form of dividends and share repurchase. However, a recent stream of literature pioneered by Fama and French (2001) holds that dividends are disappearing as there is a significant reduction in the number of firms paying dividends. This evidence is inconclusive as some other studies (Ap Gwilym *et al.*, 2004; DeAngelo *et al.*, 2004) argue that dividend patterns are changing but not disappearing. Different explanations on the reduction in dividend payments have been offered in the developed market. However, the issue remains largely unexplored in the emerging markets, particularly the African region.

Apart from the arguments on the propensity to pay or not to pay dividends, there is also a rapidly growing literature on the role of ownership structure on firm's dividend policy. However, despite the significant increase worldwide in the holdings of foreign investors reported by Ferreira *et al.* (2010), foreign ownership has not received much attention in the literature on dividend policy like other ownership types. Thus, this study is driven by the dearth of literature on the disappearing dividends phenomenon and what drives it in an emerging market setting as well as foreign ownership effects on dividend payout decisions. The Nigerian stock market provides an ideal laboratory for studying payout policies in the African region because besides being the second largest stock exchange in Africa in terms of market capitalization, it is also the leading exchange in West Africa.

Prevalence of non-payment of dividend has been reported in the Nigerian stock market as the leading financial information service (Proshare, 2013) stated that 43 out of 200 companies listed on the Nigerian Stock Exchange (NSE) have not paid dividends in the last five years. However, no empirical explanation exists on this issue. Similarly, the significant presence of foreign investors on the NSE stimulates the interest to observe foreign ownership effects on corporate payout decisions. The market was liberalized in 1995 in order to increase free flow of foreign capital into the country. The percentage of foreign investors' shareholdings increased over the years to 61.4 per cent as at the end of 2012. Dividend legislation in the Nigerian

*Rihanat Idowu Abdulkadir (corresponding author), School of Economics, Finance and Banking, College of Business, Universiti Utara Malaysia, 06010 UUM Sintok, Kedah, Malaysia; Department of Finance, Faculty of Management Sciences, University of Ilorin, Nigeria; e-mail: riolaq29@yahoo.com. Nur Adiana Hiau Abdullah, School of Economics, Finance and Banking, College of Business, Universiti Utara Malaysia, 06010 UUM Sintok, Kedah, Malaysia; tel/fax: 00-604-9286868/6752; e-mail: diana897@uum.edu.my. Woei-Chyuan Wong, School of Economics, Finance and Banking, College of Business, Universiti Utara Malaysia, 06010 UUM Sintok, Kedah, Malaysia; tel/fax: 00-604-9286898/6752; e-mail: wwchyuan@uum.edu.my.