

The Impact of Cope Programme in Changing the Poverty Status of the Rural Poor Households in Anambra State, Nigeria

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COPE (In-Care-of- the People Programme), is a Federal Government of Nigeria programme, initiated and implemented by its poverty alleviation agency; National Poverty Eradication Programme (NAPEP). COPE is its key product in breaking inter-generational transfer of poverty, amongst the household-poor, in rural Nigeria. This study focused on three Local Government Areas in Anambra State, purposely selected to reflect the three senatorial zones of the state. The Local Government Areas are Nnewi North, in the South; Idemili South in the Central zone; and Anambra East in the North. Fifty one, mostly, poor-female headed households were sampled. Responses on an interview-guided questionnaire administered by trained enumerators, followed-up by interface-meetings with stakeholders, were employed in sourcing as well as validating the data collected. Descriptive and inferential statistics (means, simple percentages, multiple percentages likert-scale, t-test, chi-square) were used in assessing if COPE made impact in their savings capability and income levels. It was observed that there was no significant change in both income levels and savings capability of the rural poor households. The study also showed moderate advancement in the household conditions of the beneficiaries. The key challenges of the programme identified include irregularity in the payment of the monthly Basic income guarantee (BIG); very poor implementation of its microcredit grant Poverty Reduction Accelerator Investment, (PRAI) and lack of information about its activities. The study recommended proper implementation and sensitization of beneficiaries about COPE; strengthening of the community participation; ensuring the establishment and functioning of the state as well as the community monitoring and evaluation component of the programme.

Background to the Study

Ehigiamusoe (2001), describes poverty as associated with low income, ill-health, hunger, powerlessness and other forms of deprivation. Endemic poverty as common in most rural communities of developing nations is generated and sustained by the structure and process of economic relations in the society. Indeed, various methods have been used to identify the poor. They include income and consumption status as well as location. The others are non-economic measures such as life expectancy, access to safe drinking water, access to education and health facilities, housing, quantity and quality of food (Zeller, Sharma, Ahmed and Rashidi 2001). Sub-Saharan Africa presents the worst case indicators of poverty among the continents; 216 million Africans are in absolute poverty and that except for South Africa and Mauritius, African countries belong to 50% of the 150 countries ranked poor on the human development index in 1996. Furthermore, among the 20 poorest countries in the world, 18 are in Africa (Ehigiamusoe, 2001).

Poverty reduction is a major challenge facing Nigeria and its people. The poverty rate in Nigeria increased from 27% in 1980 to 66% in 1996 and by 1999 it was estimated that more than 70% of Nigerians lived in poverty (NEEDS, 2005). This phenomenal rise in poverty in Nigeria, largely regarded as paradox, considering the enormous natural resources it is blessed with, has continued to rise. There have been several efforts in the last two decades, through mostly government initiated development programmes, which had largely failed to yield the desired trickle-down effect (Okorie, 1991; Ukpong 1998).

The exclusion of the intended beneficiaries is seen as an important factor to its failure (Manufor, 1997; Onugu, 2002). The inadequacies of past efforts prompted the emergence of an involving people and community oriented programme such as COPE. It is a key poverty eradication programme of the Nigerian Government, executed through its pivot agency in poverty reduction; the National Poverty Eradication Programme (NAPEP).

COPE has as its objectives to: reduce vulnerability of the extreme poor in the society against existing socio-economic risks; and, reducing intergenerational transfer of poverty. In ensuring that the beneficiaries of the COPE programme belong to the poor, the programme targets the following groups: Poor female-headed households with children of basic school age; Poor aged headed households with children of basic school age; physically challenged headed households with children of basic school age; and households headed by special groups (victims of VVFs, PLWHA, etc) with children of basic school age (NAPEP, 2009).

The mission of COPE is to help achieve the goals of NEEDS, and is in line with the MDG goal of halting the proportions of people living in extreme poverty by 2015. The machinery of COPE in achieving its target is focused on three areas, basic education of children of the poor households, basic health care of the children of the poor households; and, the engagement of the head of the poor-households in income generating activity. Essentially, COPE targets the human capacity development of the poor-households.

In ensuring the sustainability of COPE, its implementation process is designed to ensure strong community participation. There is therefore the establishment of state and community committees; the State Social Assistance Committee (SSAC) at the State level, that selects the participating Local Government Areas, and the Community Social Assistance Committee (CSAC) at community level. The CSAC members comprise of the village head; leading Pastor or Imam; School Principal/Headmaster; CDA Leader; and Technical Assistant from NAPEP (Zubairu, 2009; NAPEP 2010). COPE presently is going on in Local Government Areas in Anambra State.

Objectives of the Study

The broad objective of the study is to determine the impact of COPE in changing household poverty status in Anambra State. The specific objectives are to:

1. Determine the impact of COPE in changing the income level and savings capability of the poor rural households.
2. Identify major challenges and recommend measures to strengthening the COPE programme in Nigeria.

Hypotheses for the Study

Three hypotheses were set for the study and they are:

- Ho₁:** 'The COPE programme had no significant impact on the income level of the poor-headed households'.
- Ho₂:** 'The COPE programme had no significant impact on the savings capability of the poor-headed households'.
- Ho₃:** 'The COPE programme had no significant change in the household conditions of the poor-headed households'.

Literature Review

The Poverty Concept

Poverty has been defined variedly. The dominant view is its being seen as lack of income. Using income threshold which is most often a reference point, persons on daily income below US\$1, is said to be poor. This is the minimum amount required to buy a basket of food with the minimum number of calories needed by a normal human being. However, indices for measuring poverty have broadened beyond the aforementioned description. Ehigiamusoe (2000), states that the inadequacy of using income as determinants of poverty line, prompted the development of supplementary non-economic measures such as life expectancy, access to safe drinking water, and access to educational and health facilities. Stern (1994) did express the issue of poverty as a case of what people have, and on basis of what people are which is an economic concept and social concept respectively. Similarly, Robert McNamara (2002), the President of the world bank, defines poverty as a condition of life so degraded by disease, illiteracy, malnutrition, and squalor, as to deny its victim basic human necessities.

Ehigiamusoe (2000), contends that poverty is better understood when it is described, rather than defined. This he added, demands examining what are commonly referred to as 'indicators of poverty'. These indicators according to Quibria (1990) and Ehigiamusoe

(2000), are embedded within the 'basic-needs' of humans. The basic-needs perspectives could be seen from meeting the primary (absolute) needs of life and the secondary (relative) needs of life. The primary needs comprise food, clothing, safe water and shelter. Not having these needs, defines one as being in absolute poverty. The secondary needs include non-materials values as freedom of expression, health, security, right to own property, access to productive employment and participation. Having, the primary needs, but not all or some of the secondary needs, puts one in state of relative poverty.

State of Poverty in Nigeria

The state of poverty in Nigeria, which is quite high, is a misnomer. Here is a country enormously blessed with abundant economic, natural and human resources of diverse inclinations, but yet in poverty rating. Ehigiamusoe (2000), commenting on state of poverty in Nigeria, describes it as self-inflicted. Indeed, a country ranked amongst the seven most oil producing countries in the world has no business with poverty. The World Bank (1994), in its social sectors strategy review, shows that Nigeria real per capita income fell from \$2900 in 1980 to \$240 in 1997, which is far below Sub-Saharan African average of \$500. Nigerians living below poverty line rose from 18million in 1980 to 67million in 1996. Its life expectancy is mere 51.6 years, while only 49% of the over 100 million population, could read and write. Comparably, its infant mortality rate of 91% is as against that of 47% and 66% for even less endowed countries such as Zimbabwe and Kenya respectively. The World Bank (1990), noted that poverty in Nigeria, is widespread and severe. Nigeria, it stated, is the only member of the organization of Petroleum Exporting Countries (OPEC) to be categorized among the world poorest 20 countries.

Poverty Alleviation Efforts in Nigeria

Overtime in Nigeria, various governments, has executed programmes meant to address the needs of the poor. These programmes as highlighted by the World Bank (1996), Ehigiamusoe (2000) and Titilayo (2001) are:

1. Agricultural sector: Programme such as the Agricultural Development Programme (ADP); The River Basin Development Authority (NALDA); the Strategic Grain Reserve Programme (SGRP) and including the development of small ruminant production, pasture and grazing reserves.
2. Health sector programmes consist of Primary Health Care Scheme (PHC), the Guinea-Worm Eradication, the HIV/AIDS programme; and the Child Immunization Programme against Polio, measles, tuberculosis.
3. Nutrition-related programmes which aim at providing food, production of micronutrient deficiencies in children and pregnant and lactating women, promoting exclusive breast feeding, deworming of school children and promoting food quality and safety.
4. Educational sector, the Nomadic Education stands out. Others are education directed at the girl-child and adult literacy.
5. Financial sector programmes include the Rural Banking Scheme (RBS), Nigerian Agricultural and Cooperative Bank (NACB), the Peoples Bank of Nigeria, the National Economic Reconstruction Fund (NERFUND) and the Community Banking Programme.

6. The housing sector schemes include a number of low-cost housing schemes that has been launched in parts of the country by Federal, State and Local Government Councils.
7. Employment sector is through the establishment of National Directorate of Employment (NDE), to facilitate skill-development of young graduates for self-employment.
8. Economic sector is the Structural Adjustment Programme (SAP), the National Economic Empowerment and Development Strategy (NEEDS) and National Poverty Eradication Programme (NAPEP).
9. Infrastructural sector were the Directorate for Food, Road and Rural Infrastructure (DFRRI), the Petroleum Trust Fund (PTF).

Other cross-cutting programmes were the Better Life Programme (BLP), Family Economic Advancement Programme (FEAP) and the Child Trust Care of the first ladies, mostly targeted at rural women and children.

In general, successive governments in Nigeria have not been unaware of the poverty situation in Nigeria. In spite of the aforementioned efforts, poverty is still on the increase (Chukwemeka and Ezeigwe, 2007). The reason for the rise as opined by Ehigiamusoe (2000), is that the modes of implementation of the programmes were not targeted to the needs of the poor; as their policies were only seen in policy statements and declarations. Equally an important factor that contributed to the paradox of poverty in midst of plenty in Nigeria, is the very high level of corruption perpetuated by managers of public resources. A case for reference according to Ehigiamusoe (2000), is the recovery of N68 billion, few months after the death of General Sani Abacha, the military head of state in 1998. Half of this amount, by 1998 values, would enhance Nigerians access to safe-drinking water, by over 55%; only three-quarter would be more than enough to bring primary health care services to every Nigerian, while a third would create jobs to reduce unemployment by 75%. This form of looting of public wealth he summarized was replicated at other levels of government.

Study Methods

The study adopted a field survey approach, and the methodology used followed the underlisted sub-heads.

Area of Study

Anambra state is the area of study. The State is located in the south- eastern part of Nigeria and lies between longitudes 6° 40'E and 8° 30'E and latitudes 5° 45'N and 7° 05'N. Anambra State is one of the 36 states in Nigeria and is situated in the South-East geopolitical zone of Nigeria. Out of 21 Local Government Areas (LGA) in the state, three were chosen in a manner to represent the entire state. To achieve this, one LGA was randomly chosen from each of the senatorial zones in the state. The LGAs are Nnewi North, in Anambra South Senatorial Zone; Idemili South, in Anambra Central Senatorial Zone; and Anambra East, in Anambra Senatorial Zone. Anambra state is an economically active state, with the citizenries largely involved in commerce, especially trade. It equally has a highly educated population, who are mostly employees in public service and the private sector.

Population of the study

The population for this study is comprised of the 90 poor-headed households (beneficiaries) from 15 communities in the three LGAs in Anambra State chosen for the study.

Sampling Size and Sample Procedure

The study adopted the judgmental method in the sampling. Fifty one (51) poor-headed households, representing 57% of the population was chosen as sample size. Cluster (communities) sampling was adopted in selecting the beneficiaries, ensuring representativeness of the communities in each of the 3 local government areas chosen.

Research Tools and Quality Control

A personal interview-guided questionnaire targeted at the poor-headed household and the COPE implementation committees was developed. To ensure the validity and reliability of the questionnaire, the following steps were taken:

1. **Training of Enumerators/Validation of Questionnaire:** Five degree holders and staff of EVI were trained on how to effectively use the questionnaire. The validity of the questionnaire was ensured during interaction with European Union's (EU) officials who were present at the training.
2. **Test-Re-Test/Reliability of the Questionnaire:** Following the training of enumerators and validation of the questionnaires, it was tested on some of the beneficiaries and re-tested a week after. The consistency of response proved the reliability of the questionnaire.

Data Collection

Data was collected through two main sources; primary and secondary sources.

1. **Primary sources:** This involved the use of questionnaire and information gathered during the 3-interface-meetings held in each of the LGAs. Data collected were on socio-economic characteristics of the beneficiaries; the structure and execution of COPE; the impact of COPE; and its challenges.
2. **Secondary Data:** Information on the concept and operations of COPE which was vital to the study were gotten from secondary sources. Resource materials from NAPEP office as well as on their website were relied on.

Data Analysis

The study made use of descriptive and inferential statistics in data analysis. Statistical tools used include: simple and multiple response percentages, Likert-scale and means for analyzing the specific objectives. The three hypotheses; H_0 , H_{0_2} and H_{0_3} , set for the study, were analyzed through the use of t-test. Stated below are explanations on the tests of the hypotheses.

Hypothesis 1 (H_{0_1}):

The t-test statistics was used to test the hypothesis on the impact of COPE programme on the income level of the 51 poor-headed households. The monthly income of the beneficiaries before and after their engagement in the programme were captured and used as the main data. The formula for the t-test is stated thus:

$$t = \frac{\bar{X}_1 - \bar{X}_2}{SD_x}$$

Where, SD_x = Standard error of difference between mean

$$\text{But } SD_x = \sqrt{\frac{S_1^2}{n_1} + \frac{S_2^2}{n_2}} \quad \text{and } S^2 = \text{Variance of group}$$

$$\text{Therefore, } t = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{S_1^2}{n_1} + \frac{S_2^2}{n_2}}}$$

Where:

- X_1 = Mean of monthly income (Before COPE engagement)
- X_2 = Mean of monthly income (After COPE engagement)
- n_1 = Sample size of beneficiaries (Before COPE engagement)
- n_2 = Sample size of beneficiaries (After COPE engagement)
- S_1^2 = Variance or standard deviation of their monthly income (Before COPE engagement)
- S_2^2 = Variance or standard deviation of their monthly income (After COPE engagement)

Hypothesis 2 (H_0)

The t-test statistics was used to test the hypothesis on the impact of COPE programme on the savings capability of the 51 poor-headed households. The monthly savings of the beneficiaries, before and after engagement in the programme were captured in the questionnaire and used as the main data. The formulae for the t-test is as stated above. Other specific explanations are:

Where

- X_1 = Mean of monthly savings (Before COPE engagement)
- X_2 = Mean of monthly savings (After COPE engagement)
- n_1 = Sample size of beneficiaries (Before COPE engagement)
- n_2 = Sample size of beneficiaries (After COPE engagement)
- S_1^2 = Variance or standard deviation of their monthly savings (Before COPE engagement)
- S_2^2 = Variance or standard deviation of their monthly savings (After COPE engagement)

Hypothesis 3 (H_0)

The t-test was used to test the hypothesis on the impact of COPE programme on the household conditions of the 51 poor-headed households. The level of 12 basic household conditions (Table 3), were captured through a 3-point Likert scale measure (not established,

fairly established, and well established). The mean (\bar{X}) scale measure on the establishment of each of the household conditions for the 51 beneficiaries before and after their engagement in the COPE programme (Table 3) were obtained. The means (\bar{X}) formed the main data used for the test. Following that, the formula for the t-test is as stated above. Other specific explanations are:

Where

- X_1 = Mean of household conditions (Before COPE engagement)
- X_2 = Mean of household conditions (After COPE engagement)
- n_1 = Sample size of beneficiaries (Before COPE engagement)
- n_2 = Sample size of beneficiaries (After COPE engagement)
- S_1^2 = Variance or standard deviation of mean of household conditions (Before COPE engagement)
- S_2^2 = Variance or standard deviation of mean of household conditions (After COPE engagement)

Results and Discussions

The impact of COPE was assessed through its change effect on the income level, savings and household conditions of the 51 poor-headed household. They are the sampled beneficiaries of the programme. In achieving this assessment, three hypotheses were set. The first (H_0), determined if there was a significant change in the monthly income of the beneficiaries before and after engagement. Table 1 is a summary of t-test values on their income level indicating t-cal (-4.34), t-tab (1.980), at standard error (223.6), and at a significant level (0.05). This implies that there was no significant change in their monthly income levels after their engagement in the COPE programme.

Table 1: Summary of t-test values of monthly income of household before and after engagement in COPE Programme

Monthly Income	N	\bar{X}	SD	Df	SL	SE	t-cal	t-tab	Remark
Before Engagement	51	545.09	478.46	100	0.05	223.6	-4.34	1.98	Not significant
After engagement	51	1739.21	1771.90						

Note:

- N = Number of Respondents
- X = Mean (average) of monthly income
- SD = Standard Deviation
- df = Degree of freedom
- SL = Significant Level
- SE = Standard Error
- t-cal = t-test result (calculated)
- t-tab = t-test result (tabulated)

The test of the second hypothesis (H_{02}), which sought to determine if there was a significant change in the savings capability of the beneficiaries; The outcome as displayed in table 2, gave the t-cal (0.695) and t-tab (1.980), at standard error (162.5), and at significant level (0.05). The implication of this result is that their engagement in the COPE programme, could not significantly enhance their saving capability.

Table 2: Summary of t-test values of monthly savings of household before and after engagement in COPE Programme

Monthly Savings	N	\bar{X}	SD	Df	SL	SE	t-cal	t-tab	Remark
Before engagement	51	439.80	445.33	100	0.05	162.5	-0.6950	1.980	Not Significant
After engagement	51	1445.09	1196.04						

Note:

- N = Number of Respondents
- X = Mean (average) of monthly savings
- SD = Standard Deviation
- df = Degree of freedom
- SL = Significant Level
- SE = Standard Error
- t-cal = t-test result (calculated)
- t-tab = t-test result (tabulated)

Finally, twelve basic household conditions of the beneficiaries, before and after COPE intervention, were examined. Through the use of 3-point likert scale (table 3), mean (\bar{X}) responses of the 51 poor-headed households, did indicate a slight advancement in the status of all their household conditions, except in good home management and business growth and expansion. In affirming the status of the change, the third hypothesis (H_{03}) determined if the change was significant. The summary of the result (table 4), gave t-cal (-16.431), t-tab (1.658), at standard error (4.852), and at significant level (0.05). This again, meant that the COPE programme had no significant change in their household conditions.

Table 3: Likert-Scale Values Comparing Differences in Household Conditions of Beneficiaries Before and after engagement in COPE

S/N	House-hold Conditions	Before Engagement	After Engagement
1	Basic-child education	3.2	4.3
2	Basic-child health care	3.1	4.0
3	Engagement in business	3.2	4.0
4	Established income	3.0	3.9
5	Household needs (Radio, TV, Phones, Motorables etc	2.8	3.7
6	Good home management	3.3	3.4
7	Exposition to livelihood training	2.8	3.7
8	Business growth and expansion	2.7	3.4
9	Acquisition of basic household utensils (stove, bucket, pots, Matchets)	2.8	3.6
10	Balanced and regular food	3.1	4.1
11	Sustainable means of income	2.9	4.1
12	Good living standard	3.0	3.7
	Overall (X)	3.0	3.8

Source: NAPEP COPE Field Survey, 2011

Likert-scale Mean (X) ranking

3.50 - 5.00	=	well established
2.5 - 3.49	=	fairly, established
1.0 - 2.49	=	not established

Table 4: Summary of t-test values of Household conditions Before and After COPE Programme

Household Condition	N	X	SD	df	SL	SE	t-cal	t-tab	Remark
Before Engagement	51	3.0	0.21						
				100	0.05	4.852	-16.431	1.658	Not Significant
After Engagement	51	3.82	-0.99						

Note:

N	=	Number of Respondents
X	=	Mean establishment value of household conditions
SD	=	Standard Deviation
SL	=	Significant Level
SE	=	Standard Error
t-cal	=	t-test result (calculated)

t-tab = t-test result (tabulated)

Challenges of COPE

The study, as shown in Table 5, identified thirteen (13) challenging issues involved in the execution of COPE. The information was collected from the responses of the beneficiaries in the guided-interview questionnaire and the reactions of stakeholders (NGOs, beneficiaries, community implementation committee) during the 3 interface-meeting held. The notable challenging issues in descending order of importance are:

1. Irregular payment of basic income guarantee (BIG),
2. Non-payment of poverty reduction accelerator investment (PRAI),
3. Lack of information about COPE,
4. Weak co-ordination and co-ordination and co-operation amongst the stakeholders,
5. Non-payment of the trainees,
6. Poor monitoring and evaluation, and
7. Payment for their children examination fees.

Table 5: Distribution of Beneficiaries by Challenges of Engaging in COPE

S/N	Challenges Issues	Frequency (N=51)	*Percentage (%)
1	Irregular payment of BIG	51	100
2	Non-payment of PRAI	38	74.5
3	Instalmental Payment of PRAI	13	25.5
4	Paying for children external exam fees	17	33.3
5	Buying children's text books	13	25.5
6	Paying for prescribed medicines	11	21.6
7	Inadequate fund for PRAI	8	15.7
8	Lack of information	31	60.8
9	Poor monitoring and evaluation	19	37.3
10	Weak co-ordination/corporation between stakeholders (implementation communities and beneficiaries)	27	53
11	Proximity to training venues & cost implications	9	17.6
12	Non-payment of trainers	21	41.2
13	Influencing choice of business	13	25.5

Source: NAPEP COPE Field Survey, January, 2011.

*Multiple Responses

Conclusion and Recommendations

The COPE programme centers on human capital development and the establishment of a thriving business by the household poor. The sustainability of COPE is built around four of its activities: the educational component; business skill acquisition component, business establishment component; and, the community participation component. The study notes that the educational, health care, and business skill development components of the programme were successful, while community participation was found unsatisfactory. Regrettably, two most vital component of the programme; the BIG and particularly PRAI, were poorly implemented. If the beneficiaries at the exit point cannot establish a business

that guarantees a steady income to the household, then sustainability of the programme is doubtful. This singular defect led to the programme not having a positive change in the poverty status of the poor-headed households. This was aptly revealed through the negative (non-significant) of the three hypotheses tested, which dwelt on assessing whether a change occurred through advancement in the income, savings and household conditions of the COPE beneficiaries. COPE is indeed a grassroots programme in eradicating poverty and if well executed nation-wide, would cover a large mass of the extreme poor. That is why it should be embraced fully by the three-tiers of government in Nigeria. In line with the findings of this study, the understated recommendations towards strengthening the programme are made.

- i. The monitoring and evaluation component of the programme is weak. This was clearly observed during the interface meeting, with stakeholders, at the community level. The state monitoring committee is not functional in this regard. It is recommended here that a monitoring and evaluation schedule for the implementation committees be developed by NAPEP officials.
- ii. The community participation in the programme should be strengthened. It should go beyond selection of the beneficiaries, to supervising their activities and responding to challenges therein. During the interface-meeting, it was manifest that they were not formalized. They appear not to have or know their roles in the programme. Indeed, one of the important achievements of the 3 interface-meetings held was the formalization of the community implementation committee. Efforts should be made to establish the committee formally in all the communities where the programme is being executed in the state.

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Relationship between Liquidity and Profitability in Commercial Banks in Africa

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Abstract

This study investigated the relationship between liquidity and profitability in commercial banks (taking Diamond Bank as case study) in Nigeria. Two objectives in relation to 2 research question with hypotheses were raised in the study. Secondary method of data collection was used for this study and data was sourced from the comprehensive income statements and financial position of the selected commercial banks. Panel data methodology was adopted for this study. The method of analysis is that of multiple regressions and the method of estimation is ordinary least square (OLS). This study revealed that liquidity has a significant relationship with the profitability of Deposit Money Banks in Nigeria. Also, the regression results show a positive relationship between Profit after Tax (PAT), and Cash Balance (CB), while there's an insignificant relationship between (PAT) and Treasury bill. The study concluded that, in every society good monetary and financial polices both play major direct and indirect role in the economy. In this connection, it is recommended that banks should endeavour to comply with government (CBN) monetary policy guidelines particularly with regard to cash reserve and liquidity ratio requirements in order to prevent distress and most importantly improve the public confidence in their services thereby increasing their profit. Also, there is need for commercial banks to increase their operating cash flow, through reduction of their credit/loan repayment period in order to positively influence their financial performance which is profit.

Keywords:

Liquidity,
Profitability, Liquid
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