

Business Educators' Perception of the Impact of Economic Recession on Nigeria's Socio Economic

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Abstract

This paper examined Business Educators' perception of impact of the Economic Recession on Nigeria's socio-economic. Two research questions and two hypotheses were formulated to guide the study. The population consisted of 324 business education lecturers in colleges of education and universities in South-west, Nigeria. The whole 324 lecturers were used for data collection because of the small number of the population. The study adopted descriptive survey design. A five point rating scale items structured questionnaire was used for data collection. All the 324 copies distributed were collected and used for the study. The instrument was face-validated by five experts in the Department of Vocational Education Nnamdi Azikwe University, Awka and Department of Vocational and Technical Education, University of Benin, Benin City. An internal consistency of 0.81 was obtained using Cronbach Alpha correlation Co-efficient. Mean and standard deviation were used to answer the research questions while z-test was used to test the hypotheses at 0.05 level of significance. The study showed that the economic recession highly affected Nigeria's socio-economic. It was recommended that to recover Nigeria's economy, Federal Government must see that the price of crude oil is gear up in the world market, both local and external investors must be encouraged to invest in Nigeria, agriculture farm settlements must be revived by government in the rural areas, consumption of locally produced goods and services must be encouraged and government at all levels must provide enabling environment for domestic investment in the country.

Keywords: *Business Educators', Lecturers' Economic Recession, Socio-Economic*

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Background to the Study

Nigeria as a nation started enjoying economic buoyant before and after independence despite the fact that her economy is a primitive one. Oyewole (2016) noted that Nigeria economy is a primitive one which its fundamental production tools remain among others hoe, axe and cutlass, and production depended on energy stored in muscles. Not long to the independence oil was discovered and continues booming till 1970s. As a result of this, the agriculture which had been the mainstay of Nigeria economy was abandoned due to the discovery of crude oil in large quantity. It is obvious that every Nigerian has now realized the dangers of an economy that is largely based on oil revenue which its price is dwindling in the global market. The dependence coupled with the huge cost of running and maintaining our political structure was always a recipe for disaster. Consequent upon this, Nigerians have finally been confronted with the stark reality that the economy is in recession. The effects of this economic downturn are already being felt by all and sundries in the form of unpaid salaries, inability to pay rent, inability to pay children school fees and even inability to feed.

The word recession according to Wikipedia in Afe (2016), is a state of negative economic growth for two consecutive quarters. It is also a business cycle contraction which results in a general slowdown in economic activity. Macroeconomic indicators such as GDP (gross domestic product), investment spending, capacity utilization, household income, business profits, and inflation fall, while bankruptcies and the unemployment rate rise. Recessions generally occur when there is a widespread drop in spending (an adverse demand shock). This may be triggered by various events, such as a financial crisis, an external trade shock, an adverse supply shock or the bursting of an economic bubble.

NDE (2004) affirmed that the emergence of global economic recession in 1980s has led to the galloping state of Nigeria economy. Conversely, Oyewole (2016) observed that about 57 percent of Nigeria citizens are living below \$1 per day and live very poorly in all development indices. The factor behind this is over population. National Directorate of Employment NDE (2010) said Nigeria has a population of over 150million people and an average annual growth rate of 2.5 percent. The challenge brought by over population and standard of living below \$1 per day is diverse socio-economic ranging from inflation, unemployment, poverty, lack of access to potable water and medical care, lack of basic amenities and high level school dropouts among the youths (FRN, 2004).

The above mentioned diverse socio-economic are challenges of economic recession that Nigeria is battling with since 1980s despite the fact that the country was ranked among the 50 richest countries in the world in the early 1970s (FRN, 2004). Unfortunately, Nigeria has retrogressed to become one of the 25th poorest countries at the threshold of the 21st century. Igbuzor (2006) noted that Nigeria is the sixth largest exporter of oil and at the same time hosts the third largest number of poor people after China and India and currently challenged with economic downturn.

Hornby (2006) described challenge as a demanding task or situation. It is an act or statement that calls something into question. The author further stated that it is the act of raising doubt as to whether something is true or genuine. Challenge is a problem that someone face to attain the set objectives. It is a problem of implementation. Therefore, the challenges of economic recession are the problems that arose as a result of short term economic reduction in the country. The challenges of economics recession ranging from

insecurity, inadequate payment of salaries and wages, child abuse, scarcity of food supply, improper education, loss of job, unemployment, high cost of production, embezzlement, poverty, lack of access to portable water, high level of school dropout, inflation and stagnation. Ogbimi (2007) asserted that most government began to spend huge sums of money on military projects and abandoned the old tradition of balanced budget which resulted into inflation and stagnation. This study is to view the opinion of respondents as regard the impact of economic recession on Nigeria's socio-economic.

Statement of the Problem

It has been observed and with reports from various quarter that Nigeria's economy is under renewed tension, as reports on key fundamentals, including Gross Domestic Product, GDP; inflation, employment/ unemployment, capital importation, among others, were worse than expected. According to National Bureau of Statistics (2016), Nigeria's GDP at constant basic prices, contracted in the second quarter of 2016 by 2.06 per cent after shrinking 0.36 in the first quarter. Technically, given that Nigeria's GDP has now showed a decline for two consecutive quarters is evidence that the economy is in recession. According to the report, the continuing decline in the value of capital imported into the economy was symptomatic of the difficult period that the Nigerian economy is going through. The recession had brought about an undeniable feeling of disappointment in the economy, affecting the naira and generating series of discussions. The prime topics of discussions at bus stops, beer parlours, sports arena, country clubs etc. are issues such as inflation, falling wages and inability of governments to pay salaries, rising taxes, rising cost of petrol. Whilst some may state that there is nothing new in the obvious negative public perception of the economy. The study therefore aimed to find out the opinion of Business Educators as regards the impact of economic recession on Nigeria's socio-economic in southwest Nigeria.

Objectives of the Study

The main objective of this study were to examine Business Educators' perception of the impact of economic recession on Nigeria's socio-economic. Specifically, the study determined:

1. Impact of economic recession on socio-economic in South-west, Nigeria.
2. How to revamp recessed economy in South-west, Nigeria.

Research Questions

The following research questions guided the study

1. To what extent is economic recession affect socio-economic in South-west, Nigeria?
2. How would economic be recovered in South-west, Nigeria?

Hypotheses

These null hypotheses were tested at 0.05 level of significance

1. There is no significance difference between the mean ratings of respondents in colleges of education and universities on the extent of how economic recession affect socio-economic in South-west, Nigeria.
2. There is no significance difference between the mean ratings of respondents in the colleges of education and universities on how economy would be recovered in South-west, Nigeria.

Methodology

This study adopted a descriptive survey research design. The population comprised all 324 business educators in South-west, Nigeria (made up of 272 colleges of education lecturers and 52 universities lecturers). The whole population was used because of small number of the population. The instrument used was a structured questionnaire. It is a 5-point rating scale of Very Highly Affected (VHA), Highly Affected (HA), Moderately Affected (MA), Slightly Affected (SA) and Not Affected (NA). The instrument was made up of two sections. Section A sought the demographic data of respondents while section B consisted of 46-items of 5-point rating scale. The 46 items questionnaire elicited information on the extent to which economic recession affect socio-economic and how to revamp economy in South-west, Nigeria. The instrument was face validated by five experts from the department of Business Education, University of Benin, Benin City and Nnamdi Azikiwe University, Awka respectively.

The final draft of the validated instrument was tested by administering it to 20 business education lecturers in Ilorin, Kwara State. Data collected were analyzed and the internal consistency of the instrument was determined using Cronbach Alpha index of 0.81 in agreement with Okoli (2012) as quoted in Olaniyi (2016) that 0.7 reliability coefficient or above is an acceptable reliable value. Also, Ehiamefor and Nwandiani (2002) noted that 0.6 or above is an acceptable reliable values. The instrument was administered to the respondents with the help of three research assistants. All the 324 copies of the questionnaire distributed were returned. Mean and standard deviation were used to answer the research questions while z-test was used to test the null hypotheses.

Result

Table 1:

Respondents mean rating on the Impact of Economic Recession on Socio-Economic in South-West Nigeria (N=304).

S/N	Impact of Economic Recession on Socio-Economic	\bar{X}	SD	Remark
1.	Increasing Social Crime	4.75	0.59	HA
2.	Increasing unemployment rate	4.47	0.81	HA
3.	Increasing poverty rate	4.40	0.79	HA
4.	Increasing embezzlement which affects organizational growth	4.60	0.75	HA
5.	Affecting regular payment of workers' salaries	4.28	0.89	HA
6.	Affecting exchange rate	4.33	0.78	HA
7.	Causing inflation	4.41	0.88	HA
8.	Affecting provision of infrastructure	4.57	0.67	HA
9.	Affecting job satisfaction	4.33	0.89	HA
10.	Affecting external investments	4.37	0.93	HA
11.	Affecting internal investments	4.26	0.89	HA
12.	Affecting quality of education received	4.19	0.85	HA
13.	Affecting workers turnover	4.42	0.77	HA
14.	Affecting quality of goods and services produced	4.33	0.81	HA
15.	Affecting the standard of living of the people	4.07	0.95	HA
16.	Resulting to human trafficking and kidnapping	4.03	0.81	HA
17.	Affecting banking operation	4.40	0.81	HA
18.	Affecting the price of crude oil	4.18	0.89	HA
19.	Affecting the income of the nation	4.40	0.76	HA
20.	Affecting domestic investment	4.52	0.74	HA
Grand Mean		4.38		HA

Table 1 shows the responses on the impact of economic recession on socio-economic in South-West by business education lecturers. The data indicated that all items were accepted with mean scores of 4.75, 4.47, 4.40, 4.60, 4.28, 4.33, 4.40, 4.56, 4.33, 4.37, 4.26, 4.19, 4.42, 4.33, 4.07, 4.02, 4.40, 4.18, 4.40 and 4.51 respectively. The table shows that economic recession highly affected socio-economic in south-west, Nigeria with grand mean of 4.38.

Table 2:

Respondents mean ratings on the strategy to economic recovery/turnaround.

S/N	Strategy to Economic Recovery/Turnaround	\bar{x}	SD	Remark
1.	Youth empowerment and participation in country administration.	4.65	0.69	Agree
2.	Reduction in political personnel entitlements.	4.54	0.76	Agree
3.	Getting income outside the crude oil.	4.42	0.75	Agree
4.	Employing graduates.	4.39	0.78	Agree
5.	Impartial waging war against indiscipline.	4.24	0.82	Agree
6.	Encouraging entrepreneurship education.	4.06	0.96	Agree
7.	Reviving farm settlement in rural areas.	4.16	0.85	Agree
8.	Encouraging local investors.	4.33	0.81	Agree
9.	Encouraging external investors.	4.40	0.73	Agree
10.	Encouraging local or indigenous production of goods and services.	4.52	0.75	Agree
11.	Providing factors that hindered local investment like regular power supply, insufficient capital, lack of business strategies etc.	4.55	0.76	Agree
12.	Provision of rural electrification.	4.22	0.90	Agree
13.	Restructuring banking sector.	4.33	0.85	Agree
14.	Reduction in the price of petrol locally.	4.34	0.87	Agree
15.	Improving the price of crude oil globally.	4.26	0.92	Agree
16.	Improving supply of petrol product through positive negotiation with Niger Delta militants.	4.26	1.02	Agree
17.	Encouraging indigenous producers to upgrade the quality of their products to meet international standard.	4.16	0.99	Agree
18.	Mobilizing Nigerians to go into commercialized and mechanized agriculture.	4.15	1.00	Agree
19.	Construction of good road networking.	4.13	1.08	Agree
20.	Investment in infrastructural facilities.	4.06	1.08	Agree
21.	Exchange rate stability.	4.12	1.19	Agree
22.	Sustaining low interest rate intervention fund to support the small and medium enterprises.	4.09	1.13	Agree
23.	Political restructure from 36 states to six zonal centers.	4.04	1.14	Agree
24.	Improving legal system.	4.00	1.17	Agree
25.	Anticorruption crusade by respecting the rule of law.	4.20	1.07	Agree
26.	Restoring business confidence by removing investors' threatens.	4.07	1.07	Agree
Grand Mean		4.26		Agree

Table 2 shows that all the listed strategies to economic recovery were agreed on as the way to improve economic recession in south-west, Nigeria. The items yielded the following items 4.64, 4.53, 4.42, 4.38, 4.23, 4.05, 4.16, 4.33, 4.40, 4.52, 4.54, 4.21, 4.33, 4.34, 4.25, 4.25, 4.15, 4.14, 4.12, 4.06, 4.12, 4.09, 4.04, 4.00, 4.20 and 4.07 respectively.

Table 3:

Summary of z-test Analysis of the Mean Ratings of Respondents in Colleges of Education and Universities on extent to which economic recession affect socio-economic in South-west, Nigeria.

Variables	N	Mean	SD	α	DF	Z-cal	Z-crit	Remark
Colleges of Education	272	4.37	0.85	0.05	302	0.61	1.96	Highly Affected
Universities	52	4.33	0.92					

Table 3 shows that at 0.05 level of significant and 302 degree of freedom, the calculated z value of 0.61 is less than the critical z value of 1.96, which means that there was no significant difference in the mean ratings of respondents in colleges of education and Universities on extent to which economic recession affects socio-economic in south-west, Nigeria. The null hypothesis was therefore, accepted.

Table 4:

Summary of z-test Analysis of the Mean Ratings of Respondents in College of Education and Universities on how to recover economy in south-west, Nigeria.

Variables	N	Mean	SD	α	DF	Z-cal	Z-crit	Remark
Colleges of Education	272	4.26	0.81	0.05	302	0.43	1.96	Agree
Universities	52	4.24	0.73					

Table 4 shows that the calculated z-value (0.43) is less than the critical z-value (1.96) at 302 degree of freedom at 0.05 level of significance. Therefore, the hypothesis is accepted and concluded that there was no significant difference between the mean ratings of respondents in Colleges of Education and Universities on how to recover economy in south-west, Nigeria.

Discussion

The finding of research question one showed that economic recession highly affected socio-economic in sothwest Nigeria. It could be admitted that non improvement in the economy of the nation reduces the performance of activities in such a nation. This is in agreement with the view of Ogbimi (2007) that the status of African economies, including Nigeria, shows clearly that African nation have been planting cooked seeds. Ogbimi stated further that a technologically backward nation pursuing development by awarding highly inflated contracts for the construction and erection of complex structures, such a nation would increasingly be stressed. The author emphasized that the nation would experience decreasing activities; increasing intensities of idleness, mass unemployment, high crime wave speculation, corruption, indebtedness, and poverty.

The finding relative to research question two showed that respondents strongly agreed to the strategies for economic recovery in southwest, Nigeria. This is in line with the view of Oyewole (2016) that the way forward in poverty reduction among the citizenry is to develop manpower, improve on technology and promote export through maximizing the resources deposited in land. United Nations Development Programme (UNDP 2003) said to improve economy and break out of poverty trap the productivity of small farmers in

unfavourable environments must be increased, basic infrastructure must be improved like parks, roads, power and communication to reduce cost of production in any business and overcome geographic barriers and to procure policy that will encourage industrial development, nurture entrepreneurial activities and help diversify the economy from mono economy. In line with the finding, Oduma (2012) suggested that economic recession could be addressed by encouraging effective private investment, building the assets of the poor people, addressing assets inequalities across gender, ethnic, racial and social status.

The result in table 3 shows that business educators in colleges of education and universities were not significantly differed in their mean ratings on the impact of economic recession on Nigeria's socio-economic. This was related to the view of Mayowa (2005) who identified various dangers of poverty which are economic backwardness, social instability, mass unemployment, drug addiction, robbery, illiteracy, diseases, high mortality and the likes. Result in table 4 shows that there was no significant difference between the mean ratings of business educators from colleges of education and universities on the suggested strategies to improve Nigeria's economy especially in southwest, Nigeria. This is also in agreement with Olayemi (2008) who noted that enshrining a regime of macroeconomic and microeconomic policy stability can give both foreign and domestic investors more confidence in the agricultural sector which could reduce the risk of investments. To overcome the challenges of underdevelopment, eradication of poverty in the land must be the priority of government at all levels, and there is need to integrate a higher percentage of the population into the main stream of economic activity (Fidelis, 2010).

Conclusion

Based on this study it was concluded that economic recession highly affected socio-economic status in Southwest, Nigeria. Specifically, poverty level which is the mother of all socio-economic problems like unemployment, social crime and reduction in the national income. Furthermore, reduction in the price of crude oil in the world market be the major factors that affecting economy of Nigeria but if adequate measure could take place in promoting agriculture as substitute to oil product certainly the economy of the country would improve.

Recommendations

The following recommendations were made based on the findings of the study:

1. Federal government must see that the price of crude oil is gear up in the world market.
1. Both local and external investors must be encouraged to invest in Nigeria.
2. Agriculture farm settlements must be revived by government in the rural areas.
3. Consumption of locally produced goods and services must be encouraged.
4. Government at all levels must provide enabling environment for domestic investment in terms of loan grant to local investors , provision of adequate infrastructural facilities, organising entrepreneurial skills training, market for locally produced goods etc.

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