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2030 DEVELOPMENT AGENDA: CHALLENGES AND PROSPECTS FOR  
AFRICAN ECONOMIES

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**DEDICATION**

Dedicated to the International Institute for Policy Review & Development Strategies for providing a platform and supporting Institutional and Collaborative Research and Sustainable Development.

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## Introduction

# **Africa has a Wealth of Resources Sufficient to Drive Sustainable Development Goals**

**Dr. Bassey Anam**

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**T**he 2030 Agenda and its Sustainable Development Goals (SDGs), agreed by UN Member States in September 2015, set a new roadmap for global cooperation towards a more prosperous, equitable and sustainable world. For African nations, the new agenda suggests solutions to many longstanding development challenges, as well as opportunities to showcase progress and strengthen regional collaboration. While every country faces its own unique set of challenges, there are also similarities, which offer opportunities for cross-country learning. There is a shared global understanding of the urgency of addressing the many economic, social and environmental issues standing in the way of achieving sustainable development.

The Sustainable Development Goals (SDGs), officially known as Transforming Our World: The 2030 Agenda for Sustainable Development is a set of 17 "Global Goals" with 169 targets among them. There are;

- GOAL 1: No Poverty
- GOAL 2: Zero Hunger
- GOAL 3: Good Health and Well-being
- GOAL 4: Quality Education
- GOAL 5: Gender Equality
- GOAL 6: Clean Water and Sanitation

- GOAL 7: Affordable and Clean Energy
- GOAL 8: Decent Work and Economic Growth
- GOAL 9: Industry, Innovation, and Infrastructure
- GOAL 10: Reduced Inequality
- GOAL 11: Sustainable Cities and Communities
- GOAL 12: Responsible Consumption and Production
- GOAL 13: Climate Action
- GOAL 14: Life below Water
- GOAL 15: Life on Land
- GOAL 16: Peace, Justice and Strong Institutions
- GOAL 17: Partnerships to achieve the Goal

### **Challenges of Sustainable Development in Africa**

The term sustainability means 'meeting the needs of the present generation without compromising the needs of the future generations'. There are several challenges hindering the achievement of the Sustainable Development Goals in Africa. They include:

**Persistent Poverty:** poverty is the foremost development challenge confronting Africa. A majority of the African populace live in rural areas and depend on natural resources as their source livelihood; trees are cut for fuel, degrading farming system have been adopted and wildlife are been hunted to extinction. Unfortunate, all these activities do not only have adverse effects for the poor living in Africa today, but could potentially pose adverse implications for future generation to come.

**Corruption:** Corruption has been defined as the application of position of trust or authority for financial gains or other personal rewards. Corruption is a global disease with more influence in Africa. This is because Africa faces developmental challenges and the resources meant to liberate her from sub-human living conditions are unrepentantly misappropriated. The fact that Africa trails other continents in terms of social indicators can be explained by the high level of corruption, impunity and poor governance. The high level of corruption is a consequence of weak judicial system, poor leadership, lack of accountability and transparency, weak governance institutions and general exclusion of the public from governance. Corruption induces inefficient allocation of the resources of state into white elephant projects with insignificant effects on the people. Therefore, sustainable development is very difficult to attain in an unfair, corrupt and unequal environment.

**Infrastructure Deficits:** Infrastructure is an essential component of growth, development, poverty reduction, and environmental sustainability. Infrastructure deficits explain the existence of untapped productive potentials of Africa. Infrastructure is critical to significant improvements in competitiveness, domestic and international trade and global integration. Africa trails other developing countries in paved road density, telecommunication, electricity and water and sanitation and except these issues are improved upon, attaining sustainable development will be far from reach.

**Insecurity:** Africa's development is currently threatened by insecurity ranging from “commercial violence”, civil wars, terrorism and kidnapping. Security has been a primary concern and value for all humans and nations from time immemorial. Insecurity is one of the constraints to improvements in economic activities in Africa. Insecurity in Africa is characterised by deaths, collateral tortures, injuries, rapes and maiming. Africa is at the receiving end of communal clashes, electoral violence, “commercial” violence induced by high youth unemployment among others. Apart from the destruction of lives and properties that come with insecurity, businesses do not grow in unsafe environments.

**Imports:** The current state of importation in Africa is high. The continent imports commodities she should be producing. Africa exports are mainly primary products and the continent imports finished goods with the balance of trade tilting towards developed countries. This implies that Africa benefits less from trade as a result of reliance on primary products.

**Rapid population growth:** Problem as such as food security, land tenure, environmental degradation, lack of water and outbreak of diseases are often linked with high rates of population growth. Continuing on our present path of acceleratory environmental degradation would severely compromise the ability of the present and future generations to meet their needs.

Irrespective of the challenges listed above, sustainable development is possible in Africa. Africa has a wealth of resources sufficient to drive the economic growth and social development. The resources include land, minerals, biological diversity, wildlife, forests, fisheries and water. Agriculture is the mainstay of the African economy and houses employment opportunities. Therefore, investment in basic infrastructure (water, electricity, and road), farm-level infrastructure (irrigation, storage facilities) and access to credit and extension services and farmers' driven

policies is the way to go. The World Bank estimates that agriculture and agribusiness together could attract a whopping USD 1 trillion presence in Africa's regional economy in the next 15 years. This implies that agricultural development is critical to the achievement of sustainable development. Oil and gas and minerals can also position Africa strategically for sustainable development.

Sustainable development is an issue which should be treated very seriously as it affects everyone, as illustrated by the scenarios above. If the world were to continue functioning as it is currently, many do not predict it a stable future. In order to secure a secure environment for our future generations, every single person and corporation needs to start reconsidering their own lifestyle choices and spreading awareness about the issues that plague this planet so that we can slowly begin to enforce actual changes. The Book, *2030 Development Agenda: Challenges and Prospects for African Economies*, provides research insights on the challenges and prospects of achieving sustainable development in Africa.

Executive  
**Summary**

## **Executive Summary**

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### **Achieving Zero Hunger: The Critical Role of Investments in Social Protection and Agriculture**

**Food and Agriculture Organization of the United Nations  
International Fund for Agricultural Development  
World Food Programme**

**D**espite progress in recent decades, including the near achievement of the Millennium Development Goal (MDG) target of halving the proportion of hungry people in the world by the end of 2015, about 795 million people – or around one in nine – still suffer from chronic undernourishment (dietary energy deficiency), or hunger.

The eradication of hunger by 2030 is a target of Goal 2 of the new Sustainable Development Goals to be approved in September 2015 at the 70th Session of the United Nations (UN) General Assembly. Ending hunger is also in line with the Zero Hunger Campaign promoted by the UN Secretary-General, and closely linked to the Sustainable Development Goal 1 target to eliminate poverty by 2030. Governments in various regions have responded to the call of the UN Secretary-General and have committed to eradicating hunger and poverty.

To achieve zero hunger by 2030, the international community needs to build upon approaches and options that have proven effective, and that ensure continuous access to food for the undernourished and improve livelihood opportunities for the poor and hungry. This report presents new estimates on investments required to eradicate poverty and hunger sustainably by 2030.

To estimate the additional investment requirements, we begin with reference to a “business-as-usual” scenario. In this scenario, around 650 million people will still suffer from hunger in 2030. We then estimate the investment requirements to sustainably eliminate poverty and hunger by 2030.

The report specifically considers how poverty and hunger can be eliminated through a combination of investment in social protection and targeted pro-poor investments in productive activities.

Estimates of the additional annual investment requirements in this report were originally prepared for the Third International Conference on Financing for Development, which took place from 13 to 16 July 2015, in Addis Ababa, Ethiopia, and revised for the UN Summit for the adoption of the post-2015 development agenda and the UN General Assembly Debate in September 2015.

### **Social Protection**

Extreme poverty, hunger and some types of under nutrition can be rapidly eliminated with adequate social protection to close the poverty gap between earned incomes and the poverty line. The poverty line has been defined as the income necessary to meet all basic needs, including enough food to avoid hunger.

As there has been some discussion over the sufficiency of poverty line income, for the purposes of this work a 40 percent band above the extreme poverty line income of US\$1.25/day, in purchasing power parity (PPP) terms, is used. Hence, the estimated additional income required to lift the poor out of poverty is calculated on the basis of US\$1.75 rather than US\$1.25 PPP per day.

### **Accelerating Pro-Poor Growth**

Additional investments in productive activities are required to catalyse and sustain higher pro-poor growth of incomes and employment than in the “business-as-usual” scenario. To be pro-poor, investments in urban and rural areas, including in agriculture, should be targeted so that the poor earn enough to overcome poverty by 2030. Progressively, as the incomes of the poor increase because of earlier pro-poor investments, the need for social protection to close the poverty gap declines.

Consequently, the cost of implementing such an approach involves the additional requirements of both social protection and productive investments while recognizing the implications of the higher incomes generated. First, the average

annual “gross poverty gap transfer (PGT)” from 2016 to 2030 – inclusive of a mark-up of 20 percent for administrative costs and leakages – is estimated. Second, the additional annual global investment requirements in productive activities are also estimated.

An average of US\$265 billion per year during the period 2016–30 over and above the resources required for the “business-as-usual” scenario is estimated to be needed to fund the PGT for social protection and additional pro-poor investments to the raise earned incomes of the poor to the poverty line level by 2030. As the majority of the world's poor live in rural areas, they will benefit from the bulk of this amount, estimated at US\$181 billion annually. Initially, the poor are expected to mainly earn incomes from wage work and their meagre productive assets (such as land), but are not expected to be able to invest much. To induce private investments, the additional investment required has to be adequately remunerated. Such remuneration is provided for in the calculations. However, as the poor save more, they are also able to invest more, and thus become more productive, and increase their earnings. Hence, public resource mobilization is key to both social protection and pro-poor investments in order to enable the poor to raise their earned incomes over the 15-year time period.

Both public and private investments can help to accelerate the poor's transition from reliance on social protection transfers through additional earned income from productive investments. While private investors, notably farmers themselves, are, by far, the largest source of investment in rural areas, investment in public goods – such as rural transport and other infrastructure as well as productivity-enhancing research, development and extension – will be necessary.

To summarize, hunger and extreme poverty can be eliminated quickly with adequate investments in social protection. However, sustained and sustainable poverty and hunger elimination requires a combination of social protection and pro-poor investments, which will quickly take people out of hunger and extreme poverty, and progressively raise the poor's earned incomes. Appropriate policies and coordinated programmes can ensure that the poor benefit from the growth and employment opportunities generated by the additional (public and private) investments.



However, low-income countries with higher incidences of poverty and hunger will find the resource requirements for such an approach beyond their means, and will need continuous external support until they can raise their domestic incomes and tax revenues sufficiently through growth and other policy reforms.

## **Executive Summary**

# **Africa Regional Report on the Sustainable Development Goals**

### **Adapted from:**

*[https://www.uneca.org/sites/default/files/PublicationFiles/africa\\_regional\\_report\\_on\\_sdgs\\_fullreport\\_eng.pdf](https://www.uneca.org/sites/default/files/PublicationFiles/africa_regional_report_on_sdgs_fullreport_eng.pdf)*

### **Introduction**

**T**his report presents Africa's sustainable development priorities and goals, prepared under the framework of the Africa post-2015 consultations, and the United Nations Conference on Sustainable Development (“Rio+20”) follow-up processes. It is based on information gathered through consultations undertaken in the five sub-regions of Africa and from an extensive literature review. The report was presented at the Africa Regional Consultative Meeting on the Sustainable Development Goals held from 31 October to 5 November 2013, and finalized based on comments and recommendations of the meeting. The meeting, attended by ministers and high-level officials from African countries, regional and sub-regional organizations, a wide range of major groups and development partners, endorsed the 12 goals presented in this report. The outcome document of the Africa Regional Consultative Meeting on the Sustainable Development Goals was adopted as an input to the work of the Africa High-Level Committee on the post-2015 Development Agenda.

### **Background and Context**

One of the key commitments agreed at the 2012 United Nations Conference on Sustainable Development (Rio+20) was the formulation of sustainable development goals. In the Rio+20 outcome document *The Future We Want* (UN, 2012c) it is recognized that the development of goals could be useful for providing

focused and coherent action on sustainable development. Among other points, it is emphasized that the goals should address and incorporate all three dimensions of sustainable development and their inter linkages in a balanced way. The conference also recognized that the goals should be coherent with and integrated into the United Nations post-2015 development agenda and called for an inclusive and transparent intergovernmental process that is open to all stakeholders.

In January 2013, the General Assembly established an intergovernmental Open Working Group to steer the global formulation of the sustainable development goals as a follow-up to Rio+20. In May 2013, the African Union Summit of Heads of State and Government established the High-Level Committee on the Post-2015 Development Agenda to oversee and provide political guidance on the Africa process at the regional level. In this context, the high-level committee was also mandated to finalize the Common African Position and ensure that the priorities identified were integrated into the post-2015 development agenda.

Furthermore, the Economic Commission for Africa (ECA), in collaboration with the African Union Commission, the African Development Bank and the United Nations Department of Economic and Social Affairs (UNDESA), organized the Africa Regional Implementation Meeting (Africa-RIM). This meeting brought together regional stakeholders on sustainable development to deliberate on the main outcomes of Rio+20 and their implications for Africa. Among other matters, the meeting agreed on the need to ensure that the region spoke with one strong voice, promoted ownership of the goals and adequately prepared for their implementation. Furthermore, sub-regional and regional consultations on post-2015 development agenda were organized to guide the identification of priority areas that would enjoy broad consensus across the region's diverse stakeholders.

### **Sustainable Development Goals – Principles, Vision, Guiding Framework and Criteria**

The formulation of the proposed goals took into account the vision, principles, guiding framework and criteria set out at the global and regional level. At the global level, the United Nations Secretary-General's High-level Panel proposed that the framework for the goals should meet a number of criteria in order to address sustainable development concerns effectively. These include that the goals are universal in character; incorporate a range of key areas that were not fully covered in the Millennium Development Goals; reflect equally the economic, social and environmental dimensions of sustainable development and the

interconnections between them; and include progress metrics and scope to review goals in the light of evolving knowledge and evidence. The Africa Regional Implementation Meeting proposed that the development of the goals should be guided by the Rio principles, among other factors. It said the goals, targets and indicators needed to embody all three dimensions of sustainable development and to be action-oriented in order to allow for effective monitoring and evaluation, universality and flexibility. It added that adequate means of implementation should be available and stressed the need to promote equitable and inclusive human-centred development.

The Rio+20 outcome document also provides guidance on what the goals should seek to achieve. Fore-most is poverty eradication and sustained, inclusive and equitable economic growth in developing countries is a necessary requirement for this. For Africa in particular, elaboration of sustainable development goals is critical at this period in global development. The Millennium Development Goals will come to an end in 2015. Although progress has been made globally, Africa is off track in achieving most of the targets and the Millennium Development Goals will remain relevant beyond 2015. Hence the development of sustainable development goals should recognize the need for complementarity with the Millennium Development Goals.

### **Sustainable Development Priorities in the Five Sub-regions of Africa**

The present report and the sustainable development goals proposed are informed by an extensive literature review, consultations with regional and sub-regional bodies, and the sustainable development priorities identified in the reports of the five sub-regions– North, West, Central, Eastern and Southern Africa. The preparation of the five sub-regional reports was based on extensive literature review, field surveys and consultations with stakeholders in the sub-regions. The draft reports were deliberated at the Africa Regional Consultative Meeting on the sustainable development goals organized by ECA jointly with the African Union Commission and the African Development Bank from 31 October to 5 November 2013.

In addition to common cross-cutting issues such as governance and institutions, peace and security, financing, capacity development and technology transfer, the following were identified as the key sub-regional priorities for sustainable development:

**North Africa:** climate change and environmental challenges; dependence on primary commodities and low economic diversification; insufficient employment-generating growth; food insecurity; inequality and lack of access to basic services; energy insecurity and the need for investments in renewable energy.

**West Africa:** addressing poverty; gender equality; improvements in quality of education; improved access to affordable and good-quality health care; sustainable water, energy and transport infrastructure development, inclusive growth; agriculture and food security; proper environmental and natural resource management; social protection for the poor and vulnerable; sanitation and urban management; and enhancing partnerships for development.

**Central Africa:** economic diversification to address the overdependence on natural resources; infrastructural development; poverty, hunger and malnutrition; improvements in water and sanitation; improvements in access and quality of education; enhancing gender equality and empowerment; unemployment and underemployment; and improvements in environmental, water resources and urban management. **Eastern Africa:** high and sustained economic growth to translate into jobs and human development; improvements in education and skills development; increased agricultural productivity and value addition; sustainable energy development; improvements in access to affordable health care; addressing environmental and climate-related challenges; and infrastructural development.

**Southern Africa:** fight against poverty and inequality; improvements in health and nutrition; improvements in education; promotion of gender equality and women's empowerment; sustainable environmental management and climate change.

### **Overview of Sustainable Development Issues and Priorities in Africa**

Over the last decade, Africa has recorded sustained and impressive economic growth. One quarter of the countries grew at an average of about 7 per cent or more, and some were among the fastest-growing countries in the world. However, this growth needs to be reoriented to provide a strong basis for sustainable development. In particular, growth has been underpinned by relatively high commodity prices. The contribution of industrialization has been relatively minimal with declining shares of manufacturing exports and manufacturing value addition. The impressive economic growth rates need to translate into jobs and improved human well-being.

The region has made notable progress on social development. The incidence of poverty is on the decline in many countries, public expenditures on education and health are steadily increasing, and most countries have achieved universal primary enrolment and gender parity in primary education. Progress is slow but encouraging on health, gender and women's empowerment indicators, although considerable challenges remain. However, poverty, inequality and extreme hunger remain fundamental challenges for the post-2015 development framework. Other social-development challenges include access to basic infra-structural services, youth unemployment, quality of education, and inadequate social protection. Africa's projected demographic structure, population and urbanization growth present enormous implications and opportunities for human development, structural transformation and sustained economic growth.

Africa's sustainable development largely depends on goods and services derived from its environment and natural resource base. The environment and natural resources are crucial in the region's effort to eradicate poverty and inextricably linked to social dimensions such as health, gender and food security. Livelihood strategies and food security of the poor often depend directly on functioning ecosystems and the diversity of goods and ecological services they provide. Land, soil, water, forest, biodiversity, marine ecosystems and mineral resources form the basis of primary production and support most of the sectors that drive socioeconomic development in Africa. Agriculture, tourism, industry, mining and many forms of local, national, regional and international trade thrive on the goods and services provided by natural resources. The consumption and production patterns based on these resources also determine the pace of sustainable development (SDSN, 2013). Climate variability and change with its long-term implications for social, economic and ecological systems is an inevitable and urgent challenge. As Africa pursues sustainable growth pathways and structural transformation, the management of natural capital is critical. This will require innovative strategies for sustainably maximizing social, economic and ecological benefits from these resources.

### **Proposed Sustainable Development Goals**

The regional sustainable development goals presented in the present report are based on a synthesis of the five sub-regional reports, an extensive review of the literature on Africa's development challenges and priorities, issues of concern, perspectives on on-going discussions and consultative meetings on the post-2015 development framework, Rio+20 follow-up processes, and the African Union

Africa Agenda 2063. The sustainable development goals consultations and processes, including this report, are contextualized within the framework of the post-2015 development agenda processes. As such, the proposed sustainable development goals and related targets and indicators presented in this report are based on a time horizon of 15 years, starting from 2016, in line with the timeframe of the post-2015 development agenda.

Based on the foregoing, the following 12 sustainable development goals were proposed to feed into the on-going global discussions and consultations on the sustainable development goals and the post-2015 development agenda.

- Goal 1: Eliminate all forms of poverty
- Goal 2: Promote sustainable agriculture and achieve food security and adequate nutrition for all
- Goal 3: Ensure quality, adequate, affordable, accessible and comprehensive health services for all
- Goal 4: Achieve universal access to affordable and quality education at all levels
- Goal 5: Achieve gender equality, protect and empower women, youth and persons in vulnerable conditions
- Goal 6: Ensure social inclusion and protection, including guaranteed minimum income and social security, as well as decent employment for all, particularly for the youth
- Goal 7: Structurally transform economies and attain inclusive sustained economic growth; accelerate infrastructure development, inclusive and sustainable industrialization and access to affordable energy; and build resilient cities and sustainable human settlements
- Goal 8: Enhance environmental quality, resilience and protection; and promote sustainable exploitation, use and management of natural resources
- Goal 9: Combat desertification and land degradation, mitigate drought and promote sustainable management of land and oceans
- Goal 10: Promote culture, research, science, innovation and technology development
- Goal 11: Scale up global and regional partnerships for development
- Goal 12: Promote good governance at national and international levels

### **Strategy and Means of Implementation of the Proposed Sustainable Development Goals**

The means of implementation of the sustainable development goals discussed in this report include domestic and external financial resources; capacity

development; regional integration; trade and market access; innovation, science technology development and transfer; and good governance and effective institutions.

Currently, there are no concrete estimates on the resources required to implement the ambitious development aspirations expressed in the proposed sustainable development goals. However, indications are that considerable resources will be required and aligning expectations with implementation will no doubt pose a daunting challenge. It is therefore critical that Africa begins to engage actively in assessing financing needs and the articulation of a financing strategy for the goals. In particular, given that Africa has mostly depended on foreign sources to finance its development over past decades, it is crucial that the region invests adequate time and resources into estimating the resource needs for the sustainable development goals in order to inform or feed into dialogues including at expert, development cooperation and informal dialogues, and takes a proactive step in putting forward its ideas about how the sustainable development goals will be financed.

While developed countries will have to reaffirm their commitment to reach the United Nations target that official development assistance should not be less than 0.7 per cent of their gross national product, the African region must equally take responsibility for its development. To this end, Africa should considerably step up the mobilization of domestic financial resources to achieve the sustainable development goals. There is strong evidence that the Africa region has the potential financial resources to meet a significant portion of its development needs. What is required are appropriate instruments for mobilizing the resources, effective partnership with the international community to enable the region to reap the full benefits of its natural resources, fair trade and real market access, good governance and effective institutions.

### **Monitoring and Evaluating Implementation of the Sustainable Development Goals**

In order to ensure that the sustainable development goals are being achieved, it is imperative to put in place a robust monitoring and evaluation framework to track progress, identify areas of concern, monitor financial resources allocated to the set priorities and assess the overall impact of the key policies and programmes. The monitoring framework should also provide for multi-stakeholder reviews at various levels; a common analytical framework across all countries and regions; and well-coordinated interventions to strengthen statistical capacity of institutions responsible for data gathering and analysis.



The monitoring framework for the sustainable development goals should, ideally, build on existing institutional mechanisms, principally those used for the Millennium Development Goals, noting and correcting for identified weaknesses. Particular attention should be paid to the emergence of new themes in the sustainable development goals that were not part of the Millennium Development Goals; issues of national ownership; selection and adaptation of targets and indicators to national circumstances; building capacities of national statistical systems; and institutional roles and responsibilities.

A common reporting framework for the indicators will be required to allow for comparability, coordination, credibility and sustainability of monitoring and evaluating of performance and results across countries, sub-regions and regions. Key institutions, which include the African Union Commission, ECA, the New Partnership for Africa's Development (NEPAD) Agency, African Development Bank, United Nations Development Programme (UNDP) and United Nations Environment Programme (UNEP) among others, could lead monitoring and reporting at the regional level, while the Regional Economic Communities will take responsibility for collating performance and results at the sub-regional level. National statistical systems should be strengthened to collect, collate and analyse national and sub-national data. National monitoring and evaluation programmes should be integrated into statistical capacity-building from the outset so as to ensure a reliable supply of core statistics with which to monitor and evaluate the achievement of the sustainable development goals.

## **Conclusion and Recommendations**

### **Conclusion**

Africa has recorded sustained and impressive economic growth, although this growth needs to be more inclusive and translated into jobs and improved human well-being. Despite encouraging progress, considerable social-development challenges still persist, in particular poverty and inequality. The environment is fundamental to sustaining the region's economic progress, critical in the fight against poverty and inextricably linked to social dimensions such as health, gender and food security. Land, soil, water, forest, biodiversity, marine ecosystems and mineral resources form the basis of primary production and support key sectors that drive socioeconomic development. Management of natural capital is, therefore, critical as Africa pursues sustainable growth pathways and structural transformation. Achieving sustainable development also necessitates addressing the challenges of climate variability and change.

The path towards sustainable development requires significant policy shifts and the scale of resources required for the achievement of the proposed sustainable development goals will be enormous. National, regional and global institutions as well as development partners will be required to work together in articulating and mobilizing the appropriate and adequate means of implementation to achieve the goals and targets proposed in this report. A robust monitoring, evaluation and reporting framework is crucial to the attainment of the goals.

### **Recommendations**

The achievement of the proposed goals will require the following, among others:

1. Strengthening political leadership and stakeholder participation, which are crucial for ownership, commitment, galvanizing support, mobilizing resources and ensuring accountability.
2. Mobilization of adequate means of implementation. Although external financial resources are required to implement the sustainable development goals, Africa must also take active responsibility for its own development. Measures must be vigorously pursued to enhance domestic resource mobilization and curb illicit financial flows, attract foreign direct investment and create effective financing structures. Development partners should complement domestic efforts at capacity and technology development through effective international cooperation programmes.
3. Promotion of good governance, transparent and accountable leadership, effective institutions as well as responsive and effective global partnerships. This would require appropriate human and institutional capacity-development strategies and programmes.
4. ECA should collaborate with other regional institutions in the development and application of appropriate monitoring and evaluation frameworks for the goals, targets and indicators, the development of databases to facilitate performance-tracking and the provision of technical support to countries.

## **Executive Summary**

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# **Transforming Food and Agriculture to Achieve the SDGs**

**Food and Agriculture Organization of the United Nations**

*Adapted from: <http://www.fao.org/3/I9900EN/i9900en.pdf>*

### **Introduction**

**F**ood and agriculture stand today at a crossroads. Looking back, major improvements in agricultural productivity have been recorded over recent decades to satisfy the food demand of a growing global population. But progress has often come with social and environmental costs, including water scarcity, soil degradation, ecosystem stress, biodiversity loss, decreasing fish stocks and forest cover, and high levels of greenhouse gas emissions. The productive potential of our natural resources base has been damaged in many places around the globe, compromising the future fertility of the planet. Today, 815 million people are hungry, and every third person is malnourished, reflecting a food system out of balance. Distress migration is at levels unprecedented for more than 70 years as the social cohesion and cultural traditions of rural populations are threatened by a combination of limited access to land and resources and rising numbers of crises, conflicts and disasters, many as a consequence of climate change. Looking ahead, the path to inclusive prosperity is clearly marked by the 2030 Agenda for Sustainable Development.

Overcoming the complex challenges that the world faces requires transformative action, embracing the principles of sustainability and tackling the root causes of poverty and hunger to leave no one behind. As the prime connection between people and the planet, food and agriculture can help achieve multiple Sustainable

Development Goals (SDGs). Properly nourished, children can learn, people can lead healthy and productive lives and societies can prosper. By nurturing our land and adopting sustainable agriculture, present and future generations will be able to feed a growing population. Agriculture, covering crops, livestock, aquaculture, fisheries and forests, is the world's biggest employer, largest economic sector for many countries, while providing the main source of food and income for the extreme poor. Sustainable food and agriculture have great potential to revitalize the rural landscape, deliver inclusive growth to countries and drive positive change right across the 2030 Agenda. Written with national policymakers and development actors primarily in mind, this guide presents a set of actions to speed up the transformation to sustainable food and agriculture that are based on evidence, experience, technical expertise and collective knowledge within FAO. These actions embrace the 2030 Agenda's vision of sustainable development in which food and agriculture, people's livelihoods and the management of natural resources are addressed not separately but as one; a future where the focus is not solely on the end goal but also on the means used to achieve it; and a setting where public and private actors participate in legitimizing, engage in shaping and work towards achieving development solutions.

Chapter - 1

## **Local Government Administration and Inter-Governmental Relations: A Strategy for Achieving Agenda 2030 in Nigeria**

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### **Introduction**

**L**ocal government is a political authority under state for decentralizing political power and delegation of authority (Fajobi, 2010). It is the administration under local committees to maintain law and order based on a range of social amenities and to encourage cooperation and participation of people at the grassroots to improve their living conditions. Local government is the smallest unit of administration in any political system. Ekpo (2003) disclosed that it is the lowest level of government in a modern state structure that is legally distinct with powers to raise its own revenue and to undertake delegated responsibilities as provided for by the constitution. It is the lowest level through which representative government can be practiced. In Nigeria, there are three-tier of government, i.e. Federal, State and Local Government.

The local government is the third-tier of government and that placed it in a position of nearness to the people at the grassroots or local communities. Its closeness to the local populace enables it to perform special functions and services, which bother on the interests and aspirations of the local communities. This proximity defines its functions, which includes grassroots development, political participation, political training, and so on. This it does exclusively from its revenue base or concurrently with the state and federal government (Anam, 2020).

Inter-governmental relations in Nigerian federation entails formal allocation of powers both vertical and horizontally among various levels of government. Federalism is designed to accommodate different units of government, diversity of social institutions and cultural formation that do not suit in fittingly or are easily amenable to a unitary system. It is a political organizational container concept that accommodates contrast and it is capable of responding and adjusting rightly to the various needs of group complexities and diversity with less dislocation if properly managed. In this relationship, local government is seen as a third tier or level of government with power to transform their areas of jurisdiction through good governance.

It is an established fact that the local government is a viable tool for rural transformation and delivery of social services to the people at the grassroots. Whether unitary or federal political system; the strategic importance of local government to the developmental process is not in doubt. However, this is contingent on the relationship that exists among levels or tiers of government. In Nigeria federation, local government by constitutional provision stands as a distinct level of both federal and state governments. The concept of intergovernmental relations took the centre stage at a period when they were numerous and complex problems facing the three levels of government.

The autonomy of the local government which is a key component of development has recently been granted by President Mohammed Buhari. This, scholars have said will strengthen the capacity of the local government system in the country. However, the local governments cannot work alone. Their capacity has to be strengthened by working with the state and federal government. This is so important because of administrative and legislative issues with the concurrent domain. The relationship will also foster their capacity in supporting the attainment of Agenda 2020.

Agenda 2030 is an Integrated Sustainable Development Goals (iSDG) model designed as a policy simulation tool to help policymakers and other stakeholders make sense of the complex web of interconnections between the SDGs. Unlike databases and indexes that provide a measure of where a country stands, iSDG focuses on the dynamic interactions within the SDG system to reveal the best paths and progression towards achieving the SDGs. This paper will examine local government administration and intergovernmental relations as a strategy for

achieving Agenda 2030 in Nigeria. The study is qualitative in nature. Data obtained from the paper are basically from secondary sources. They are analyzed using content analysis. The analysis of literature provides the framework for conclusion and suggestions for improvement.

### **Conceptual Model**

Many scholars have devised models to guide in understanding inter-governmental relations. Perhaps, the best and most important of these models is the three-fold typology formulated by Deil S. Wright (1978). His conceptual models are:

- a. Separate IGR model
- b. Overlapping/bargaining IGR model
- c. Inclusive IGR models, (Wright, 1978)

#### **(a) Separated IGR Model**

In this model, the state governments are independent (within the constitutional limitations) of the federal government, while the local governments are subordinated to the state (regions/provinces). This model was experimented in Nigeria between 1954 –1966. The regional governments during this era were very powerful, as they controlled substantial portions of their natural resources, wealth etc. The relationship that exists between the local government and the regional governments is a superordinate/subordinate relationship.

Nwosu (1989) likened the relationship to a horse (Local Government) and a rider (regional government). The regional government created, controlled and abolished local government as they deemed necessary. The point is that the Federal government had little or no direct dealing with the local government.

Local Government existed at the mercy of regional government. This affected good governance at the local government level and their functions in terms of project implementation. Suffice to say that with the incursion of the military in 1966, witnessed a shift in the power base and increase of federal government power over other tiers of government. This means that there was an enhanced dependency of the regions and local governments on the federal government, even though, the local government were still tied to the apron or umbrella cord of the regional governments.

**(b) Inclusive IGR Model**

Here the state governments as well as local governments are mere appendages to the federal government. Federal – state relations were characterized not only by increasing dependence of the states/regions on the centre, but also by the ubiquity of the federal government in areas considered an exclusive preserve of the state/regional government, (Akinsanya, 1989). This model characterized the era of military rule in Nigeria (1975 – 1988) when the Republican legislative, executive and financial functions were vested on the federal government. This supremacy of federal governments over other tiers of government was attributed to a number of factors such as: the nature of military establishment; the creation of more states; the increase federal revenue due to oil boom; the emergence of a new breed of Nigerians strongly committed to a strong national government; and the existence of intergovernmental institutions (Davies, 1992).

**(c) Overlapping/Bargaining IGR Model**

Here, power is shared among the three levels of government, so there is some measure of autonomy enjoyed by each level of government, but not to the extent that this leaves each level of government capable of independent action in each sphere. It is interesting to note that Federal–State–Local government relation during the Nigeria second republic till date (1979-present) approximates the overlapping authority model. In this model, we observed that virtually all tiers of government are involved in all governmental functions.

However, it is pertinent to say that following 1976 local government reforms and as provided for in the constitution of Nigeria (1979, 1999, and 2011 as amended) attempts have been made to delineate a three-tier federal structure in which each tier possesses a considerable degree of independence – jurisdictionally, functionally and financially even if some forces appear to tilt the balance of power in favour of the centre and rarely in favour of states“ and local government.

**Historicity and Practice of Intergovernmental Relations in Nigeria**

The concept of Intergovernmental Relations (IGR) refers to an important body of activities, or interactions occurring between governmental units of all the levels within a federal system. It is the manner in which the units or the agents of the state associate with each other, whether civilian or otherwise, especially under the federal system arrangement.



Explaining further, Anderson (1979) observes that inter-governmental relations "is a term intended to designate an important body of activities or interactions occurring among governmental units of all types of levels within the federal system". He noted that, though complexity IGR are common features of all federal political systems, they are not necessarily limited to federal political systems. To be sure, he says, complexity and problems of IGR do exist, to a reasonable extent, in all unitary political systems. However, it is pertinent to underscore the fact that the units and levels of government that engage in IGR are more prevalent in federal systems than in the unitary system of government.

Gboyega in Ekpe (2002) notes that even though the nature of relationship existing among Federal, States and Local Governments from the constitutional point of view tends to be fiscal, a lot of mechanisms or agencies exist among them that tend to link or heighten the relationship of the three levels of government in Nigeria. surely, there exist a complex web of interactions bordering on participatory and joint management in the areas of funding of primary education, poverty alleviation programme, training of local government career civil servant and elected officers among others. In a corroborative view, Gboyega (1989) speaks on the present mechanisms of fiscal transfers among the three levels of government. He says that the mechanism of the State Joint Local Government Account Committee is lopsided and that it is more often being manipulated by most officials in favour of the State Government, (Ekpe, 2002). Adewale (1995) sees IGR as embracing three perspectives: political, social and economic efforts of government and various bodies in the state directed towards the enhancement of the goals and objectives. To him, IGR does not refer to aspect of transferring or distributing grants or funds nor is it only an inter-jurisdictional conflict resolving unit, but as a complex network or transactions among constituents and various bodies in the State.

From the above, intergovernmental relations can be described as the interactions that take place among the different levels of government within a state. Usually, the concept is associated with states having a federal administrative system. This, however, does not in any way suggest that intergovernmental relations do not take place in a unitary system. In a federal system, however, where the relationships between the Federal, Central or National Government and the major sub-national units (province, region or state) are formally spelt out in the constitution, any re-arrangement must be through a constitutional amendment involving all the levels of government.

The concept has its beginning in Nigeria around the 1950s with the establishment of an advisory body on intergovernmental relations. This was necessary because of numerous and complex problems confronting three levels of government in our heterogeneous society. This interrelationship becomes necessary for the achievement of national integration for a harmonious co-existence of the various parts, as well as the whole for good governance and meaningful development. The six patterns of relationships in Nigeria intergovernmental relations are;

- a. Federal-state relations
- b. Federal-state-local relations
- c. Federal-local relations
- d. Inter-state relations
- e. State-local relations
- f. Inter-local relations

As a process, intergovernmental relations (IGR) are associated with some characteristics. According to Wright (1988:66), the major characteristics of intergovernmental relations could be summed up as follows:

- a. Intergovernmental relations have a bearing on all governmental units in operation in a given system. From the top to the bottom, for example, in Nigeria, that is, the federal government, state governments, local governments, government agencies, public corporations, commissions, committees, institutions etc., are all involved in it. The relationship between each other and the quality of the same coupled with frequency of interaction amongst them has its impact on policy-making and implementation.
- b. Intergovernmental relations aim at purposeful behaviour of the government officials involved in the process. The officials' actions and attitudes have to be positive and meaningful. For their self-interest, they should not put the public interest at stake. The officials' goal-oriented attitudes do not permit them to have wrong inclination regarding the other participants involved in the process of policymaking.
- c. Intergovernmental relations aim at regular interactions among officials. Through frequent interactions, based on objective data and analysis, the officials at various levels can contribute to the attainment of targets fixed for the given unit of governance. The day-to-day contacts called for a practical working relationship among the official. This would go a long way in improving the policymaking process.

- d. Public officials include all governmental officials and actors. These are elected representatives such as members of the national assembly, state legislative assemblies, local governments, or indirectly elected representatives as in the local governments, political executive and appointed officials, including the administrative personnel at lower and middle ranges, etc. The interaction amongst all the governmental actors and officials whether elected or appointed, contribute to improving the policy process.
- e. The financial aspects, viz., loans, grants-in-aid, revenue sharing, auditing, etc., also strengthens or weakens the intergovernmental relations. The governmental structures which are evident at grassroots, states, or federal level are made to facilitate the policy process in such a way whereby the common person could get the maximum benefits through the policies made. The financial assistance and help from one level of government to another is also a step in this particular direction and an important component of intergovernmental relations.

At this point, our focus is shifted from concept clarification of IGR which centres on formal constitutional division of powers and characteristics of IGR, to examination of models or typology of IGR based on the authority structure which is dependent on the totality of executive and financial capacities of each level of government. An in-depth examination of these models will help us x-ray Nigerian situation as it affect local governance and project implementation right from 1954 when Nigeria started experimenting with federalism.

### **Local Government Administration and Inter-governmental Relations: A strategy for Achieving Agenda 2030 in Nigeria**

The Sustainable Development Goals (SDGs) Agenda was signed in September 2015. The 17 items policy framework includes,

- a. Eliminate Poverty
- b. Erase Hunger
- c. Establish Good Health and Well-Being
- d. Provide Quality Education
- e. Enforce Gender Equality
- f. Improve Clean Water and Sanitation
- g. Grow Affordable and Clean Energy
- h. Create Decent Work and Economic Growth
- I. Increase Industry, Innovation, and Infrastructure

- j. Reduce Inequality
- k. Mobilize Sustainable Cities and Communities
- l. Influence Responsible Consumption and Production
- m. Organize Climate Action
- n. Develop Life Below Water
- o. Advance Life On Land
- p. Guarantee Peace, Justice, and Strong Institutions
- q. Build Partnerships for the Goals

Since its inception, the Government of Nigeria has taken several steps aimed at ensuring that the country commences implementation in time but also has a good foundation for planning, partnerships, and reporting. Like most countries, Nigeria faced the challenge of turning the aspirations embedded in Agenda 2030 into actual development plans. Meeting the targets under the 17 goals requires, among other things, employing strategies that ensure that resource allocation to priority areas is smart and efficient.

To achieve this, Nigeria is in the process of customizing the integrated Sustainable Development Goals (iSDGs) policy simulation model, as an addition to the existing family planning tools. The iSDG model has been developed in order to enable policymakers and planning officials at all levels of governance to understand the interconnectedness of policies designed to achieve the SDGs and test their likely impacts before adopting them. The model simulates the fundamental trends for SDGs until 2030 under a business-as-usual scenario and supports the analysis of relevant alternative scenarios. The local government area is a key instrument in the actualization of this policy framework. This capacity is defined in terms of their functional competency, fiscal relations, constitutional provision, and administrative control, among others.

Anam (2020) maintained that the local government is a development area. As a unit of government, the local government is created to meet the peculiar needs of the people at the grassroots, this is very vital because every community has its peculiar characteristics, needs and value system, that differentiate it from another community. As a unit of government, it is also a channel through which local interest are aggregated and transmitted to the other two-tiers of government (A00gbakoba and Ogbonna, 2004). They are key players in providing the basic needs of the people in rural areas. With the current status of its financial autonomy, the local government areas can become key instrument in actualizing the Agenda 2030 in Nigeria.

### **Conclusion and Suggestions for Improvement**

The status of the local government as the third tier of government and as an agent of rural development cannot be overstressed. This paper has examined that this role can be strengthened through intergovernmental relations. This will also translate on its capacity to support the actualization of Agenda 2030 in the country. In this regard, the paper suggests that,

- a. The framework of intergovernmental relationship between the local government with the state and federal government should be strengthened.
- b. The local government should be allowed to function as a government with minimal control from the state governments.
- c. Financial allocations to the local governments by the Federal and State governments should be effectively monitored to ensure accountability in the use of used funds, so as to ensure that development goals are achieved.
- d. The federal and state government should put in place machineries to train and retain local government administrators, especially elected administrators to ensure competence in the discharge of their responsibilities.

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Chapter - 2

## Quality Education and Sustainable Development in Nigeria: Implications for the 2030 Sustainable Agenda

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### Abstract

As humanity strives to achieve a prosperous and equitable world, the need to harness the potentials of all sector of national economies becomes imperative. This paper addresses the challenges of underdevelopment faced by Nigeria through quality, progressive and functional education so the country can meet the targets of the 2030 sustainable agenda set by UN member states in September 2015. Underdevelopment in Nigeria has manifested in the rising poverty, unemployment, inequality, poor healthcare and dilapidated school infrastructures, ethno-religious crises etc. There is no gainsaying that education provides the citizens with skills, competencies (both mental and physical), values and knowledge to live sustainably in their communities. Attaining quality education in Nigeria, however, has been hampered by poor funding of education, dearth of competent and qualified teachers, ineffective monitoring and supervision of schools, poor remuneration of teachers etc. This paper examines the effect these factors have on quality education and how a paradigm shift could help Nigeria attain the 2030 sustainable agenda. The paper recommends a review of the curriculum to emphasize the acquisition of technical and vocational skills, proper and adequate funding of education, adequate remuneration of teachers

and in-service training of teachers to keep them abreast of new development in the teaching profession.

**Keywords:** *Sustainable development, quality education, sustainable development goals (SDGs), sustainability, curriculum, technical and vocational skills.*

### **Introduction**

Education is a very significant factor in the development of any nation. Education is the best legacy a country can leave for its citizens. It is according to Igbuzor (2006), a human right that should be accorded to all human beings solely by reason of being human. In section 18 (1-3) of the 1999 Constitution of the Federal Republic of Nigeria, the government recognizes the importance of education and pledges to direct its policy towards ensuring that there are equal and adequate educational opportunities at all levels. These include the promotion of science and technology, the eradication of illiteracy and the provision of free, compulsory and universal primary education, free secondary education, free universal education and free adult literacy programme. Even the National Policy on Education (2004) underscores the utmost importance of education where the government adopted education as an instrument “par excellence” for effecting national development.

Education is a form of self-development that comes in the form of learning, acquisition of knowledge, skills and habits. No country can achieve sustainable national development without substantial investment in human capital that comes through education. Education enriches people's understanding of themselves and the world around them. It improves the quality of their lives and leads to broad social benefits to individuals and society and also raises their productivity and creativity and promotes entrepreneurship and technological advances. In addition, it plays a very crucial role in securing economic and social progress and improving income distribution and improves their capability to make informed decisions. Education is a platform that manipulates the needed manpower for national development. A developed nation is one that has enough manpower for its needs with each person occupying his rightful position. Not only does educating the populace, with to achieve the political, economic, social, moral and cultural aspirations of the nation lead the country to advancement but it also expands the knowledge base of the people and as well fosters national development. That is why it is believed that without education, no nation can achieve advancement and enlightenment.



Ozturk (2001) said that Education provides a foundation for development, the groundwork on which much of our economic and social well-being is built. It is the key he says to increase economic efficiency and social consistency. By increasing the value and efficiency of their labor, it helps to raise the poor from poverty. It increases the overall productivity and intellectual flexibility of the labor force. It helps to ensure that a country is competitive in world markets now characterized by changing technologies and production methods.

Education creates a multitude of positive remunerations for families including better family health and nutrition, improved birth spacing, lower infant and child mortality, and enhanced educational attainment of children. Ensuring that all citizens are educated and numerate, that many possess a wide range of problem-solving skills beyond the basic level, and that some have world-class professional skills will necessitate new curricula, improved teacher programs, and academic methods that encourage higher-order cognitive skills. In spite of the huge importance of education to national development, sadly, the quality of education in Nigeria has been declining and this has meant that Nigeria has been unable to offer the quality of education that could bring about national development. As Uzorka et al (2011) rightly pointed out, education has not been accorded a pride of place in Nigeria, with the country placing a high premium on paper qualification. This, in turn, gives rise to the crazy desire to obtain good and excellent result without working for them. Consequently, they assert that Nigeria has lost her direction as far as education is concerned, and by extension, a clear direction to her future. This raises concerns about the quality of instructions children receive at school, the quality and competence of the teachers employed to teach them, the quality and state of infrastructure and instructional facilities, the level of funding available to schools etc.

### **Concepts Clarification**

#### **Quality Education**

Commonwealth (2017), wrote that quality education refers to a system or product that has passed a certain set of criteria or principles. The standard approach in setting the criteria or principles for quality implies that quality can always be further improved. It says quality thus implies the maintenance and improvement of standards with the assumption that 'standards' are objective and quality is a continuous change. It further highlights the components of quality in education to include the application of the principles of: Effective, Empowering, Equity,

Sustainable, Appropriate, and Wellbeing & Safety (EEESAW). For the Commonwealth, education is effective when it is evidence-based, cost-effective and delivers intended objectives, it is empowering when it enables, equitable when it is fair, accessible for all and inclusive. Again, education is sustainable when it can be maintained at a certain rate or level that balances the requirements of social economic and environmental development, it is also appropriate when it is suitable or relevant to the circumstance. Lastly, it is wellbeing and safety when it protects and promotes health and wellbeing and strengthens resilience.

For UNICEF (2002), quality education is defined by five key dimensions: what learners bring, environments, content, processes and outcomes. It focuses on adequate number of schools, book, pencils, trained teachers, the number of children who finish school. It also considers what goes inside and outside of schools and encompasses education for human security, for community development and national progress. Pigozzi (2008) noted that quality education is one that welcomes the learner and can adapt to meet learning needs, it is inclusive. A quality education strives to ensure that all learners, regardless of sex, age, language, religion and ethnicity, for example, are reached – that they have the possibility of participating in and learning from organized learning activities.

According to Obasi (2010) the indicators of quality and functional education are:

1. Effective and efficient performance of graduates in society, industries and other workplaces.
2. Employability (self, national and international) of products/graduates (Entrepreneurship level)/ Graduate employment statistics.
3. National and International mobility of generated manpower.
4. Market value or demand level of research products and other services provided by the institutions.
5. Level of discipline and patriotism of graduates.
6. International transferability/admissibility of graduates/ students for higher studies without remedial conditions.
7. High rating of an institution and its products nationally and internationally.
8. High absorptive capacity at all levels.

Thom-otuya and Inko-tariah (2016) in agreement listed the following as indices of quality education:

1. Proper funding
2. Effective quality control (to enforce standard)
3. Conducive and appropriate teaching and learning environment.
4. Sufficient staff quarters and classrooms in schools.
5. Adequate and proper equipment and staffing.
6. Good quality and well-motivated staff truly committed to undiluted scholarship.

It is obvious then that quality in higher education refers to the worth of the inputs into the education systems, teachers, instructional facilities and evaluation procedures which translates to the outputs and If a society expects quality manpower for rapid development and transformation, quality education is a must do affair. It is safe then to argue, that education without quality can be more dangerous than no education and without quality, education has no value.

### **Sustainable Development**

There has been a paradigm shift in the way development is defined and practiced. Previously, the attention was basically on the concept “Development” but the Brunt land Commission and Stockholm Conference of 1972 (UNECA, 2012) shifted the attention by reshaping and modifying the concept to “Sustainable Development.” This shift, according to Hopwood et al, (2005) as quoted by Ahenkan and Osei-Kojo (2014) was borne out of the global link between environmental problems and socio-economic concerns and, also because earlier conceptions and approaches to development appeared to focus largely on economic and physical wealth despite the multi-dimensional and complex nature of development (Bellu, 2011). Since then the concept of sustainable national development has become the modern parameter of measuring development. The Bruntland Commission, (1987) defined sustainable development as “the development that meets the needs of the present without compromising the ability of the future generations to meet their own needs.” The organization for Economic Cooperation and Development (OECD, 2001) as quoted by Ahenkan and Osei-Kojo (2014) also defines sustainable development as the development path along which maximization of human well-being for today's generation does not lead to the decline in the well-being of the future generation.

Similarly, Munasinghe (2004), sustainable national development is a process of improving the range of opportunities that will enable individual humans and communities to achieve their aspirations and full potential over a sustained period

of time while maintaining the resilience of economic, social and environmental systems. These definitions suggest that sustainable development considers the needs of the future and current generations in tandem, and it is rooted in the pursuit of the well-being and welfare of the people (Ahenkan and Oseikojo, 2014). Age (2005:85), identified some objectives which sustainable national development is expected to realize: increase capital income and employment, promoting human welfare satisfying basic needs; protecting the environment. Edet and Beyin (2018) noted that sustainable development is concerned with the creation and sustenance of the conditions for current and future generations of humanity to live well on this planet, that is why Sims and Falkenberg, (2013) pointed out that from the beginning a multi-prong approach to the idea of sustainable society was taken that went beyond concerns for only the destruction of the national environment to include the concern for meeting the essential needs of all people and those needs are met in a sustainable way in consideration of the needs of future generations. In the same vein, Ogu, Ezeonwuka and Sule (2006) said sustainable development looks to balance different and often competing, needs against an awareness of the environmental, social and economic limitations we face as a society.

Considering the path of future generation, the objectives of sustainable development will require the protection of the natural resources upon which future development depends. Sustainable development, therefore, is meant to ensure that the needs of the present are met without compromising the ability of the next generations to meet their own needs. In other words, as Suobbotina (2004), it can be called “equitable and balanced” development.

### **Sustainable Development Goals (SDGs)**

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by all United Nations Member States in September, 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. UN member states are expected to use them to frame their own agendas and political policies over the next 15 years. The SDGs follow and expand on the Millennium Development Goals (MDGs), which were agreed by governments in 2001 and which expired in 2015.

The goals include the following:

1. End poverty in all its forms everywhere;
2. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture;

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3. Ensure healthy lives and promote wellbeing for all at all ages;
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all;
5. Achieve gender equality and empower all women and girls;
6. Ensure availability and sustainable management of water and sanitation for all;
7. Ensure access to affordable, reliable, sustainable and modern energy for all;
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all;
9. Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation;
10. Reduce inequality within and among countries;
11. Make cities and human settlements inclusive, safe, resilient and sustainable;
12. Ensure sustainable consumption and production patterns;
13. Take urgent action to combat climate change and its impacts (taking note of agreements made by the UNFCCC forum);
14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development;
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation, and halt biodiversity loss;
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels;
17. Strengthen the means of implementation and revitalise the global partnership for sustainable development.

The goals which came into in January 2016 and are expected to expire at the end of 2030 are otherwise called the 2030 agenda for sustainable development.

**Challenges of Quality Education in Nigeria**

Education in Nigeria is bedevilled by so many problems and challenges. These challenges which the system is still struggling with has affected the attainment of quality in education in Nigeria.

They are discussed below:

1. **Inadequate funding:** this is perhaps the greatest challenge facing education in Nigeria currently. The problem of inadequate funding has over the years proven to be the bane of the attainment of quality in Nigerian education. Onokerrhoraye, (1995) have pointed at financial constraint to attaining academic excellence in Nigerian universities and indeed other levels in the system, this has forced workers to be working under difficult circumstances. Many schools across all levels are finding it difficult to build classrooms, lecture halls and theatres, good and well-equipped libraries and laboratories. Many of the facilities and infrastructures already built are falling into ruins. This is largely due to the neglect of the education sector occasioned by the poor budgetary allocation to education by both the federal and state governments. While Dakar framework's benchmark for funding of education is 20 per cent of the national budget and 5 per cent of the Gross Domestic Products (GDP) and recognizes the indexes of education spending as a proportion to the GDP as an indication of the seriousness attached to education by a country as a vehicle of development, Nigeria has never allocated more than 12 per cent of her annual budget to education in the last 20 years.

| <b>Year</b> | <b>Allocation to education as a percentage of GDP</b> |
|-------------|---|
| 1999        | 0.84  |
| 2000        | 0.60  |
| 2001        | 0.91  |
| 2002        | 1.03  |
| 2003        | 0.96  |
| 2004        | 1.08  |
| 2005        | 1.61  |
| 2006        | 2.01  |
| 2007        | 2.13  |
| 2008        | 2.28  |
| 2009        | 2.15  |
| 2010        | 2.68  |
| 2011        | 2.89  |
| 2012        | 3.23  |
| 2013        | 1.69  |

**Source:** Micaiah (2013).

This shows a less than 2 per cent allocation to education as a percentage of GDP. Scholars like Chukwunenye (2005) have attributed the poor funding of education to factors such as (a) budget-making. This involves the expression of educational programs in financial terms and covers the unavailability, non-accuracy, ineffective implementation of the budget etc. (b) poor statistics which involves the lack of accurate data of students and facilities (c) population explosion resulting from the rapid growth in population in Nigeria demanding education.

2. **Inadequate number/poor quality of teachers:** this is a problem that has plagued education in Nigeria over the years. There is no gain saying that no educational system can rise beyond the level and quality of its teaching staff. According to Coombs (1970), teachers are the hub of any educational system. They determine the quality of education because they transmit educational policies into practice and action. As rightly pointed out by Ukeje (1996) without an adequate number of inspiring, well-informed teachers, fully prepared to meet their responsibilities in our schools, we cannot have a good education and without a good education, we cannot hope for long to meet successfully, the challenges of a changing world. Ajayi (2007) concurs with the above when he noted that good teachers are needed for good education which in turn is indispensable for social change, social transformation and national development. The importance of teachers cannot be overemphasized. Despite the huge importance of teachers, schools across all levels in Nigeria have struggled to recruit the required number of competent and well-qualified teachers to handle teaching and learning activities. Because of poor funding of the education sector, schools are not able to recruit adequately and the few already on ground are overburdened and become stressed out and therefore not able to perform to their optimum capacity. At the tertiary education level, many courses cannot gain accreditation as a result of failure to recruit the required number of lecturers needed to meet the requirements set by the various regulating bodies such as NUC, NCCE and NBTE.

Attainment of good quality in education requires teaching staff of adequate quantity and quality. Bamiro, (2012) attributed the problem of de-intellectualization of the academia to low quality of teaching staff of some institutions of higher learning in Nigeria. Where there is inadequate number and poor quality of teachers, the attainment of good quality in education will be difficult.

3. **Corruption in the education sector:** Corruption in the education industry manifests in the form of misappropriation of educational resources which creates infrastructural deficits that result in poor instructional delivery that denies many people access to education. It is no longer story that huge amount of money is lost through illegal and unauthorized utilization of funds in the education industry. While the poor budgetary allocation to education remains a problem, the embezzlement and outright stealing of funds released remain an even bigger challenge. According to Chikowore in Mapolisa, Ncube, Tshabalala and Khosa (2014), the number of cases of embezzlement and mismanagement of funds by higher education leaderships in Nigeria are quite frightening. SERAP (2013) noted that it is disheartening to note that this cankerworm was noticed at all levels of education, where massive embezzlement and misappropriation of funds running into millions of dollar and billions of naira are taking place.

4. **Declining moral values in schools:** that moral values in Nigerian schools have decayed is no longer story. Good character, integrity, honesty, hard work, and respect among teachers and students are for useful living in the society but regrettably, these cherished values have all been lost occasioned by the high premium the system places on paper qualification. Most teachers and students particularly in the higher education sub-sector now engage in sex and money for marks which means that students do not work for the marks they get. The implication of that ugly phenomenon is that as students are unable to translate the “good and excellent” results they parade into workable ideas, the country suffers.

5. **Brain drain:** A big challenge to the quality of education in Nigeria is the problem of brain drain. This problem is not peculiar to the education alone as it happens in all sectors of the economy. Over the past decades, many brilliant and well-trained teachers and lecturers have flown the classrooms to other sectors of the economy. Some of the lecturers have left to join the business world, some joined politics while others left Nigeria for better services. As succinctly put by Alli, (2000) many experienced and young lecturers are fleeing Nigeria from the frustration of university life into more rewarding and more challenging sectors of the economy and even to overseas countries. There is a diminishing scope of mentoring junior researchers by seasoned and senior lecturers in Nigeria due to brain drain. Brain drain has led to decline in research outputs from institutions of higher learning in Nigeria vis-à-vis the disappearance of research centers in Nigerian universities. Research brings about improvement in teaching and



learning (Asiyai and Oghuvbu 2009) but when there is exodus of brilliant and seasoned academics from institutions of higher learning, the quality of education delivery is threatened.

### **Contributions of Quality Education to Sustainable National Development**

Education is a vital tool for human and economic development. According to Micaiah (2003), the quality of life of any nation cannot be expected to be more than the quality of education of her citizenry and the intentional investment in the education system. Education provides citizens with the needed skills and knowledge to support the manpower development of the country. Afolabi and Loto (2012) stated that a developed or educated polity is the one that has needed manpower and each person occupies his or her rightful position to enhance the growth of the society. In support, Ajayi and Afolabi (2009) also remarked that education is largely perceived in Nigeria as an indispensable tool which will not only assist in meeting the nation's social, political, moral, cultural and economic aspirations but will also inculcate in the individual knowledge, skills, dexterity, character and desirable values that will foster national development and self-actualization.

Thus, education trains people to be useful not only to themselves but also to the society at large and to meet the needs of the society for national development. Without education, getting the needed manpower for national development will be impossible, that is why it is argued that the level of national development depends on the quality of its education system. Armstrong, Henson and Savage (1992), said that education promotes social and group relationships. Obasanjo (2012) concurs when he stated that education trains individuals to relate to and interact meaningfully with others in the society and to appreciate the importance of effective organization for human progress. The school curriculum at levels is designed to foster this development. It brings people from different social/cultural backgrounds for a common purpose and promotes the spirit of mutual co-existence among them. Even when they have departed from the school, they will still hold fond memories about the school, their teachers, their fellow students and the community where the school is located.

Education also promotes the culture of productivity by enabling individuals to discover the creative potentials in themselves and apply same to the improvement of the existing skill and technique of performing specific tasks, thereby increasing

the efficiency of their personal societal efforts (Obasanjo, 2012). As the naturalists say, education should and actually enables students to discover their natural talents and develop them. Through this, they develop their potentials and become useful to themselves.

### **Recommendations**

For Nigeria to overcome the challenges impeding her development, quality education should be given adequate attention. Education, however, cannot develop and make its own contribution to national development except the following, provided here as recommendations are done:

1. Adequate funding of education in Nigeria. Education is a huge capital intensive project, it needs huge capital investment for it to be able to play its crucial role in national development. Government at all levels must quit playing politics with education but increase funding through adequate budgetary allocation. The government should endeavor to allocate at least 20 per cent of her annual budget to education in line with the Dakar Framework's recommendation.
2. Given that the government alone cannot adequately fund education, the private sector should become involved. This they could do through the provision of research grants, building of classrooms, lecture theatres, sponsorship of staff development programmes, award of scholarships to deserving students, endowment of professorial chairs at the university level and so on. In return, school authorities may provide them with land for their business operations.
3. In addition to the above, the government should ensure that funds released to schools are judiciously expended. Effective supervision and monitoring should be mounted to ensure that funds are not only tied to beneficial and cost-effective projects but also that programmes and policies meant to achieve quality are effectively implemented.
4. Reversal of brain drain: no system whether education or health develops when it keeps losing its best brains to other sectors and countries. Teachers and lecturers in Nigeria are one of the worst paid in the world and most times, their salaries are either not paid or not paid as at when due. Teachers will not give their best when they are not properly motivated. In essence, the government must improve on the welfare of teachers across the different levels of education, this is not only to reduce their stress level and make them work at their optimum but also retain them in the system.

5. Indiscipline is a major cause of the rot not only in the education system but in Nigeria as a whole. The war against indiscipline must be revived and pursued vigorously to help the country reestablish cherished values like hard work, honesty and so on. Severe punishment should be meted to offenders of the rules and regulations of schools. Teachers and students found guilty of examination malpractice acts such as sex and money for marks should be summarily dismissed to serve as a deterrent to others. In addition, financial crimes perpetrated by the heads of educational institution should be severely punished.

### **Conclusion**

This paper has discussed the contributions of quality education to sustainable national development. No nation can rise beyond the level and quality of its educational system, meaning that a nation is as developed as the various components of the economy with education being the most important. For Nigeria to attain the 2030 development agenda, every resource, both human and material must be mobilized. This paper discovered that the contributions of education to national development has been hampered by poor funding, brain drain, inadequate number and poor quality of teachers, moral decadence in the system leading to fraudulent activities such as examination malpractice, embezzlement of funds meant for infrastructural development. Thus, for the quality education component of the Sustainable Development Goals to be realized, more funding should be given to education, indiscipline must be rooted out of the system, teachers must be properly motivated and remunerated.

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Chapter - 3

## **Analysis of Health System and Universal Health Coverage in Nigeria and Ghana towards Achieving SDG 3**

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### **Abstract**

**O**ne fundamental feature of health is its nature of uncertainty as no one knows when and where he will be sick. Again, availability of money for healthcare needs becomes another uncertainty. Therefore, how to model health system that protects people equitably is the question universal health coverage aims to answer. This paper examined health system and health coverages in Nigeria and Ghana, two of ECOWAS neighbouring countries that share similar development features. The comparison is to see how these two countries have fared in terms of UHC. The indicators of UHC measurement are total health expenditure, out-of-pocket expenditure, risk pooling scheme and social assistance and safety-net programmes. Evidence from the study showed that Nigeria's total expenditure on health as a percentage of GDP is about 3.7 percent, while out-of-pocket expenditure (OOP) is about 95.8% among poor and inadequate health insurance penetration and social assistance and safety-net programme. Ghana's total health expenditure is about 5.2 percent while out-of-pocket expenditure is 91.9 percent with average health insurance penetration. The policy implication of the results is discussed. Therefore, health system strengthening anchored on health sector

reform and domestic health financing must be robust enough to lay a solid foundation for achieving UHC and the health sustainable health goals in Africa, Nigeria and Ghana in particular.

**Keyword:** *Health system, Health financing, Health sector reform, Universal health coverage, Descriptive analytical approach, Nigeria, Ghana.*

### **Introduction**

A health system consists of all the organizations, institutions, resources and people whose primary purpose is to improve health. This includes efforts to influence determinants of health as well as more direct health-improvement activities. The health system delivers preventive, promotive, curative and rehabilitative intervention through a combination of public health actions and the pyramid of health care facilities that deliver personal healthcare – by both State and non-State actors. The actions of the health system should be responsive and financially fair, while treating people respectfully. A health system needs staff, funds, information, supplies, transport, communication and overall guidance and direction to function (WHO 2010: VI).

In recent years, significant progress has been achieved in delivering health-related interventions that is designed to achieve goals relating to improving maternal and child health, and reducing mortality and ill-health due to HIV/AIDS, tuberculosis and malaria. Meanwhile, it is clear, that the gains have been neither universal nor sufficiently broad-based and sustainable. Progress at the national level has not necessarily resulted in gains for most vulnerable population groups; in some instances, progress has stagnated or been reversed. There is mounting evidence that health systems that can deliver services equitably and efficiently are critical for achieving improved health status. Thus, many global health initiatives now incorporate attention to health systems, strengthening the support they provide to countries. One of those global health initiatives is the universal health coverage (UHC). UHC usually refers to health systems providing both access to health services and financial protection which includes avoiding out-of-pocket payments that reduce the affordability of services, and ideally some compensation for productivity loss due to illness (Preker, Linder, Chemichovsky and Schellekens, 2013). The relationship between the health systems characterized by improved health status, efficiency, equity, good quality, affordability, and responsiveness and the universal health coverage is of a simple bi-causal linkage. Improving the



functioning of the health systems and achieving equitable access and affordability of healthcare services to all is encapsulated in current efforts to universal coverage. Universal health coverage cannot be achieved by weak health systems. Therefore, health systems are the means whereby many programmes and interventions (UHC inclusive) are planned and delivered, and strengthening health systems and making them more equitable have been recognized as key for fighting poverty and fostering development (Onwujekwe, 2015).

The objective of the chapter is to critically examine the health system and universal health coverage of Nigeria and Ghana, two neighbouring West African countries in the ECOWAS sub-region and two countries under the same colonial masters. The chapter aimed at providing a basis for understanding the progress and challenges of efficient health systems and accessible universal health coverage in line with the WHO identified indicators.

## Literature Review

### Conceptual Clarifications

#### a) Health System

Our approach to the definitions and perspectives is quite pragmatic. We want to use terms in ways that are most helpful and germane to our readers. Bearing our goal in mind, we use the terms “the health sector” and “the health system or health care system” interchangeably in the chapter. Reiterating, the World Health Organization (WHO):

*A health system consists of all the organizations, institutions, resources and people whose primary purpose is to improve health. This includes efforts to influence determinants of health as well as more direct health-improvement activities. The health system delivers preventive, promotive, curative and rehabilitative interventions through a combination of public health actions and the pyramid of health care facilities that deliver personal health care-by both state and non-state actors. The actions of the health system should be responsive and financially fair, while treating people respectably. A health system needs staff, funds, information, supplies, transport-communications and overall guidance and direction to function. Strengthening health systems thus means addressing key constraints in each of these areas (WHO, 2010:VI).*

In a different perspective, Robert, Hsiao, Berman and Reich in their analysis of the health system concluded as follows:

1. All those who deliver healthcare-public or private, Western or traditional, licensed or unlicensed, including doctors, nurses, hospitals, clinics, pharmacies, village health workers, and traditional healers.
2. The money flows that finance such care-official or unofficial, through intermediaries or directly out of patient's pockets.
3. The activities of those who provide the specialized inputs into the health-care process-including medical and nursing schools and drug and device manufacturers.
4. The financial intermediaries, planners, and regulators who control, fund, and influence those who provide insurance institutions and regulatory bodies.
5. The activities of organizations that deliver preventive services-such as immunization, family planning, infectious-disease control, and education on nutrition, smoking, and sustenance abuse. These may be public or private, local, national or international (Roberts et al., 2004:9). The authors' elucidation on health system also includes two vital concepts of the health systems: "health sector reform" and the "control knob".

#### b) **Health Sector Reform**

Reforms are intended to address a wide variety of problems and constraints in the health sector and to achieve myriad and often conflicting objectives. As a prerequisite to examining health sector reform, understanding what the health system is designed to do, how it can achieve its goals and the context in which it operates is important. According to World Health Organization Report (WHO, 200a), national health systems have three fundamental objectives: (i) improving the health of the population they serve, (ii) responding to people's expectation, and (iii) providing financial protection against the cost of ill-health. The Report goes on to suggest that the second and third goals are partly instrumental as they re-enforce the goal. At the heart of every health sector reform are the three pivotal issues:

1. What is needed to enable the health sector to achieve its broader objectives?
2. What is the potential welfare impact of the proposed reforms across socioeconomic groups?
3. What can be done to avoid or minimize possible adverse consequences of reforms?

Health sector reform no doubt is a public policy issue and it has been a focus of policy debates in both developed and developing countries at least since the 1970s (Lundberg and Wang, 2015). As a public policy, it is intended to also influence the many actors working within a sector or system and the procedures and processes built into it, in ways that guide them to work together to achieve common goals and purposes. Health reform or policies are often assessed as successes or failures based on the approach and interests (the particular perspective or lens) of the person doing the assessment. Some approaches were identified in the literature. First, the WHO ranked national health systems according to a series of indicators, using a complex formula to combine different measures. But while the WHO report did discuss the functions of the healthcare system, it did not include an extended analysis or assessment of the causes and cures for inadequate performance. Second, the adopted sociologists' approach (Roemer, 1993; Raffel, 1984), typically used capacity indicators (the number of hospital beds, physician, and nurses) description of government programmes, and certain health indicators (infant mortality rate and life expectancy) to describe and compare national health systems. These analyses often provide many descriptive details, but again, rarely guide how to change the health system to produce performance gains. Third, the resource flow approach: In the early 1990s, Jeremy Hurst examined health systems in terms of fund flows and payment methods between population groups and institutions (Hurst, 1992). Recent developments of this approach, in the form of *National Health Accounts*, often provide a helpful picture of money flows from revenue sources through intermediaries to providers. Again, there is no explanatory model linking policies changes to performance outcomes.

Finally, economics provides another conceptual clarification to understanding the health sector reform (Jack 1999; Feldstein, 1993). This is premised on the fact that a nation's health sector is composed of many different markets-for different services in different geographic areas. Albeit, these individual markets are seldom studied in details; nor is their interaction well understood. Moreover, economics utilizes the paradigm of supply and demand where prices signal consumers how much to buy and produces how much to sell. In many countries, including ECOWAS countries, however, a large part of the health-care system is not organized on market principles. Moreover, even where there are markets, they are often imperfectly competitive, and physicians can determine much in the way of patient behavior. Given these departures from the competitive ideal, it is not surprising that microeconomic theory has offered few explanations for macro-

level health outcomes or the rate of growth of national health expenditures through health reform or policies (Gerdtham and Jonsson, 2000).

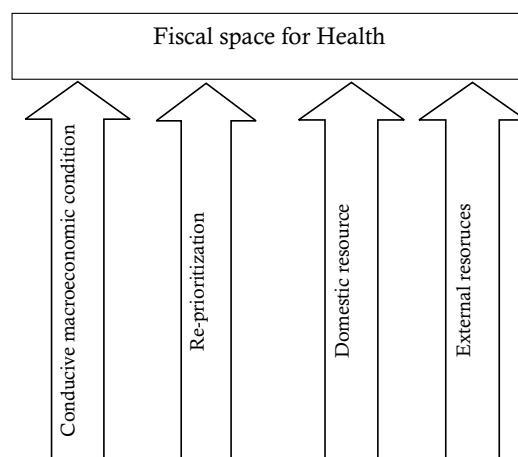
Four major forces were identified in the literature driving health sector reforms. These four forces have led to certain widespread dilemmas about health sectors among the nations in our increasingly globalized world. The first force is the rising cost of healthcare: In all the ECOWAS countries (Nigeria and Ghana in particular), increases in cost of healthcare are forcing government to rethink their policies and approaches to the health system. Second, there are rising expectations, as citizens demand more, both from government in general and from the health-care system in particular. Third, increases in both costs and expectations are occurring at a time when governments confront limitations on their capacity to pay the costs of health care. Finally, the rising cost healthcare whose identified causes include aging population, epidemiological development, sellers of health-care goods and services, new technology and the increasing prevalence of chronic diseases. Some of the probable cause of rising expectations derives from three sources: economic, social and political. Rising expectations lead patients to want the latest and best care, the fanciest technology, and the newest drugs. Knowing what is available elsewhere, they become skeptical of the quality of care in their own local health centers. For limited capacity to pay, as governments try to control expenditures and prevent inflation, they are tempted to hold down health spending by limiting compensation to doctors, nurses, and other health personnel. In many low-income countries, bad leadership, poor policies, and outright corruption have produced an amassment of limited resources and widespread skepticism about the public sector and health sector reform.

**c) System Financing**

The World Health Report 2010 put forward two central messages; first that countries need to ensure adequate spending on health to make progress on Universal Health Coverage (UHC) and, secondly, that improving spending efficiency is central to the UHC agenda. This option was reinforced by the adoption in 2015 of both the Sustainable Development Goals (SDGs), and the Addis Ababa Action Agenda on Financing for Development, which also recognizes the need to explore the nature of the resources available for health systems and the use which they are put, rather than focusing solely on estimates of the level of resources required to make progress toward UHC.

Health financing is concerned with how financial resources are generated, allocated and used in health system (WHO, 2010). It also involves and ensure that people can use needed services and are protected from financial catastrophe or impoverishment associated with having to pay them. It provides incentives and users to be efficient (WHO, 2007). A mixture of public and private health financing models has always been a unique feature of most developing economies. However, what is most critical is the use of appropriate health financing functions to ensure the needed quality of services are received by the citizens without much financial hardship (Ewelike, 2019). There are many sources of raising money for the financing of the health system. These financing options include the public source which include: direct taxes, indirect taxes; non-tax revenues (bonds, government ventures); earmarked taxes; grants, and loans. The private sector series include: out-of-pocket payments (OOP); voluntary payments; individual medical saving accounts. Philanthropy/charity; health insurance. Meanwhile, options to consider include: equity in health financing (propositional, progressive, regressive); fiscal space; macroeconomic stability, and stage of health system development, sustainability and efficiency. Figure 1 shows the pillars of fiscal space for health.

**Figure 1:** The Four Pillars of Fiscal Space for Health



**Source:** Ewelike (2019:36)

However, the various recommendation on public spending for health financing is the Abuja declaration of 2001. In consideration of the heavy burden of diseases of public health importance in Africa. Against the backdrop of challenging health situations; African heads of state agreed on allocating not less than 15% of General Government Expenditure (GGE) to health across the continent (African Union, 2001). The Chattam House recommendation of 2014: The recommendation is that nations should strive towards spending not less than 5% of GDP on health with a target of \$86 per capita in low- and middle- income countries. This recommendation takes into considerations the importance of GDP and per capita expenditure which explains what an individual gets from the economy. The recommendation of the WHO Commission on Macroeconomics and Health in 2001 of \$34 per capita spending on Health by all nations especially low- and middle- income countries. It also includes the WHO recommendation in 2009 that \$60 per capita will be required to finance health by 2015.

The pillars of fiscal space for health as demonstrated in figure 1 is the fulcrum of domestic resource mobilization in health financing (DRM). DRM means generating or raising public funds to finance health through domestic sources. It is advised that developing nation like Nigeria should pay more attention to DRM because of its relative reliability and sustainability. Boxes 1 and 2 show indicators of service coverage and indicators of financial protection.

**Box 1:** Indicators of service coverage

The eight indicators used, each of which is measured in terms of the percentage of the target group covered are:

1. Family planning coverage with modern method
2. Tuberculosis treatment coverage
3. Antiretroviral therapy coverage
4. Live birth attended by skilled health personnel-doctors, nurses and midwives
5. Diphtheria, tetanus and pertussis immunization coverage
6. Antenatal care coverage
7. Improved water coverage
8. Improved sanitation coverage

**Source:** Health Systems Governance & Financing & WHO Publication (2016:9)

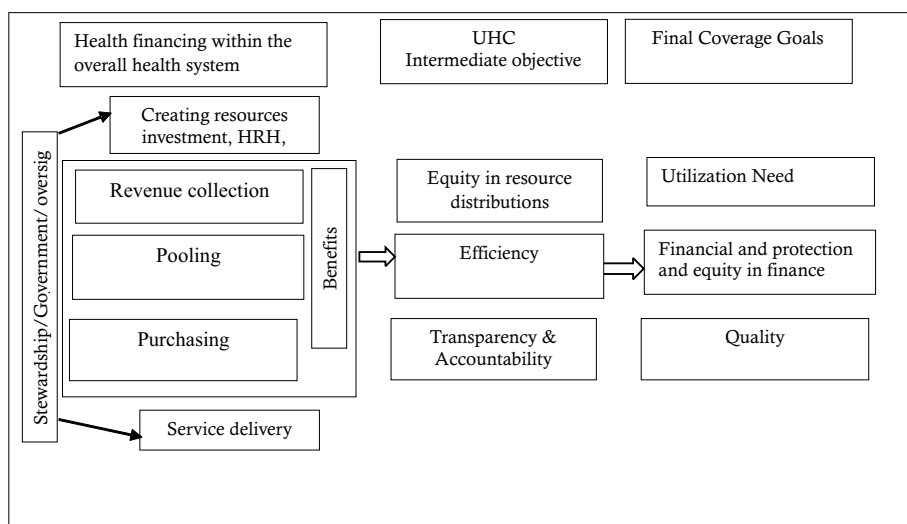
**Box 2: Indicators of Financial Protection**

1. Public expenditure on health as a percentage of total health expenditure (GGHE/THE) as a proxy measure for financial protection toward universal health coverage.
2. Out-of-pocket expenditures (OOP) as a percentage of total health expenditure (THE), or rather 1-OOP as % THE.
3. GGHE/THE is, however, only an indirect measure of financial protection as the consequences of paying for health care on household living standard are not captured.
4. WHO Health Organization/World Bank Group (2015)- survey of 37 countries showed a negative correlation between GGHE/THE and the incidence of catastrophic expenditures, in other words financial protection improves as reliance on public spending increases, suggesting that the indicator is a useful and valid proxy measure.

**Source:** Health Systems Governance & Financing & WHO Publication (2016:9)

The most equitable and sustainable financing mechanism for health. System is the reliance on public expenditure for health. However, the aim of relying on public expenditure is defeated in Nigeria as most healthcare consumption is through the regressive out-of-pocket payment, which in most cases pushes households to poverty diseases and death. Thereby negatively affecting the path to universal coverage.

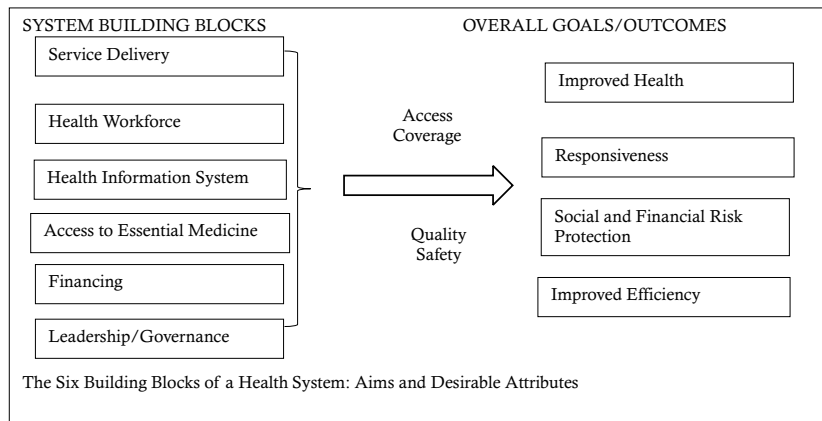
**Figure 2: Health Financing UHC Goals**



**Source:** WHO, 2017

In summation, the health system could be conceptualized using the WHO Health Systems Framework as shown in Figure 3

**Figure 3: WHO Health System Framework**



**Source:** WHO (2010)

### Universal Health Coverage (UHC)

The second conceptual framework of the paper is universal health coverage. Universal coverage represents the most powerful concept that the public health offers in addressing the inequities of the health care delivery (WHO, 2010; Onwujekwe, 2015). Improving equity in access to healthcare services is promoted through and via the universal coverage. UHC comprises of universal financial coverage (UFC) and universal geographic coverage (UGC) portends that healthcare consumers should be able to have unhindered access to healthcare services without having to worry about the money needed to pay for the services. The 2005 World Health Assembly (WHA) adopted a resolution calling on Member States to pursue universal coverage for their populations. The import of the clarion call hinges on the need to reduce the reliance on out-of-pocket payment and to promote pre-payment healthcare financing mechanism such as health insurance. According to Knaul (2012), universal health coverage has three components: (i) universal enrolment (health insurance), (ii) regular access to a comprehensive package of health services with financial protection for all; and (iii) universal effective coverage which guarantees equal basis, the maximum attainable health results from an appropriate package of high-quality services that also prevent financial shocks by reducing out-of-pocket payments. Commenting



further, McIntyre(2011) posited that UHC involves three coverage of: (i) the breadth of coverage-the proportion of the population that enjoy social health protection; (ii) the depth of coverage-the range of essential services necessary to effectively address people's health needs; and (iii) the height of coverage-the portion of healthcare costs covered through pooling and pre-payment mechanisms. Why Invest in UHC? World Bank, WHO and AfDB (2016) provided an insight. According to “A Framework for Action”, a joint publication of the three world institutions, the primary reason for investing in UHC is a moral one: it is not acceptable that some members of society should face death, disability, ill-health or impoverishment for reasons that could be addressed at limited cost. Prevention of malnutrition and ill health is likely to have enormous benefits in terms of longer and more productive lives, higher earnings, and averted health care costs. Effectively meeting demand for fairly planning will accelerate the fertility transition, which in turn will result in higher rates of economic growth and more rapid poverty reduction.

Many countries in Africa still contend with high level of child and maternal mortality, malnutrition is far too common and most health systems are not able to deal effectively with epidemics and the growing burden of chronic diseases such as diabetes. These challenges call for renewed commitments and accelerated progress toward Universal Health Coverage- the principle that everyone receives needed health services without financial hardship. Noting the progress and challenges of UHC in Africa, the “Framework” concluded and noted the following:

1. Health expenditure in Africa has increased significantly, but domestically financed government spending has stalled.
2. Coverage of key health services has increased but critical gaps remain.
3. Millions of Africans fall into poverty due to high out-of-pocket health payments.

The link between the health system, health reform and universal coverage is clear. Evidence shows that UHC interventions lead to improved access, health status and affordability of health services. Furthermore, UHC cannot be achieved by weak health systems. This suggests that the more effective the health system the more the access to health care services (UHC) all things being equal.

## **Health System and Reform in Nigeria and Ghana**

### **Nigerian Health System Reforms**

Briefly, the Nigerian and Ghanaian health systems and reformatory processes are presented although not necessarily for comparative reasons but for clearance on the prospect and challenges of the health system, a precursor to universal health coverage. Nigeria operates a three-tier health care system, the Federal Ministry of Health (FMOH), State Ministries of Health (SMOH) and the Local Government Healthcare departments providing tertiary, secondary and primary healthcare services respectively. The FMOH provides tertiary healthcare through the university teaching hospitals and federal medical centers (FMCs). The State Ministries of Health provide secondary care through the general hospitals, specialist and cottage hospitals. They are also responsible for development of health manpower for secondary and primary healthcare. The local government areas in Nigeria (774 L.G.As) are directly responsible for the grassroot delivery of primary health care to the communities using the national guidelines and with assistance from the state ministries of health.

The Nigerian healthcare system is dominated by three groups of providers: (i) the public sector, (ii) private-for-profit; and (iii) private-not-for-private providers. The public sector includes federal, state and LGA- owned health facilities. These facilities include primary health centers, secondary health facilities including federal government and state-owned hospitals and clinics, and tertiary health institutions (Onwujekwe et al, 2009). The private-for-profit sector includes hospitals and clinics, laboratories, patent medicine dealers (vendors), pharmacy shops and itinerant drug sellers. The private not-for-profit providers are mostly mission hospitals. From the foregoing analysis, the structure of the health system in Nigeria means that all tiers are involved, to a good degree, in the major health system framework already discussed. Table 1 present some basic indicator of the Nigerian health system.

**Table 1:** Some Basic Indicators of Nigerian Health System (NPC & ICF Macro, 2018).

| S/N | Material and Child Health Status ** |  |
|-----|-------------------------------------|--|
| 1.  | Malnutrition [Stunting, wasting]    | Stunted: 41%<br>Severely stunted: 23%<br>Wasting: 14%<br>Underweight: 23% (NDHS, 2018) |
| 2.  | Low birth weight                    | 8% (NDHS, 2018)  |
| 3.  | Delivery by skill birth attendants  | 39% (NDHS, 2018)   |
| 4.  | DTB3 coverage                       | 35% (NDHS, 2018)   |

**Note\*\*:** Available at UNICEF Cluster Survey. <http://www.childinfo.org/mics3->

Baba and Omolara (2012) concluded that Nigeria faces many health problems and challenges. The health issues that Nigeria faces are infectious diseases, sewage disposable, health insurance, water supply, air pollution, noise pollution, environmental radiation, housing, solid waste disposal, disaster management, control of vector some diseases, doctor-population ratio, population-bed ratio, population per health facility, payment systems/method, utilization of care, access to care, improper coordination of donor funds, maternal mortality, infant mortality, health financing, poor sanitation, incessant doctor strike, disease surveillance, smoking of tobacco, brain drain, rapid urbanization, non-communicable diseases and so on. Moreover, Primary Health Conference (2008) summarized the major health system challenge in Nigeria to include: lack of a health system backbone that supports the sealed-up delivery of essential health systems, especially through the PHC system; funding gaps; inadequate funding at all levels; Three Tiered health systems, which is not backed by legislation and hence some stakeholders are not fully committed to its implementation; inadequate health research for PHC particularly in the rural areas (quality and quantity); fragmentation of programmes due to multiplicity of implementing partners; inadequacies in the health information system; poor coordination/inter-sectoral collaboration, namely, multiple sectors and partners. Moreover, the bulk of some of money for health care in Nigerian health system remains out-of-pocket spending (OOPs), borne by households and payment is regressive as everyone pays the same irrespective of whether poor or rich.

In order to mitigate the above-mentioned challenges and position the Nigeria health system, it becomes imperative to mention some of the series of health sector reform (HSR) in Nigeria over the years. The main HSR policies both at the

federal and state levels in Nigeria are: (1) Basic Health Services Scheme (1975-1980), (2) Primary Health care and the National Health Policy (1978 & 1988), (3) Health Sector Reform Programme (2003 to 2007); (4) National Health Investment Plan and Midwifery Services Scheme; (5) National Strategic Health Developmental Plan; (6) National Economic Empowerment Development Strategy (NEEDS), (7) Drug Revolving Funds (Enugu & Anambra); (8) The Bamako Initiative Programme: User Fees and Exemptions; (9) Reproductive health reform (Essential emergency obstetrics care); (10) The District Health System in Enugu state; (11) The Integrated Management of Child Illness (IMCT); (12) Community-based health insurance scheme in Anambra State; (13) National Programme on Immunization (NDI); (14) Strengthening disease-specific programmes (HIV/Malaria/TB); (15) Tuberculosis control was adopted in 2002 focusing on expansion of coverage of directly-observed treatment short course (DOTS). The question that begs answering is whether the reform programmes and policies have achieved its desired objectives?

### **Ghanaian Health System and Reforms**

Similar to the Nigerian health system, the Ghanaian health system administratively is organized at three (3) levels: National, Regional and District levels. However, unlike the Nigerian brand, functionally, it is organized into five (5) levels: National, Regional, District, Sub-District and Community. Again, unlike the Nigerian type, the healthcare system has five levels of providers: health posts, health centers and clinics, district hospitals, regional hospitals and tertiary hospitals. Furthermore, the health system has four providers: public, private-for-profit, private not-for-profit and traditional health care providers. Ghana's health care system has been described as comprehensive, pluralistic, multifaceted, and one of the most developed in the West African Sub-region (Gaddah, 2011; Salisu & Prinz, 2007). The country currently has over 3,000 health facilities with public hospitals as the major healthcare provider followed by private hospitals. With government as the largest provider of health services, health care in Ghana is largely controlled by the Ministry of Health and the Ghana Health Service, represented at various levels of administrations. The health centre has traditionally been the first point of contact between the formal health delivery system and the client. They provide minor surgical services such as incision and drainage.

They augment their service coverage with outreach services, and refer severe and complicated conditions to appropriate levels. District hospitals are the facilities for clinical care at the district level. District hospitals serve an average population of

100,000 to 200,000 people in a clearly defined geographical area. It is the first referral hospital and forms an integral part of the district health system. A district hospital provides curative care, preventive care and promotion of health of the people in the district, laboratory and other diagnostic technique appropriate to the medical, surgical and outpatient activities at the district hospital and so on. Regional hospital forms a secondary level of health care for their locations. They provide services to a geographically well defined area of population of about 1.2 million. Regional hospitals are an integral part of the regional health system, functioning to support it. They provide specialized care, involving skills and competence not available at district hospitals, which make them the next level of referral from district hospitals. Regional hospitals provide general clinical services in the following disciplines: medicine; general surgery and anaesthesia, paediatrics, obstetrics and gynaecology and related services. Teaching hospitals are centers of excellence and complex health care. Governance of teaching hospitals is unusual because it involves many players, such as MOH, the Ministry of Education, and university and political influences in the community, teaching hospitals have a high social and political profile. Teaching hospitals perform the functions of health care, quality of care, access to care, research, teaching and training. Private maternity homes fall under the governance of the Ghana Registered Midwives Associated. Working in close association/collaboration with the Reproductive and Child Health Unit of the GHS (Ghana Health Services), they offer reproductive and family planning services.

Attempts to reform the health services in Ghana started in 1988. The motivation for reform was to halt the downward trend of performance of the health sector-in other words to reverse the deterioration of the service caused by the economic decline of the Ghanaian economy which started in the late 1970s. Efforts to improve the health sector gained renewed momentum in the early 1990s when further initiatives were articulated for health sector development as part of the overall long-term vision for Ghana's future growth and development as framed in the document "Ghana Vision 2020". As its contribution to these development objectives, the MOH unveiled its Medium Term Health Strategy (MTHS), designed to guide health development in Ghana. A major goal of the MTHS is to improve the health of Ghanaians by increasing access to services and also augmenting the quality and efficiency of services provided. These new initiatives for the first time acknowledged the first premise that improvement in the standard of health care delivery required a fundamental redefinition both in aims and in the running of the services. The first consideration led to a restatement of policy,

launching a shift away from quality per se to an emphasis on balancing quality against cost. The second led to a structural reorganization after finding that the management structure was not only counterproductive but also an active impediment to the implementation of a viable strategy of health management and criteria of performance. This structure was vertical in nature, resulting in the development of a vertically organized management system: for the transmission of information, for financial management, and for supervision. There were duplication and competition for centrally managed vertical programmes; roles and responsibilities between technical and administrative divisions were confused, and standards and mechanisms for monitoring performance were ill-defined. This situation was the basis for the reorganization of the MOH, which was undertaken as part of the reform goal to provide a sound management base for advancing the larger aims of the reforms.

Despite the Ghanaian health reform programmes, Baffo (2017) concluded that the major challenges facing the health sector of Ghana today includes inadequate medical officers, high patient-doctor ratio, and inadequate health centers among others. As at the beginning of 2017, the columnist observed that there are about 79 district hospitals with no doctors, 82 districts without a hospital in the country. When we consider the indicators of system performance the picture is quite troubling for Ghanaian health system. The World Bank has documented that “among countries with similar level of health spending, Ghana performs worse than average with respect to under-five, infant and maternal mortality”. Since 2012 to date, Ghana's infant mortality rate was 49 deaths per 1000. There are also significant differences between the poorest and wealthiest members of the population in both the under-five mortality rate and the number of births attended by skilled health personnel. Ghana has basic public health problems when it comes to delivering care to the most vulnerable of the population. Another important indicator of health system performance is life expectancy. Ghana's total life expectancy (for both males and females) is also not that great; it is lower than Libya, Tunisia, Cape Verde and Algeria but higher than Nigeria as reported by the World Bank documentation.

Nonetheless, the Ghanaian health system has positive attributes following the reforms: (1) Ghana has a well-established national, regional and district system of hospitals, clinics and health delivery system when compared with Nigeria. (2) According to the World Bank, Ghana is producing more doctors; the training of

nurses is on the increase, (3) the public health infrastructure has achieved full immunization coverage. The public structure is supported by a robust non-governmental health service delivery sector (e.g Christian Health Association) that provides preventive and curative services and a private health care sector that provides some emergency services.

**Table 2: Inequities of Health Care in Ghana**

|  | Rural | Urban | Poorest (20%) | Wealthiest (20%) |
|--|-------|-------|---------------|------------------|
| Under-five mortality rate lives (per 1000 birth) | 90    | 75    | 102           | 60               |
| Births attended by skilled health personnel      | 43    | 84    | 24            | 95               |
| DTP3 immunization (1 year old)                   | 91    | 87    | 89            | 93               |

**Source:** WHO, 2017.

### **Universal Health Coverage (UHC) in Nigeria and Ghana**

The 58th World Health Assembly in 2005 adopted a widely supported resolution encouraging countries to plan a transition to UHC and in 2010, the WHO World Health Report focused on alternative financing initiatives for achieving universal coverage. The organizations supporting UHC include: the World Health Organization (WHO), the World Bank, and the United States Agency for International Development (USAID), the International American Development Bank, the Bill and Melinda Gates and the Rockefeller Foundations, among others. Although there are debate and counter-debate about UHC, there appears to be a global consensus about the UHC concept. A key feature of UHC is that it includes prepayment and that it supports risk pooling, which ensures the spread of risk across time and individuals.

The concept of UHC does not imply a particular health system organization and can include both national health systems (or a National Health Insurance model) which are state-funded and government-managed, and systems of Social Health Insurance (SHI) which are generally designed for the working population and financed by payroll taxes collected from employers and employees (Gideon et al, 2013). This model is most beneficial to countries that have a large enrollee base and efficient supervision and administration of funds (Usoroh, 2012). A third model of risk pooling and prepayment is community-based Health Insurance (CBHI) often referred to as Health insurance for the informal sector or micro-health insurance. CBHI's share three common characteristics: they include not-for-profit prepayment plans, community empowerment and voluntary membership (Dulta,

2013). Many sub-Saharan African and Asian countries use the CBHI model because their risk-pooling and saving schemes create a natural platform for the programme (Usoroh, 2012). In theory, we expect health insurance to contribute to the achievement of UHC because it increases access and utilization by lowering the price of health care. Individuals will have better health if they utilize preventive and curative health care when needed and in a timely manner. The constraints to achieving UHC in Nigeria and Ghana are numerous and complex. Factors limiting the countries health outcomes are both demand and supply-side including inadequate financing, weak governance and enforcement, inadequate infrastructure and poor service quality, household poverty and insufficient risk pooling (USAID, 2015). Meanwhile, large disparities across income group, high maternal mortality and neonatal mortality, limited capacity development, increased financial strain, inherent challenges, in the health financing system and outbreak responses are some of the challenges, moving toward UHC in the focused West African countries. However, Ghana is the only country in the world to finance its national health insurance scheme with revenue from a value-added tax (VAT), which allows it to benefit from economic growth (World Bank, 2017).

From all indications, the experience of Ghana's National Health Insurance scheme holds important lessons for low-and income countries seeking to implement universal health coverage. A new Health Finance and Governance (HFG) case study, "Building on Community-based Health Insurance to Expand National Coverage: The case of Ghana", describes how Ghana developed its current system and what can be learned from this process. The case study traces the evolution of Ghana's health financing from a strictly cash-and-carry system to one in which a third of the population is covered by the national insurance plan. An important intermediate step in this process was the rise of local mutual health organizations, which provided limited insurance coverage to small pools of enrollees. The case study explains how the government drew upon the experience and expertise of this mutual health organization in creating the National Insurance Scheme, which was launched in 2003. The creation of the system was also heavily influenced by electoral politics. The case study demonstrated how important elements of the current system, such as the earmarking of value-added taxes to pay for coverage and the absence of cost-sharing, were shaped by political consideration. The World Health Organization (2010) proposed four target indicators for countries to use to measure progress towards achieving universal coverage and these are:



- i) Total health expenditure should be at least 4%-5% of the gross domestic product.
- ii) Out-of-pocket spending should not exceed 30-40% of total health expenditure.
- iii) Over 90% of the population is covered by pre-payment and risk-pooling schemes.
- iv) Close to 100% coverage of the population with social assistance and safety-net programmes.

Tables 3 and 4 demonstrates specific evidence-based key indicators of health financing in the two focus countries

**Table 3:** Health Financing Profile for Nigeria

|   |  |
|---|--|
| Key Indicators  |  |
| Total fertility rate (birth per woman)  | 6  |
| Gross national income per capita (PPP)  | 5,360  |
| Health care expenditure indicators  |  |
| Expenditure ratio   |  |
| Total expenditure on health as % of GDP                                       | 3.7%<br>↓ avg. low-income countries (5%)<br>↓ global avg. (9.2%) |
| General government expenditure on health as % of total government expenditure | 6.5%<br>↓ targets set by Abuja Declaration (15%)                 |
| Per capita total expenditure on health (PPP int \$)                           | 207  |
| Per capita government expenditure on health at average exchange rate (US\$)   | 26   |
| Per capita government expenditure on health (PPP int \$)                      | 49   |
| General government expenditure on health as % of total expenditure on health  | 23.9%  |
| Private expenditure on health as a % of total expenditure on health           | 76.1%  |
| External resources for health as % of total expenditure on health             | 5.5%   |
| Out-of-pocket expenditure as % of private expenditure on health               | 95.8%  |

**Source:** WHO Global Health Expenditure Database 2017.

On the WHO basic indicators of UHC in Nigeria, Table 3 shows that; percentage of GDP devoted to healthcare is 3.7% which is less than the average of low-income countries and less than 9.2% of the global average and then less than the WHO recommended 4%-5%. Out-of-pocket spending is more than 95% of WHO recommended 30-40%. On the level of financial risk protection, less than 5% of the population is covered by pre-payment and risk pooling schemes instead of the WHO recommended 90%, while catastrophic health spending in Nigeria (i.e. when payment for healthcare exceeds a defined level of household income and makes the household sacrifice consumption of other items) is 14.8% (at a threshold of 40% of non-food expenditure and 22.0% at various time), (Onwujekwe, 2015; Onoka, et al, 2011).

To address the UHC indicator performance in Nigeria, the Presidential Summit on Universal Health Coverage has continued to reaffirm Nigeria's commitment at federal and state levels to address weakness currently impeding universal coverage of health services, including inequitable distribution of resources, decaying infrastructure, poor management of human resources for health, and weak referral systems. The implementation of financing initiatives include conditional cash transfer, free health care for vulnerable groups, health insurance for the formal sector, and community-based health insurance (CBHI) schemes for the informal sector.

**Table 4:** Health Expenditure Indicators of Ghana

| Indicator  | Ghana Value | Africa Average | Global Average |
|--|-------------|----------------|----------------|
| Total expenditure on health as % of gross domestic product (2012)                    | 5.2         | 5.6            | 8.8            |
| General government expenditure on health as % of total expenditure on health (2011)  | 68.3        | 50.3           | 38.8           |
| Private expenditure on health as % of total expenditure on health (2011)             | 31.7        | 49.2           | 42.3           |
| General government expenditure on health as % of total government expenditure (2011) | 10.6        | 11.4           | 14.1           |
| Out-of-pocket expenditure on health as % of private expenditure on health (2011)     | 91.9        | 60.6           | 52.6           |
| Per capita total expenditure on health at average exchange rate (US\$) (2011)        | 86.0        | 105            | 1,025          |
| Per capita government expenditure on health at average exchange rate (US\$) (2011)   | 59          | 53             | 61.5           |

**Source:** World Health Statistics, 2016.

The most basic indicators for achieving UHC fared better in Ghana going by the WHO recommendation with the exception of out-of-pocket expenditure as a % of private expenditure on health. In Ghana, about 2% of total households spend more than 40% of their non-food household expenditure OOP on healthcare. (GSS,2016). According to the World Health Organization (WHO), for healthcare financing to be regarded as fair, households and individuals should be protected from catastrophic healthcare payments (WHO, 2005).

Finally, based on Grossman's conceptualization, the impoverishing effect of the cost of healthcare can be described as the amount of other households basic consumption that must be forgone to purchase healthcare. In other words, the shadow price of making healthcare payments (where households are assumed to bear the cost of treatment) is other basic needs of the households. Thus, healthcare payments could push households that are just above the poverty line into poverty and those already poor deeper into it in Ghana.

### **Concluding Remark**

The chapter reflected on the health systems and the move towards achieving universal health coverage of Nigeria and Ghana, two of neighboring West African countries under the same colonial masters. It is not basically on a comparative basis, but to showcase, the development or otherwise of their health systems developments, prospects and challenges towards achieving access to healthcare by all, irrespective of financial positions (UHC). To reflect extensively on the contents of the discussion, the chapter is divided into five sections: sections one present the background information on the health system and universal health coverage (what and why?), two is on the conceptual perspectives on the health system, including the health sector reform and drivers, models of health policy analysis and universal health coverage, three is on health system and reforms in Nigeria and Ghana, including prospects and challenges while four present the moves towards universal coverage in both Nigeria and Ghana. Finally, section five present the WHO target indicators for measuring the success of the universal health coverage, upon the move to achieving UHC was evaluated for both Nigeria and Ghana.

Emerging evidence from the evaluation exercise showed that percentage of gross domestic product devoted to healthcare expenditure is 3.7% which is less than the average of low-income countries and less than global average and the recommended WHO 4% -5% for achieving UHC. In April 2001, the African

Union countries met in Abuja and pledged to set a target of allocating at least 15% of their annual budgets to improve the health sector (Africa Union Abuja Declaration). The 3.7% is also less than the agreed target for health expenditure in African Union countries. With consequences of high maternal mortality rate (814/100,000), neonatal mortality rate (34.1/1,000) and under-five mortality rate(104.3/1,000)(World Head Statistics, 2018). Furthermore, out-of-pocket spending(OOPs) of 95% is over and above the recommended WHO 30-40%, while the level of financial risk protection with less than 5% of the population is covered by pre-payment and risk pooling schemes instead of the WHO recommended 90%. To address the universal health indicator anomalies in Nigeria, which made Nigeria far from achieving UHC, the Presidential Summit on Universal Health Coverage (UHC) has continued to reaffirm Nigeria's commitment at the Federal and States levels to address weaknesses currently impeding UHC. The evidence also shows that Ghana fared better in attempts to achieving UHC. In all the WHO recommended targets, Ghana is on the move except OOPs, where 2% of the households spend more than 40% of their non-food expenditure in healthcare, which is also against the recommended WHO target, situations where households and individuals are not protected against catastrophic healthcare payment.

In conclusion, healthcare expenditure and payments could affect households and individuals that are just above the poverty line into poverty and already poor deeper into poverty as it is in Nigeria and Ghana. Therefore, the achievement of UHC is a task that must be accomplished in Nigeria and Ghana in order to achieve the SDG 3-Good Health and Well-being in 2030 and beyond. Albeit, the interventions for achieving UHC in both countries must avoid the occurrence of the law of inverse equity where “health interventions initially reach those of the higher socio-economic status and only latter affect the poor (Onwujekwe, 2015). Again, health system strengthening anchored on health sector reform (HSR) in Nigeria and Ghana should be a panacea for laying a solid foundation for achieving UHC in Africa, Nigeria and Ghana in particular. Finally, there should be “more money for health and more health for money” in both Nigeria and Ghana for universal health coverage of the Sustainable Development Goal to be achieved. The study was constrained by the unavailability of data on the UHC target indicators. All errors in data presentation and analysis are regretted.

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Chapter - 4

## **Sustainable Urban Transportation Planning Process in Birnin Kebbi City, Kebbi State, Nigeria**

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### **Abstract**

**P**lanning process makes a decision scientific, participatory and rational, and lack or inadequacy of this process contributes to the failure of many projects/programmes. There are works of literature on urban management and design in Kebbi state but few or none discussed appraisal of sustainable urban transportation planning process in Birnin Kebbi (Goal 11). Therefore, this study assesses the selection of consultants in urban transportation planning and their products; examines the roles of Kebbi State Ministry of Works and Transportation (KSMWT), Kebbi State Ministry of Lands, Housing and Urban Development (KSMLHUD) and Kebbi Urban Development Authority (KUDA) in transportation policies or programmes decision making; and examines the challenges to urban transportation planning process (UTPP) in Birnin Kebbi. Data were sourced for through primary and secondary means. Focus Group Discussion was employed to collect the primary data and purposive sampling was adopted. The theoretical and conceptual frameworks for this study include the theory of principal-agent and the concept of public participation. Findings revealed that there is no single transportation planner at KUDA, KSMLHUD and KSMWT that can educate government on the significance of adopting urban transportation planning process in making decision on any transportation project,



policy or programme in the city. Another challenge identified is political interference in the urban transportation planning matters in Birnin Kebbi city. In conclusion, the study recommended the adoption of a customised urban transportation planning process that will require little data, time and resources for Birnin Kebbi city; inclusion of public participation in the urban transportation planning decision; and; urban transportation planning issues should be treated as such and no politicians should interfere.

**Keywords:** *Appraisal, Urban, Transportation planning, Process, Birnin Kebbi*

### **Introduction**

To delineate which settlement is an urban area in Nigeria, rural area has to be understood. According to Egunjobi (2004), a rural area in Nigeria is an area with less than 20,000 population therefore, an urban area is any area that is not rural. In other instance, every local government headquarter becomes an urban area automatically (Kadiri, 1998). However, according to National Cooperative Highway Research Program Report (1976), any urban area with a population less than 250, 000 is a small urban area. Adelekan (2016) establishes that the development of urban areas in Nigeria takes place without compliance with the regulations guiding building construction and other developmental standards. International Association of Public Transport and African Association of Public Transport (2010) reports that by 2020, some 55 percent of the African population would be living in urban areas and this is evidenced by huge population increases being experienced in African cities including Birnin Kebbi. This author establishes that as cities are growing, so the challenges of coping with the increasing demand for transportation. Birnin Kebbi is not excluded in this case as it had 268,620 people according to 2006 population census figure (National Population Commission, 2006) and Birnin Kebbi is expected to have a projected population figure of 414,864 in the year 2019 at 3.4% rate of increase. This means Birnin Kebbi is not among the small urban areas. It was noted that, as Birnin Kebbi continues to grow, the urban transport problems persist and demand has continued to outstrip supply. The existing road infrastructure in this city is far from being appropriate for the actual transport demand and the only government owned state transit agency, which is, Kebbi State Transport Authority (KBTA) under the Kebbi State Ministry of Works and Transport (KSMWT) has ceased to exist since year 2000. It is not surprising therefore that the private sector seized this opportunity to initiate paratransit mode of transportation such as motorcycles "kabu-kabu" and

the tricycles "Keke NAPEP". Reliance on these paratransit modes of transportation and growth in the number of private car owners have resulted into poor quality public transport outlook and traffic congestion many times.

Kebbi state was created in 1991 with Birnin Kebbi as the state capital. Being the state capital, local government headquarter and the seat of the Gwandu emirate, Birnin Kebbi witnesses rapid growth and development as infrastructural facilities such as health, educational, commercial (including Banking) and social are concentrated in the city neglecting the surrounding rural settlements (CES-Devt. Consortium, 2005). Therefore, this dichotomy between rural areas and the urban area leads to an increase in rural-urban migration. The consequences of this are acceleration in the urbanization as well as motorisation rates, which raises urban travel demand. According to Zou et al. (2013) and Adelekan (2016), there is no way the existing transportation infrastructure can match the rate of this travel demand and will lead to contradiction between the travel demand and supply (efficient transportation). As the economic status of Birnin Kebbi is improving so the increase in the number of vehicle ownerships leading to various urban transportation problems such as congestion, pollution and accidents result from vehicles moving on road networks thereby the services of transportation planners are seriously required. The transportation planners towards solving these problems had made many recommendations in the Birnin Kebbi Master Plan (Part 6, pages: 114-121). Part of the recommendations proffered by them were road dualisation, construction of need roads as by-passes, use of telecommunication and banning of some categories of vehicle from plying certain roads. All these solutions recommended required certain amount to implement and many because of the wrong processes involved were even unable to solve the targeted problem leading to wastage of resources. In many cases, they created new problems such as loss of houses that leads to re-housing, shortage in the setback to buildings, health hazards, loss of valuable land and trade, and unnecessary congestion in the city as evidenced at the old town area of the city. Coleman (2006) corroborates by listed loss of trade that arose from banning of cars on particular urban roads as another new problem created.

To avoid resources wastage and unworkable solutions, there is a need to introduce an urban transportation planning process that will make the decisions scientific and helps in arriving at a solution that is cost minimised, socially accepted and environmentally friendly which is the major goal of urban transportation planning. This process includes understanding of the particular problem,

formulating policies towards solving this problem, managing the whole transportation system to provide an adequate system and involve broad interaction with many other disciplines (Alkafoury, 2012). According to the U.S. Department of Transportation (n. d) and Alkafoury (2012), the significance of urban transportation planning is to find a long-term solution to urban problems through urban transportation planning process that strategizes operating, managing, maintaining, and financing the transportation system of the concerned areas within the city. To Ralpl and Franklin (1967) and Alkafoury (2012), application of computer can help in this aspect as a tool by which the planner can realistically analyse huge volumes of data that is now available.

Therefore, this chapter focuses on the appraisal of urban transportation planning process in Birnin Kebbi city, Kebbi state, Nigeria. To achieve this, objectives set include to: 1. assess the selection of Consultants in Urban Transportation Planning and the Products; 2. examine the roles of Kebbi State Ministry of Works and Transportation and Kebbi Urban Development Authority in transportation policies or programmes decision making; 3. examine the challenges to Urban Transportation Planning Process in Birnin Kebbi; and 4. proffer sustainable policies towards addressing the challenges. In order to appraise urban transportation planning process in Birnin Kebbi, the conventional model that has four (4) stages (Transportation survey, data collection and analysis; Use of transportation model; Future land use forecasts and alternative policy strategies; and Policy evaluation) was used.

## **Theoretical and Conceptual Underpinnings**

### **Principal-Agent Theory**

According to Roach (2016), the principal-agent theory may be defined as a model in which the leader who proposes the contract is called the Principal and the follower who has to accept or reject the contract forms the other party and called the Agent. In the same vein, Hlaváèek and Hlaváèek (2006) describe the relationship between the principal and agent as the one between owner and manager, employer and employee, creditor and debtor, firms where one firm orders commission to second firm (as subcontractor or within co-operation) and between landowner and tenant. Other relationship cited by these authors are the one between litigant and its counselor, investor and its portfolio manager, managing centre and subsidiary division within one company or in centrally planned economy, banking supervision and regulated bank, risk averse insured and risk-neutral supplier of insurance, customer (beneficiary) and supplier

(contractor) of some goods or services. It could, therefore, be said that the principal-agent theory centres on connected relationship.

Gong, Tang, Liu and Li (2017) establish that the principal-agent theory focuses on the rational choice model in which the agent, equips with free access to several means and tools, has several tasks to fulfill for the principal. According to these authors, the principal expects the agent to make decisions that meet the goal of the principal. In this kind of situation, opportunistic practices of deceit and fraud are inevitable because both of them will be targeting maximum benefit. Therefore, this situation requires a mechanism design or process to tackle the principal-agent problem considering the fact that agent has asymmetric information that the principal does not have (Lal and Srinivasan, 1993).

Therefore, principal-agent theory is related to urban transportation planning process based on Lal and Srinivasan (1993) recommendation that there should be a process to tackle the problem between the principal and his agent if there will be an effective urban transportation decision. Here, it is assumed that the consultants stand as the principal and the public as the agents. This theory presents the relationship between the two parties and the consequences of conflicts between them on urban environment. If there was a wrong selection of consultants, urban residents will suffer and may lead to loss of resources as social concerns in the project or decision may not be there. In addition, there may be conflict between the consultant goals and that of the public. In another way, the theory is related because it centres on principal seeking for the fulfillment of his goal through agents (Stein, 1990) and a means of taking the right decision.

Relying on Lal and Srinivasan (1993) recommendation, Birnin Kebbi city has no guide or format on its urban transportation planning process and creates problems between the consultants and the public. The problems emanating as a result of absence of mutual relationship between the principal and agent in Birnin Kebbi include lack of agreement between the two parties, conflict of interests and no room for any project review that tells whether the solved urban transportation problem has generated another problem/s. Others are, capacity building challenges for the staff of KSMLHUD, KUDA and KSMWT and no standard to use in checking the acceptability of the decision, programme or plan/policy. The reason was that both the principal and the agents are targeting maximum benefits from every project. Therefore, unless there is a laid down urban transportation

planning process to follow, these problems will persist and will lead to taking wrong urban transportation decision.

### **Public Participation**

According to Oyediran and Ogundiran (2013), the involvement of the public in governance is an important factor in the development of infrastructure in settlements, especially urban areas. These authors explained further that in public participation, the scarce fund is spent on the actual and genuine infrastructural needs of the populace rather than those at the helm of affairs “imposing” infrastructure on the populace. To corroborate this, Yacoob (2006) suggests that the partnership approach that works best for cities is for their decision-makers to provide a planning framework which reduces risk, negative external effects and uncertainty. Oyediran and Ogundiran (2013) establish two types of participation which are direct or indirect. The direct participation means, every citizen is entitled to participate directly in assemblies, meeting and in governance. According to them, the second form of participation is indirect which involves making decisions through delegates and leaders like councillors, senators, commissions and so on. According to findings, it could be said that indirect participation which does not represent the public interest many times is being adopted in making urban transportation planning decisions in most cities of developing countries.

Urban transportation planning process involves seeking public opinions from various social group or taking opinion polls in local communities which is direct participation in decision-making. The organisational framework embodies various agencies, individuals or groups with different objectives, different capabilities, different roles in the process, and different kinds of personnel (Cascetta and Pagliara, 2013). For clarity sake, the participants in the urban transportation planning process have to be defined. This is necessary because of the differences among those that are served by the agencies involved in the transportation planning process. According to Kelly et al. (2004), people differ in their views and contributions to the planning process, not because of the organisational setting, but because they bring different skills and objectives to the process. The report avers that those that should participate in urban transportation planning decision-making should fall into the categories of political office holders (decision-makers), political advisers (urban planners) and citizens.

National Cooperative Highway Research Program Report (1976) states the responsibilities of politicians as the ones to interpret public sentiment, formulate goals, and establish policy. This was expatiated further to include exercising judgment of the broadest kind, balancing technical studies against public opinion or establishing priorities among proposals competing for limited public funds. In addition, the Report establishes that technicians (urban transportation planners) are fact finders, analysers, and plan formulators. Further explanation by the report revealed that the technicians are influenced by their training and the opinions of their professional peers in developing approaches to problems and have been accused of writing reports to impress other technicians instead of writing reports to inform and influence decision-makers. Creighton (2004) submits that citizens act alone or through organised groups and usually, to respond to a particular project that affects them directly, supporting or opposing a project because they feel it will help or hinder them directly. Therefore, planning organisation staff is required to act in favor of the public interest, but they often mix technical and political elements in their decision-making process (National Cooperative Highway Research Program Report, 1976). In line with this, Watson (2009) opines that democratising decision making in urban planning should be opened up for every citizen including the poor urban dwellers, physically challenged, women, children among others to counter plans and policies which increase their disadvantage, and to promote pro-poor planning ideas. The author also mentioned the integration of sectoral ideas and actions in institutional setting as another feature of decision-making democracy. Public participation in the urban transportation planning process is an effort to ensure that citizens have a direct voice in public decision making and enriches the planning, implementation, operation and management process. Therefore, this concept is relevant to this study because it contributes to the performance-driven process by which long and short-range transportation improvement priorities are determined.

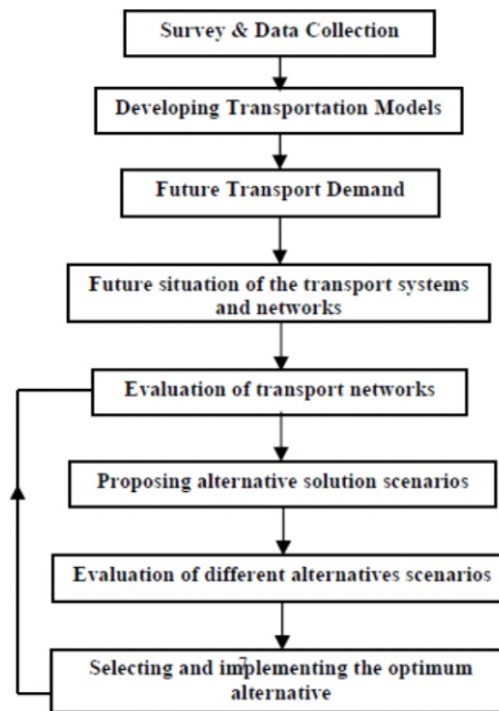
### **Urban Transportation Planning Process**

The genesis of planning process could be traced to the contribution of Patrick Geddes to Urban and Regional Planning profession (Ogbazi, 1992). His own process included survey, analysis and plan (Roberts, 1974), Hansen's process had eight (8) steps (Roberts, 1974) and Lichfield, Kettle and Whitbread (1975) had eleven (11) stepped general planning process model. It could be deduced from these that the number of steps required depends on the problem at hand, time and resources. However, a process has a beginning - that is an area or a point where everything started and the end or terminal. As it is with the general planning

process, so it is with the urban transportation planning process. Therefore, urban transportation planning process focuses on sequential steps in carrying out transport planning in a way that a targeted urban transportation problem is dealt with but not the symptoms. It aims at solving or avoiding an urban transportation problem in a socially acceptable, environmentally friendly and economical viable way. To corroborate this, Litman (2013) posits that urban transportation planning process involves strategies for operating, managing, maintaining, and financing the transportation system to achieve urban areas' long-term goals. The characteristics of a good planning process that is also applicable to urban transportation planning as established by Lichfield et al. (1975); Jiriko (2013) include:

1. Planning process is “wedding ring-like” in nature. It is the assumption of people that a wedding ring has no beginning and end. This is because the joint has been smoothening to the extent that one may not be able to see it easily. In the planning process, as one solves a problem, so the emergence of another one after the review stage or step and the process starts over again. Therefore, makes the process to be a continuous one.
2. Another fact about planning process is that it is “staircase-like” in nature. In ascending a staircase, it is difficult to skip a step and move to the other one unless that person will fall. As it is in this analogy, so it is in the planning process. The sequential nature of this process gives no room for skipping a step of the process. Therefore, a planning process is in sequence and this makes it to be a linear-form action towards decision-making. In another words, a planning process is not an accidental of random set of activities.
3. Planning process should give room for adaptability. With this, planning process should be dynamic or flexible to be able to adapt to time, the physical, social and economic environments. A planning process should not be rigid like the master plan that could only be altered after a certain number of years usually 20 years. To cap it all, a planning process should be a problem solver. This means a planning process should be able to direct a planner to proceed towards new solutions as new problem arises.

Essentially, the urban transportation planning process has four (4) steps that include transportation survey, data collection and analysis; Use of transportation model; Future land use forecasts and alternative policy strategies; and Policy evaluation (Figure 2.1). This, according to National Cooperative Highway Research Program Report (1976), is a conventional model. Urban transportation planning process (UTPP) in this chapter is viewed from the planning and descriptive perceptions.

**Figure 1:** Urban Transportation Planning Process Model

**Source:** Elkafoury, 2012

In summary, urban transportation planning focuses on understanding: how decisions to build transportation facilities are made, basic elements of the transportation planning process and basic elements of travel forecasting. According to Constantinou and Prevedouros (2005), UTPP is identified as conditional prediction of travel demand in order to estimate the likely transportation consequences of several transportation alternatives. Therefore, UTPP concerns providing information to decide on the acceptability and suitability of transportation projects and transportation policies. The primary objective of the urban transportation planning process is to ensure good relationship among public, land-use activities, urban environment elements and transportation demand.

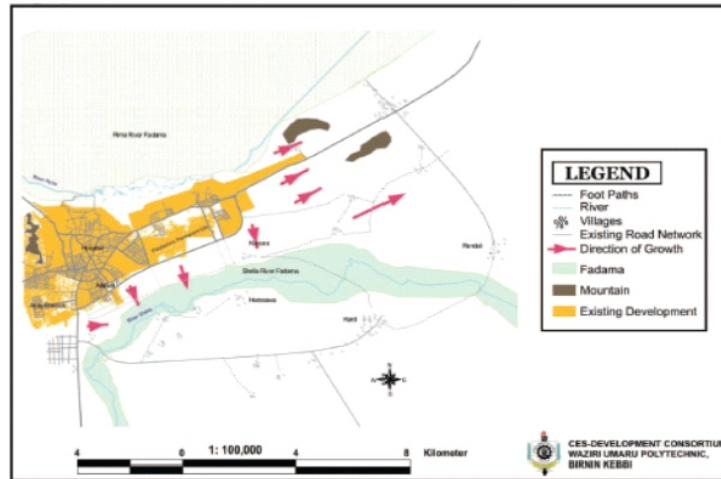


## **Materials and Methods**

### **Study Area**

Historically, Birnin Kebbi (Figure 3.1), the administrative headquarter and capital of Kebbi State was established by the Kabawa ethnic group many centuries ago. It is one of the oldest settlements in the State and became a principal and major commercial center when it became the headquarter of the famous Kabawa Dynasty. As a result of its administrative and political role, Birnin Kebbi becomes a centre of educational investment. Apart from investments on education, other community facilities include hospitals, recreational grounds (racecourse) and commercial centres. The city also benefited from early connection to the national grid as a result of the siting of the defunct NEPA substation that supplies electricity to Niger Republic and Sokoto State (CES-Consortium, 2005). Potable water is provided through boreholes and the large waterworks located at the foot of Dukku hills. Generally, it could be said that Birnin Kebbi is gradually catching up with other older state capitals in terms of provision of facilities, utilities and services, but there would still be the urgent need to service the numerous layouts already prepared and allocated for urban developments (CES-Consortium, 2005). This would ensure coordinated and orderly growth of the state capital.

The creation of Kebbi State and the subsequent change in Birnin Kebbi's status has, as earlier noted, influenced its rapid change in both its physical size and population. More lands were acquired for different urban development especially for residential use. The rehabilitation and upgrading of some major roads in the city is noteworthy. The recent is being the dualisation of Murtala Mohammed – Haliru Abdu – Umaru Gwandu Road. While this effort has greatly improved accessibility to different parts of the town, the constraint in the newly developed areas still remains the accessibility within these areas and their effective linkages to the primary roads. KUDA, KSMWT and Kebbi State Ministry of Lands, Housing and Urban Development (KSMLHUD) oversee the transportation programmes, plans/policies and decisions in the city. Therefore, appraising urban transportation planning process in the state headquarters reveals how these establishments/Ministries operate and helps in recommending sustainable solutions to the identified challenges.

**Figure 2:** Birnin Kebbi City

### Methods

Data for this study were collected through primary and secondary means. The primary data were collected from the staff of Kebbi Urban Development Authority (KUDA), Kebbi State Ministry of Lands, Housing and Urban Development (KSMLHUD) and Kebbi State Ministry of Works and Transport (KSMWT), specifically the Registered Town Planners (RTPs) and Members of the Nigerian Institute of Town Planners (MNITP) in these establishments with the aid of a questionnaire. It is noteworthy that all the Directors, General Managers and Permanent Secretary were involved. The questionnaire comprised both close and open-ended questions. Questions on consultants' selection, public participation, roles of KUDA, KSMLHUD and KSMWT and the challenges facing UTPP within the city were asked. The sample size covered all RTPs in these offices (retired and serving), which amounted to 12. Data collected through this means were analysed using descriptive analysis and presented in tabular form. In addition, the secondary data were sourced from literature, journal articles and the Birnin Kebbi Master Plan (2005-2015). It should be stated here that the secondary data covered the introductory parts of this study.

### Findings and Discussions

The interview with the staff of KUDA, KSMWT and KSMLHUD focused on the suitability of the transportation planning decision-making process in Birnin Kebbi. The suitability was determined based on level acceptability (usage) of the

projects by public. Table 4.1 presents the number of MNITP and RTPs that should be advising governments on urban transportation planning issues. It revealed that there were four (4) MNITP and RTPs in KUDA, none in KSMWT and fourteen (14) in KSMLHUD. However, none of these MNITP and RTPs specialised in urban transportation planning (Table 1).

On the issue of following urban transportation planning process in executing urban transportation planning projects in Birnin Kebbi, majority (88.9%) of the respondents submitted that they had not been following this process. This means, urban transportation planning process in Birnin Kebbi is not scientific and may be biased and not sustainable. 50.0% of these people attributed the reason to the fact that urban transportation planning process is time consuming; no database to get the required data, lack of human resource to effect the process, Kebbi state government is ignorant of the process and the fact that planning activities/jobs were being hijacked by the Civil Engineers. Those (11.1%) that indicated that they followed urban transportation planning process did indirect participation. This involved being represented by their Directors, General Managers, Permanent Secretaries and Commissioners. Rating the level of public participation in the UTPP, all those that submitted they were participating indicated that the level of public participation in the UTPP was inadequate.

In assessing the level of satisfaction of the respondents to lack of urban transportation planning process in Birnin Kebbi transportation city planning, majority (88.8%) notwithstanding their areas of standardization presented their dissatisfaction with the present UTPP in Birnin Kebbi (Table 1). They submitted that instead of following the comprehensive process that would guarantee standardization in terms of format, elements, and procedures, incremental process is being followed. They expatiated further that the present situation in terms of urban transportation decision making in Birnin Kebbi city transportation planning is the one that rest on politicians who determine what, who and how.

**Table 1:** Respondents Opinions on UTPP in Birnin Kebbi City

| Variable  | Frequency | Percentage   |
|---|-----------|--------------|
| <b>Number of MNITP and RTPs in the establishments</b>   |           |              |
| a. KUDA   | 4         | 22.2         |
| b. KSMWT  | 0         | 0.0          |
| c. KSMLHUD  | 14        | 77.8         |
| <b>Total</b>  | <b>18</b> | <b>100.0</b> |
| <b>Number of Transportation Planners</b>  |           |              |
| a. KUDA   | 0         | 0.0          |
| b. KSMWT  | 0         | 0.0          |
| c. KSMLHUD  | 0         | 0.0          |
| <b>Total</b>  | <b>0</b>  | <b>0.0</b>   |
| <b>Do you follow urban transportation planning process in every urban transportation planning project in the Birnin Kebbi city and the state?</b> |           |              |
| a. Yes  |           |              |
| b. No   | 2         | 11.1         |
| <b>Total</b>  | <b>16</b> | <b>88.9</b>  |
|   | <b>18</b> | <b>100.0</b> |
| <b>If No, why?</b>  |           |              |
| a. Time consuming   | 2         | 12.5         |
| b. No database  | 1         | 6.3          |
| c. No human resources   | 3         | 18.8         |
| d. Ignorance  | 1         | 6.3          |
| e. Hijack of planning activities by the Civil Engineers   | 1         | 6.3          |
| f. All of the above   | 8         | 50.0         |
| g. None of the above  | 0         | 0.0          |
| <b>Total</b>  | <b>16</b> | <b>100.2</b> |
| <b>If Yes, how do public participate?</b>   |           |              |
| a. Direct participation   | 0         | 0.0          |
| b. Indirect participation   | 2         | 100.0        |
| <b>Total</b>  | <b>2</b>  | <b>100.0</b> |
| <b>If Yes, rate the level of public participation in the UTPP</b>   |           |              |
| a. Very Adequate  | 0         | 0.0          |
| b. Adequate   | 0         | 0.0          |
| c. Moderate   | 0         | 0.0          |
| d. Not Adequate   | 2         | 100.0        |
| <b>Total</b>  | <b>2</b>  | <b>100.0</b> |
| <b>State your level of satisfaction with lack of urban transportation planning process</b>  |           |              |
| a. Very Satisfied   | 0         | 0.0          |
| b. Satisfied  | 1         | 5.6          |
| c. Moderately Satisfied   | 1         | 5.6          |
| d. Not Satisfied  | 16        | 88.8         |
| <b>Total</b>  | <b>18</b> | <b>100.0</b> |

**Source:** Field Returns, 2019

In assessing consultants in urban transportation planning and their products, majority (77.8%) of the respondents revealed that most of the urban transportation planning projects were handled by wrong hands (those that were not Town Planners) such as Civil Engineers and Geographers (Table 4.2). 22.2% of the respondents indicated that the consultants were planners but not registered ones neither specialised in transportation planning. The reasons for this action were given by the respondents as 64.3% attributed it to political interference in urban transportation planning issues, 14.3% to ignorance of the roles of urban transportation planners and 21.4% attributed it to discrimination (social, tribal and political party).

Regarding the assessment of the consultants' products in terms of projects workability and acceptability by the public, Table 2 revealed that 50.0% of the respondents indicated that most of the projects were not acceptable by the public as they refused to ply the roads and vandalising some. Examples were the removal of some road divides at Bayan Kara and dumping of refuse in some drainage at Badariya area.

**Table 2:** Assessment of the Consultants and their Products

| Variable   | Frequency | Percentage   |
|--|-----------|--------------|
| <b>Are the consultants Urban Transportation Planners?</b>                                    |           |              |
| a. Yes   | 4         | 22.2         |
| b. No  | 14        | 77.8         |
| <b>Total</b>   | <b>18</b> | <b>100.0</b> |
| <b>If No, why were they given urban transportation planning jobs?</b>                        |           |              |
| a. Political Interference  |           |              |
| b. Ignorance of the Roles of Urban Transportation Planners                                   | 9         | 64.3         |
| c. Discrimination  | 2         | 14.3         |
| <b>Total</b>   | <b>3</b>  | <b>21.4</b>  |
|  | <b>14</b> | <b>100.0</b> |
| <b>Assess their products in terms of project workability and acceptability by the public</b> |           |              |
| a. Acceptable  | 3         | 16.7         |
| b. Moderate  | 6         | 33.3         |
| b. Not Acceptable  | 9         | 50.0         |
| <b>Total</b>   | <b>18</b> | <b>100.0</b> |

**Source:** Field Returns, 2019

The examination of the roles of KSMWT, KSMLHUD and KUDA in transportation policies or programmes decision making revealed that

transportation planning process in Birnin Kebbi city includes deliberation on the project at the state house of assembly; submission of proposals by consultants to the office of the state governor; securing the approval of His Excellency (the state governor); and forwarding the plan to the Kebbi State Ministry of Works and Transportation for monitoring and supervision. It was also expressed by the respondents that in many cases, the Local Governments within the city chose the roads or any transportation projects that need the state intervention and submitted the proposal to the state government for approval. Having secured the approval for the job, the Local Government shall execute the job but supervised by the KSMWT. This process is political and simple as the respondents established the fact that in rare cases was alternative plan/s presented for consideration.

Extracts from the Birnin Kebbi Master Plan (2005-2015) and information from KSMLHUD, KUDA and KSMWT revealed that huge investments have been made over the years to improve urban roads and other furniture in the state capital. Table 3 reveals some major roads that were dualised since the creation of the Kebbi state in 1991 despite the fact that these were not recommended in the city's master plan and sub-standard process. Several others within different neighbourhoods were also rehabilitated, new areas being provided with access roads, some intersections and junctions within the state capital were being provided with traffic lights to ease the flow of traffic as well as reduce road accidents. Having listed these urban transportation improvement projects, it is worthy to mention the revelation by some respondents that large number of consultants handled these projects (Table 3) only produced plans that advance their goals and the government goals, rather than the goals or policy preferences of the larger community. Removal of some of the road furniture and siting of many bumps on some of these roads are part of the evidences that no planning process was adopted, citizens were not involved in the processes and the projects were the consultants' goals.

**Table 3:** Roads Constructed within Birnin Kebbi from Inception to Date

| S/N | Names of the Road Project | Length | Year of Completion |
|-----|---------------------------|--------|--------------------|
| 1   | Sultan Abubakar Road      | 3.0Kms | 1992               |
| 2   | Ahmadu Bello Way          | 4.0Kms | 1992               |
| 3   | Emir Haruna Road          | 6.0Kms | 1993               |
| 4   | Eastern Bypass            | 22Kms  | 1996               |
| 5   | Jega Road                 | 7.0Kms | 2002               |
| 6   | Argungu Road              | 13Kms  | 2004               |
| 7   | Murtala Mohammed Way      | 2.2Kms | 2005               |
| 8   | Haliru Abdu Road          | 2.2Kms | 2005               |
| 9   | Umaru Gwandu Road         | 2.2Kms | 2005               |
| 10  | Sani Umar Kalgo Road      | 2.0Kms | 2005               |
| 11  | Rafin Atiku Road          | 2.0Kms | 2013               |
| 12  | Nagari College Road       | 2.0Kms | 2013               |
| 13  | Yaryara Road              | 2.0Kms | 2013               |

**Source:** Birnin Kebbi Master Plan, 2015

### **Challenges facing Urban Transportation Planning Process in Birnin Kebbi City**

One of the challenges to the adoption of urban transportation planning process in Birnin Kebbi city is lack of transportation planning expertise in the state. Findings revealed that there is no single transportation planner at KSMLHUD, KUDA and KSMWT that can educate government on the significance of adopting urban transportation planning process in making decision on any transportation project, plan/policy or programme in the city and the state at large. In summary, the state is ignorant of the urban transportation planning process which leads to being incremental in making transportation planning decision.

In addition, political interference in urban transportation planning decisions is another challenge to urban transportation planning process in Birnin Kebbi city. This makes every decision on transportation planning in the state to be politicised instead of being scientific leading to wastage of resources. There are some roads within the city that are deserted, rarely can one see vehicles plying them unless there is traffic jam or holdup along the major roads. These roads include Patrick Aziza road, Bayan Old Prison road and so on. In addition, some road furniture were vandalised and even stolen by some bad citizens just because there is no process adopted before their installations. Other challenges include no transportation planning department to oversee transportation planning projects in KSMWT; no approved standard or process of carrying out transportation planning and selection of consultants in the city; and hijacking of transportation planning jobs by the civil engineers.

## **Conclusion and Recommendations**

### **Conclusion**

There are normative planning theories also known as procedural/process planning theories. These are theories that are concerned with what ought to be, unlike the substantive planning theories that talk about what is. Appraising the decision making process on transportation plans/policies and programmes in Birnin Kebbi most especially the legal and administrative framework guiding current urban planning processes, it could be deduced that it is not scientific, lacks the required level of public participation and it is political oriented. This contradicts the submission of Watson (2009) that urban transportation planning process should be transparent, participatory and inclusive. At this juncture, it should be stated that “how” tries to explain the process involves in arriving at a decision and once this is missed, one may not be able to achieve his aim as evidenced in Birnin Kebbi city. Therefore, the process has to be reviewed to avoid continuation of resources wastage, creation of more problems bigger than the existing ones that are expected to be solved and to achieve sustainability of the city in terms of transportation.

### **Recommendations**

For UTPP to be sustainable (economically viable, socially desirable and environmentally friendly) in Birnin Kebbi city, the following recommendations are proffered:

1. Transportation is an important land use within a city and having a standard and functioning transportation planning department shall go a long way to manage and make the needed recommendations to the state. With this, urban transportation planning process shall be recognised and adopted.
2. Employment of transportation planners to KSMLHUD, KUDA and KSMWT. Being a member of the management, the transportation planner will be able to let the decision makers understand the consequences of not being scientific in transportation planning decision making.
3. Implementation of Urban and Regional Planning Law, No. 88 of 1992 by Kebbi state government. This will definitely improve planning within urban and rural areas in the state. This is recommended as the law states who should do what and the composition of planning decision makers at the local, state and national levels.



4. Public participation in transportation planning decision making matters and should be encouraged in Birnin Kebbi as well as Kebbi state. Once, they are involved from the inception to the completion of the project, policy or programme, it will be accepted, managed and even supervised by them (Oyediran and Ogundiran, 2012).
5. Customised urban transportation planning process that will require little data, time and resources is recommended for Birnin Kebbi. This customised process should incorporate a "how to" procedural guide in urban transportation planning decision-making. The conventional model presented in Figure 1 can be time and resources consuming and requires more data. In addition to the customised process recommended, smart methods of data collection is also suggested.
6. Planning issues should be treated as such and no politician should interfere.

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Chapter - 5

## **The Role of Entrepreneurship Development in the Eradication of Poverty and Hunger in Nigeria**

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### **Abstract**

**T**his paper examined the effects of entrepreneurship development in Nigeria's poverty eradication efforts. Although the Nigerian economy is the largest (post rebasing) in the continent of Africa, poverty and hunger remain the main challenge. Despite efforts by various administrations to solve this problem, over 80 per cent of Nigerians in some states still live below the poverty line. The excessive reliance on crude oil for its foreign exchange earnings renders the economy vulnerable to external shocks. The effects of COVID 19 pandemic have further worsened this precarious condition. Entrepreneurship remains a significant factor in the economic development of developed, emerging, and developing economies of the world. Eradication of extreme poverty and hunger occupies a prime position in the Sustainable Development Goals (SDGs) 2030 of the United Nations. It is against this backdrop that this paper attempts to examine some of the various programmes that the Nigerian governments established to encourage entrepreneurship development in the country. The paper used descriptive and explanatory research. The methodology adopted is the Narrative – Textual Case Study (NTCS) to analyze the data. Findings indicate that Nigerian policies since the 1980s, to encourage the development of entrepreneurial activities have not yielded the desired results. The paper concludes that

entrepreneurship plays an important role in employment generation, wealth creation, poverty eradication and hunger elimination. The study, therefore, recommends that government should create an environment that will stimulate productive entrepreneurial activities.

**Keywords:** *Entrepreneurship Development, Poverty, Hunger, Innovation, Employment Generation*

### **Introduction**

Entrepreneurs are economic managers. They manage more than just a business outfit. They manage the creation of development. This development guarantees value addition to the national economy. This value can only be created through change-change from position of lack (poverty) to a point of value-added growth (development). The sustainable development goals (SDGs) 2030 is an Agenda of the United Nations set out with the aim of solving the world's social, political and economic problems. The SDGs were set out to address the economic, social and human development challenges and also to ensure environmental sustainability and regeneration. Little wonder, therefore, that eradication of extreme poverty and hunger occupy prominent position amongst the SDGs. In Nigeria, as in many developing economies, poverty rate is high. And it has been so over the past several years. The Nigerian Bureau of Statistics (NBS, 1996) reported that the poverty rate increased from 46.3 percent in 1985 to 65.6 percent in 1996. Although, according to NBS (2004) there was a marginal drop to 54.4 percent in 2004 the poverty rate again increased to 60.9 percent in 2010 (Yusuf, 2011). Over 100 million Nigerians are said to be living below the poverty line. Unemployment rate in Nigeria is high and on the increase. From 13.1 percent in 2000 to 23.9 percent in 2011, youth unemployment was put at over 50% in Nigeria by the International Monetary Fund (IMF) (Risenetworks, 2013). Experts warn that there could be an upward surge in poverty rate by the end of 2020 as a result of the corona virus (Covid 19) Pandemic. Even the World Bank Report (2001) says that an estimated 70 percent of Nigeria population live below US \$1.00 a day in 1980 – suggesting that poverty has been with Nigeria for quite a long time.

Nigeria's record as one of the poorest nations of the world as reported by the United Nations Development Programme (UNDP) in 2007 stating that over 70 million Nigerians live below the poverty line with a Human Development Index (HDI) of 0.470 thereby ranking it as 158<sup>th</sup> among 177 poorest countries of the world. Entrepreneurship is considered as a necessity not only in poverty

eradication and employment generation but also as a means of economic development in both the developed and developing nations (Idam, 2014). Naude (2011) also points to the fact that entrepreneurship contributes greatly to employment generation and economic growth in advanced, emerging, and developing economies of the world. This paper seeks to explore the entrepreneurship development efforts in Nigeria and extent of successes attained in poverty eradication. The rest of the paper is divided into the following sections: Section II reviews related literature and theoretical framework, followed by methodology in section III, while section (IV) presents the discussion. Conclusion and recommendations occupy the final section (V).

### **Literature Review and Theoretical Framework**

Presenting a specific and unambiguous point-blank definition of entrepreneurship is a herculean task. The challenge is not because definitions are not available in the relevant literatures, but because these definitions are so many and some of them tend to disagree with each other (Wickham, 2006). For example, economists have long recognized the importance of entrepreneurship. But even in this profession, respected for its rigour and thoroughness, the entrepreneur himself remains an illusive beast. In the field of management, they find it difficult to give an entrepreneur a role that is distinct from the conventional manager – who is an employee (Wickham, 2006). Carree and Thurik (2002) noted that the concept of entrepreneurship is multidimensional and mostly ill-defined. However, Entrepreneurship in whatever way it is defined as a positive link to economic development. As pointed out by Henderson (2007), entrepreneurship is seen as a primary engine of economic growth. Rusu, Isac, Curetreanu & Scorba (2012), identified three key factors as a common denominator in most definitions of entrepreneurship. These are risk-taking, innovation, and identification and utilization of opportunities. Perhaps Schumpeter's theory of “creative destruction” describes in clear terms the relationship between entrepreneurship and economic development. Schumpeter (1934) points out that entrepreneurship has the potentials for economic development – when there is an introduction of new innovative combinations leading to the replacement of obsolete technologies and ideas.

Joseph Schumpeter described the new innovative combinations by distinguishing five activities (Schumpeter 1934) thus:

1. Introduction of a new good or new quality of good that consumers are seldom used to

2. Introduction of new method or procedure for production – meaning a new mode of production that has not been used before by the manufacturers.
3. Opening up of new market. That is, entering a market which had not purchased the countries particular product – whether or not that market existed in the past
4. Conquest of new source of supply of raw materials,
5. Reorganization of existing firm that will respond to new technology.

Scholars in various studies have associated economic growth of Nations to entrepreneurship. Entrepreneurship is seen as the lubricant that oils the engine of economic growth of nations. Unlike Schumpeter who sees an entrepreneur as an agent of change, Drucker (1985) argues that the entrepreneur searches for change, exploit the opportunity that change presents by responding to change in a suitable manner. Drucker is in complete agreement with Knight (1921) who viewed entrepreneurs as those that attempt at predicting change and thus act accordingly. Resourcefulness of the youth can be leveraged upon to drive on entrepreneurship development in developing economies of the world. In Ghana, Osei, Baah-Nuukoh, Tutu & Sowa (1993), observed in their study, that the youth-owned 40% of small businesses in that country. Nwokoye, Onwuka, Uwajumogu & Ogbonna (2013) argued that small scale businesses are capable of transforming into conglomerates and giant corporations in future. Citing Solako (2004), Nwokoye et al (2013) assert that the creation of thriving many small businesses is the surest way of growing national economies.

The energetic and resourceful Nigerian youths have the capacity to drive entrepreneurship development forward and contribute to national economic growth (Anyadike, 2012). However, this can only be achieved, if the proper enabling environment exists to permit this. As noted by Ewurum and Ekpunobi (2008), entrepreneurial basis are essential drivers of economic transformation and growth in a modern economy. According to Mamman (2008), the ultimate aim of every ideal entrepreneurship development programme is the improvement of the entrepreneurial ability of the citizenry, and by extension eradication of poverty amongst them. Poverty eradication means getting rid of poverty and it's consequences completely while poverty alleviation is reducing the severity of the consequences of poverty on citizens and the nation as a whole (Mamman, 2003). Access to needed resources is seen as a factor in entrepreneurship development and poverty reduction. A resource-based theory of entrepreneurship was



proposed by Alvarex and Busenitz (2001). They believed that access to resources is a significantly valuable predictor of opportunity – based entrepreneurs. To them, the ability to spot an opportunity and then organize, coordinate and direct the resources towards a productive course is in itself desired entrepreneurial resources. In his studies on individual differences and resources clause (2006) found individuals with high human and entrepreneurship capital are more likely to carry out entrepreneurship ventures. Knowledge, skills, experience all combined to form human capital (Clausen, 2006).

Entrepreneurship literature associates entrepreneurs with small scale business owners. Most Scholars would be able to give an example of an entrepreneur and would probably claim to be able to recognize one, “if they saw him/her”. A key element in this common perception is ownership of small scale business. While this is true of some entrepreneurs, using ownership as a defining feature of entrepreneurship can be very restricting. Similarly, not all small scale businesses are entrepreneurial. Entrepreneurial firm should, therefore, be separated from non-entrepreneurial firms. As observed by Earle and Sakova, self-employment may sometimes be a disguised for unemployment. In such circumstances, such persons should not be considered as entrepreneurs. This view is also supported by Idam (2014). In the light of the above, it is conceptualized herein that entrepreneurship is the act of spotting opportunities, exploiting same using innovative means, taking risks in the process, to create new value and/ or reorganize existing business and enabling progress. Progress here encompasses value addition, such as employment generation, income generation, dividends to stakeholders etc.

### **Methodology**

This paper used descriptive and explanatory style. The methodology adopted is Narrative – Textual Case Study (NTCS) approach. This NTCS method is appropriate in the absence of sequential data that relate to entrepreneurship development and poverty eradication in Nigeria. The method employs extensive use of information and data that can easily be accessed on-line. Although, it is not empirical research, it is descriptive and NTCS allows the adoption of quantitative and qualitative observations, text content analysis as well as official statistics in different proportions. The ideas generated through this approach can be used for identifying problems, causes of and solutions to problems. Tables and charts have also been used to aid understanding of the analysis.

**Discussion of Findings**

The Nigerian economy is said to be the largest in Africa. It is, however, a developing economy and often described as middle – income mixed economy with expanding information and communication technology sector. (Afolabi, 2015). Financial service industry and the entertainment sectors are also expanding on a sustainable basis. Until, the outbreak of Corona Virus (Covid 19), it has been growing at an average rate of 7 per cent. Although there are efforts at diversifying the export basket, oil remains the main foreign exchange earner for the country (Leaders, 2014). This renders the economy vulnerable to external shocks, especially fluctuations in the price of crude oil. As noted by Afolabi (2015), entrepreneurship remains an important factor in the economic development of many nations. Nigeria's policies since the 1980s have tended to encourage entrepreneurship development. Economic programmes, such as the Structural Adjustment Programme (SAP) introduced in 1986 are aimed at poverty alleviation, employment generation and rapid economic development (Idam, 2014).

**Nigeria Economy: An Analysis of Performance**

The Nigerian economy has been recording steady growth at an average rate of 7 per cent over the last decade. As a result of the rebasing of its economy, the country now is the largest economy in Africa. Nigeria's growth rate is higher than the regional average. Although, the oil sector still remains the highest revenue earner, the improvements in non-oil sectors, especially in Agriculture is responsible for this impressive position so far. The performance of the economy is seen with real GDP growth of 5.4%, 8.3% and 7.8% in 2011, 2012 and 2013 respectively. Aside from the COVID 19 that has affected the global oil price, issues of pipeline vandalism and oil theft are key problems affecting the oil sector. The real GDP growth rate, unemployment rate and inflation rate are key indicators for assessing the economy. As can be seen form table 1 below, unemployment rate still remains high and the inflation rate is also high. Poverty eradication is, therefore, a necessary objective of the Nigerian Government.

**Table 1:** Performance of Nigeria Economy

| Indices             | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------------------|------|------|------|------|------|------|------|------|------|------|
| Real GDP Growth %   | 7.1  | 6.2  | 6.9  | 5.3  | 6.4  | 5.3  | 6.8  | 5.4  | 8.3  | 7.8  |
| Unemployment Rate % | 13.4 | 11.9 | 13.7 | 14.6 | 14.9 | 19.7 | 21.1 | 23.9 | 24   | 22   |
| Rate of Inflation % | 15.4 | 17.9 | 8.4  | 5.4  | 11.5 | 12.6 | 13.8 | 10.9 | 12.2 | 8.5  |

**Source:** National Bureau of | Statistics

Despite the efforts of the government in diversifying the economy, poverty still looms large in the country. The National Bureau of Statistics reported that as at 2010, about 70% of Nigerians were still living below the poverty line as against 54% that was recorded in 2008. Furthermore, the NBS (2010) in its harmonized standard survey report that 90% of Nigerians lived on less than \$2.00 a day. As depicted in Table 2 below, inspite of the growth in population, the rate of extreme poverty is on the rise.

**Table 2:** Level of Poverty in Nigeria

| Year | Poor% | Moderately Poor% | Extremely Poor% |
|------|-------|------------------|-----------------|
| 1980 | 72.8  | 21.0             | 6.2             |
| 1985 | 53.7  | 34.2             | 12.1            |
| 1992 | 57.2  | 28.9             | 13.9            |
| 1996 | 34.4  | 36.3             | 29.3            |
| 2004 | 43.3  | 32.4             | 22.3            |
| 2010 | 31.0  | 30.3             | 38.7            |

**Source:** National Bureau of Statistics

As stated earlier, the rate of unemployment is an index used to measure economic development of a nation. Table 3 shows clearly that the rate of unemployment keeps rising at a higher rate than the population growth rate. Again, this does not do any good to poverty eradication in Nigeria. This calls for greater attention to the development of entrepreneurship. Entrepreneurship is the engine of economic growth and poverty eradication through its potentials for employment generation (Ogundele and Abiola, 2006).

**Table 3:** Poverty Head Count Rate per state in Nigeria (Percentage of Population 2019)

| S/No | State    | % of Poverty Rate | S/No | State       | % of Poverty Rate |
|------|----------|-------------------|------|-------------|-------------------|
| 1.   | Sokoto   | 87.73             | 19.  | Cross River | 36.3              |
| 2.   | Taraba   | 87.72             | 20.  | Benue       | 32.9              |
| 3.   | Jigawa   | 87.02             | 21.  | Abia        | 30.7              |
| 4.   | Ebonyi   | 79.76             | 22.  | Imo         | 28.9              |
| 5.   | Adamawa  | 75.41             | 23.  | Kogi        | 28.5              |
| 6.   | Zamfara  | 73.98             | 24.  | Ekiti       | 28.0              |
| 7.   | Yobe     | 72.34             | 25.  | Akwa Ibom   | 26.8              |
| 8.   | Niger    | 66.11             | 26.  | Rivers      | 23.9              |
| 9.   | Gombe    | 62.31             | 27.  | Bayelsa     | 22.6              |
| 10.  | Bauchi   | 61.53             | 28.  | Kwara       | 20.4              |
| 11.  | Enugu    | 58.13             | 29.  | Anambra     | 14.8              |
| 12.  | Nasarawa | 57.3              | 30.  | Ondo        | 12.5              |
| 13.  | Katsina  | 56.42             | 31.  | Edo         | 12.0              |
| 14.  | Kano     | 55.1              | 32.  | Oyo         | 9.8               |
| 15.  | Plateau  | 55.1              | 33.  | Ogun        | 9.3               |
| 16.  | Kebbi    | 50.2              | 34.  | Osun        | 8.5               |
| 17.  | Kaduna   | 43.5              | 35.  | Delta       | 6.0               |
| 18.  | FCT      | 38.7              | 36.  | Lagos       | 4.5               |

**Source:** National Bureau of Statistics - 2020

Data for 2019 on table three above, reveals that the poverty headcount rate in some states of the Federation is above 80%. A very pathetic situation

**Table 4:** Population and Unemployment Growth Rates

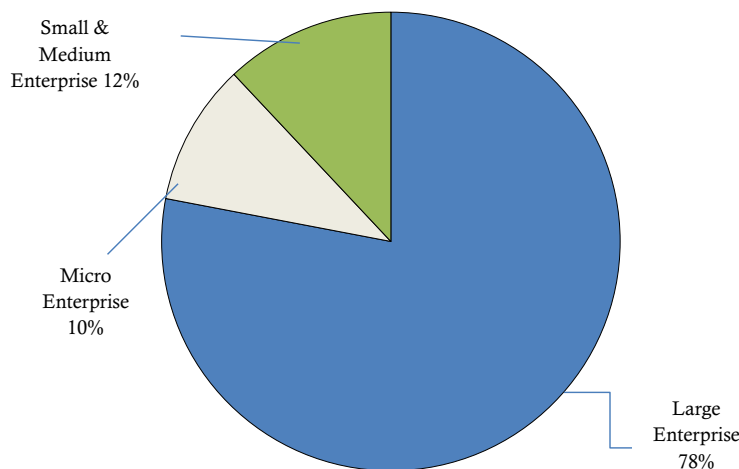
| Year | Population growth rate | Rate of unemployment |
|------|------------------------|----------------------|
| 2000 | 2.38                   | 13.1                 |
| 2002 | 2.44                   | 12.6                 |
| 2004 | 2.47                   | 13.4                 |
| 2006 | 2.48                   | 12.3                 |
| 2008 | 2.50                   | 14.9                 |
| 2010 | 2.52                   | 21.1                 |
| 2011 | 2.53                   | 23.9                 |

**Source:** World development index 2012

Let us now examines some measures adopted by the government over the years toward entrepreneurship development in Nigeria:

- I. **Access to Financial Services:** lack of easy access to financial service- especially credit facilities is a major drawback for entrepreneurship development in Nigeria. Some institutions and programmes have been put in place to address this challenge. These financial institutions include Bank of Industries (BOI), Microfinance banks, Nigeria Agricultural Cooperative and Rural Development Bank (NACRB) etc.
  - a. **Banks of Industry (BOI):** This bank was established in the year 2000 by the Federal Government of Nigeria as a result of a merger of the Nigerian Bank for Commerce and Industry (NBCI), Nigeria industrial Bank (NIDB) and National Economic Reconstruction Fund (NERFUND). By this merger, the BOI now performs the functions of all the three (3) institutions (CBN, 2001). The BOI concentrate its lending functions in the urban areas thereby neglecting the rural-based entrepreneurs (Idam, 2014).

**Figure 1:** Sectoral Disbursement of BOI Loans, First Half 2017



**Source:** Bank of Industry BOI

Figure 1: Confirms that large enterprises enjoy the larger part of disbursements (78%) compared to small and medium enterprises (12%), and micro enterprises (10%). CBN (2017) in its economic report confirms that disbursements to beneficiaries in the first half for 2017 amounted to N54.2 billion which was 81.4 percent higher than the level of disbursement in the corresponding period of 2016.

- b. **Microfinance Banks:** The Nigerian Microfinance Banks (MFBs) replaced the community banks in 2005. The main objective of establishing the MFBs is to provide easy access to financial services for the micro-entrepreneurs and the active poor. CBN (2011) in its revised policy framework reasoned that no robust, people-based growth can be attained without increasing the access to financial services for the active poor and small entrepreneurs. The dormant entrepreneurial capacity of the poor, it is believed, would be revived through the provision of credit facilities by the MFBs (Aliu, Muhammad and Aliyu, 2014).

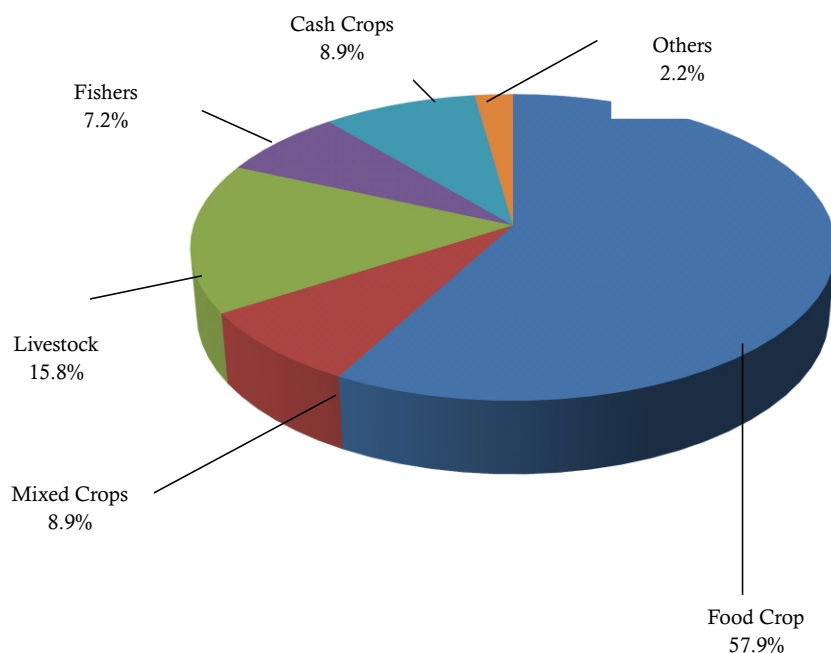
CBN (2017) in its economic report for the first half of 2017 confirms that the total deposit liabilities and net loans/advance increased by 7.3 per cent and 1.5 per cent to 185.11 billion and N193.20 billion at end of June 2017, compared to N172.45 billion and 190.31 billion at end of December, 2016, respectively. There have also been increases in paid-up capital and shareholders. Fund due to additional capital injection and increased operating surplus. In spite of these impressive results, activities of the MFBs are much more concentrated at the urban centres to the detriment of the rural active poor (Idam, 2014).

- c. **Nigeria Agricultural Cooperative and Rural Development Bank (NACRDB):-**

The Nigerian Agricultural Cooperative and Rural Development Bank was established in the year 2000 by the merger of three organizations namely:- The Family Economic Advancement Programme (FEAP), The Nigerian Agricultural Cooperative Bank (NACB), and the Peoples Bank of Nigeria. The bank commenced operation in 2001. The main challenge of the bank is limitation in its reach as many of its target beneficiaries have not been able to access its loans.

However, the development finance operations have recorded increases in loans and guarantees through relevant schemes. For instance, the Agricultural Credit Guarantee Scheme (ACGS) recorded increases in the volume and value of loans guaranteed as at end of June 2017 - from 23,774 and N3.63 billion compared to 21,073 and N3.07 billion in the corresponding period of 2016. Similarly, under the Commercial Agriculture Credit Scheme (CAS), the sum of N79.56 billion was released to 35 projects as at June, compared with 35.99 billion released to 39 private projects and 4 state governments in the corresponding period of the previous years (2016). (CBN, 2017).

**Figure 2:** Distribution of ACGS Loans (1<sup>st</sup> Half, 2017)



**Source:** CBN, 2017

- ii. **Development of Small and Medium Enterprise (SMEs):** According to Mamman (2008), the establishment of Small and Medium Scale Enterprises play an important role in poverty alleviation of any nation, because the enterprises will serve as a means of income generation for the active poor. Accordingly, the federal government established the Small and Medium Enterprises Development Agency (SMEDAN) in 2003 with the aim of stimulating, monitoring and coordinating the development of Micro, Small and Medium Enterprises (MSMEs) in Nigeria. However, lack of adequate public enlightenment has limited SMEDAN's achievements. (Thaddeus 2012).
- iii. **Small and Medium Industries Equity Investment Scheme (SMIES):** the Small and Medium Industries Equity Investment Scheme (SMIES) was set up by the Bankers Committee in 1999. Under the scheme, all banks in Nigeria are required to set aside 10% of their profit after tax for investment in SMEs (CBN, 2003). The main critic of the scheme has been the absence of national spread in the utilization of the fund. For example, in 2009,

67% of 42 billion (which was set aside) was invested with Lagos state accessing more than 41% while the remaining states had less than 2% each (CBN, 2009).

Several other programmes exist in Nigeria with the aim of developing entrepreneurship. They include the National Directorate of Employment (NDE), Youth enterprises with Innovation in Nigeria (You WIN), Youth Entrepreneurship Development Programme (YEDP), Entrepreneurship Development Centres (EDCs), etc. In spite of the existence of these support institutions, Entrepreneurship development has been negatively impacted by competition and policy instability resulting in structural distortions and dismal performance of enterprises (Nwachukwu, 2012). With more emphasis on entrepreneurship development, substantial poverty reduction can be achieved (Naude, 2013).

### **Conclusion and Recommendations**

Entrepreneurship has been a stimulant in the economic growth process of nations-developed, emerging, and developing economies. Entrepreneurship plays an important role in employment generation, wealth creation and poverty eradication. There is a clear linkage between economic development and Entrepreneurship. Although Nigeria has been experiencing a steady growth of its economy, inflation, unemployment, poverty and hunger still looms large in the nation. Over the years, governments in Nigeria have been making efforts at developing entrepreneurship, but these efforts have not yielded positive results due largely to policy instability, corruption and half-hearted implementation of well-conceived policies. Consequently, there still exist poverty and hunger in high proportion in the Land.

The following recommendations will serve a useful purpose in addressing these challenges:

- i. Government should reduce the cost of doing business in Nigeria. This will create a conducive atmosphere for entrepreneurial firms and entrepreneurs to thrive.
- ii. Government should improve infrastructural facilities such as good roads to ease transportation of raw materials and goods, and electricity to ease the burden of additional cost in generating sets and fueling.
- iii. Government should ensure adequate funding of Entrepreneurship programmes and projects in the Nations tertiary institutions.



- iv. Government must provide proper and consistent policy coordination and stability to promote Entrepreneurship Development
- v. Greater attention should be accorded poverty eradication by engaging youths in Entrepreneurship programmes
- vi. Ensure adequate funding support for the Small and Micro Enterprises in order to create jobs on a sustainable basis.

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Chapter - 6

## **Analysis of Improved Production Practices in Small Holder Natural Rubber Plantation for Sustainable Natural Rubber Industry in Nigeria**

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### **Abstract**

**T**he decline in natural rubber production was a consequence of the combined effects of the civil war and the oil boom era. Successive governments in the country responded through various policies and programme to address the poor performance of the natural rubber industry. The success of the industry will largely depend on small holder rubber farmers adopting improved production practices. This study was therefore conducted to examine the improved production practices in small holder natural rubber plantations for sustainable natural rubber industry in Nigeria. The specific objectives were to describe the socio-economic characteristics of respondents; identify improved production practices adopted for natural rubber production and examine factors influencing production. Data were collected on 296 small scale rubber farmers and analyzed using descriptive statistics and inferential statistics. Results revealed that respondents are relatively old with the mean age of 48 years with a mean family

size of 5 people and are smallholder farmers with a mean farm size of 1.7 hectares and with mean experience of 16 years. Analysis on improved practices among respondents showed that 72.64% adopted tapping equipment maintenance, slashing of plantation (57.43%), fire traces (65.88%) while 37% of the respondents adopted alternate daily tapping. Furthermore, share arrangement was the dominant mode of engagement for latex exploitation among respondents (57.09%). Exotic clones and NIG800/NIG900 series were used as the major planting materials while rubber +cassava, rubber +yam and rubber + plantain were the major rubber-based cropping systems adopted by respondents. Cobb-Douglas production function analysis indicated that coefficient of multiple determination ( $R^2$ ) of 0.6303 implied that 63.03% of the variations in output of the respondents were explained by the variables in the model. Farm size, improved planting materials, labour and supervision were factors influencing adoption of improved production among respondents

**Keywords:** *Natural rubber, Improved practices, Industry, Production function, Nigeria*

### Introduction

Natural Rubber (*Hevea brasiliensis*) is an upright tropical deciduous tree. It can grow up to 30 – 40 m tall in the wild, and 15 – 25 m in cultivation due to the effect of tapping. *H. brasiliensis* is cultivated mainly for its product of a milky liquid substance called latex. The genus *Hevea* is native to South America, where it grows wild in the Amazon and Orinoco Valleys. The discovery of *H. brasiliensis* (HBK) *Muell Arg* came about through the action of native Indians who used the latex of various plants for making balls, bottles, crude footwear and waterproofing fabric. One of these plants was *H. brasiliensis* (HBK) *Muell Arg*, which was later, became the major latex-producing plant based on its desirable qualities since 1495 as reported by Columbus. By 1500, Mr. Austin Coate defined rubber latex as a milk-like juice, which is found in the bark of *Hevea* tree that becomes golden brown and thicker on exposure to air. He called the tree a “CAOUTCHOUC,” meaning weeping wood. It was about the same period also that Priestly discovered that the rubber latex could rub off pencil marks, hence the product is named as RUBBER, (Umar et al., 2017).

It was introduced into Nigeria from England around 1895 with the first rubber plantation was established by the Division of Agriculture in Sapele in 1906 in the then Bendel State. The second by Pamol at Ikot- Mbo (Cross- River State) the then eastern region in 1912. The first major Nigerian owned plantation was established at Sapele, between 1909 and 1917. The then Midwestern region (Bendel State)

area had 2000 hectares. about 35% were of the over 250,000 hectares of rubber production in the country were established in the Bendel State (Edo and Delta States). The early plantations were raised from unselected seeds with latex yield ranging from 300 to 400 kg/ha/yr. The predominant property of solid rubber is its elastic behaviour or deformation by compression or tension which gave it diversity of uses in the tyre industry one the major consumers of natural rubber. It is well suited for the manufacture of tyre especially radial, heavy-duty and high-speed tyres because of its dynamic qualities such as good tear strength and low heat buildup. Beyond the use of rubber for the manufacture of tyres, rubber is used for the manufacture of specific products such as flexible oil resistance pipelines for offshore oil fields, inner tubes of tyres, footwear, bridge pad and building foundation in earthquake-prone areas (AbMalek and Basir, 2002). The latex concentrate is used for the production of carpet underlay, adhesives, foam, balloons, condoms, and medical accessories such as gloves and catheters. The rubber seed is also used in the manufacture of rubber seed oil, putty and alkyds resins, which find application in the paint, leather industry and cosmetics (production of soap, skin cream and hair shampoo). Furthermore, rubber seed cake extracted from rubber seeds is valuable in livestock feeds while the rubber wood is used for furniture, particleboards and fuel (Mesike et al., 2010). Rubber is grown in both traditional and marginal areas of Nigeria like Edo, Delta, Ondo, Ogun, Abia, Anambra, Akwa-Ibom, Cross River, Imo, Ebonyi, Bayelsa and Rivers. Southern Kaduna, Taraba and southern parts of Adamawa States are marginal areas discovered during the introduction of the presidential initiatives on natural rubber (Orimoloye, 2011).

Genetic improvement of *Hevea brasiliensis* commenced in Nigeria in 1960s following the importation of primary and improved exotic clones from Malaysia, Sri – Lanka and Brazil. The research efforts resulted in the breeding of high latex yielding clones of NIG 800 and NIG900 series with yields ranging from 2000 – 3500 kg/ha/yr (Omokhafa and Nasiru, 2004). The long gestation period of natural rubber ( five to seven years) before the commencement of tapping and wide spacing of 6.7 m x 3.34 m, which gives about 450 plants/hectare discourages farmers to go into production. These problems were addressed by improved agronomic practices such as rubber based cropping pattern to ensure effective utilization of land and labour when rubber saplings are in the immature phase. Integrated farming (mini livestock, Honey bee production, snailery) and production of shade-tolerant crops such as cocoyam and edible mushroom) have also been developed in Nigeria (Esekhade et al., 1996).

The Nigerian rubber industry has the potentials for employment opportunity, foreign exchange earnings and provision of raw materials for agro-allied industries in the country. Favourable ecology, improved production practices and high yielding clones as planting materials can be harnessed for its sustainable growth and development. Sustainable agricultural development is also the ability of the present generation to devise a means of improving and using depletable resources such that future generations will not suffer more than the present ones, (Dawson *et al.*, 2019). Thus sustainable agricultural development aims at the creation of sustainable improvement in the quality of agricultural development and other economic sectors of the country. Agricultural sustainability in itself is fairness regarding the treatment of present and future generations and contends that for ethical reason exploitation of resources should not leave future generation worse than the current sustainability also requires managing the resources base such that the average quality of life, ensures can potentially be shared by all future generation (Michael, 2017). The agricultural sustainability will help to reduce poverty, hunger, starvation, lack, suffering, untimely death, infection and diseases in Nigeria environment.

The decline in natural rubber production in Nigeria was the combined effects of the civil war and the oil boom era. The discovery of crude oil in commercial quantities changed the agricultural priorities of Nigeria. The effect of the war led to the abandonment of rubber farms and their conversion to arable food crop production and other non-timber industries. Successive governments in the country responded through various policies and programme to address the poor performance of the natural rubber industry. The Agricultural Research Institute Decree of 1973, the abolition of Commodity Board in 1986, National Accelerated Industrial Crops Production Programme; NAICPP in 1994 and the Presidential Initiative on Natural Rubber PIR in 2006 were the policy interventions to address the problems of the natural rubber industry in Nigeria in areas like small holder development activities and associated constraints, seedlings production and uptake, processing and alternative uses and local marketing and export. A substantial number of smallholder plantations are older and have passed their economic life span of 25 years and coupled with the fact that most plantations are planted with unselected planting materials. Inadequate information, poor marketing facilities, lack of credit facilities and high cost of credit, low yield and under exploitation due to the inability and unaffordability of vital production inputs and decreased earnings from rubber business (Agwu, 2006).

The adoption of the improved production practices developed over the years by small holder rubber farmers who form the bulk of producers would lead to an increase in rubber production and sustainability of the rubber industry. The success of the industry will largely depend on small holder rubber farmers. Several studies have been conducted on the natural rubber by scholars in Nigeria; (Esekhade et al., 1996; Adoption of some recommended Agronomic practices of natural rubber in Nigeria Aigbekaen et al., 2000 ), Polygene inheritance for latex yield in *Hevea brasiliensis*: Muell Arg. (Omokhafa and Nasiru, 2004); an overview of the potentials of natural rubber (*Hevea brasiliensis*) engineering for the production of valuable proteins(Omo-Ikerodah et al., 2009), Optimum Replacement period for Rubber plantation in Nigeria (Mesike et al., 2010); An overview of world natural rubber production and consumption: An implication for economic empowerment and poverty alleviation in Nigeria (Umar et al., 2011),; Rainfall variability and rubber production in Nigeria Mesike and Eshkade, 2014) and Evaluation of the Impact of Climatic Factors on Latex Yield of *Hevea Brasiliensis* (Umar et al., 2017) However, many of such studies have not examined improved production practices among small holder rubber farmers in Nigeria. This study was therefore conducted to examine the Improved Production Practices in Small holder Natural Rubber Plantations for Sustainable Natural Rubber Industry in Nigeria. The specific objectives are to: describe the socio-economic characteristics of respondents; identify improved production practices adopted for natural rubber production and examine factors influencing production. The study will recommend important policies for sustainable natural rubber industry in the country and improve livelihoods of the farmers.

## **Methodology**

### **The Study Area**

The study was conducted in Edo and Delta States of Nigeria. Edo State is located between Latitudes 5°44' and 7°34' N of the equator and between Longitudes 5° 04' and 6° 43' E of the Greenwich Meridian. It shares boundary to the south by Delta State, in the West by Ondo State and in the East by Kogi and Anambra States. The State covers a land area of about 17,902 km<sup>2</sup> with a population of 3,218,332 and is made up of 18 Local Government Areas. Mangrove forest, fresh swamp and Savannah are the major vegetations of the State. The mean annual rainfall in the northern part is 1270 mm to 1520 mm while the southern part of the State receives about 2520 mm to 2540 mm rainfall respectively. The mean temperature in the state ranges from a minimum of 24 °C to a maximum of 33° C (Emokaro and Erhabor, 2006). Delta State lies between latitude 5°00' and 6°30' N of the equator



and longitude 5° 00' and 6° 45' E of the Greenwich meridian. The State has a land area of 17,440 km<sup>2</sup>; about one-third of this is swampy and waterlogged. The State is bounded in the North by Edo State, in the East by Anambra and Rivers State and in the South by Bayelsa State. It is bordered to the Western part by the Atlantic Ocean while the North West boundary is Ondo State and consisted of 25 Local Government Areas with a population of 4,098,391 people. The State has a tropical climate marked by dry and rainy seasons. The rainy season starts in April and ends in October. The dry season starts in November and ends in March. The rainfall ranges from 1905mm to 2660 mm monthly. The temperature ranges from 24 °C to 34° C with an average of 30° C (Ike, 2010). The people of the States are mostly farmers growing a variety of crops such as cassava, rice, yam, plantain, pineapple and tree crops such as rubber, oil palm and cocoa.

#### **Source of Data and Sampling Technique**

Data for this study were obtained mainly from primary source. Panel data were mainly collected on the 2012 and 2013 production activities of the farmers using a structured questionnaire in a multi-stage sampling technique. The first stage involved the purposive selection of Ikpoba – Okha, Ovia South West and Uhunmwode Local Government Areas in Edo State and Ndokwa East, Ika North East and Ndokwa West Local Government Areas of Delta State respectively for their prominence in natural rubber production. In stage two of the sampling procedure, list of 410 rubber farmers were obtained from Tree Crop Units and Ministry of Agriculture and Natural Resources in Edo and Delta States. The respondents were served with interview schedules. Finally, a total of 300 rubber farmers were randomly selected in proportion to their population out of which 296 were retrieved and used for analysis.

#### **Methods of Data Analysis**

The data collected were analyzed using descriptive statistics and inferential statistics.

#### **Empirical Model Specification**

##### **The Empirical production function Model**

The production function model used is specified as follows:

$$\text{Log}Y_{it} = \beta_0 + \beta_1 \text{log}X_{1t} + \beta_2 \text{log}X_{2t} + \beta_3 \text{log}X_{3t} + \beta_4 \text{log}X_{4t} + \beta_5 \text{log}X_{5t} + \beta_6 \text{log}X_{6t} + \varepsilon$$

Where:

$Y_{it}$  = Output (grain equivalent) of the  $i$ th farmer (proxy for improved production practices)

- $X_{1t}$  = Hectares of immature plantation
- $X_{2t}$  = Labour (man days)
- $X_{3t}$  = Hectares of matured plantation
- $X_{4t}$  = Supervision (man days)
- $X_{5t}$  = Improved planting materials (1 improved, otherwise zero)

### Results and Discussion

**Table 1:** Summary Statistics of Socio-economic Characteristics of the Respondents

| Variable    | Mean      | Std      | Min | Max |
|-------------|-----------|----------|-----|-----|
| Age         | 47.5      | 5.16063  | 20  | 60  |
| Family size | 5.393333  | 2.501897 | 1   | 12  |
| Experience  | 16.893333 | 9.937809 | 2   | 16  |
| Hectare     | 1.7926    | 1.052991 | .4  | 5.5 |

**Source:** Field Survey, 2019

Table 1 shows the distribution of respondents based on some selected socio-economic variables. The mean age of the respondents was 48 years with a standard deviation of 5.16 years which implied that they are relatively old. The preponderance of older farmers in rubber production portends serious danger to the rubber industry with declining productivity and likely reduction in hectares of rubber production. This result is in accord with the previous studies that rubber production in Nigeria are done by older farmers as a result of rural-urban migration of the youths to the city centres for white-collar jobs leaving rubber production to elderly population (Otene et al., 2011). Family sizes of farmers provide sources of labour for production especially in Africa where agriculture is not mechanized. The mean family size was 5 people with a standard deviation of 2.50 which is a reflection of the fact that many of the respondents were married with minimum and maximum family sizes of 1 and 12 respectively. Large family size of respondents could be used as a vital source of labour for rubber production and other productive activities. Large family size can put pressures on family heads in devising means of obtaining income to meet family needs. The mean farm size was 1.7 hectares with a standard deviation of 1.05 implies that farmers operated at different levels of farm sizes which tend to affect their production levels. This result indicates that respondents are small holders. The result is line with several studies conducted which showed that natural rubber production in Nigeria are by small scale farmers who accounted for about seventy percent with the balance by estate holders (Abolagba et al., 2010; Mesike and Esekhade, 2014).

Years of farming experience have been reported to provide a measure of managerial ability among farmers in Nigeria. The mean farming experience was 16 years with a standard deviation of 9.65 years. This implies that the farming experience varied significantly among the farmers. The result showed that respondents might have perfected their production of natural rubber with years of experience.

### **Improved Production practices of Natural Rubber**

**Matured Plantation:** Natural rubber production takes a long gestation period (five to seven years) before the commencement of tapping posing disincentive to farmers. Researchers have developed improved production practices to overcome this problem in both immature and matured plantations. Analysis in Table 2 depicted the various improved practices for the natural rubber in both matured and immature phases of production. The adoption of minilivestock integration revealed that about 14% of the respondents adopted apiary (honey bee keeping). This can provide additional source of income to the farmers thereby sustaining the industry. Intervention by CFC/ RRIN FGN was to promote and develop commercially viable, socially acceptable and ecologically sustainable rubber-based agro-forestry systems for farmers in Nigeria. Integrating medicinal and aromatic plants with Rubber allows the knowledge, wisdom and practices of local rubber farmers to play fuller roles in identifying and finding solutions to problems of Conservation and sustainable development. It also aims at conserving farmers' prioritized indigenous plants, improving productivity of Rubber agro forestry by poor farmers, enhancing sustainability of farming systems, diversifying sources of income of farmers, improving farmers' livelihoods and providing readily available medicinal plant material for primary health care for rural farmers. Rubber harvesting and quality control measures as presented in Table 2 indicated that use of cemented surface (35.47%) was low due to high cost of construction while the use of wooden surfaces for storage of rubber accounted for 72.64% as respondents can easily source materials around their plantation at least cost. The use of bulking container was adopted by about 51% of the respondents whereas auto coagulation and cup lump collection were highly adopted. Auto coagulation is a situation where rubber latex are acted upon by microbes after being collected and put in containers by tappers at the end of tapping activities. The resultant effect of microbial activities is the rubber lump or coagula.

Furthermore, 72.64% of the respondents adopted tapping equipment maintenance. Tapping knives, latex cups, buckets must be cleaned before use. Tapping panels should also be cleaned, pieces of barks, leaves should not be

allowed into the latex as these introduce impurities. Studies have shown that farmers are involved in sharp practices (adding sticks and stones) all in an attempt to have heavy weight in order to attract prices for local buyers or agents. The consequences of such practices as poor pricing of output and production of inferior automobile products (Aigbekaen et al., 2006). Local buyers and agents have always devised means of checkmating this unwholesome practice by cutting through rubber lump to ascertain quality (figure 1 & 2). To ensure that the problem of adulteration is curtailed, a Central Rubber Testing Laboratory was established at the Rubber Institute of Nigeria Benin City Nigeria to certify African rubber quality to meet the international standard.

Plantation sanitary practices are another quality control measure which must be observed by farmers. Analysis revealed that slashing of plantation accounted for 57.43% and mostly is manually done by respondents. Plantations must be slashed regularly to the ground level. Wind broken trunks and branches should be removed as soon as they occur. This usually occurs at canopy closure. This is done to create airy and less humid environment. An unkempt plantation predisposes workers to snake bites, stings by insects and impaired movement in carrying out their tasks. Distribution of respondents based on fire traces also indicated that 65.88% practiced fire traces. Effect of fires can destroy rubber plantation thereby hampering production and lost of investment. This findings is in line with Fox *et al.* (2011) that improved agro forestry solutions (e.g., improved planting materials and management practices) are needed to assure secure farmer livelihoods without further endangering ecological and economic conditions In addition to agro forestry, some native vegetation zones can be maintained around rubber plantations to perform functions including windbreaks to protect rubber trees, local biodiversity conservation, and wildlife corridors. Management practices in immature plantation (Table 2) indicated adoption of improved planting materials as 97.97% for exotic clones as against 77.70% for NIG800/NIG900 series. Planting materials and Seedling production in Nigeria has been dominated by the use of exotic clones such as Gondang Tapen (GT1), Rubber Research Institute of Malaya's 600, 700 (RRIM 600, RRIM 700 etc) despite reported high advantage of RRIN developed clones. This was attributed by Aigbekaen *et al.* (2000) to lack of awareness of the high yield potential of NIG 800 and 900 series by farmers. The Presidential Initiative on natural Rubber (PIR) introduced in 2006 was one of the policies to address seedling production and uptake but the initiative could not be sustained due to lack of policy inconsistency by successive governments in the

country. Other practices such as planting depth (71.96%), pruning (64.86%) and recommended spacing (56.68%) while fertilizer application was a paltry 9.12%.

**Table 2:** Distribution of Respondents based on improved Production Practices in mature and immature Plantation (n=296)

| Variable  | Frequency | Percentage |
|---|-----------|------------|
| <b>A: Matured Plantation</b>                          |           |            |
| <b>Minilivestock Farming</b>                          |           |            |
| Honey bee keeping(Apiary )                            | 40        | 13.51      |
| Rabbitry  | 7         | 2.36       |
| Snail Farming   | 15        | 5.06       |
| Grass cutter farming                                  | 1         | 0.33       |
| <b>Rubber Harvesting and Quality Control measures</b> |           |            |
| Use of cemented surfaces                              | 105       | 35.47      |
| Use of wooden surfaces                                | 190       | 64.18      |
| Tapping equipment maintenance                         | 215       | 72.64      |
| Bulking containers for latex collection               | 150       | 50.68      |
| Use of Ammonia for latex preservation                 | 2         | 0.68       |
| Auto coagulation in bulking containers                | 296       | 100        |
| Cup lump collection                                   | 296       | 100        |
| Scrap collection                                      | 10        | 3.38       |
| <b>Plantation Sanitary Practices</b>                  |           |            |
| Slashing of plantation                                | 170       | 57.43      |
| Fire traces   | 195       | 65.88      |
| <b>B:Immature Plantation</b>                          |           |            |
| <b>Improved Planting Materials</b>                    |           |            |
| Exotic Clones   | 290       | 97.97      |
| NIG 800/ NIG900 Series                                | 230       | 77.70      |
| Recommended spacing                                   | 150       | 56.68      |
| Planting depth  | 213       | 71.96      |
| Weed control  | 139       | 46.96      |
| Fertilizer application                                | 27        | 9.12       |
| Pruning   | 192       | 64.86      |
| Pest control  | 92        | 46.86      |
| Disease control                                       | 145       | 48.99      |
| <b>Intercropping</b>                                  |           |            |
| Rubber + Cassava                                      | 291       | 98.31      |
| Rubber + Yam  | 285       | 96.28      |
| Rubber + Maize  | 197       | 66.55      |
| Rubber + Plantain                                     | 289       | 97.64      |
| Rubber + Cowpea                                       | 15        | 5.07       |

**Source:** Data Analysis 2019



Fig 1: Adulterated produce (contaminants like sticks, stone to increase weight)



Fig 2: A cut portion of rubber lump to checkmate adulteration

Distribution of respondents based on rubber based intercrop revealed, 98.31%, 97.64 and 96.28% adopted rubber+cassava, rubber+yam and rubber+plantain respectively. The preponderance of cassava, plantain and yam in rubber based cropping system is because these crops are basic food staples in the study area. Monoculture is a land wasted venture and has been found to be a disincentive to farmers who want to adopt rubber and its allied technologies. This finding lay credence to existing literatures where wider adoption of rubber-based intercrops have been reported in many rubber-producing countries of the world (Esekhade *et al.*, 1996; Rodrigo *et al.*, 2001a; Rodrigo *et al.*, 2001b; Rodrigo, *et al.*, 2004; Schroth *et al.*, 2004, IRRDB, 2007). Intercropping during the immature unproductive stage of rubber provides one means of addressing the gaps in income suffered by smallholders after replanting or new planting of rubber. It also ensures efficient management of labour. Effective utilization of the avenues for intercropping has been advocated to put the land under rubber cultivation for maximum benefits. This improved practice can attract small holders to rubber farming as it is economically feasible where the farmer obtains revenue from the sales of the crops while waiting for the maturity of the trees before the commencement of tapping. Rubber based cropping has agronomic compatibility as girth increase is faster in rubber intercrops than in monoculture or sole.

However, planting of the inter - crops should be sufficiently away from rubber to minimize competition. Phommexay *et al.* (2011) reported that rubber agro forestry supports rubber trees as well as forest vegetation and edible and useful plants and is the best alternative to monoculture rubber plantations because it reconciles economic and sustainable uses of natural resources and therefore lends itself more readily to biodiversity conservation. Sole rubber production as livelihoods is risky.

The vulnerabilities associated with such a production system include the sudden fall of prices, pest and disease damage, productivity decline due to climate change, and loss of biodiversity through forest clear felling. If rubber plantations are meant to improve local livelihoods and conserve natural resources, then a sustainable resource flow is desirable. The rubber cultivation strategy must be subsistence farming based, and must include rubber, other crops, and animals. This kind of farming system can support local livelihoods even when rubber market prices decline. Rubber prices are directly linked to international markets, with fluctuations being common and frequent.

### Natural Rubber Tapping Systems

Yields derivable from the *Hevea* tree is controlled by several factors such as the tappers skill, level of field maintenance, clonal characteristics, climate, degrees of exploitation, tapping efficiency and socio-economic factors. Bark consumption and depth of cut is another factor affecting yield/tree. Tapping is the controlled wounding of a matured rubber tree to extract the economic fluid (latex) while at the same time preserving the life of the tree. It is done by making a spiral cut through the bark of the tree on alternate days. The milky sap or latex which oozes out can be processed into solid rubber or liquid rubber (known as latex concentrate) Tapping cut should penetrate deep enough very near to the cambium layer but should not touch the cambium. If the cambium is damaged, it will result to irregular bark regeneration and frequently lead to bark bursting; hence the need for efficient exploitation as the bark of the rubber tree is the economic reserve of the farmer. Removal of 1 to 1.5 mm is ideal (Delabarre and Serier, 2000). An ideal tapping system is expected to maximize yield, minimize costs, give satisfactory growth, ensure good bark regeneration and reduce incidence of disease attack especially bark burst.

**Table 3:** Tapping System Adopted (n= 296)

| Tapping System (Old)                         | Tapping System (New) | Frequency | Percentage |
|--|----------------------|-----------|------------|
| d/1 Daily tapping                            | d1                   | 15        | 5.06       |
| d/2 Alternate daily tapping (once in 2 days) | d2                   | 109       | 36.82      |
| d/3 Third daily tapping (once in 3 days)     | d3                   | 41        | 13.85      |
| d/4 Fourth daily tapping (once in 4 days)    | d4                   | 35        | 11.82      |
| d/5 Fifth daily tapping (once in 5 days)     | d5                   | 20        | 6.76       |
| d/6 Sixth daily tapping (once in 6 days)     | d6                   | 72        | 24.32      |
| d/0.5 Twice a day tapping                    | d0.5                 | 3         | 1.37       |

**Source:** Field Survey, 2019

The conventional system of tapping expresses the frequency of tapping as a fraction of daily tapping on a full circumference. Distribution of respondents based on tapping systems adopted (Table 3) revealed that about 37% of the respondents adopted alternate daily tapping denoted by  $\frac{1}{2} S d_2$ . This means that half the circumference of the tree is cut during tapping and is done on alternate days and ideal for older plantation. Schroth et al. (2004) agreed that the system improves the general health of the trees as compared to tapping all around the trunk, reduces bark consumption and liberate time to tap perhaps 50 percent more trees without any reduction in per-tree yields. Third daily tapping (d3) is represented by about 14% of the respondents was suitable for younger plantation while d6 accounted for 24.32%. Vijayakumar et al. (2009) reported a change in tapping notation for latex harvesting as the interval between tapping in days expressed by the letter d followed by Arabic numeral. The implication of this finding is that smallholder rubber plantation are under exploited and the reason may not be farfetched; inadequate labour for tapping. Respondents' inadequacy to financial resources could limit their ability to employ labour for tapping which is very crucial in production and can affect industries depending on productions from small estates.

**Table 4:** Distribution of Respondents based on mode of Tapping arrangement

| Mode of engagement       | Frequency  | Percentage |
|--------------------------|------------|------------|
| Contract tapping         | 33         | 11.15      |
| Share arrangement        | 169        | 57.09      |
| Owned and tapped by self | 94         | 31.76      |
| <b>Total</b>             | <b>296</b> | <b>100</b> |

**Source:** Field survey, 2018

Transactions with tappers in many rubber producing countries of the world depend on the dry rubber content (DRC) of latex and the true DRC of the latex must be determined to ensure a fairer price. DRC is the percentage of rubber available in any known or given volume of natural rubber. It is the total dry weight (Jayanthi and Sankaranarayanan 2005; IRRDB, 2006). The field production of natural rubber (NR) is a labour-intensive sector involving millions of farmers (mostly women). Tapping and latex collection are normally carried out by paid labourers (estates) or household work (smallholdings). A task is normally 500 – 600 trees which takes 3 – 4 hours to tap by a tapper. Younger trees are simpler to tap. The same person then returns to collect the still - liquid latex cups emptying it into a bigger container. There is then a residual flow of latex which coagulates on



the cut and in the cup; this is secured at the next tapping as scrap and cup lump (International Rubber Research and Development Board, IRRDB, 2006). Rubber tree exploitation is one of the major employers of labour in many rubber-producing countries of the world. Once started, tree exploitation can last for 10 – 20 years, depending on how quickly the accessible bark is consumed. It is a function of girth (reaching a tappable girth of 50cm) where 70 to 75 percent of the trees attaining the recommended 50cm girth for maximum profit. Labour constitutes the largest single cost of production of natural rubber. Considerable variations in the cost of production in estates and smallholdings in many rubber producing countries of the world (IRRDB, 2006; Sasi, 2011). The Nigerian rubber growing ecology is in the oil-producing belt and competes with scarce labour with the oil sector characterized by shortage and high cost of labour where tree exploitation for latex was reported to be very low. The cost of labour to the overall cost of production of natural rubber in Nigeria is estimated at 63 percent. The high cost of labour has forced many smallholder and estate owners to adopting different methods in rubber harvesting.

Table 4 showed modes of engagement of labour sources for rubber tapping by respondents in the study area. From the table, contract tapping accounted for 11.15%. A contract tapping is an arrangement where the contract tapper is a tenant with the right to tap the trees for certain remuneration per quantity tapped. Share arrangement was dominant mode of engagement for latex exploitation among respondents (57.09%). This arrangement is a situation where a share tapper is a tenant contracted the right to tap the trees for a certain terms of agreement based either on percentage dry rubber content (d.r.c.) yield or the number trees based on the sharing formula with the owner. It was found from the study that majority of the farmers used a sharing ratio of 3:1 trees tapped and not based on kilogramme of dry rubber. This translates to owner of the plantation retaining 75 percent while the share tapper has 25 percent of the trees tapped. Schroth *et al.* (2004) reported that the consequence of share tapping arrangement is that the trees are damaged as a result of slaughter tapping to make more money. Natural rubber plantation owners in many rubber producing countries of the world adopted many modes of engaging tappers to overcome problems of exploitation of matured *Hevea* trees as a consequence of financial inability to employ labour. The result is similar to the works of Chew (2001) and Suyanto *et al.* (2001) who reported that rubber harvesting (tapping) were carried out by different parties under share tapping, contract tapping, wage tapping and fixed rent in order to overcome high cost of labour in rubber harvesting in Malaysian

and Sumatra rubber smallholdings. Respondents who owned and tapped plantation themselves accounted for 31.76 percent using family members as source of labour for latex exploitation.

### **Factors Influencing Improved Production Practices**

Factors influencing improved practices among respondents were evaluated using the production function analysis where three functional forms were tried and the Cobb-Douglas production function was selected based on economic, econometric and statistical criteria. The diagnostic test results (Table 5) revealed Ramsey RESET test and Breusch-Pagan/Cook-Weisberg test for Heteroscedasticity were not statistically significant. Also, the variance inflation factors (VIF) with respect to all the variables fall within the threshold values of less than 10. The model is not spurious and therefore fit the data. Cobb - Douglas production function result on factors influencing improved production practices among respondents is contained in Table 6. The estimated coefficients for the specified function can be explained as the elasticities of the explanatory variables. The returns to scale parameter was found to be 1.334, implying increasing return to scale for production among the farmers. This shows that respondents were operating in stage 1 of the production surface. This suggests that a proportionate increase in all inputs would result to more than proportionate increase in output of the respondents. In this case, optimum efficiency of production or resource use has not been attained, but misallocated. The coefficient of multiple determination ( $R^2$ ) was 0.6303 implying that about 63.03% of the variation in output of the respondents were explained by the variables in the model. F value was statistically significant ( $p \leq 0.05$ ). All the variables carried the expected signs. The coefficient for labour was 0.095 and statistically significant ( $p \leq 0.05$ ).

**Table 5:** Diagnostic Test Results

| Type of Test   | Value          | Probability level    |
|--|----------------|----------------------|
| Ramsey RESET test  | 1.73           | Prob > F = 0.1758    |
| Breusch-Pagan / Cook -Weisberg test for heteroskedasticity | chi2(1) = 0.09 | Prob > chi2 = 0.7670 |
| <b>Variance inflation factors(VIF)</b>                     |                |                      |
| Variable   |                |                      |
| Ln X <sub>4</sub> Supervision ( man days)                  | 2.70           |                      |
| Ln X <sub>2</sub> Labour ( man days )                      | 2.68           |                      |
| Ln X <sub>1</sub> Hectares of immature plantation          | 2.32           |                      |
| Ln X <sub>3</sub> Hectares of matured plantation           | 1.23           |                      |
| Ln X <sub>5</sub> Improved planting materials              | 1.17           |                      |
| Mean VIF   | 2.02           |                      |

**Source:** Data Analysis 2019

Mesike et al. (2009) reported that labour has been a critical factor in rubber production in Nigeria where production is done manually. Inconvenient working conditions (unattractive wages, inadequate medical and housing facilities) may be repulsive factors. The effect of this on the rubber industry are likely to manifest in the reduction of hectare of rubber cultivation, plantations may not be tapped resulting to low yield and income to the farmers and a reduction in foreign exchange earnings. The estimated coefficient for hectares of matured plantation was 0.5105 and statistically significant ( $p \leq 0.05$ ) and has a positive effect on rubber latex production. The varying conditions of rubber plantations especially number of tappable trees (natural capital) when properly tapped provide income (financial capital) and will have different impacts on participants' livelihoods. Mustapha (2011) reported a significant relationship between cultivated area of rubber smallholdings in Malaysia and increase in the production of latex. Farm size has been found to be one of the most important factors in natural production in Nigeria (Mesike et al., 2010).

The coefficient for supervision was 0.4983 and was statistically significant ( $p \leq 0.01$ ) probability level. Output of the farmers increases with increase in supervisory roles. Regular supervision of rubber plantations workers ensures proper management of rubber plantations. This result is in tandem with Tapan et al. (2013) that emphasized the need for supervision as reflection accountability in many rubber producing countries of the world. The production elasticity with respect to improved planting material (0.0086) is statistically significant ( $p \leq 0.05$ ). The basic component of any crop production enterprise is the planting material.

Improved planting materials with potentials for high yield, wind and disease resistance. Spore (2007) reported that rubber farmers need more productive varieties or clones of natural rubber that are adapted to community conditions. Njukeng et al. (2011) reported higher yields from rubber plantations where improved clones were used as planting materials. Farmers who adopted the use of improved rubber clones are likely to have increased yields from their plantations leading to the earning of more income.

**Table 6:** Cobb - Douglas production function Result on factors influencing improved production practices among Respondents

| Variable   | Coefficient | Standard error | T. value |
|--|-------------|----------------|----------|
| Constant   | 1.607726    | .5854648       | 2.75**   |
| Ln X <sub>1t</sub> Hectares of immature plantation | .2208018    | .1313246       | 1.68     |
| Ln X <sub>2t</sub> Labour (Mandays )               | -.0958397   | .0375771       | 2.55**   |
| Ln X <sub>3t</sub> Hectares of matured plantation  | .5105711    | .1774559       | 2.88**   |
| Ln X <sub>4t</sub> Supervision ( man days )        | .4983057    | .0989076       | 5.04**   |
| Ln X <sub>5t</sub> Improved planting materials     | .0086017    | .0039778       | 2.16**   |

**Source:** Data Analysis 2019 R-squared = 0.6303 Adj R-squared = 0.5883 SE = 0.11569 F= 15.01\*\*

### Conclusion and Policy Implication

Natural rubber production was dominated by older, experienced and mostly smallholder farmers. Adoption of some of the improved production practices was higher in planting materials; rubber based cropping systems and quality control practices. Farm size, labour, supervision and improved planting materials exerted positive influence on the adoption of improved production practices Ensuring the sustainability of the Nigerian rubber Industry will require consistent policies by the Nigerian government that will promote and encourage youth participation in natural rubber production by the provision of infrastructural facilities in the rural areas. Also, industrial policy should encourage capacity building for rubber based industries and provide incentives such as loans, tax holidays and to revitalize the moribund rubber processing industries in Nigeria to enable them remain in the business.

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Chapter - 7

## Empowering Women through Microfinance: Qualitative Evidence

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### Abstract

Women serve as a channel through which microfinance are provided in Nigeria. This is as a result of the disadvantage position they found themselves, because they are culturally less recognized, don't have the right to make decision and economically vulnerable in the society. Nonetheless, some studies in Nigeria and the world at large have shown that the status of women has improved greatly with the coming of microfinance. The aim of this study is to assess the impact of microfinance on women empowerment of in Nigeria. The data used in this study was collected qualitatively using personal and in depth interview. A total of 10 samples of respondents were chosen purposively. The study discovered that microfinance has positively affected group solidarity and continuity in microfinance, decision making, business income as well as increased assets possession, children education and expenditure of the women.

**Keywords:** *Development Exchange Centre, Empowerment, Microfinance, Nigeria, Women.*

### Introduction

The Nigerian Gross Domestic Product has been growing at a very slow rate nowadays, and the slow rate of growth has contributed to the neglect of the large section of people who are poor and underprivileged. Rao (2009) opined that

inclusive growth has been much emphasized and so financial inclusion is one of the policy measures towards it. Thus, microfinance is one of the major and effective instrument towards financial inclusion which provides economic opportunities to weaker and poor people in the society by ensuring access to necessary financial services with the aim of poverty eradication and improvement in the living standard for the poor most especially women (Suprabha, 2014). However, studies have shown that nearly half of the Nigerian's population consists of women who mainly remain marginalized because of their poor access to employment, health and education (Argiropoulos and Rajagopal, 2003). Increasing employment and income and economic empowerment of women are the immediate issues to bring women into the mainstream of economic development. Microfinance is an important tool to meet financial needs of the poor especially women and reduce their dependence on formal sources of finance due to poor access to collateral and exorbitant interest rates charged by the main stream banks who are unwilling to provide credit assistance to the poor since they know that they will not be in a position to repay the loan (Khandker, 2000, Sukanya, 2019).

Microfinance has also assisted in the upliftment of the living standard of women in the society. Economic empowerment helps women by encouraging and enabling them to become entrepreneurs. The status of women in the society is improving and microfinance has assisted to evoke confidence among women. Women empowerment helps in reducing the disparity between women and men on social and economic grounds and reduces poverty (Sukanya, 2019). In addition, Tarig and Sangmi (2018), in their study discovered that women participation in microfinance most especially through Self Help Groups (SHGs) empowers them economically, socially, psychologically and politically. Despite the benefits women derive from microfinance, there are evidences of women disempowerment also, most especially in lack of control over income and assets, inability to take part in decision making, increased workload for women, and also negative effect on education of their children. Thus, whether microfinance disempowers or empowers women needs further empirical research and investigation, to trace out the fair linkage between microfinance and women empowerment and assigning proper weights to various dimensions of women empowerment. Moreover, Nahar et al., (2019) discoveries indicate that microcredit strengthens women's family standing as shown in the role they perform in the household decision making process and concluded that microcredit has a positive impact on women's empowerment within the

household which is in line with the findings of Kabeer (2005), and concluded that further qualitative research needs to get serious attention. So for further study, these issues should be taken into consideration.

### **Implication and the Rational**

The exploratory is aim to examine the impact of using microfinance in empowering women in terms of increase in income, assets, decision making in the households in Northeast Nigeria and secondly, to know how microfinance contribute to group solitary and continuity in microcredit groups. Nonetheless, it is essential to know that the objective of the study is not to make generalize conclusion about the impact of microfinance in women empowerment. Alternatively, the objective is to listen to a group of market women on how microfinance has help in increasing their income, give them opportunity to make decision and improve their group bonding, in order to establish whether we can learn from their experience toward improving women livelihood. To achieve this, a brief theoretical outline of the concept of microfinance is given since it serves as a means of empowering women. In addition, this research aims to add to the body of knowledge and understanding of use of microfinance in empowering women, since it is built on previous studies in the field of microfinance and women empowerment (Kesanta 2015; Nahar et al. 2019; Sukanya 2019; Tarig and Sangmi 2018). This paper is consisted of five section, section one deals with the introduction, section two discusses the literature and section three concentrate on the process used in carrying out the research. Section show explains in details the discussion of the qualitative results obtained from the respondents and lastly, section five gives the conclusion and summary of the study.

### **Literature Review**

#### **Microfinance**

Microfinance refers to microloans, insurance, transfer services, savings and other financial products targeted at low income earners (Tarig and Sangmi, 2018). This shows that microfinance provides financial services together with non-financial services such as training, supervision, marketing knowledge and awareness which are effective in showing significant positive effect on standard of living and poverty reduction of the weaker sections of the population. Thus, it is the micro-credit program together with non-microcredit aspects that are considered as a way of not only economic growth and development, but a tool for social development goals through to be the main roots of persistent women's under-development. Microcredit is the small amount of loan that is provided for the upliftment of the

weaker section in the society. The borrowers of the loan will consider the commitment seriously and will repay the money in order to be eligible for more amounts of loans. There is no collateral security that will be demanded for providing the loan amount to the borrower. The concept of microcredit originated from the Grameen Bank in Bangladesh in the year 1983. Microcredit is an essential component of microfinance. There are many financial services provided to the poor in the form of microcredit. Grameen Bank in Bangladesh was founded by Muhammad Yunus. He started himself providing loans to the poor people from his own money without asking for any collateral security. Grameen Bank was followed by organizations such as BRAC in 1972 and ASA in 1978. Micro credit has played a vital role in the upliftment of the poor section of the society. Muhammed Yunus founded the Grameen bank which is popularly known as the first modern microcredit institution and was awarded the Noble peace prize in the year 2006.

### **Objectives of Microfinance**

According to Sukanya (2019) state the following as objectives of microfinance:

- a) **Access to funds:** Generally, the poor people approach the money lenders in order to obtain loan from them and money lenders charge an exorbitant rate of interest which the poor find it difficult to repay. Banks do not consider poor people as eligible for providing the loans as they are generally the default customers. Hence, micro finance institutions play a vital role in providing small credit to the poor without accepting any collateral for the loan amount that is provided.
- b) **Encourages entrepreneurship:** Although the underprivileged people have profitable business ideas, they will not be in a position to start and to run the business successfully due to lack of funds. However, microfinance has proved to be a boon to such underprivileged people as they provide loans. The profits earned by entrepreneurs from their business, can be used by the poor to repay the loan amount borrowed by the microfinance institutions.
- c) **Manage risk:** Micro financial institutions provide financial assistance to the poor which helps them to manage the risk. Banks do not provide any type of financial assistance to the poor as them is not creditworthy.
- d) **Empower women:** Micro finance institutions are providing loans to women which has helped them to become self –reliant and to earn a decent living. Women are able to become entrepreneurs of small business and improve their standard of living in the society. Micro credit is playing a crucial role in empowering women and making them to stand on par with men.

- e) **Community-wide benefits:** Microfinance institutions help in reducing poverty among the poorer section of the society. More job opportunities help individuals to improve their standard of living. As individual's living standards improve, it helps in the overall development of the economy. Microfinance helps in the countries development.

### **Difference between Microfinance and Formal Banking**

The difference between microfinance and formal banking according to Sukanya (2019) are as follows:

1. **Form of Organization:** Formal banks are basically commercial forms of organizations whereas micro finance institutions are basically social organizations working for the wellbeing of the society.
2. **Size of the Loan:** Formal banks provide loans on a medium and large scale whereas micro finance institutions provide small amount of loans.
3. **Duration of the Loan:** Formal banks provide medium term and long term loans whereas Micro finance institutions provide short duration loans.
4. **Thrift:** Formal banks only concentrate on the loan whereas microfinance institutions focus on loan and also encourage savings habits among the poor people.
5. **Monitoring and Screening:** Formal banking follows formal procedures of monitoring and screening whereas the micro finance institutions follow the informal procedures of monitoring and screening for loans provided.
6. **Repayment:** In case of formal banking, collateral and legal pressures are imposed for repayment of loan whereas in case of microfinance, peer pressure and weekly repayment of loans is imposed
7. **Motivation:** In case of formal banks, they are highly motivated to earn more and more profits whereas micro finance institutions are motivated with the intention of encouraging self-help among people belonging to the self-help groups.

### **Self Help Group**

A self-help group is a voluntary association of people with similar economic background to enable mutual help to all the members of the Self –Help group. Self Help Groups basically act as the intermediaries and mainly consist of 10-20 members who work for the mutual benefit of all the members in the group. The members of the group bring in a small amount of money in the form of regular

savings and contribute to a fund and this fund can be used to meet the emergency needs of the group members. The concept of collateral lending is absent and hence ensures peace of mind to the borrowing members of the group. Basically the Self help groups are started by Government organizations. Self-help groups have been playing a vital role in ensuring the upliftment of poor and needy people; SHG's are empowering women through skill development activities. Women empowerment through SHG's will help in overcoming poverty and will ensure the economic development of the country (Sukanya, 2019). The roles of self help group are: Empowerment of women is very essential for the economic development of the country. Rural women should be provided financial assistance to instill confidence among them and to enable them to have a better standard of living in the society. Microcredit has helped in empowerment of women in India. SHG's have helped women by providing employment opportunities. Income and savings of women has increased hence empowering them economically and socially.

1. **Encourages savings habits among women:** Self Help Groups have played a pivotal role in encouraging rural women to save a small amount of money from their earnings. This has enabled women to become empowered in the society.
2. **Self Help Groups extend credit facilities to the rural women:** Self Help Groups have been extending credit facilities to the rural women without obtaining any type of collateral security. The group guarantee scheme is a boon to the rural women embedded by individual responsibility. Rural women are in a position to avail loan from SHG's without much of formalities.
3. **Choice of appropriate activities:** The rural poor who borrow money from the SHG's are given the freedom to choose any productive activities according to their will and wish, this encourages them to be happy and enthusiastic with their activities and hence improves their living standards in the society.
4. **Encourages commercialisations:** The productive activities that are undertaken by the members of the Self Help Group has encouraged them to take up activities for commercial purpose as they have a commitment of repayment of loan that they have borrowed. Initially the activities were mainly undertaken for domestic consumption but now they have commercialised their productive activities.
5. **Change in the lifestyle of women:** Initially women's role was restricted to only household activities, Self Help Groups have encouraged commercial activities however, now women have empowered socially, culturally and politically.

### **Empowerment**

In the field of development economics 'Empowerment' simply means a process through which people acquire more influence over factors that shape their lives. Tarig and Sangmi (2018) define empowerment as a process is difficult to measure as it affected by dynamic economic, political and social changes. The study further discovered that one set of empowerment indicator in one setting may be invalid in another setting. Afridi (2010) defined empowerment as autonomy with which one has the freedom to make own decisions, have access to resources and ability to exercise the degree of control over the use of such resources. Thus, empowerment can be said to be a complex and multi-faceted process which take place at individual level, household, community and organizational level. The empowerment process is fostered with knowledge, opportunities, sustainability, resources, capacity building and agency. The complete measurement of empowerment most be measured in a holistic way, for any empowerment that looks at a single domain is not enough for sustainability.

The World Bank (2009) defines empowerment as “the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. Central to this process is actions which both build individual and collective assets, and improves the efficiency and fairness of the organizational and institutional context which govern the use of these assets”. Sen (1993) explained that the freedom to lead different types of life is reflected in a person's capability set. A person's capability depends on a variety of factors including social arrangements and personal characteristics. However, the full accounting of individual freedom goes beyond the capabilities of personal living. For example, if a person does not have the courage to choose to live in a certain way, even though she could live that way if she chose to, can it be said that she do have the freedom to live that way (Sen, 1993)? Nahar et al. (2019) mentioned that one way of thinking about power is the ability to make choices. To be disempowered means to be denied choice, while empowerment refers to the processes by which those who have been denied the ability to make choices acquire such ability. She also pointed that empowerment entails change. People who exercise a great deal of choice in their lives may be very powerful, but they are not empowered. Hearth (2018) states that microfinance is regarded as one such policy that seeks to empower women and reduce income and consumption poverty, and socio-economic vulnerability. The concerns for gender equity and women's rights are now an integral part of pro-poor development planning. The “gender and poverty” debate has focused on a number of issues, within which



women are seen to be disproportionately poor because they lack access to resources. Gender inequalities are particularly visible in resource-based entitlements (land titles, property rights, credit, etc). Hence the rationale that access to credit will generate income and livelihood options gives women more bargaining power within the household and contributes to family wellbeing (Sharma, 2011). Women's empowerment is defined as the process through which women acquire the ability to make strategic life choices in the context where this ability was previously denied (Kabeer, 1999). The ability to exercise individual choice is based on three interrelated factors, resources, achievement and agency.

Extensive empirical evidence confirms that women's access to microfinance has succeeded in increasing consumption and assets of poor households (Kabeer, 1999). In a recent study Gunathilake and de Silva (2010) in Sri Lanka, confirmed that ownership of a microfinance loan increases a women's control over the loan-assisted project, and through that, has a significant and positive impact on her level of empowerment. In particular, greater control over the project is found to increase her economic power and her involvement in major family decisions. However, de Mel, McKenzie and Woodruff (2008) found that returns to capital were zero among female owned microenterprises but in excess of nine per cent per month for male-owned enterprises. However, returns to capital may be zero in financial terms but social and other related gains from the enterprise are positive. Therefore, if added women participation/empowerment and give them imputed value, result may be different. These findings have serious implications for traditional microfinance practice and policy which concentrate on lending to women. So that impact of microfinance on women empowerment has mixed results. Based on these mixed and complex scenarios, this present study attempted to analyze empowerment ability of microfinance, using both quantitative and qualitative measures. The empowerment concept tends to be primarily applied to disadvantaged groups of people, and is usually linked to a vision of more equal living conditions in society. Mishra and Dale (1996) specify a set of variables and elements at four levels, of particular importance in these communities, for analysis of gender. The variables are: Access to resources (economic resources: different categories of land; political resources: political representation; cultural resources: formal and indigenous knowledge: role in rituals). Ownership of resources (land: of different categories; livestock; house).

Control over resources (land: different categories; livestock; house: by decision about building and repair; income; its use). Access to alternative opportunities (outside support: from NGOs and the Government; outside wage employment;

product markets). Social decision-making power (regarding health care; in marriage: choice of partner, sexual freedom/ bondedness; opportunity for divorce). Meanwhile, Elliot (2008) suggests three closely related dimensions of empowerment – individual capabilities such as health, education, knowledge, self-confidence, vision, etc; institutional, cultural and other resources that provide opportunities and constraints; and agency or processes through which choices are made and put into effect. Thus, it is clear that the concept of empowerment is being used increasingly as a tool for understanding what is needed to change the situation for women and other marginalized sections of society. The proponents of microfinance consider economic empowerment as an entry point and a road map towards overall empowerment. It is believed that non-economic benefits flow automatically as a consequence of this approach.

Giving women access to credit, it has been argued, is a means by which both their economic standing within the household and social position within society can be improved. This argument has been particularly significant in developing countries where women's position is so poor. Hulme and Mosley (1996) demonstrate that two forces have been particularly significant in increasing women's involvement in credit programs. The first relates to the financial viability of institutions. In many contexts it is revealed that female borrowers have proved more reliable than men borrowers: consequently, some lenders have found that their financial performance can be improved by focusing on female borrowers. The second force stems from aid donors who 'discovered' women in the early 1980s and have subsequently encouraged recipient agencies to provide women with more assistance. Hossain, Bose and Ahamad (2004) articulated the female participation in decision making in their day to day activities. Following this study Colombage, Ahmad and Chandrabose (2008) constructed a Women' Empowerment Index to examine the female participation in decision making as the proxy for agricultural and nonagricultural activities. They assumed that women's power in decision making in three domains, namely agricultural activities, domestic affairs, and business activities. Determinants of empowerment by microfinance services are access, creation and control over private resources (credit, savings and assets), freedom of decision making at home, self-confidence on socioeconomic activities, and status in community and family (relationships, participation in village societies, social mobility).

**How does Microcredit Lead to Women's Empowerment?**

Microcredit enables women empowerment by placing capital in their hands and allowing them to earn independent income and contribute economically to their households and communities (Nahar, et al., 2019). In theory, women invest the microcredit in their own income earning activity, either in the form of a microenterprise or agricultural production, and accordingly their income, which they themselves control, increases. In other words, involvement in a successful income generating activity should translate into greater control and economic empowerment. Women's economic empowerment is then expected lead to increased well-being for themselves and also their families. Furthermore, this economic empowerment is seen as enabling women to renegotiate changes in gender roles, which may lead to social empowerment (Mayoux, 2001). Microcredit may also lead to increased women empowerment through increased power in decision making. Show in their collective decision making model that if behavior in the household is Pareto efficient, the household's objective function takes the form of a weighted sum of individual utilities.

**Empirical Analysis**

Microfinance is considered as an essential approach or tool to empower the poor especially women. It enables them to make-decisions independently and improves and enhances the quality of their life as well as their dignity (Haile et al., 2015). In addition, it helps the women to increase their income generating abilities, leading to greater confidence and ability to overcome cultural asymmetries and empowerment, most especially their role in decision-making, family-related decisions and ownership of assets. It also reduces domestic violence drastically (Al-mamun et al., 2014; Hashemi et al., 1996). Similarly, Niaz and Igbal (2019), considered the impact of micro-credit on women empowerment in different regions of the world, where he assessed the effect of micro-credit on empowerment and reduction poverty in women living in Pakistan. The impact was analyzed with better empirical methodology (Ordinary Least Square – OLS and Propensity Score Matching – PSM) and comparatively a larger cross-sectional dataset of 670 respondents. From the values of the responses, multidimensional poverty index was developed to assess the multidimensional poverty levels of the respondents. The findings indicated that access to micro-credit has a positive effect on empowerment of women, poverty reduction, and social status of women by improving their level of income.

Zaman (1999) observed that one of the impacts of micro-credit is a set of indicators connected to women's control over assets and knowledge of social issues. The researcher also found that loans provided to women have greater impact than those given to men in the household. Women who participated in micro-credit felt that their status had improved because they are being seen as income earners to the family in the household. The study concludes that women's participation in micro-credit gives them the ability to become more active in decision-making and control over income in the household. Kumar, Hossain and Gope (2013) assessed the role of micro-credit as a means to economic empowerment of rural women. The study employed the use of exploratory research design, structured interview questionnaire and in-depth interview. Data were collected from a sample size of 100 beneficiaries of micro-credit. The study finds that women do participate in decision-making process in the household after receiving micro-credit. Similarly, Wattoo et al. (2015) examined the strategies for empowering women and gender equality through microfinance in Pakistan. The study finds micro-loans' accessibility to have a major impact on women's empowerment and concludes that women's experience leads to increase in their household income level as well as the social, economic, political and household well-being. Kato and Kratzer (2013) concluded that women members of micro-credit institutions are more empowered than non-members. Women members of the micro-credit institutions have more control over income generated from business and savings, greater freedom of mobility, self-efficacy and self-esteem, greater role in decision-making and increased activities outside the household.

Electrin et al. (2013) considered the impact of microfinance services on reduction of poverty and used a causal study. A questionnaire was used in data collection on a sample of 200 beneficiaries only. The study finds that the four explanatory variables used are relevant to explain the impact of micro-credit institutions on poverty reduction. Furthermore, credit facilities are found to have the highest effect followed by savings, training and insurance. In addition, the study finds an improvement in income and women's empowerment in decision-making; the study concludes that microfinance institutions operating in the country should be motivated and empowered with the provision of finances which can be given to the poor as loans to expedite economic growth and development in Kenya. In trying to look at the contribution of savings to poverty alleviation, Keynes (1936) opined that savings is the surplus or residue of income over consumption expenditure. Dupas and Robinson (2013) assessed the effect of limited admission to formal saving services on the growth of business in countries that are poor and

concluded that despite huge fees for withdrawal, many women using the account were able to save and increase their productive investment and personal expenditure.

Kesanta (2015) explored the effect of economic empowerment among women and the well-being of their households through a community savings and loan association in Tanzania. Quantitative and qualitative data were collected. The study finds positive effects of credit and savings of the savings group members on health, education and economic empowerment and enhanced marital relationships. The physical abuse of women has reduced drastically for the savings groups members. Tsai et al. (2015) tested the effect of micro-savings intervention decrease in economic dependence of sex workers' change in income. They found that women with microfinance and Human Immune Virus prevention disclosed a significant lower income from sex workers. Sukanya (2019), discovered that microfinance has also assisted in the upliftment of the living standard of women in the society. Economic empowerment helps women by encouraging and enabling them to become entrepreneurs. The status of women in the society is improving and microfinance has assisted to evoke confidence among women. Women empowerment helps in reducing the disparity between women and men on social and economic grounds. In a similar vein, Tarig and Sangmi (2018), in their study attempts to assess the effect of microfinance on empowerment of marginalized women in poverty. The study was based on empirical findings of existing literature that are relevant in the world, the study discovered that women participation in microfinance most especially through Self Help Groups (SHGs) empowers them economically, socially, psychologically and politically. Despite the benefits women derive from microfinance, there are evidences of women disempowerment also, most especially in lack of control over income and assets, increased workload for women, and also negative effect on education of their children. Thus, whether microfinance disempowers or empowers women needs further empirical research and investigation, to trace out the fair linkage between microfinance and women empowerment and assigning proper weights to various dimensions of women empowerment.

Nahar et al., (2019), in their study on empirically investigate the effect of microcredit on women's empowerment at Ishwarganj Upazila, in Mymensingh, Bangladesh. The findings suggest that microcredit has a positive impact on women's empowerment. The discoveries indicate that microcredit strengthens women's family standing as shown in the role they perform in the household

decision making process. Although our finding indicates that microcredit has a positive impact on women's empowerment within the household which is in line with the findings from Kabeer (2005), still further qualitative research needs to get serious attention. This study was conducted on very small scale and the sample size and respondent is not enough to represent the real picture of microcredit and the method of measuring women empowerment should be broader. So for further study, these issues should be taken into consideration. Wattoo et al. (2015) examined the strategies for empowering women and gender equality through microfinance in Pakistan. The study finds that micro-loans accessibility has a major impact on women empowerment and concludes that women have experienced an increase in their household income level. Thus, their social, economic, political and household well-being has also increased. Kato and Kratzer (2013) concluded that women members of micro-credit institutions are more empowered than non-members. Women members of the micro-credit institutions have more control over income generated from business and savings, greater freedom of mobility, self-efficacy and self-esteem, greater role in decision-making and increased activities outside their home.

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### **Research Methodology**

The study was conducted in two purposively selected villages of Tafawa Balewa and Bogoro district in Bauchi namely: Lere and Bombar. The reasons for selecting these areas for the present study are: availabilities of credit receiving people, well

communicated for the researchers which helped in free movement and co-operation from the respondents. The sample survey for this study was conducted during June to August, 2017. Purposive sampling technique was applied for sample selection. In order to get a vivid understanding of the approach toward women empowerment by microfinance, a qualitative research, using in depth semi structured interviews has been used. Series of semi structured face to face interviews was conducted with the market women as microfinance beneficiaries. This approach allows grasping with the group solidarity and continuity as well as the process of empowering the micro-credit beneficiaries in order to better their life by empowering their livelihood. Women micro-credit beneficiaries were selected in order to maintain certain internal homogeneity in the study. However, data for the study were collected over three month's period through in-depth interviews which were carried out in the respondent business premises, group monthly meeting point and at times in their houses. Purposeful stratified sampling method to overcome the problems connected with the different size of the women business or trade (Kesenta, 2015). Each interview minutes was formal, which begins with general questions about age, nature of business, educational background, motivation for joining microfinance group and the possible reasons is to be empowered by owning a business to earn income and contribute in the decision making in the household.

However, despite the short coming of purposive sampling, this approach was selected because of the availability of the respondents and their willingness to participate in the survey. The criteria set for the micro-credit women beneficiaries in purposive sampling was that only those women who have collected small loans and used it to start a small trading business and are self-employed, are between the age of 35 and 55 years and have attend at least a primary school in Bauchi, Nigeria where selected to collect the data because they have a large number of women micro-credit beneficiaries. Although, 35 respondents were qualified to fit into the criteria for the research, but only 10 respondents were granted the opportunity to participate in the survey for the collection of data. The choice of sample size in terms of qualitative interviews is guided by McCracken (1988) where the study suggests that, "less is more" in a qualitative study that relies or depends on in-depth interview. McCracken (1988) suggested eight as an ideal sample for most exploratory research or studies. This study however, selected ten in order to have more representatives. The in-depth interview was conducted using a semi structured questionnaire method by the researcher and a research assistance who is a trained and experience interviewer.

Moreover, all interviews were documented and detailed through note taking, they were also recorded digitally for the accuracy of information and later transcribed for content analysis. The time taking to conduct interviews ranges from 35 to 75 minutes and were carried out over a period of 3 months. All information gathered was in connection to the respondent practical and actual experience in using micro-credit to start a trade and earn income, help in contributing to decision making in the family. To formalize the data collection process, the respondents were asked to share their stories as to the reasons for joining micro-credit group, group solidarity and bonding, improvement in income generation, education and participation in decision-making in the family.

Lastly, all the interviews were conducted on their business premises, some at home and at some times in their monthly group meetings, beginning with the general questions about the respondents and their micro-credit group. Interview questions were given to the respondents in advance to allow them enough time to study, consider and create an atmosphere of trust between the respondents and the researchers. The confidentiality of the respondent responses was guaranteed.

The table 1 below shows the list of the respondents, their age, educational qualifications, villages and occupation.

**Table 1:** Details of respondents for in-depth interview

| <b>Informat No.</b> | <b>Name</b> | <b>Age</b> | <b>Education qualification</b> | <b>Village</b> | <b>Occupation</b> |
|---------------------|-------------|------------|--------------------------------|----------------|-------------------|
| 1                   | Hannatu Z.  | 35         | Primary school                 | Lere           | Bean cake         |
| 2                   | Naomi       | 38         | Diploma                        | Bombar         | Vegetable         |
| 3                   | Victoria    | 36         | Secondary school               | Bombar         | Local drink       |
| 4                   | Mary        | 48         | Adult education                | Bombar         | Food vendor       |
| 5                   | Martina     | 55         | Secondary school               | Lere           | Provision         |
| 6                   | Linda       | 42         | Primary school                 | Bombar         | Tailoring         |
| 7                   | Asabe       | 28         | Secondary school               | Lere           | Fruits            |
| 8                   | Jamima      | 41         | Primary school                 | Bombar         | Local drink       |
| 9                   | Naira       | 50         | Secondary school               | Lere           | Shoes/wears       |
| 10                  | Bilhatsu    | 48         | NCE                            | Lere           | Vegetable         |

### **Discussion of Findings**

The responses given by micro-credit beneficiaries are stated verbatim reinforce the results of the quantitative analysis in the previous sections. The opinions and experiences of the women benefiting from micro-credit are provided below:



The interviews were conducted in two stages. At the first stage, the interview was conducted to assess the performance of women in terms of group solidarity and continuation in the microfinance institution and the group. To measure group solidarity, the cooperation and togetherness of women members in meeting or solving their social, personal and financial troubles were the indicators.

The second stage was to assess and confirm the quantitative results as to whether micro-credit programs have improved the beneficiary business income and assets generation, decision making and household expenditure.

### **Group Solidarity and Continuation in Microfinance Institutions**

The micro-credit groups act as solidarity groups where members in the groups support each other to address their social, personal and financial problems in their households. They promote welfare as well as encourage members to adopt measures to resolve their problems. Thus, continuing participation of women in microfinance institution creates a relationship with individuals, organizations and institutions. Moreover, this relationship is essential for maintaining group solidarity as well as women empowerment. Some of the responses of the beneficiaries are as follows:

Informat 1, from Lere village is running bean cake business. Her educational qualification is primary school. She is married to her tribal man. This was her story.

“My husband, used to drink alcohol, every day he comes back home drunk and abused me verbally and physically all the times. I tolerate such abuses and I am very ashamed to inform others or my friends about him. One faithful day he beat and injured me. Seeing my situation at that time, one of my friend elder sister, asked me about what happened to me. I informed her about all that happened about my husband. My friends came and advised him, but he refused to listen. Three weeks later, he went out and did not come back or return home. Nobody knows his where about. I cried for many days starved living without food with my children. My friend sister who was a member of DEC micro-credit group introduced me, helps me and motivated me to leave a good life for the sake of my children. At that time I got a loan from DEC micro-credit bank from the help of my friend sister and her group. I started a bean

cake business. Now I am getting nearly 300 naira to 500 naira every day with which I can manage my family or household. After joining micro-credit group, I really enjoy and feel the depth or bound of friendship among us, assuming if my friends have not assisted me to join the group I wouldn't have had any other source of help. Presently, I am independent, empowered and have the belief and confidence of feeding and bringing up my children. In addition, I take decisions on what happen in my family without any interference by relatives and even when my husband returned. This is happening because I am contributing greatly now to the upkeep of the family unlike before.”

In a similar vein, Informat 2, aged 38 years with a vegetable business, described her group solidarity and cooperation as follows:

“In our micro-credit group, we are like one family. The group is known in our village. We are united and do everything in common. We discuss all our businesses, finances and personal issues with our micro-credit group members. We help any member who is in problem or having an occasion in her house. We no longer feel the stress or burden of running our domestic and business works or activities. We manage time very well. Whenever we are free, we do visit each other's house and assist one another where necessary. Because of this unity and cooperation within us, every member is being motivated to do well in business and domestic affairs. Finally, I feel proud of my friends and myself.”

The above are responses from micro-credit beneficiaries giving their accounts of how micro-credit bank assisted in uniting and empowering women as well as helping them to become self-reliant. Group solidarity seems to be crucial, most especially, when it involves financial matters. Some beneficiaries are asked questions in relation to this issue.

Informat 3 gave the report below about her friend, Rhoda:

“My friend Rhoda had a difficulty in paying her loans. She incurred loss in her business and she was afraid to tell her husband. We decided to assist her, by sharing the loss in order

to pay the loan installments on her behalf. We and the loan officer advice and encourage Rhoda to take another loan. She took it and continued with the business she was doing before. This time she was favored and did well. Presently, she is paying her debts gradually.”

Similarly, Informat 4, a foodstuff vendor. She gave her report about one group member as follows:

“Naomi Amos is one of our group members, she has 4 children, and she has a vegetable business. Her husband is incapacitated. As the bread winner, she suddenly felt sick and was taken to a nearby village for treatment. She stayed there for some days. The group members assisted in paying her medical bills. We took care of her children for the period she was down. Apart from that, every one of us took a turn to feed her household members and paid her share of loan installments jointly. When she recovered from the sickness, she continued with her business and paid her debts gradually. We supported because her relations refused to assist her. Because of the concern and help render or given to her when she was down, she become very helpful to all of us. I am very proud to say that, the group members are the first to come to our help or aid at all times whenever there is any emergencies before our relatives do”.

### **Continuity in the Micro-Credit Group**

With regards to the wish of the micro-credit beneficiaries to continue, all the members who were interviewed agreed to continue to be members of the micro-credit group. Thus, the following responses were collected:

Informat 5, who is running a chemist business, described her experiences:

“Before now, I was only bordered with myself and my family working from morning till evening. I only come back to eat dinner and sleep. I was running a kind of on-way routine life. Following the advice of one of my friends I join the micro-credit bank group. Immediately, I become a member of the group. I learn many good things from the group members of which ordinarily I wouldn't have known if I have not joined the micro-credit group. Then I understood the importance of

uniting with others in a group. I wish to say that I am presently, very happy and excited to continue in our group.” This is because the group provides a sense of belonging.”

In addition, Informat 6 responded thus:

“Before joining the group I always to go to my neighbors, when the need arose to get money when there are urgent financial needs or emergency. At times it takes me some time to get it, even though, the amount is small, like 300 naira. Presently, I am more independent, since I start collecting loan from the micro-credit bank and used it to start my business; I have been generating and saving some little amount. Whenever, there is emergency I take money from my savings. When the amount is not enough I feel comfortable requesting credit from my group members at all times. Even if the amount is small like, 1,500 naira to 3,000 naira. I get it from them. Now I don't worry about any problem. So I wish to continue with the micro-credit group.”

The business of the micro-credit group has the capacity to be profitable. The present research observes also that the microfinance institutions do reach the poor groups with loans, and savings services that appear to provide socio-economic gains or benefits to the members of the group. This shows that the members of the groups could make profit and be sustainable.

### **Business Income and Assets Accumulation of the Beneficiaries of Micro-Credit**

When women do not have money, it slows down their economic growth. This research concludes that injection of loan will open doors for women to go into business, generate profit and improve income of the household. The quantitative analysis done earlier concludes that women's business income has improved after joining microfinance institutions. However, to verify the claim that their business income has improved, qualitative analysis was carried out. Majority of the respondents stated that their business income has improved after they joined DEC microfinance institution. For example:

Informat 7, who sells vegetables, gave her own experience as:

“Before, I work as a domestic servant. Later on, my friend joined a micro-credit group and asked me to join. At the first instance, I wasn't interested because I was told that, if I felt to pay the loan in time the micro-credit bank will arrest and jail me. But she and the loan officer convince me to join. It was after I might have joined, that I realized the gain or benefits. The micro-credit has assisted us to meet our financial needs. I collected a loan with which I started my vegetable business in my area I used to go to Dass village where I will buy at a wholesale price and sell them in my area. The business usually gives me a reasonable income. I do get an amount of 10,000 naira to 20,000 naira every month as income. We also use some of the vegetables in the house. The money generated from the business, has helped me to repair our house, purchased furniture and now we can sleep comfortably. Our life has changed now. I am grateful to my friend.”

Moreover, Informat 8 runs a local drink business. She has studied up to secondary school level before joining the micro-credit group. She was a full time house-wife, engaging in only domestic work or activities at home. During her free time, she does some small jobs for her neighbor. Immediately after joining the group and collecting her loan, her life changed from being a full-time house wife to an entrepreneur. She feels that DEC microfinance institution have brought great and remarkable changes in her life. She described her situation as follows:

“Before the family is being managed by the little money the husband generated. This is not always enough to meet our needs. Then, things were very difficult for us. Then I decided to join micro-credit group and collected loan and start my business. I started making a lot of profit, which gave me the opportunity to contribute to the family. The business has grown big and is generating more profit. Before, we live in a room and parlor no toilet with a common bathroom. Presently, we have a new house with two rooms and a parlor and separate toilet and bathroom inside the house. The new house is more comfortable. I assist my husband in paying the rent through the money I generated from my business. The scenario took place as a result of the income I now realized from my business. Presently, I am planning to expand the business.”

Thus Informat 3 had this to say also:

“I was only a full house wife who was told that my main duties are cooking and taking care of the children in the house. One of my friends, told me to join their micro-credit group. I join and collected a loan from micro-credit bank. I started doing a small business, food vendor business and I sold it to people in my neighborhood. Now I make an income of between 8,000 naira to 18,000 naira from my business with which I used to support my family comfortably, unlike it was before. Joining micro-credit group has changed my life. I am very proud because I have a source that gives me income to support my family unlike it was before. Hence, my status has changed or improved.”

In another word, Informat 6 confesses as follows:

“I received training with an NGO. I collected a loan from micro-credit bank I began a tailoring business instead of working for another person. I felt it's better to be self-employed and so I took the decision to be a tailor. Later on, I invite one of my friends and taught her how to sew cloths. My income has increased more than how it was before I join the micro-credit bank group. I know earn good income four times than before joining the micro-credit group. Presently, I am very happy and proud about the way I am growing. At least, I can support my family and keep or save some part.”

### **Improvement in Decision Making**

The amount usually collected as savings as well as loan repayment by each person is significant and the responses are positive. Improving the saving capability of the group is one of the core objectives of micro-credit institutions. The repayment of loans, saving capacity, discipline and group responsibility are vital for the smooth operations of micro-credit institutions and the group. Most of the women interviewed were very proud about their present savings.

Informat 9 gave her report:

“Since our earnings are very small, whatever we generate, we spend on our day-day expenses. Often it is very difficult or hard to manage our expenses during the month end. The time I first join the micro-credit bank group, I was afraid as how will I be

able to manage to repay the savings and the loans. But after a while, I was determined, then, I managed my expenditure and paid my savings. Now our group savings kept with the micro-credit bank is 2,000 naira each month. This amount is being kept for us. The expectation is that after some time we will collect our savings and use it as capital to continue with our business without going back to collect loan again. So, you can see that we are relaxed. Because of the income I usually generated and the savings I have, I now participate in making decision in the household unlike before.”

### **Improvement in Expenditure**

When women's income increases, the welfare of the family improves. This is because women are known to spend most of their income on the welfare of the household. Therefore, they need to be assisted or supported, since their success benefits many people. The income earned by the women beneficiaries of micro-credit is one of the important determining factors for the household's welfare. The income of the loan recipients has increased after joining the micro-credit group. Members of the micro-credit groups are presently more independent to take care of their personal needs and of the household. Household expenditure in this study consists of expenses on food, education, clothing, health, buying of assets and others. The improvement in expenditure is a sign of improvement in welfare. The quantitative result above shows a significant improvement in the household expenditure.

Informat 2 had this to say:

“Before I was doing nothing, spend the whole day at home with neighbors talking. The money my husband usually generated is not enough to feed, pay school fees, medical expenses and other expenses. When I got my loan from the micro-credit institution, I started selling vegetables in my neighborhood. Now we have food to eat every day. In addition, as I am speaking to you now I just paid a medical bill for my son who is sick. Apart from that next week my children school will open for another time, I have already sown new uniforms and bought books for them and I will also pay their school fees, all because of the money I generate from my business. Now I am doing well in my business and I am happy because I don't have to go borrowing to pay medical expense and other expenses as it used to be”.

In terms of interest in providing better education for their children, the study finds that majority of the respondents are determined to educate their children. Nearly all the women send their daughters and sons to school. Formerly, the focus was to educate the sons only but this has changed immediately they made contact with the microfinance institution. Almost all the respondents report that they are very keen on providing good education for their children, most especially the daughters. When the beneficiaries were asked as to whether the loan from microfinance institution was useful to meet expenditure, like health and education, most of them responded positively.

Informant 8, a single mother reported:

“I had so much sorrow or sadness that I did not have any other good thoughts about my life. I wished to give my daughter the right education and to bring her up properly. I took my micro-credit loans and start a business from where I generate income to settle her school fees. I sent her to a good school. My daughter is presently in primary 2 and doing very well in her studying. I am trying to provide her with good education in spite of the suffering. Only my micro-credit group friends assisted me during the period of my needs.”

Similarly, Informant 10 the vegetable seller had this to say:

“I don't know how to write and read. I have not at all gone to school anytime in my life. After joining the micro-credit group, I learned to write my signature. My only wish is that my daughters become DEC workers. I send them to a government school. It is very hard to manage with our income. Despite from that, I am determined to provide good education to them so that they will not face any difficulty in life. I have taken the micro-credit loan used it to do business in order to pay their school fees. Joining the DEC micro-credit bank has been of great assistance to us”.

This shows that there has been a remarkable improvement in expenditures of the micro-credit beneficiaries as can be seen above. Lastly, the overall results of the qualitative analysis confirmed the results generated in the quantitative analysis that micro-credit has had a positive impact on the business income and expenditure of the beneficiaries.



**Implication**

The research highlights the difficulty of the way and manner women microfinance beneficiaries, who are trading with loan, use it to generate income, children education, and household expenditure, participate in decision making in the family, enhances group solidarity and bonding. How it is important that they have taking a bold step to collect the loan in order to better their livelihood and that of their family. Although microfinance beneficiaries lack knowledge on how to run their trade. Therefore, it is expected that the women micro-credit beneficiaries should be giving the opportunity to go for skill acquisition and training to improve their knowledge on how to run their business or trade. The microfinance institution should provide this kind of skill acquisition and training to enhance their innovation on what nature of trading they should go into that can generate more income to improve their livelihood.

**Conclusion**

The objective of this study was to assess the impact of microfinance on women empowerment most especially on their trade, participation in decision making in the family, children education, household expenditure, group bonding and solidarity. The research examined the impact on 10 microfinance beneficiaries located in Bogoro and Tafawa Balewa of Bauchi state who have been benefiting from the activities of the microfinance institution for quite some time now. The impacts of microfinance on women empowerment were explored based on their willingness to participate in, and potentially benefit from this research. Throughout the discussion, this research tried to show the relationship between practice and theory on the use of credit by the women to establish a trade for empowerment purposes. In this regards, the study followed the views of (Kato and Kratzer, 2013, Kesenta, 2015, Niah and Igbal, 2019). The discoveries are consistent with the previous studies (Tarig, 2018; Wattoo et al., 2015; Nahar et al., 2019). With regard to the literature review and empirical analysis, the study gave an advance possible answer to the research questions of this paper: How microfinance is being used to as a strategy to empower poor women in our community. The overall results found that microfinance has impacted positively in empowering women most especially in terms of improved income and assets accumulation, participation in decision making at home, children education, household expenditure and group bonding and solidarity. It is quiet logical if a woman collected micro loan and use it properly, it will empower her and lift her out of poverty. The findings of this study highlight the importance of collecting small loan from a microfinance institution, by the poor women who lack means of livelihood, so that does who do not join the microfinance institution may realize the need to joint in order to be empowered and improve their livelihood.

Lastly, despite the great contribution of this study, there are some limitations that open the door for future research. For instance, since this research uses qualitative method, in order to establish external reliability a large scale survey should be carried out using quantitative technique and or using mixed mode and comparative analysis. Future research should also consider factors like, social involvement of women in the community, freedom of movement in the study area. Conventional measures of poverty must also be incorporated to have a comparison with multidimensional poverty. As the females are considered to be more focused towards house and households, so the particular impact on the living standard and housing may also be tested, as the MFIs all over the world is focusing.

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Chapter - 8

## The Fight against Corruption in Nigeria: The Role of Value Reorientation

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### Abstract

Over the years, there have been series of public outcries over the metastatic nature of corruption and other illicit behaviours that negate values such as equity, justice, honesty, integrity and respect among others. Hence, this paper examined the role of value reorientation in the fight against corruption in Nigeria. To achieve this aim, the paper relied on extensive content analysis as well as the theoretical and analytical strength of the Marxist Political Economy approach. The paper argued that the cry for value reorientation is predicated on the obvious behavioral deviation from what was hitherto associated with our various pre-colonial societies. The argument is that the spread of negative values which has progressively enabled widespread corruption in the country is a function of the replacement of the collective conscience associated with the traditional communal system with the individual conscience that came with the peripheral capitalist mode of production. The paper submits also that with the emergence of a pathological materialistic behaviour and a class-based system coupled with the disincentive for hard work, the get rich quick syndrome and a sickening ideology of individuation, all sorts of illicit socioeconomic behaviours that give life to corruption became inevitable. On this note, the paper recommends among other things that in order to effectively fight corruption, value reorientation programmes should be aimed at retracing positive values that enable collective

rather than individual conscience, incentivize or reward hard work and sanction illicit socio-economic behaviours.

**Keywords:** *Value, reorientation, corruption, illicit socioeconomic behaviour, materialism.*

### **Introduction**

The metastatic nature of corruption and other illicit behaviours which negate values such as equity, justice, honesty, hard work, integrity and respect among others have continued to generate public outcries for value re-orientation in Nigeria (see Donatus, 2015; Oluwagbohunmi, 2017). Hence, it has become imperative that as Nigerians, we lend our ears to the increasing call for value reorientation given the massive and cancerous spread of corrupt practices across the country. While this does not mean that the country is short of good values in its entirety, it definitely raises some worries about how other people view Nigerians and how these perceptions shape current and future relationships. This is usually the case because societies are consciously or unconsciously branded based on the dominant values that they come to associate with.

Interestingly, since the early 1960s, the country has witnessed a progressive decay in its value system and this is not unrelated to the pariah capitalist mode of production that came with the wake of colonialism. This bold statement is derived from the conviction that the dominant character of a system goes a long way to define the behaviours of the people that make up the system and by extension the values that they hold and share. It is important to note that in the various pre-colonial societies that existed in what is now referred to as Nigeria prior to the emergence of colonial imperialism and the subsequent peripheral capitalism that followed, the value system was strongly tied to the traditional beliefs and culture of the people which was nested on the dominant communal mode of production of the time. By virtue of the character of primitive communalism, society and its people had no choice but to respond to the collective sentiments for each other's welfare. Hence, it was easy to be associated with values such as mutual respect, love, hard work, integrity, good neighbourliness and so on. However, these positive values associated with the various pre-colonial societies began to wither away following the social onslaught of the colonial expedition in Africa and indeed Nigeria. This led to a forceful imposition of an alien culture of individualism and most uncomfortably, materialism. What should be clearly stressed for the avoidance of unsolicited arguments, is the fact that the nature of



capitalism that finally emerged in Nigeria and most parts of Africa, was largely pathological in the sense that it assumed a peripheral form with its own unique contradictions. In other words, capitalism in Nigeria as elsewhere in Africa represents a diseased version of the type that is operational in countries like Britain. Thus, while the capitalist character of the erstwhile colonial masters evolved as a function of the culture of the people that of the former colonies like Nigeria emerged out of a structural historical mistake that displaced the traditional value system of the people while progressively promoting adversarial ones that undermine every sense of social decency.

However, while the colonial accident imposed a collective amnesia (Tanesini, 2018 in Adam et al., 2018) on the Nigerian people with regard to their traditional ways of life, the emergent leadership of the country became rather obliged to pursue a socio-political path that has since institutionalized widespread distrust and divisionary social relations. Thus, enabled by the progressive institutionalization of poverty and unemployment, it became easy to open our country's doors to all forms of illicit socio-economic behaviours that collectively enlivened corrupt practices. Sadly, most of these illegal behaviours are positively rewarded either openly or tacitly by society with the obvious danger of raising their statuses to that of positive values. The end result is that the country has continued to witness the increasing inflow of young minds into the cycle of negative values, while draining the social space for positive values.

Interestingly, while there have been several calls for value reorientation, very little has been researched or written to provide viable ways of addressing this issue. Worse still, there has been a slim intellectual attempt to show how achieving an effective value reorientation in a country like Nigeria will reverse the current ugly trend of corruption. It is in light of this, that this paper examined the role of value reorientation in the fight against corruption in Nigeria. Essentially, the objectives of the paper are to; show that the call for value reorientation is a product of structural historical anomalies; examine the political economy of corruption in Nigeria as a product of a diseased value system, and present a clear model of how value reorientation can enable an effective fight against corruption in the country. However, before we turn to all these, let us first understand the concepts associated with this paper.

### **Conceptual Clarification/Framework**

For the purpose of this paper, there are two dominant or central variables that require clarification as is the conventional practice for us in academics to demystify

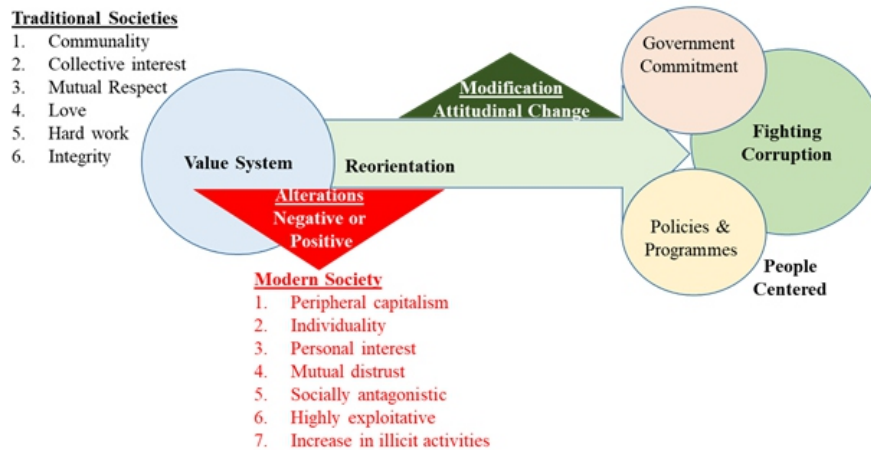
the concepts that we treat. Hence, the concepts; value reorientation and corruption are operationally defined below, not just for the sake of understanding, but also to give form and direction to subsequent discussions in this paper. As a result, a conceptual framework is equally provided to give additional analytical guidance to readers especially with regard to how the concepts interact with one another.

**Value reorientation:** Before clarifying this concept, it is necessary that we understand what value means. Hence, in the opinion of Amaekhai (2010), the term value is considered to be the highest ethical parameter, standard, and criteria through which individuals, groups and societies order their goals, determine their choices and judge their conduct on fundamental issues of life. In other words, value is associated with good practices and behaviours since no known society deliberately orders its goals following bad choices. In its pedestrian sense and for us here, value clearly defines good behaviours that are collectively accepted by members of a society. Thus, the concept value reorientation calls to mind the fact that there is a need to retrace the value of a people or to give renewed direction towards a desired goal. In the context of this paper therefore, value reorientation is defined to mean a conscious process through which programmes and projects are deployed to re-mould the character and behaviour of members of society especially in light of historical or current realities.

**Corruption:** It seems better to even think of what corruption is not rather than what it is. This is because of the academic and policy gravity that the concept has enjoyed over time. Hence, in this paper, the term takes a new definitional dimension especially as it deviates from the traditional understanding of using authorized offices for illicit private purposes (Fritz, 2017). While this definition is important, for contextual purpose, we have chosen to see corruption as the progressive decay in socially held values to the extent that members illicitly pursue individual gains above that which is legally acceptable by the collective conscience of society. As a result, corruption includes several activities that negate the collective values of a people such as; bribery, embezzlement and frauds of all kinds as well as other illicit socio-economic behaviours (World Bank, 2015).

Having operationalized the concepts associated with this paper, the framework that shows the domain of interaction between the variables is provided in Fig. 1 below.

**Fig. 1: Conceptual Framework**



From the figure above, it is important to note that every traditional society starts from a simple undifferentiated albeit homogenous level of interaction. The communal mode of production defined the value system of traditional societies with strong emphasis on the collective gains of society, respect and love for one another with a deep-seated value for hard work and integrity. These values are considered worthwhile given their enablement by the culture of the people. However, the call for reorientation only comes when there is a widespread belief that there is a considerable deviation from these values leading to strong social contradictions. As hinted in the diagram, this could be as a result of the shift from traditionality to modernity especially the introduction of peripheral capitalism with high level individuality and personal interest, mutual distrust due to predatory profit seeking behaviours, expansive social antagonisms, massive exploitation leading to increased poverty and the resultant spread of illicit socio-economic activities which thrives under massive corruption. This then triggers the need for reorientation aimed at attitudinal change to fight against corrupt practices. However, this is only possible with strong government commitment to policies and programmes that are more people friendly.

### Theoretical Framework

The paper adopts the Marxist Political Economy approach as its theoretical framework. The theory is associated with the writings of the German social and

economic thinker, Karl Marx, who outlined its assumptions based on the thesis that there is a strong interaction between the economic and the political subsystems in society. According to Marx, in every society, the political subsystems as well as other parts of society like the education and religious subsystems are all dependent on the economy which he mostly referred to as the mode of production (Amundsen, 2010). As a result, Marx, is of the opinion that the social relations of production that is associated with a definite economic subsystem which is almost always that of exploitation of the property-less class by the owners of the means of production, is inevitably replicated in other social sectors of society. In this sense, economic relations determine that of the political as well as other subsystems of society.

However, the central argument of the Marxist Political Economy theory is that the social relation of production is built on the premise of class contradiction. For instance, in the capitalist mode of production, the bourgeois class which is made up the owners of the means of production in alliance with the ruling class, thrive or indeed survive from the massive exploitation of the proletariat or working class who own nothing but their labour power. It is within this context of massive exploitation occasioned by primitive accumulation which is hitherto unknown in traditional societies by the propertied class that unhealthy social contradictions begin to emerge. Interestingly, in the absence of an organized proletarian revolution as envisaged by Marx, to break the fetters of the capitalist exploiters, the monster of illicit socioeconomic behaviour surfaces with corruption serving as its central nervous system.

However, illicit socioeconomic behaviours as enabled by corruption do not thrive without the breakdown of collectively held values of social decency. Without fear of contradiction, the practice and workings of capitalism in other climes especially the acclaimed developed countries is significantly different from that of peripheral societies like Nigeria. Peripheral capitalisms are appendages of mainstream metropolitan capital with its unique contradictions that are more dangerous to society, especially the loss of traditional value systems since this type of capitalism does not always emerge from the cultural practices of the people. Hence, from a structural historical perspective, it is a pariah mode of production that is antithetical to the values of the people. As a result, the social and economic contradictions associated with peripheral capitalism became the unavoidable foundation on which the overall values as well as the culture and norms now stand with grave consequences such as corruption in Nigeria.

**Method**

The paper adopts the content analysis approach which involves extensive document reviews and reliance on secondary data. Thus, materials were sourced from textbooks, articles in journals and internet resources among others. The information was analyzed qualitatively using relevant conceptual and thematic units. This is in addition to the complementary use of the Marxist Political Economy perspective as a supportive analytical tool. Raimi (2017) believes that as a model of explaining how society functions, the Marxist Political Economy has moved from just being a theory to becoming a comprehensive method of analysis. Its method of dialectics presents a robust logic for analyzing issues in society with a view to providing new insights into how such issues can be managed effectively. Perhaps this is why Iwarimie-Jaja and Raimi (2018), are of the opinion that the Marxist Political Economy as a method of analysis presents a unique model involving the use of the tool of dialectics. In other words, the Marxist political economy approach sees dialectics especially that which is rooted in the material existence of men and the relationship emerging from this existence as the best possible way of explaining or analyzing the inner workings of society as a whole or the relationship between its structures.

**Structural Historical Anomalies of Nigeria's Value System**

As we have already hinted, prior to the emergence of colonialism, several hitherto distinctive and to very large extent autonomous societies existed in what we now know as Nigeria. What was particularly interesting about these traditional societies was the fact that they were largely organized around a communal system of production and a complementary kind of social relation. Hence, resting on the ideology of the commune, members of each society interacted on the basis of mutual respect for one another especially because the culture of the people defined what is right or wrong with strict collectively but yet culturally held sanctions. Discussing the value system of the precolonial Igbo society, Imaga (2004), had observed that the people's belief and the informal education system were inherently saddled with an inbuilt social mechanism that inculcates values of honesty of purpose, respect for the supreme deity and by extension for elders as well as constituted authorities, yearning for wisdom and knowledge with utmost value for hard work and integrity. As a result of the collective conscience that is centred on reward for hard work and mutual respect amongst members, it was easy for the Igbo society to distinguish illicit social behaviours and sanction them appropriately according to the provisions of the customs and tradition of the people.

The above value scenario was not peculiar to the Igbos alone, as in other pre-colonial societies, similar value system existed with a well-organized community life that provided enabling environments for such values to thrive. Accordingly, the Yoruba's for instance, were known for their unparalleled respect and submission to higher authorities. The prostration of younger people when greeting elders is known to be a lofty model of respect. In addition, other values such as good neighbourliness, honesty, transparency and accountability were associated with the Yoruba people (Fakunle, 2016). Similarly, a move northward also revealed a collection of people that were strongly organized in such a way that members maintained the utmost form of mutual interaction that was nested in respect for one another and for society at large. Writing on the behavioural forms of the Hausa-Fulani's, Mumuni (2014), shared the opinion that the people of the pre-colonial northern societies before the coming of the British displayed remarkable and outstanding values such as love for others, respect for constituted authorities, honesty, dignity of labour and so on. As a result, the people maintained a strong value system that revolved around respect for one another especially elders and constituted authorities, humility, hard work among others.

It is necessary to point out that the communal system or mode of production that prevailed among the various pre-colonial societies was devoid of sharp profit-driven class exploitation as per Marxist teachings. In light of this and given the inner workings of the system, there was little or no need for the struggle for surplus values as every man was rewarded according to his works. In this regard, members believed in hard work as the only way to attract reward from the system. However, things began to take an interesting twist for the worse with the advent of the white man and the intensification of colonial rule. Hence, the introduction of an alien mode of production and the progressive dissipation and indeed disarticulation of the indigenous mode of production of the various pre-colonial societies as is typical of colonial capitalism, provided the necessary incentive for the anomalies in our value system.

Thus, while the various societies that made up the pre-colonial era in Nigeria were all organized following their indigenous cultural and traditional structures, the colonial era was marked by forceful unification of these hitherto separate societies under one alien rule that undermined the distinctive history, culture and tradition of the people. By this singular historical act, the communal mode of production that enabled the values of hard work, respect for elders and constituted authority, love for one another, honesty and integrity among others came under attack by

what was considered a superior culture and value system. It is in light of this that Fakunle (2017), stressed the point that the advent of colonialism and the incursion of the white man's culture of capitalism, individualism and private property provided enabling conditions that gradually undermined some of the unique values of the pre-colonial societies.

However, people are quick to refer to the United States of America and Britain with its other first world capitalist allies as places where capitalism has thrived with relatively good values. While this is not farfetched from the truth, it is important to stress that given the forceful integration into the world capitalist system and the context of capitalism relative to countries like Nigeria, what the colonial masters successfully entrenched is what scholars like us would prefer to call peripheral capitalism. Sadly, peripheral capitalist societies do not behave like or are not ordered in the same manner as the capitalist societies and as such do not share the same contradictions and even if they do, their nature, character and intensity are usually not the same. The colonial era preceding 1960, was clearly like a transition period that gradually paved the way for the erosion of the traditional value system of the people. The irony however, is that while during the colonial period the British administrators were able to maintain some sense of decorum using military forces for the benefit of the larger British society, the immediate post-colonial era saw the emergence of an embryonic leadership structure that was already basking in individual conscience rather than the collective good. Thus, Fagade (2017) seemed to have correctly captured this when he argued that the first set of Nigerian politicians though having noble values themselves, did not move to re-orient the country towards the desired direction necessary to promote good values and a great nation. Consequently, with the decline of nationalism and the spread of pathological individualism garnished with primitive accumulation, the stage became set for all forms of illicit socioeconomic activities that negated the traditional social decency of the pre-colonial societies. Sadly, the massive pursuit of individual gains over that of the community paved the way for corruption in the form that we now know it in Nigeria.

### **Political Economy of Corruption in Nigeria: A Falloff of a Diseased Value System**

There is no known society without traces of corrupt practices and this is also true of the traditional societies discussed above. However, as social scientists, we are scholarly oriented towards identifying a social problem based on its magnitude,

spread and acceptability by majority of the members of the society. This is perhaps why in today's Nigeria, the only other dominant social problem (without calling up the ill wind of economic ones such as poverty and unemployment), when compared with corruption that has consistently called up public commentaries is that of ethnicity. In this light, corruption is a social leukemia that is now requiring that Nigeria undergoes a full blood transfusion if it is to survive. According to Nmah (2017), corruption in Nigeria is a disease that requires serious surgical efforts to remove. While it is already an established fact that corruption is a major problem plaguing Nigeria as the country continues to occupy an unenviable place in the Corruption Perception Index (CPI) of the Transparency International (144 out of 180 in 2018) and successive governments presenting a seemingly aggressive administrative posture towards solving the problem, we are bold to state here that there is a political economy dimension to understanding and possibly solving the problem.

Since independence in 1960, Nigeria's political history has been a kind of a governance mix bag of both military and civilian administrations with their relative impact on the socioeconomic wellbeing of the country. This notwithstanding, the political economy of Nigeria while seemingly presenting itself as abhorrent to corruption, is in the actual sense a strong enabler of the problem. Sadly, it does not just enable corruption; it also provides a viable environment for the progressive decay of the country's value system with the latter serving as skewed moral lubricant for the former. Hence, a political economy defined around peripheral behaviours especially one that assumes a pathological capitalist structure, emits nothing but a mirror of its original self. It is safe therefore, to say that Nigeria's political economy since independence has been characterized by sharp class exploitations but with significant ethnic and religious social infrastructure. Perhaps, the opinion of Mazden (2011), on the success of capitalism in America is an important point of contradiction when compared to ours when he argued that “the major enablers of the capitalist values as per the American Dream, is the fact that it is devoid of ethnic and religious sentiments but significantly driven by the freedom of the market as well as of the people”.

When the two views above are juxtaposed, it becomes easy to see that there is a strong link between the political economy and the values of a people. The American political system sustains the values which is often reflected in the American Dream, but of note is the fact that it keeps the country united eschewing ethnicity and religiosity. However, in the context of peripheral capitalist societies



like Nigeria, the political economy is driven largely by repression of freedom and by ethnic as well as religious sentiments. This is in addition to massive exploitation of the country's resources by the ruling class with widespread unemployment, poverty and hunger as a *Greek Gift* to the rest of the masses. What this does, is that it polarizes the people and reduces their spirit of nationhood while increasing mutual distrust and the spread of illicit socioeconomic activities. As a result, the value system degenerates gradually with corruption expanding as the basis for sustaining the numerous illegal activities that enables the quest for materialism.

In the midst of the social chaos associated with a political economy that enables value degradation and corruption, we must also locate the emergence of a sickening quest for materialism which is also a challenge of peripheral capitalism. Hence, the nature of materialism in Nigeria and most African countries is significantly different from the capitalist societies of the West. This is because, in Nigeria, wealth is valued over work and as such, the manner with which one comes to acquire wealth is in itself meaningless as long as wealth is acquired. As hard as this may seem, the political space provides a hidden and sometimes open support for this misplaced value system by rewarding negative behaviours over positive ones. In other words, Nigeria is known to provide a safe political and social as well as economic heaven for thieves with enviable rewards at the detriment of hard work. That is why the argument in this paper is that with the emergence of a pathological materialistic behaviour and a class-based system coupled with the disincentive for hard work, the get rich quick syndrome and a sickening ideology of individuation, all sorts of illicit socioeconomic behaviours that give life to corruption became inevitable.

Recent developments at the top of the administrative pyramid of the Economic and Financial Crimes Commission (EFCC) involving allegations of corruption against its Acting Chairman, Ibrahim Magu, presents an interesting twist with regard to the fight against corruption. This shows that even the EFCC is not aloof corrupt practices and perhaps this is why despite the hullabaloo surrounding its activities over the years in Nigeria on the fight against corruption, very little has been achieved outside the pages of the newspapers. This is so because the country is dealing with symptoms and not keen on addressing the cause of the disease. However, this is easy to understand because in dealing with the cause of the disease, it means that even the ruling class would be affected because occupants of this class would also be required to swallow the same medicine in order to treat their sickening values that are so strongly enabled by a voracious appetite for

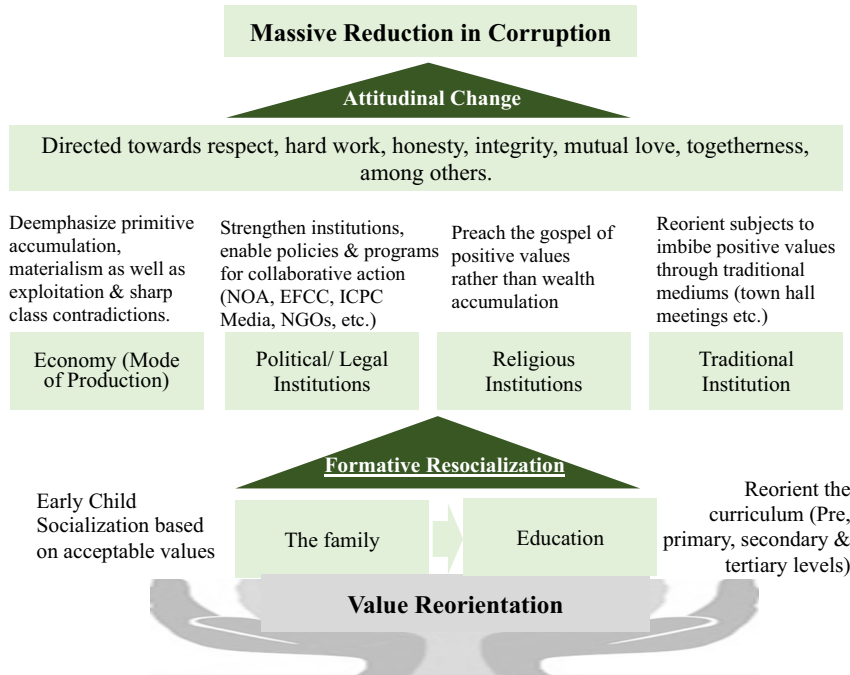
consumption and primitive accumulation. This is why value reorientation is indeed a timely medium to address the cankerworm of corruption in Nigeria.

### **Dealing with Corruption through Value Reorientation**

One of the immediate questions that our submissions or arguments above is likely to pose is that “can we go back to the pre-colonial system that we have so romanticized?” A system where in all sense of it, positive values defined the very soul and the existence of the various social cleavages that characterized that era in the history of Nigeria. While this can pass for a rhetorical question, we refuse to let it go by pointing out that in line with the proposition of Karl Marx, we may not be able to go back, as that society is irretrievably gone, but we can scientifically recreate it in the present time. However, if we want quick results then we are not telling ourselves the truth because it would definitely take some time to reverse the ugly trend of corruption through value reorientation. As Fagade (2017), puts it, the wheels of behavioural modification and or change moves slowly but surely and societies willing to take this path must learn from the developmental trajectory of toddlers.

In light of this, to address the problem of corruption through value reorientation, a deep-seated sense of enlightenment and education is required to reorient people towards the desired ways of behaving. This can only be done when the enabling political economy is equally overhauled in such a way that it dispenses a governance character that is less exploitative and divisive in nature. The model presented below represents a quick picture of the role of value reorientation in the fight against corruption.

**Fig. 2: The Value Reorientation Structure**



From the Figure above, it is easy to see that value reorientation requires institutional actions while targeting the individuals that make up these institutions. However, to enable a healthy re-socialization or reorientation, two distinctive institutions must be targeted as the social infrastructure to drive the formative process. These are the family and education institutions. The reason for this is that these institutions are saddled with the responsibility of providing baseline socialization for young ones in society and by virtue of this primary or formative role, it is necessary for all reorientation programmes and policies to focus on strengthening them. For as Imaga, (2004), has observed, in addition to reinventing the mode of production to be less exploitative, for any form of attitudinal change to occur, society must ensure that the family and education systems are strongly involved. As a result, through this formative socialization, young ones will imbibe good values and enter into the economic and political spaces with values that promote equity, justice, peace, integrity, honesty, love and good neighbourliness. Thus, corruption will become a marginal rather than a mainstream behaviour in Nigeria.

However, while the above may seem simplistic, it cannot happen in a society that is defined by primitive accumulation enabled through massive exploitation of the masses. That is perhaps why after the formative process of (re)socialization through the family and education institutions, the next logical thing is to reorder the economic system to disincentivize extreme materialism or primitive accumulation which is the main reason for sharp class contradictions with affluence on one end and extreme poverty on the other. Getting the economy right would ordinarily redefine the political space because the instrumentality of the state legitimizes the perpetration of exploitation by the ruling class. In return, the political and legal institutions acting in one accord will begin to drive policies and programmes that will activate justiciable as well as equitable actions by the institutions responsible to fight corruption in the country. Hence, agencies such as the National Orientation Agency (NOA); the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices Commission (ICPC) among others will function effectively following the direction of the reformed political and legal institutions. Similarly, religious and traditional leaders would have no choice but to align with the dominant ideology of the state to preach the right values to their subjects. The end result is that in all sectors of the Nigerian society, leaders and followers will become equally yoked in transmitting positive values and corrupt practices will be reduced to the rubbish heap of history.

Drawing from the above, it is easy to see that value reorientation has three mutually reinforcing roles to play. These are to; 1) retrace positive values, 2) reunite the people and 3) reorganize as well as refocus the society. With regard to the first role, a healthy reorientation programme in Nigeria can play the role of helping to retrace positive values especially those that defined the social relations of the various pre-colonial societies when corruption was almost non-existent. Thus, while in reality these societies are long gone, the values associated with them can be recalled and reinstated in the minds of the people. These values can be introduced into the curriculum of the education system at all levels so that young ones can internalize and grow with them. However, it is important to stress that this is only achievable if the current mode of production is re-engineered in such a way that the exploitative character of the ruling and propertied class is not as sharp and degrading as it is now. While we may not subscribe to the extreme socialist thoughts of Karl Marx, it is important that the ruling class ensures that the masses are not deliberately exploited in such a manner that widespread discontent continues.

The second role that value reorientation can play in the fight against corruption is that it can reunite the people. While this may seem like a joke, the progressive division of the country along ethnic and religious lines is a major enabler of corruption. This is because the various ethnic groups live together in mutual distrust with everyone seeing the Nigerian project as an avenue for aggrandizement. Ethnic and religious divisions significantly reduce national ideology and in its place, ethnic and personal ideology thrives with the consequence of looting as a way of taking from the national cake. This can change significantly through value reorientation programmes that educate citizens on national rather than ethno-religious ideology.

Lastly, value reorientation can play a role in fighting corruption by helping to reorganize the country. This is important in terms of the mode of production especially the peripheral nature that it has assumed since independence. Through a healthy value reorientation programme, the country's mode of production can be reoriented towards production rather than the consumption character that it currently assumes. In other words, value reorientation programmes should equally target the economic ideology of the country and educate leaders as well as citizens on the need to evolve a production philosophy that is necessary for a country specific industrial revolution to happen. If this is achieved, the economy will become largely accommodating with a strong chance of reducing unemployment and poverty which are considered the major drivers of corruption in Nigeria.

### **Conclusion**

The need for value reorientation as a way of dealing with corruption in Nigeria is no longer a luxury but a social necessity if the country is to redeem its image in the global environment. In this paper, we have shown that in order to achieve this, there is the need to reorient the country towards imbibing the values that underpinned the social relations of the various pre-colonial societies. While it is arguable that these societies are irretrievably gone, the values that ensured minimal corruption at the time can be instilled in the minds of modern day Nigerian citizens through the family and education institutions. It is also the position of this paper, that a good value reorientation programme can go a long way to play the roles of retracing good values, reuniting as well as reorganizing the country. However, it is important to mention that this can only be achieved if the current rate of exploitation of the masses by the ruling class is reduced to the barest minimum and if a production-oriented ideology is cultivated as a way of increasing the chances of employment and poverty reduction in the country.

**Recommendation**

Based on the submissions of this paper, the following recommendations have been suggested to help in fighting corruption through a healthy value reorientation programme. Hence, the value reorientation programme should ensure:

- i. Reduction in class exploitation:** Since any meaningful value reorientation programme must come from the government of the day, it is important for them to imbibe the current administration's slogan of "change begins with me", only this time it should be structural rather than individual. In other words, there must be deliberate attempt by the government to ensure that the level of primitive accumulation by the ruling class is reduced to the barest minimum. This can actually be done if the ruling class is truly committed to fighting corruption.
- ii. Production oriented policies:** While we cannot say that the government is not doing its best in terms of growing the economy, it is important to mention that progress is disastrously slow and not clearly oriented towards speeding up the country's specific industrial revolution. Without this, value reorientation would become a myth especially because we cannot be talking of fighting corruption when people are unemployed and hungry.
- iii. Ethnic and religious unity:** Ethnic and religious divisions have a way of fueling corruption. When people are loyal to their ethnic enclaves, they tend to undermine the nation and one way to do this is to loot the national treasury. Value reorientation programmes should also be targeted at reducing the current state of ethnic division in the country and this can be done through the education of people as well as the establishment of laws that criminalizes such behaviours with commensurate sanctions or punishments.

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Chapter - 9

## Effect of Adoption of International Financial Reporting Standards (IFRS) on Financial Ratios of Deposit Money Banks in Nigeria

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### Abstract

Most studies on International Financial Reporting Standards (IFRS) concentrated on IFRSs as a financial reporting issue. But compliance to International Financial Reporting Standards (IFRS) is crucial as they ensure conformity and quality in the financial reports presented to the public and various stakeholders. This study examined the effect of adoption with IFRS on the financial ratios of Deposit Money Banks (DMBs) in Nigeria. The financial ratios selected in this study were Return on Capital Employed (ROCE), Earnings per Share (EPS) and Earnings before interest and Tax (EBIT). The study time-frame covered a period of eight (5) Years (2015 to 2019). The study employed an expo-factor research design. Findings were made that adoption of IFRS have significant effect on ROCE, EPS, EBIT of Deposit Money Banks in Nigeria. Recommendations were made that DMBs should be encourage through moral suasion by the Financial Reporting Council of Nigeria (FRCN) to disclose their historical financial ratios like ROC), EPS and EBIT pre and post IFRS adoption. In order to inform interested users clearly on the effect of IFRS adoption on their financial ratios.

**Keywords:** *IFRS, Adoption, Financial Ratios, ROCE, EPS, EBIT, DMBs.*

**Background to the Study**

The preparation and presentation of financial reports across the globe are guided by a set of standards and these standards are crucial as they ensure conformity and quality in the financial reports presented to the public and various stakeholders. In the opinion of Katselas and Rosov (2018) financial Reporting standards are a set of guidelines and rules that preparers of financial statements ought to abide by when preparing an entity's accounts. Therefore, to ensure its usefulness, financial information should not only be of high quality, transparent, widely understood and consistent, but also be comparable so that investment decisions by various stakeholders are made from an informed standpoint (Shil, 2009; Ikpefan and Akande, 2012).

In view of the foregoing and in response to global demands for improved financial information comparability, transparency, Relevance and faithful representation to attract investors in making their investment decisions, IFRS was officially adopted in across the globe and domesticated in Nigeria as a basis for financial reporting by all companies operating in January, 2012. Specifically, all companies listed on the Nigerian Stock Exchange (NSE) were required to prepare their financial statements according to IFRS. In relation to the former, Deposits Money Banks (DMBs) listed on Nigerian stock exchange (NSE) all adopted IFRS. Hence, evidence from existing literature reveals that there are quite a number of researches conducted on IFRS adoption in Nigeria but none existed which examined the effect of IFRS adoption on financial ratios, especially in the banking sector. To fill this literature gap, this paper examined the effect of IFRS adoption on financial ratios of Deposits Money Banks (DMBs) listed on the Nigerian stock exchange (NSE).

The banking sector plays an important role in the growth and development of the economy of any nation. It also signifies the driving force of any economy, thus it is responsible for the provision of funds to other productive industries of the Nigerian economy, and therefore it is significant to the development and growth of other economic sectors. Hence, it is important for researchers and policy makers to conduct researches relating to financial ratios or rather financial performance of DMBs in Nigeria. This would go a long way in providing managers and investors with the necessary information in making vital decisions such that the subject matter of IFRS cannot be overstretched (Sunusi, 2012).

### **Objective and Hypothesis of the Study**

This study examined the effect of IFRS adoption on financial ratios like ROCE, EPS and EBIT of Deposit Money Banks (DMBs) in Nigeria. In line with the research objectives, the following null hypotheses were developed to guide the study:

Ho1: Adoption of IFRS has no significant effect on Return on Capital Employed (ROCE) of DMBs in Nigeria.

HO2: Adoption of IFRS has no significant impact on Earnings per Share (EPS) of DMBs in Nigeria.

HO3: Adoption of IFRS has no significant impact on Earnings before Interest and Tax (EBIT) of DMBs in Nigeria.

Hence, the scope of the study covered a period of Five (5) years (thus, from 2015-2019).

### **Conceptual Review**

This section provides conceptual framework related to adoption of International Financial Reporting Standard and Financial ratios. It covered concepts like main characteristics of IFRS, adoption of IFRS, concept of financial ratios, measurement of financial ratios, concept of earnings per share, concept of return on capital, concept of earnings before interest and tax and so on. A review of prior studies were also made including the work of Katselas and Rosov (2018), Shil, 2009; Ikpefan and Akande (2012), Barclay (2019), Zeff (2012), Isenmila & Adeyemo (2013), Jacqueline (2015), Chen (2019), Sani and Dauda (2014), Akinleye (2016), Umobong and Ibanichuka (2016), Abata (2015), Kingsley, Dadson, Kwame & Christian (2017), Abdulkadir (2007), Beke (2011), Hen (2010) and so on.

### **Concept of IFRS**

International Financial Reporting Standards (IFRS) set common rules so that financial statements can be consistent, Uniformity, transparent and comparable around the world. IFRS are issued by the International Accounting Standards Board (IASB). They specify how companies must maintain and report their accounts, defining types of transactions and other events with financial impact. IFRS were established to create a common accounting language, so that businesses and their financial statements can be consistent and reliable from company to company and country to country. IFRS are designed to bring consistency to accounting language, practices and statements, and to help businesses and investors make educated financial analyses and decisions. The IFRS Foundation

sets the standards to “bring transparency, accountability and efficiency to financial markets around the world... fostering trust, growth and long-term financial stability in the global economy.” Companies benefit from the IFRS because investors are more likely to put money into a company if the company's business practices are transparent (Barclay, 2019). In 2001, the IASC was reorganized into the International Accounting Standards Board (IASB) with the objective to take over the responsibility of developing global standards and related interpretations that are now collectively known as International Financial Reporting Standards (IFRS) (Zeff, 2012; Isenmila and Adeyemo, 2013).

### **Main Characteristics of IFRS**

IFRS, which is designed to improve the comparability of financial statement across nations, is a principle-based set of accounting standard. One of the goals of the IASB is to develop high quality international accounting standards that will be easily understandable and enhance transparency in financial reporting globally (IASB, 2010). The main characteristics of IFRS include a principle based approach, fair value, the concept of comprehensive income, and the entity theory underlying consolidation.

### **Adoption of IFRS**

Jacqueline, (2015) opined that Compliance is either a state of being in accordance with established guidelines or specifications, or the process of becoming so. Software, for example, may be developed in compliance with specifications created by a standards body, and then deployed by user organizations in compliance with a vendor's licensing agreement. Compliance with is synonymous with adoption of (Ball 2011). Therefore, the issue of compliance with IFRS is a semantic of adoption of IFRS. In this paper, the two (2) concepts will be used interchangeably and construed to mean the same thing. The issue of adoption of IFRS is becoming more important policy in debate of both developed and developing countries, whereas research is well documented in the former. Put differently, studies on adoption of IFRS in developing economies are at its infancy. Put simply, evidence on the level and determinants of compliance of IFRS in Ghana remains scant despite its adoption of IFRS close to ten (10) years ago.

### **Concept of Financial Ratios**

Financial ratios are instruments of measuring performance. While financial performance is a broad concept, financial ratio is a more specific concept involved in measuring the results of a firm's policies and operations in monetary terms.

These results are reflected in the firm's value added concepts like return on investment (ROI), return on assets (ROA), return on capital employed (ROCE), return on total assets (ROTA), return on fixed assets (ROFA), return on current assets (ROCA), earnings per share (EPS), market price per share (MPS), earnings before interest and tax (EBIT), and so on. Financial analysis is therefore, the process of identifying the financial strengths and weaknesses of a firm by properly establishing relationship between the items of the balance Sheet, the profit and loss account and cash flows in form of ratios (Abdulkadir, 2007). Financial performance ratios relate to the measuring operating efficiency of the Deposit Money Banks.

### Measurements of Financial Ratios

There are several measurements of financial ratios which are all significant indicators in running a growing business. Measurements of financial ratios are simply measurements of a firm's capacity to make a profit, i.e. generate revenue that exceeds your overall expenditure (all costs, taxes and expenses). The measurements considered for the purpose of this study are return on capital employed (ROCE), earnings per share (EPS) and earnings before interest and tax (EBIT) respectively which will be explain in details below:

- a. **Return on capital employed (ROCE):** The return on capital employed (ROCE) is a conception of the accounting rate of return (ARR) technique which is also known a return on investment (ROI). It uses accounting information provided by the financial statements to measure the profitability of an investment. It is calculated by dividing the average after-tax profit by the average book value of the investment during its life.
- b. **Earnings per share (EPS):** Chen (2019) referred to Earnings per share is an important financial measure, which indicates the profitability of a company. It is calculated by dividing the company's net income with its total number of outstanding shares. It is a tool that market participants use frequently to gauge the profitability of a company before buying its shares. EPS is the portion of a company's profit that is allocated to every individual share of the stock. It is a term that is of much importance to investors and people who trade in the stock market. The higher the earnings per share of a company, the better is its profitability. While calculating the EPS, it is advisable to use the weighted ratio, as the number of shares outstanding can change over time, In the light of this, the higher the firm's EPS, the higher market adjusted return and abnormal return that can be resulted by firm's stock, because a higher EPS means higher

profit obtained from every dollar price earned by the firm. Investors/shareholders consider current earnings, future earnings, and earnings stability are important, thus they focus their analysis on firm's profitability.

- c. **Earnings before Interest and Tax (EBIT):** According to Murphy (2019), Earnings before interest and taxes is an indicator of a company's profitability. One can calculate it as revenue minus expenses, excluding tax and interest. EBIT is also referred to as operating earnings, operating profit and profit before interest and taxes. In accounting and finance, earnings before interest and taxes (EBIT) is a measure of a firm's profit that includes all incomes and expenses (operating and non-operating) except interest expenses and income tax expenses. Operating income and operating profit are sometimes used as a synonym for EBIT when a firm does not have non-operating income and non-operating expenses. EBIT can be measured using the formula explained below:

Formula for calculating (EBIT) is Operating income = operating revenue – operating expenses (OPEX) = EBIT – non-operating profit + non-operating expenses. The EBIT formula is calculated by subtracting cost of goods sold and operating expenses from total revenue. This formula is considered the direct method because it adjusts total revenues for the associated expenses.

### **Empirical Review**

This section is broadly classified into two: prior studies related to adoption of IFRS and those related to financial ratios of Deposits Money Banks (DMBs) in Nigeria. Empirical reviews related to adoption of IFRS included the studies of Chen (2019), Sani and Dauda (2014), Akinleye (2016), Umobong and Ibanichuka (2016), Abata (2015), Kingsley, Dadson, Kwame and Christian (2017), etc.

### **Empirical Studies Related to Adoption of IFRS**

Sani and Dauda (2014) Assessed adoption of IFRS Framework at First-Time Adoption by the Quoted Banks in Nigeria, Using ex-post facto and survey research designs, the study sourced data from structured questionnaire and audited financial reports of the sampled commercial banks in Nigeria using qualitative grading system (QGS) to test the degree of compliance of the banks while Multivariate regression and Chi-square test were used in measuring the

effect of the factors responsible of such compliance and identified probable difficulties in the process respectively. The study concluded that, Nigerian banking industry complied (semi-strongly) with the requirements of IFRS-framework but, the exercise is still faced with some challenges which include: lack of in-depth IFRS knowledge from the preparers of the financial reports. Also, Akinleye (2016) examined the effect of financial reporting standards on financial performance of the Nigerian Deposit Money Banks (DMBs). The study collected data was analyzed using multiple regression analysis and ANOVA. Findings were made that positive relationship exists between the IFRS and disclosure compliance level. Similarly, Umobong and Ibanichuka (2016) on their own part examined Implementation of IFRS and Firms Financial Performance in Nigeria, using Secondary data obtained from Nigeria stock exchange for the period 2006 to 2014 and made findings that IFRS failed to prevent bloated earnings. Abata (2015), Evaluates the impact of IFRS on Financial Reporting Practices with focus on the Nigerian Banking Sector. Findings revealed that the quantitative differences in the financial reports prepared under the Nigerian GAAP and IAS/IFRS are statistically significant. The study therefore concludes that IFRS have impacted on financial reporting in the Nigerian Banking sector. Kingsley, Dadson, Kwame and Christian (2017) aimed at examining the association between five firm-specific characteristics and the level of adoption of International Financial Reporting Standards (IFRS) by companies listed on Ghana Stock Exchange. The five firm-specific characteristics used in that study are firm size, profitability, leverage, auditor type and firm age. Finding revealed a positive significant relationship between the level of compliance and firm size, auditor type, cross-listing and sector (information and communications technology (ICT) and agro-forestry).

#### **Empirical Studies Related to Financial Ratios**

Empirical reviews related to financial ratios included the studies of Abdu, (2018), Bayaraa (2017), David and Joy (2016), Isenmila and Adeyemo (2013), Jacqueline (2015), Abdulkadir (2007), Beke (2011), Hen (2010) and so on. Abdu, (2018) studied financial ratios as determinants of the Financial Performance of Private Commercial Banks in Ethiopia: Bank Specific Factors Analysis with a specific objectives to investigate the bank specific factors which can affect the Financial performance of private commercial banks in Ethiopia. The study used descriptive statistic, Pearson Correlation Coefficient and Multiple Linear Regression. The results indicated that capital adequacy, management efficiency and size of banks have positive and statistically significant effect on financial performance of private commercial banks of Ethiopia measured by ROA, ROE and NIM. David and Joy

(2016) on their own part studied Capital Adequacy and Financial Performance of Banks in Nigeria by applying the feasible GLS estimator technique on the pooled panel model for the period of 2007 to 2015. The result indicates that the deposit money banks might not be able to fulfill liabilities and risk.

Bayaraa, (2017) examine the ratios that can determine financial performance of Mongolian companies which are divided into 6 major sectors to increase their competitiveness. Financial statements of those companies from Mongolian Stock Exchange (MSE) are evaluated by panel regression covering the period of 2012-2015. Return on Assets (ROA), Return on Equity (ROE), and Return on Sales (ROS) are chosen as performance indicators. The panel regression results show that ROA has more determinants than ROE and ROS, such as earnings per share, return on costs have positive impacts, while short-term debts to total assets ratio and cost to revenue ratio have negative impacts. It can therefore be deduced from the prior studies examined above that no study, especially in Nigeria related the effect of adoption of IFRS on financial ratios of DMBs in Nigeria.

### **Theoretical Review**

Two theories (the Agency and Signaling theory) were reviewed as they affect the adoption of IFRS on the financial ratios as major determinants of Deposit Money Banks in Nigeria.

#### **Agency Theory**

From the view point of agency theory dominates the management literature on compliance of IFRS requirements (Hossain et al., 1995). La Porta, (2000) underscored the agency problem in both developed and developing economies, stressing that the agency conflict between managers and shareholders is more profound in the latter because of the weak capital markets, information asymmetry, lack of adequate infrastructure, the reliance on debt finance and ineffective legal system (Ahunwan, 2002; Rabelo and Vasconcelos, 2002). Accordingly, agency scholars among others suggest increased adoption of IFRS requirements as one of the means to improve transparency and disclosures (Reed, 2002). Therefore, Nigerian banks are thoroughly working toward aligned and harmonizing their operations with their counterpart across the globe. This is necessary because, the Nigerian banks cannot operate in isolation and for the fact that, many players in the industry are either subsidiary with parent abroad or do have operations across the continent and beyond. In this vein, Agency theory has a direct nexus with this research study because, in the study, adoption of



international financial reporting standard presents an ample opportunity to apply positive agency theory

### **The Signaling Theory**

The signaling theory underpins that investors cannot distinguish between high-quality firms and low-quality firms with imperfect information. Hence, high-quality firms choose to underprice their new issues in order to signal their true value. According to Allen and Faulhaber (1989), high-quality firms trade off the loss from underpricing for better valuation by the market when they subsequently reveal their quality through earnings and dividend announcements. Beke (2011) maintains that signaling is a general phenomenon applicable in any market with information asymmetry. Meaning, corporations are keen to signal any news to the market to avoid undervaluation of their shares. The theory therefore, shows that information asymmetry can be reduced by the company with more information signaling to the market. It predicts that mandatory adoption of IFRS will impact profitable companies which will be interested in improving their financial performance in order to justify the level of their profits and to signal their strong financial position to the investors. Therefore, signaling theory is as well connected to the study because there are several determinants of financial performance used by signaling theory and agency theory.

In conclusion, this study posits that the agency theory is more appropriate in a research of this nature. According to the agency theoretical perspective, the agency relationship between shareholders (principal) and manager (agent) is dissatisfied by conflict. The agency problem arises primarily from the principal's desire to maximize shareholders wealth and the self- interested agent attempts to expropriate funds. Hence, based on this theory, DMBs adoption of IFRS will improve their financial performance ratios, while adoption of IFRS will lead to inefficiency in their financial performance.

### **Methods and Materials Used**

An expo-facto research design was adopted for this study because it examined the relationship between adoption of IFRS and the financial ratios of Deposit Money Banks in Nigeria. The necessity of this design is due to the fact this study utilized data collected from secondary source. Therefore; by ex-post factor design, it means a form of non-survey research design involving content analysis which was carried out in analyzing the data generated from secondary source.

### Population of the Study

The population of this study consists of all twenty One 21 Deposit Money Banks listed on the Nigerian Stock Exchange (NSE) as contained in the NSE fact book of 2018. (Proshare 2018)

### Sample Technique and Sample Size

A purposive sampling technique was adopted in selecting the sampled banks. Purposive sampling was adopted because of the needs to select five (5) banks at random, which are listed on the Nigerian stock exchange with minimum of five (5) year's annual financial reports from 2015 to 2019. The sample size of the study is presented on table 1 below:

**Table 1:** Sample Size of the Study

| S/NO | NAME OF BANK                 | YEAR OF INCORPORATION | YEAR OF LISTING |
|------|------------------------------|-----------------------|-----------------|
| 1    | Access Bank                  | 1989                  | 1998            |
| 2    | First Bank Plc               | 1894                  | 1971            |
| 3    | Guaranty Trust Bank (GTB)    | 1990                  | 2007            |
| 4    | United Bank for Africa (UBA) | 1949                  | 1970            |
| 5    | Zenith Bank                  | 1990                  | No date         |

**Source:** Sampled from N.S.E Fact book (2019)

### Variables of the Study and their Measurements

In examining effect of adoption of IFRS on the financial ratios of Deposit Money Bank in Nigeria using return on capital employed (ROCE), earning per share (EPS) and earnings before interest and tax (EBIT). The means by which the various variables adopted in this study are measured or computed are shown in Table 2

**Table 2:** Variables of the Study and their Measurement

| Variable                       | Category    | Abbreviation | Measurement   |
|--------------------------------|-------------|--------------|---|
| <b>Financial Ratios</b>        | Dependent   | <b>FR</b>    | Ratio Analysis  |
| Return on Capital Employed     | Dependent   | ROCE         | PBIT/ Capital Employed×100  |
| Earnings Per Share             | Dependent   | EPS          | Profit attributable to equity holders / No. of outstanding shares |
| Earnings before Interest & Tax | Dependent   | EBIT         | Sales – Cost of Sales   |
| <b>Adoption of IFRS</b>        | Independent | Ao.IFRS      | Assessment of level of Compliance                                 |

**Source:** Generated by the Researcher from Empirical Literature

## Results and Discussion

This section provided a descriptive statistical analysis of the data generated on the dependent and independent variables of the study. It also provided the logistics regression results and the test of hypothesis.

### Descriptive Statistical Analysis

The descriptive statistical analysis of the data generated on the dependent and independent variables of the study were presented in form of mean, minimum and maximum. Thus, table 3 presents the descriptive statistics of the variables (earning per share, return on capital employed and earnings before interest and tax) of the study.

**Table 3:** Descriptive Statistics of the Variables (After Adoption of IFRS)

| Variable | Obs | Mean     | Std. Dev. | Min.      | Max.     |
|----------|-----|----------|-----------|-----------|----------|
| EPS      | 20  | 2.240204 | 2.002892  | 0.120824  | 5.671528 |
| ROCE     | 20  | 2.480819 | 1.657162  | -0.258465 | 6.153675 |
| EBIT     | 20  | 96225.45 | 1.492382  | -478136   | 192107   |

**Source:** Computed by the Author from Annual Reports of the Sampled Companies (2015-2019) using STATA 12.0

It can be deduced from table 3 that the earnings per share have a mean of 2.240204. This explains the average earning per share of the sampled banks after the adoption of IFRS is 2.240204. The minimum number earnings per share is 0.120824 and the maximum earnings per share after adoption of IFRS is 5.671528. The ROCE has a mean of 2.480819 after adoption. This implies that on average, on average, the sampled banks have approximately 2 as their return on capital employed after the adoption of IFRS. The minimum ROCE is -0.258465 and the maximum ROCE is 6.153675. The earnings before interest and tax have a mean of 96225.45 million naira after the adoption of IFRS. And the minimum and maximum earnings after the adoption of IFRS interest and tax is -478136 and 1921707.

**Logistic Regression Results****Table 4:** Logistic Result

| Predictor | $\beta$ | SE $\beta$ | Wald's<br>$\chi^2$ | Df | P     | $e^{\beta}$<br>(odds Ratio) |
|-----------|---------|------------|--------------------|----|-------|-----------------------------|
| Constant  | -0.444  | 0.449      | 0.092              | 1  | 0.762 | 1.146                       |
| EPS       | 0.136   | 0.445      | 5.009              | 1  | 0.025 | 0.369                       |
| ROCE      | -0.996  | 0.000      | 3.028              | 1  | 0.082 | 1.000                       |
| EBIT      | 0.000   | 0.767      | 0.335              | 1  | 0.563 | 0.642                       |

**Source:** Computed by the Author from Overall Model Evaluation Test

-2likelihood = 46.324; Cox & Snell R-square = 0.204; Nagelkerke R-square = 0.272;

According to the model as presented in table 5, the log of odd of a sampled bank being complied to international financial reporting standard is positively related to its earnings per share and earning before interest and tax and negatively related to return on capital employed. In others words, the higher the bank complied to international financial reporting standard, the higher its earning per share and earnings before interest and tax and the the less likely the returned on capital employed. The odd of the sampled bank's earning per share after adoption of international financial reporting standard was 0.369 times greater than the odd for sampled bank's earning per share before adoption. Simialarly, the odd of the sampled bank's return on capital employed after adoption of international financial reporting standard was 1.000 times greater than the odd for sampled bank's return on capital employed before adoption. Lastly, the odd of the sampled bank's earnings before interest and tax after adoption of international financial reporting standard was 0.642 times greater than the odd for sampled bank's earning before interest and tax before adoption.

The overall model evaluation (Cox & Snell R-square = 0.204; Nagelkerke R-square = 0.272) indicates that the independent variable explained up to 20.4% and 27.2% of the variation in the dependence variables as captured in the model. The p-value for EPS is less than 0.05 which indicates significance relationship. However, the p-value for ROCE and EBIT is greater than 0.05 which indicates insignificance relationship.

**Test of Hypotheses**

**H<sub>01</sub>:** Adoption of IFRS has no significant effect on return on capital employed (ROCE) of DMBs in Nigeria. The p-value for ROCE is 0.082 which is greater than 0.05. This provides enough evidence of rejecting the null hypothesis. Hence, it was

concluded that Adoption of IFRS has positive and insignificant effect on ROCE of DMBs in Nigeria.

**HO2:** Adoption of IFRS has no significant effect on EPS of DMBs in Nigeria. The null hypothesis which states that Adoption of IFRS has no significant effect on EPS of DMBs in Nigeria is rejected in favour of the alternative hypothesis ( $p$ -value  $< 0.05$ ). Hence, it can be concluded that Adoption of IFRS has positive impact on the EPS of the sampled banks.

**HO3:** Adoption of IFRS has no significant effect on earnings before interest and tax (EBIT) of DMBs in Nigeria. The  $p$ -value for EBIT of DMBs in Nigeria is 0.563 which is greater than 0.05. This implies that the null hypothesis which state that Adoption of IFRS has no significant effect on EBIT of DMBs in Nigeria is accepted.

### **Discussion of Results**

The result of the ogistics regression result indicates that the log of odd of a sampled bank being complied to international financial reporting standard is positively and significantly related to its earnings per share. This finding is consistence with previous study by Hen (2010) who find out that firms' motivation for compliance to IFRS in developed economies may be anticipated through demands of investors, government policies, professionalism and globalization of stock.

The logistic regression result indicates that the log of odd of a sampled bank being complied to international financial reporting standard is negatively and insignificantly related to its return on capital employed such that the higher the compliance, the less the return on capital employed.

Lastly the study revealed that the log of odd of a sampled bank being complied to international financial reporting standard is positively and insignificantly related to its earnings before interest and tax. This implies that the higher the banks compliance to international financial reporting standard the higher its earnings before interest and tax.

### **Conclusion**

Drawing from the test of hypothesis in achievement of the specific objectives, this study concludes that:

- i. Return on capital employed (ROCE) of DMBs in Nigeria is positively and significantly influenced by adoption of IFRS. Arising from the results, adoption of international financial reporting standard is positively and significantly related to return on capital employed of the sampled banks.
- ii. Earnings Per Share (EPS) of DMBs in Nigeria is significantly affected by adoption of IFRS. Arising from the result that adoption of international financial reporting standard is positively and significantly related to earnings per share of the sampled banks;
- iii. Adoption of IFRS does not significantly affect Earnings before interest and tax (EBIT) of DMBs in Nigeria. The results of the study revealed that international financial reporting standard is negatively and insignificantly related to its earnings before interest and tax of then sampled banks.

### **Recommendations**

Based on the findings of the study, the following recommendations were put forward:

- i. That Deposit Money Banks (DMBs) in Nigeria should be encouraged through moral suasion by regulatory agencies like the Financial Reporting Council of Nigeria (FRCN) and the Securities and Exchange Commission to make full information disclosure relating to the effect of adoption of IFRS on financial ratios like Return on capital employed (ROCE). This would go along way in aiding existing and potential investors to make sound investment decisions.
- ii. That the efforts of the Deposit Money Banks (DMBs) should be sustained in adopting the IFRS, which will go a long way in improving financial ratios like Earnings Per Share (EPS), which is significantly affected by the adoption of IFRS. This should be sustained by employing competent and certified IFRS Compliant Reporting Accountants in their Final Accounts units for the preparation and publication of their annual financial statements.
- iii. More competent and certified IFRS Compliant Reporting Accountants should be employed by Deposit Money Banks (DMBs) in Nigeria in order to improve upon the adoption of IFRS such that its adoption may significantly affect Earnings before interest and tax (EBIT).

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Chapter - 10

**Humanitarian Action, Non-governmental  
Organization and Protection against  
Malnutrition and Poor Immunization  
among Women and Children in North West  
Nigeria**

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**Abstract**

**T**he study examined humanitarian action, non-governmental organization and protection against malnutrition and poor immunization among women and children in North West. Nigeria humanitarian access remains limited and the situation remains critical in both the newly accessible and still inaccessible areas due to the deepening food insecurity, nutrition crisis, polio and measles outbreak. North West Nigeria reported to have a high fatality rate being women resulting from the current pandemic (COVID 19). However, the massive nature of security challenges and access constraints into those affected states, Zangare, Sokoto, Katsina, and other closed communities have led to a number of immunization problems and malnutrition among women. 4.2 million women including children are in need of humanitarian assistance in North Western Nigeria. The study adopted a conceptual approach, data were triggered through secondary information such information were, journals from UNICEF, books, internets, newspapers, magazines, and other related non-formal participations of the respondents and many more second hand information related to the subject

matter. The study revealed that despite the widespread of insecurity and challenging operating conditions, in 2017 the United Nations Children International Fund (UNICEF) in Nigeria continued to scale-up the delivery of basic social services. The study identified that some cultural, religious, environmental, traditional and patriarchy ideology remained one of the fundamental challenges that hindered child protection in respect of immunization and malnutrition of children in North West, Nigeria. Finally, the study recommends ensuring adequate strategies and methods that could be employed in transforming the lives of children in Nigeria.

**Keywords:** *Humanitarian Action, Non-governmental Organization, Child Protection, Malnutrition & Immunization.*

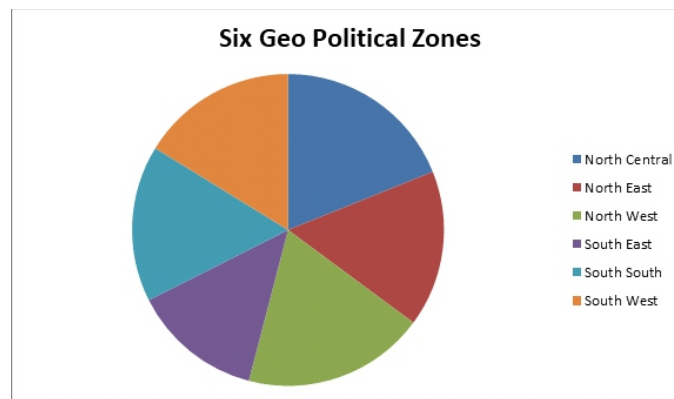
### **Background of the Study**

In 2018, National Nutrition and Health Survey (NNHS) was conducted by the National Bureau of Statistics (NBS) in collaboration with the National Population Commission (NPC) and the Nigeria Federal Ministry of Health, financial support was provided by the Government of Nigeria, United Nations Children Fund (UNICEF), United States Agency for International Development (USAID) and Department for International Development (DFID), technical support was provided by UNICEF and the Government of Nigeria through NBS, ensuring adequate funding of and improved sustainable social development among children in Nigeria. However, a number of developmental efforts were established by UNICEF in all areas particularly in the area of immunization and malnutrition. The position of the researcher have understood that women in the North West Nigeria have seriously engaged in serious social problems that have led them to develop weak mindsets among men counterpart, however, sexual abuse, human trafficking, women abuse on hawking, cultural domination, religious domination, traditional domination and patriarchy mindset have killed the moral of women and established poor economic and political standards in the society.

UNICEF has conducted several empirical researches concerning malnutrition among women and weak guidelines to enable women have access to immunization in Nigeria (National Bureau of Statistic, 2018). Virtually, UNICEF in partnership with other non-governmental organization have contributed a lot to the fight for women to have access to immunization and other related social and health benefits. Increasingly, the review has explained why UNICEF had

contributed significantly in the fight against malnutrition and immunization in North Western Nigeria. Nigeria as a nation has six geo-political zones South East - Anambra, Enugu, Ebonyi, Imo and Abia. South South – Edo, Delta, Rivers, Bayelsa, Cross-River and Akwa-Ibom. South West - Lagos, Ogun, Oyo, Osun, Ondo and Ekiti. North Central -Kwara, Kogi, Plateau, Nassarawa, Benue, Niger and F.C.T. North East - Taraba, Adamawa, Borno, Yobe, Bauchi and Gombe. North West - Sokoto, Zamfara, Kebbi, Kaduna, Katsina, Kano and Jigawa.

**Fig. 1**



**Source:** Reviewed Work, 2020

The above chart indicates the six geopolitical zones in Nigeria and the number of state each occupies. South East Anambra, Enugu, Ebonyi, Imo and Abia South South Edo, Delta, Rivers, Bayelsa, Cross-River and Akwa-Ibom South West Lagos, Ogun, Oyo, Osun, Ondo and Ekiti North Central Kwara, Kogi, Plateau, Nasarawa, Benue, Niger and F.C.T North East Taraba, Adamawa, Borno, Yobe, Bauchi and Gombe North West Sokoto, Zamfara, Kebbi, Kaduna, Katsina, Kano and Jigawa.

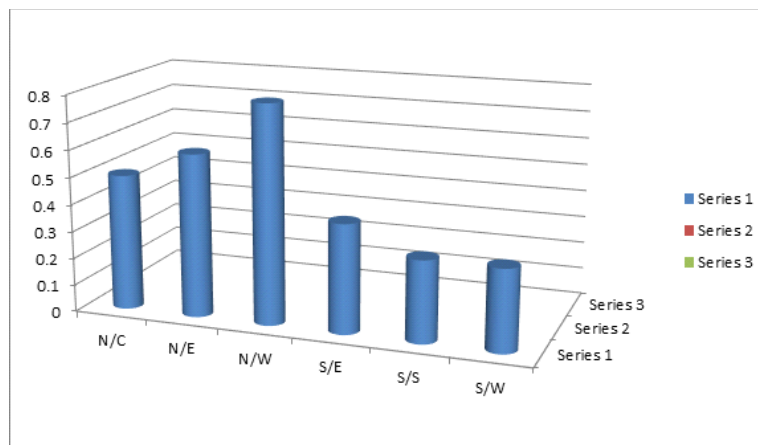
**Statement of the Study Problem**

It is a paradox that Nigeria is a rich country inhabited by the poor and accounts for the highest percentage of children with malnutrition and poor immunization in Africa such has been a result of conflict and generalized violence. The increasing spread of nefarious activities of the Boko Haram sect, armed bandit, kidnapping and the destruction of lives and property is a serious issue that could not be dismissed with instant hand. In the last few years, the security situation in the

country has worsened. Bombing, killing, mass murder, abduction, kidnapping and other crimes against humanity are on the increase in Nigeria as a result of communal violence, natural disaster, internal armed conflicts, border conflicts, ethno-religious conflicts and terrorist attacks (Isah, 2015).

However, apart from those natural and manmade disasters a number of issues have resulted in children low turnout for immunization and ineffective nutrition given to children in Nigeria. In order to confront those challenges faced by children particularly in the North West geo-political zone, various humanitarian measures have been introduced by the Federal Government through the establishment of National Emergency Management Agencies (NEMA), (UNICEF) at the federal and state levels with the support of international organizations of development strategies in humanities.

**Fig. 2**



**Source:** Reviewed Work, 2020

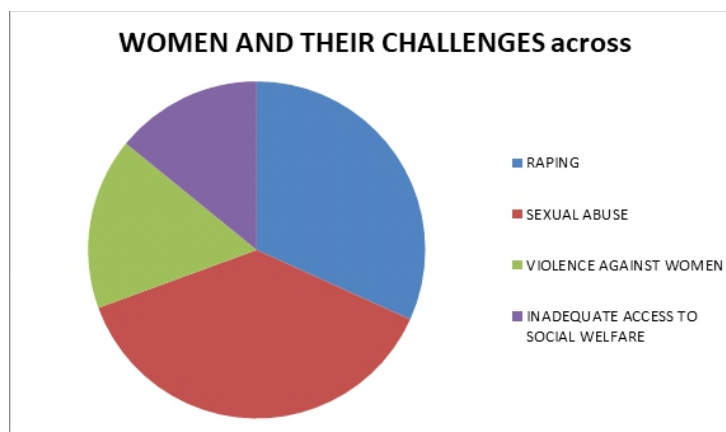
The above table shows six geo political zones and their pattern of immunization exposure have indicated that North West has the highest number of children who suffered due to lack of immunization and poor nutrition, it was also demonstrated that, North East has the second largest number of children who seriously suffer due to poor immunization and malnutrition. Similarly, North Central occupied the second phase while South East pulled in to be the fourth, South South and South West respectively, fall within the similar ranged.

### Objectives of the Study

The study shall identify the role of UNICEF in protecting the lives of women in Nigeria and North West in particular. The study shall examine the fundamental contributions of some agencies in humanitarian assistance to children in North West, Nigeria. The study shall highlight some challenges confronted by UNICEF in the fight against immunization and malnutrition in Nigeria and North West in particular and the study shall recommend ways to re-strategise the agency (UNICEF) in the fight against these myths.

### Literature Review / Global Perspectives on Women Protection

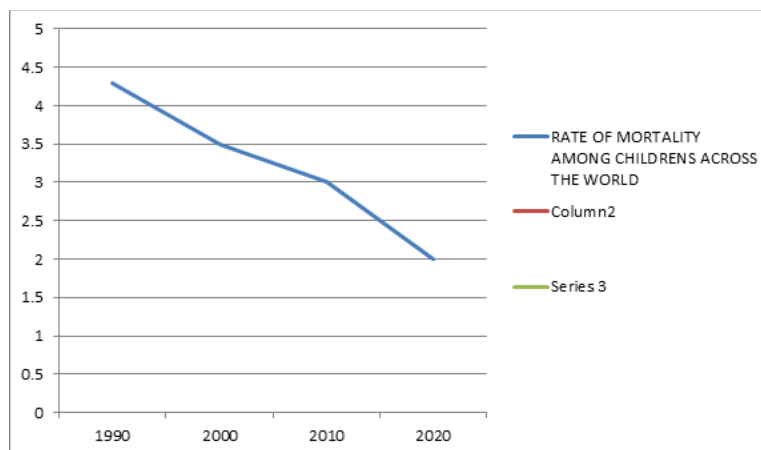
**Fig. 3**



**Source:** Reviewed Work, 2020

It was understood that women all over the world face several social and political challenges particularly, children. Virtually, more women's death resulted from mortality in Nigeria particularly, in the north western part while mortality among younger aged resulted from early marriage and economic burden. Many women have been victimized in one way or the other as a result of the conflicts and other natural disasters occurring in their locality. From 1990-2015 the rate of mortalities among children have triggered a number of non-governmental organizations particularly, UNICEF in fighting against hunger and poor immunization across the world. Example is given below;

Fig. 4



**Source:** Reviewed Work, 2020

The above table indicated that the rate of mortality among children and women in the north east from 1990 to 2020 was a movement from bad to good. However, it was a beautiful transition that showed that non-governmental organizations, particularly UNICEF and WHO have rendered selfless services to humanity, particularly children across the world, it was understood that in 1990 the rates of mortality among women and children was high due to some contained fundamental issues. According to WHO, 2011 children at this period were at risk due to lack of education on the issues of immunization and pregnant women were in danger at the course of pregnancy. United States and other European countries have far developed and restored child right act that could enable all children to have fundamental human rights and access to free healthcare services and other social services that could improve their social and health being in the society. Virtually, in African societies where development is moving very slow, children were more prompt to be at risk in terms of provision of fundamental social services and could harm their lives. Example, in Democratic Republic of Congo, Mali, Somalia, Burundi, and many more African nations that were exposed to war and instability, children were exposed to several challenges that could result to several dead from lack of immunization and malnutrition. However, in Nigeria several reasons have led children to return to dead zone that resulted from war, kidnapping, armed bandits, rapes, sexual abuse, child abuse and many more social problems.

**Fig. 5:** Nature and Pattern of Immunization and Malnutrition of Women/Children in Some Part of Africa and Nigeria



The above picture indicated that the number of children in Democratic Republic of Congo who suffered several wars led many women and children as refugees to other countries searching for food and other means of survival. For this reasons children could not access good healthcare services and other means of livelihood. UNICEF and WHO, 2017, argued that millions of children may lose their life because of war.

**Fig. 6 and 7**



The above picture shows immunized women & children's in RWANDA, 2019



**Fig. 8**



The above picture shows displaced children who suffered due to lack of good food and other means of hygiene particularly in the North Western Nigeria until today are suffering series of conflicts ranging from Kidnapping, conflicts between hangmen and farmers, armed bandits, rapes, and other social problems that put the lives of many children on risk. According to UNICEF, 2020. 14.8 million people affected by the crisis in the four North West states of Zamfara, Katsina, Sokoto, Kebbi, Kano, and others (HRP 2016). However, 7 million people in need in the four North West states (HRP 2019) 3.8 million children in need in the four North West states (HRP 2019) 2.2 million people in areas inaccessible due to insecurity in Zamfara and Kastina. (UNICEF situation analysis) UNICEF Appeal 2018, US\$ 115 million \*Humanitarian Action for Children (HAC), does not include inaccessible areas of Zamfara and other states in the North West.

**Fig. 9**



The picture above shows malnourished children in some of the refugee camps in Kastina

**Fig. 10**



The picture above shows immunized children in North Western Nigeria  
The above picture shows that children were been immunized in North Western Nigeria.

**Fig. 11**



**Source:** Global Annual Results Report 2018 | UNICEF

Many children still do not thrive: 250 million children in low- and middle-income countries are at risk of not achieving their developmental potentials. At the same time, government worldwide spends on average less than an estimated 2 per cent of their education budgets on early childhood programmes. 8 In 67 countries with available data, nearly 57 million children aged 36–59 months do not attend an early childhood education programme compared to the number of countries that had adopted ECD packages in 2017 and 2018. The reaction of the researchers in respect of the above examination demonstrated that several children were at risk

due to COVID 19 pandemic which has destroyed the socio-economic and political systems in the world. Children are prone to danger due to lack money which is supposed to be saved and utilized for children as fund being utilized in the fight against COVID 19. However, the pandemic has critically affected the affected million lives of children and other parts of African societies.

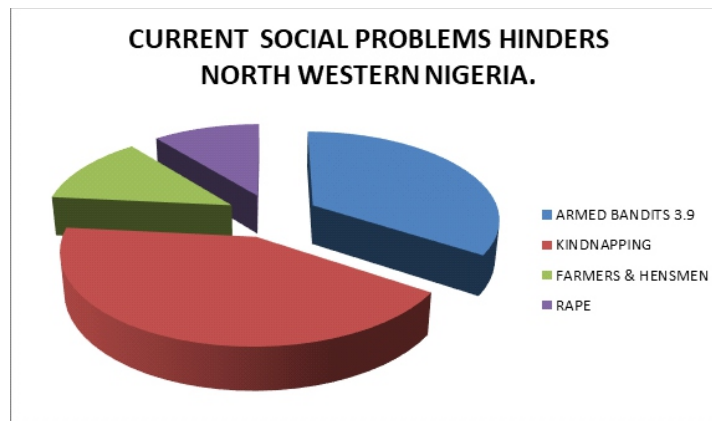
### **Issues in Nigeria**

Although Nigeria has the largest economy in West Africa, over 64 per cent of the population live below the poverty line and three out of four children are affected by multi-dimensional poverty. One in eight young children do not survive to their fifth birthday, and 19.5 million children under five, or over 60 per cent, have no birth registration. One out of three children under five, or 10.5 million, is stunted and 2.5 million children suffer from severe acute malnutrition (90 per cent in the north). Around 10.5 million children are not in school, amounting to one-fifth of the global burden for out-of-school children. With 380,000 children living with HIV, Nigeria has the largest burden globally and the second largest number of HIV-positive pregnant women and adolescents. Girl child marriage is amongst the highest in world (second only to India), a key indicator for gender inequality. Six out of 10 children suffer more than one form of violence – physical, sexual or emotional (UNICEF, 2019). However, Nigerian children face several socio-economic and political challenges that have led many children into orphanage home as a result of poor parental upbringings, poor policy that will enhance the lives of children and other issues. North Western Nigeria is the areas were you fine Almajiri schools. Those are children that come from various places across the region for Islamic education; at the process the Malams could emphasis that giving children polio immunization is un-Islamic and is against the teaching of Islam. That is the reasons many children could not get immunized.

UNICEF, 2019, supported routine immunization, outbreak response and polio eradication efforts, reaching 57,935,232 and 56,202,217 children during two national campaigns and 130,992,829 during five local campaigns in selected high-risk states. In nutrition, half a million children with severe acute malnutrition were treated. Over 343,000 pregnant women, children and young adults were tested for HIV in two priority states with a positivity rate of 1.4 per cent. UNICEF provided 6,082 persons associated with armed forces and survivors of sexual violence with social reintegration assistance. In water, sanitation and hygiene (WASH), through strong local partnerships. Basically, UNICEF, fight against polio, immunization and malnutrition could not be successfully achieved because

some parts of the world and other parts of Nigeria was still on Turmoil and confusion which resulted from armed bandits, kidnapping and other problems that led to many children losing their parents and many children changed their pattern of parental hood to orphans. War and genocide have displaced many children across the globe looking for better lives, north western Nigeria is one of the example of places where children lost their parent due to armed bandits, farmers and herdsmen conflict, kidnapping and other problems, this put lives of millions of children in the region at risk.

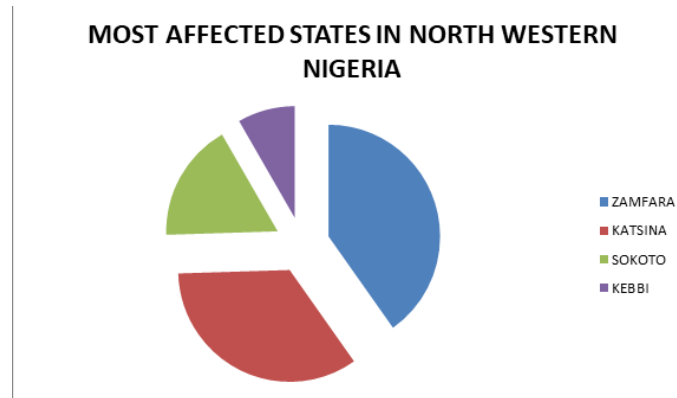
**Fig. 12**



**Source:** Reviewed Work, 2020

The above diagram indicates that, the current social problems hindering people in north western regions are kidnapping, that has the highest percentage, which manufactures series of burden among children. Armed Bandits, farmers and herdsmen conflict and rape which are the problem, several children particularly women and girls of upcoming age where raped in one way or the other. Cases such as 30 years man raping a 3 months old baby, a 67 years old man raping a 12 years old girl etc puts everlasting burden in the lives of those girls. The recent lockdown have triggered several cases of rape among middle, and youngest of years from men.

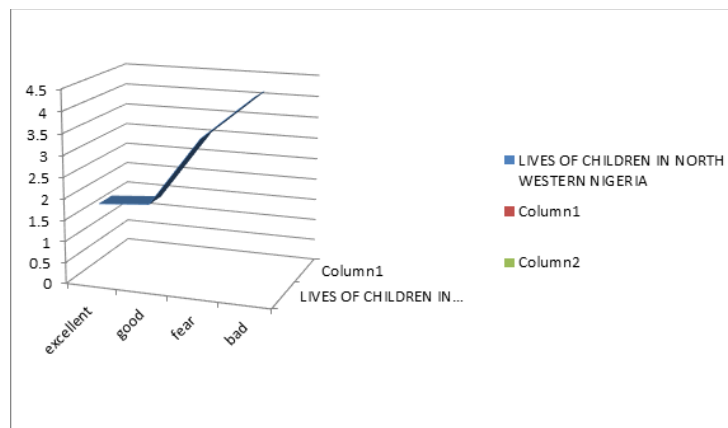
Fig. 13



Source: Reviewed Work, 2020

The above table shows that from 2018 to date Zamfara is the most affected state in the issue of kidnapping, armed bandits and others, while Katsina is the second, followed by Sokoto and Kebbi state respectively.

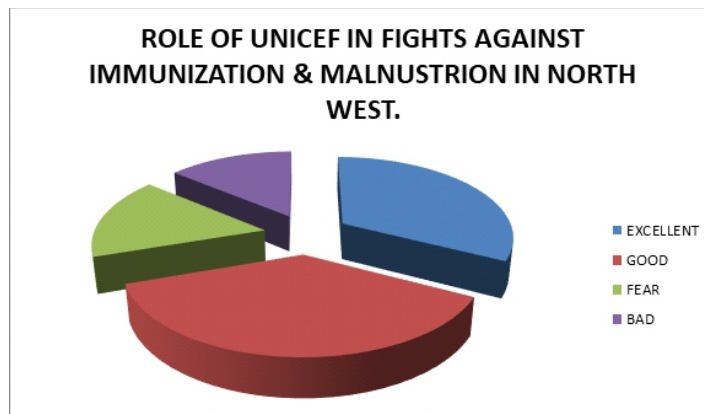
Fig. 14



The above table shows the categorization of reviewed paper on the basis of lives of children in the midst of the social problems. However, the review noted that children were not excellently okay with the nature and pattern of the services provided by the government, due to the fact that many children could not go to

school, many children male and females go out for hawking, many children were being exposed to child abuse and human trafficking, many children in the region could not have adequate and sustainable live protection, many children were exposed to danger and other activities, many children may be exposed to rape and other social vases, many children were exposed to begging on the street, many children may be killed through armed bandits attacks and many more.

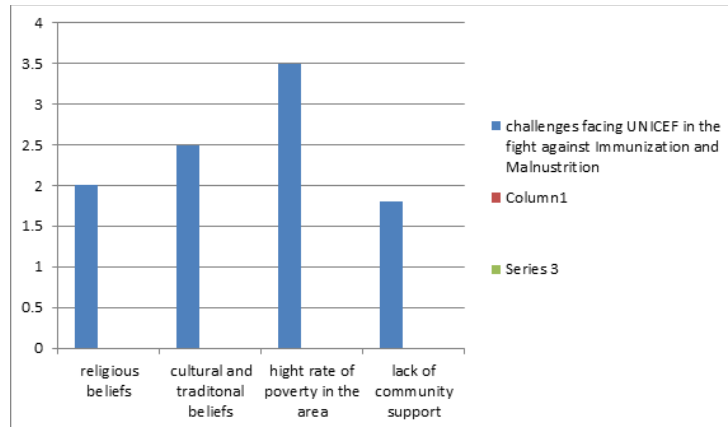
Fig. 15



Source: Reviewed Work, 2020

The above diagram explained that UNICEF has tried in the fight against immunization and malnutrition in North Western Nigeria. Several measures were taken in other to ensure adequate provision of immunization to various communities in the region. However, at this process a number of shortcomings were encountered. Those challenges could be explained using diagram. See below:

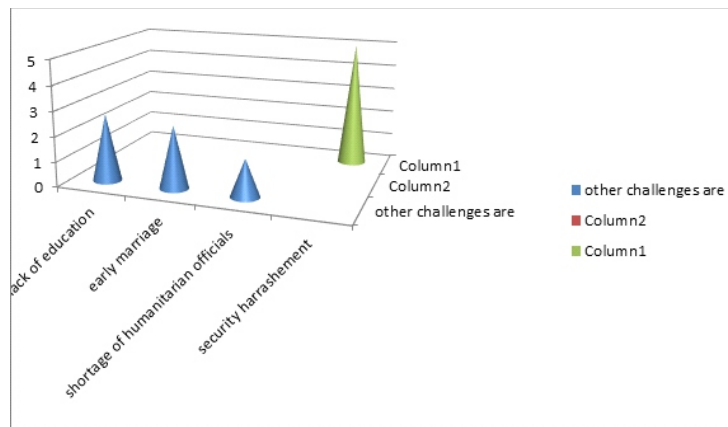
Fig. 16



Source: Reviewed Work, 2020

Other challenges are:

Fig. 17



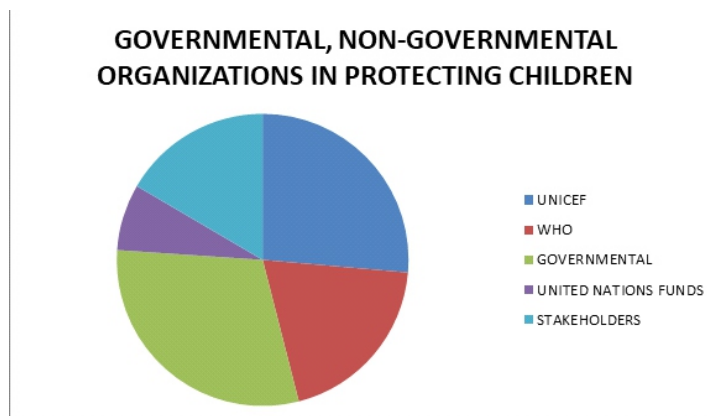
Source: Reviewed Work, 2020

### Interventional National Intervention Strategies on Children

Alongside government, UNICEF increased partnerships with reliable non-governmental organization (NGO) partners, strongly promoted outreach and mobile strategies in nutrition and supported the State Primary Health Care

Development Agency to set up 35 in North East and North Western Nigeria in North Eastern example, outreach sites in Borno and 26 in Yobe. In addition, 10 mobile teams were established in Gwoza, Pulka, Izge, Bama, Banki, Damasak, Kukawa, Gubio, Rann and Dikwa of Borno, providing integrated nutrition services to 50 sites. To improve the quality of response, UNICEF increasingly integrated its approach, especially amongst health/nutrition/WASH. In North West Includes Zamfara, Maru, Shinkafi, MORIKI, and many more affected communities in Zamfara and Katsina states, where possible, multi-sector programme agreements were developed with NGOs.

**Fig. 18**



**Source:** Reviewed Work, 2020

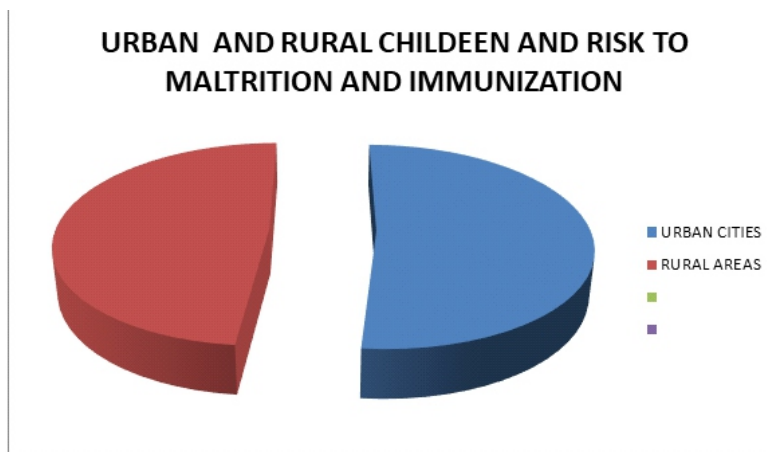
The table above indicates that UNICEF has the fundamental responsibility in protecting the lives of children. On the programme side, UNICEF's integrated health outreach services reached 895,294 children in under-served hard-to-reach settlements in Adamawa, Jigawa, Niger and Taraba states. In addition, 2.3 million doses of the oral polio vaccine were administered in 9,858 health camps across 18 high risk states. To improve the equity of the nutrition response to the ongoing emergency in the northeast, UNICEF increased access to nutrition curative and preventive services especially for children in the most remote locations. This involved: - the recruitment and training of 3,529 community nutrition volunteers and existing polio voluntary community mobilizers (VCMs) on screening referral and follow up of cases of severe acute malnutrition; -Monthly mass screening targeting areas with high malnutrition; -The establishment of 49 mobile clinics



and 35 outreach sites for the treatment of severe acute malnutrition, and; - Set up and support for 3,058 mother support groups to support counseling on child feeding at community level. Due to these efforts, admission levels sharply increased since June and the programme is close to reaching 100 per cent of the target of 220,000 cases of severe acute malnutrition. Community-led total sanitation (CLTS) response activities were also based on equity analyses. Once a local government area was selected for intervention, a baseline survey was conducted and an investment plan set defining the required number and types of systems. Prioritization plans followed an equity analysis approach, using baseline data on indicators that presented a picture of the degree of deprivation. Thus, the most marginalized, the aged and people with disabilities were ensured access to WASH facilities in the bid to stop open defecation in the communities.

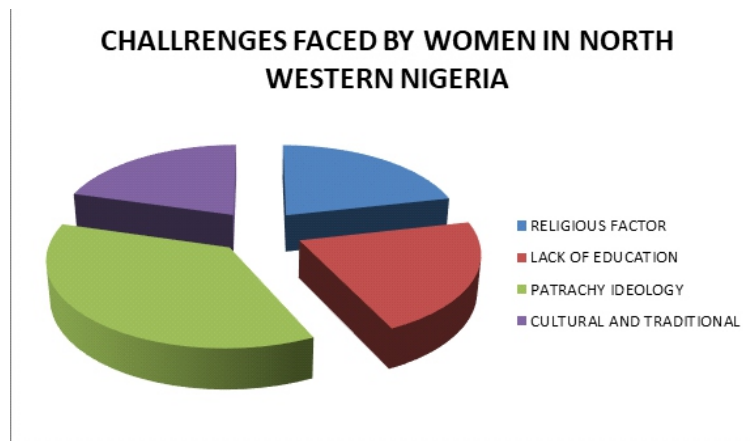
Through community-based research, UNICEF identified poverty-related issues as the primary barriers keeping girls and boys out of school. A cash transfer programme was thus designed and implemented in selected schools in Niger and Sokoto states. The programme aimed to increase girls' enrolment, attendance, transition from primary school to junior secondary school, and reduce gender inequality through the provision of cash transfers to the female caregiver of girls. This was complemented by a sensitization campaign, educating caregivers about the importance of girls' enrolment. An evaluation study determined that the cash transfer programme had a positive effect on girls' enrolment and school attendance in the two states. It also contributed to a greater value being placed on girls' education, an increase in household income, and women controlling a greater share of this income. Both target states committed funds to scale up the programme in 2017-18 to eventually cover the whole state. Building on lessons, the programme is expanding to two additional states, targeting both girls and boys. In a context of expanding birth registration (almost doubling between 2014 and 2017), several strategies were used to ensure registration for the most marginalized, rural, and hard-to-reach children, especially in northern states despite the insurgency. These strategies included increased use of innovative mobile and online technology, enhanced partnerships between the National Population Commission and the health and education sectors and promoting registration when children are born and when parents bring their children for immunization. Between January and December 2017, the results show under-one birth registration rates increased from two per cent to 82 per cent in Zamfara, from three per cent to 32 per cent in Sokoto, from five per cent to 66 per cent in Katsina, from four per cent to 137 per cent.

Fig. 19



**Source:** Reviewed Work, 2020

From the above table it is shown that both children in the urban cities and rural areas are prompt to danger due to some certain indicators, urban and children estimated 85 million Nigerians live in urban settlements. The urbanization level rose from 35 per cent in 2000 to the current 47 per cent. By 2030, urban population is expected to rise to 71 per cent (278 million). Some 66 per cent of the urban population lives in slums. Many children are deprived of access to the most basic services, such as piped water, sewerage, electricity, and lack drainage or flood protection. Example in some parts of north western Nigeria states like Kano, Sokoto and Katsina. While children in the rural areas were prompt to danger resulted from lack of security, poverty, lack of access to good education, hunger, exposed to hawking, Almajiranchi School, and many more

**Fig. 20:** Challenges Faced by Women in North Western Nigeria

The above table shows that women face several socio-economic and political burden in the society, particularly, in the north western Nigeria. According to Jega (2014) women were denied fundamental responsibilities due to social construction in the society. However, the pre-season behind this and the position of the researchers argued that women were not only denied economic opportunity but also social and political chances.

### **Conclusion and Recommendation**

In conclusion, humanitarian protection among children was the major challenges facing non-profit organization across the globe. Children in Nigeria due to their level of education and economic background have suffered from malnutrition and lack of good immunization. However, UNICEF fight against these myths has succeeded positively.

### **Recommendations**

Justice and equity among all Nigerians irrespective of their socio-economic and political background is attained by upholding law and justice. Equity in all spheres of human endeavor guarantees that every individual remains better off commensurate to his/her securing strategies.

Religion is a very sensitive issue in Nigeria; hence every government tends to tread with absolute caution when dealing with it. The role of government is to protect and defend the sensory of her citizens irrespective of tribal/religions inclination.

However, religious leaders preach hatred, incite followers against others' religion belief.

We are living in a society where people believe that every activity that advances the well-being of the people must be carried out by the government. Every citizen, shareholder and individual should have INAC responsibility to children in assisting them with some vital security amenities. Again, citizens should partner with the government to eradicate anti-security virus, lunch community oriented projects, etc., thereby improving the standard of living.

Nigerian government needs to urgently re-strategize and prioritize the pictures of malnourished children. The UNICEF report of million starving is real.

State government from the North West of Nigerian must convene an emergency meeting and mobilize wealthy Nigerians from all parts of Nigeria, but particularly from North West of Nigeria to at least give back part of the stolen wealth to feed the victims of the poverty they created. Particularly, children that lost their parents.

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