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BOOSTING ECONOMIC OPPORTUNITIES IN AFRICA THROUGH
ENTREPRENEURSHIP, AGRICULTURE AND TECHNOLOGY

Published by

Advanced Publishers
University of Calabar, Nigeria
www.internationalpolicybrief.org

First Edition: September, 2021

Second Edition: October, 2022

ISBN: 978-978-802-7762

DOI: 10.48028/iiprds/ap-21/beoaeat.7762

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Development Strategies for providing a platform and supporting
Institutional and Collaborative Research for Sustainable
Development.

ACKNOWLEDGEMENT

Contributors are greatly acknowledged for supporting research on Boosting Economic Opportunities in Africa through Entrepreneurship, Agriculture and Technology.

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INTRODUCTION

Boosting Economic Opportunities in Africa through Entrepreneurship, Agriculture and Technology

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Africa is progressively making its impression as a continent for growth and opportunity. African countries now understand that entrepreneurship is crucial to reducing youth unemployment and getting young people involved in activities that will boost economic growth. For entrepreneurship to have a substantial impact on Africa's economy, governments and other relevant stakeholders must confront the challenges that negatively affect the countries progress. Some of these challenges include lack of funds, lack of infrastructure, corruption, political instability, poor government policies, and the need for relevant mentorship.

The importance of agriculture to economic development cannot be overstressed. Agriculture provides an important source of income for most African countries. However, constrained by several factors, productivity remains too low and is based on small-scale subsistence production. Improvements such as better leveraging of technology (both information and communications technologies, as well as the development of high-yield crops and better irrigation), access of land, capital, enabling greater market access for small-scale farmers to improve production and marketing processes, and ultimately to meet the quality standards of world markets, are some of the concerns experts believe must be addressed for nations to gain from the full potentials of the agricultural sector.

Technology has transformed the world. It has remained the strongest indicator and driver of a developed economy. More than half of the world's population is using the Internet. Of all regions, the strongest growth has been reported in Africa, where the percentage of people using the Internet increased from 2.1 percent in 2005 to 24.4 percent in 2018. This is having a positive impact on the African economy as technology drives all parts of her economy. While there is still a long way to go to bridge the digital divide, connectivity gains have helped improve lives in many parts of the African continent. Without more rapid digital transformation, Africa will not succeed in creating the huge number of new jobs needed to match its population growth. Building a solid digital economy will require a focus on key areas, such as digital infrastructure, digital literacy and skills, digital financial services, digital platforms, and digital entrepreneurship and innovation.

The Book “**Boosting Economic Opportunities in Africa through Entrepreneurship, Agriculture, and Technology**” seeks to analyse how the diverse opportunities in entrepreneurship, agriculture, and technology can be harnessed to boost economic development in Africa.

- Boosting Economic Opportunities in Africa through Entrepreneurship, Agriculture and Technology -

Executive **Summary**



Executive Summary

Strengthening Africa's Capacity to Trade

World Trade Organization, Geneva, Switzerland

The multilateral trading system overseen by the WTO has helped to spur economic development for both developing and developed economies by creating a more predictable, fair and transparent trading system that encourages investment and industrialization. However, in recent times, this progress has been slowed by crises such as that triggered by the COVID-19 pandemic. This new health and economic crisis have caused major disruptions to trade. In its October 2020 forecast, the WTO predicted that the volume of world merchandise trade would decline by 9.2 per cent in 2020, followed by a 7.2 per cent rise in 2021. In its October 2020 World Economic Outlook, the International Monetary Fund (IMF) forecast negative growth of -4.4 per cent for the world in 2020, with a rebound to 5.2 per cent in 2021. For sub-Saharan Africa, these figures are -8.0 per cent and 3.0 per cent, respectively.

In Africa specifically, the high prevalence of informal employment has been particularly affected by the social distancing measures implemented in an effort to control the spread of COVID-19 and by the disruptions to trade, particularly in services such as tourism and travel, which are important sources of revenues for African countries. The World Bank's April 2020 "Africa's Pulse" report (World Bank, 2020a) projected that, as a result of the pandemic, economic growth in sub-Saharan Africa would decline from 2.4 per cent in 2019 to between -2.1 per cent and -5.1 per cent in 2020. The October 2020 "Africa's Pulse" report (World Bank, 2020b) confirmed that growth in sub-Saharan Africa is predicted to fall to -3.3 per cent in 2020, pushing the region into its first recession in 25 years, driving up to 40 million people into extreme poverty across the continent and erasing at least five

years of progress in fighting poverty. The downturn in economic activity will cost the region at least US\$ 115 billion in output losses in 2020. These numbers have been driven to an extent by resource-intensive countries, particularly metal and oil exporters. Diversified economies expect more moderate declines. Forty-four out of the 55 member states of the African Union are members of the WTO. These economies are supported by the Development Division of the WTO Secretariat through the work of the African Group. African countries also benefit from other forms of support from the WTO, as well as capacity-building activities run by other divisions of the WTO or by WTO-sponsored facilities and initiatives. This report also outlines collaborative efforts undertaken in 2019 by the WTO with the African Union in African countries in order to increase the continent's industrial and manufacturing capacity.

African trade in goods and services has amounted to around 3 per cent of global exports and imports on average. In 2019, African countries recorded exports of US\$ 462 billion and imports of US\$ 569 billion in merchandise trade. This constituted a fall of 3 per cent on average compared to 2018. Between 2005 and 2019, Africa's commercial services exports nearly doubled in value. However, this picture is incomplete; the continent's exports are dominated by one region. North Africa has accounted for about a third of all African goods and services trade, despite comprising only five of the continent's 55 countries. However, the share of exports contributed by sub-Saharan Africa has been steadily increasing and accounts for 70 per cent of all African goods and services exports. The WTO has made broad and diverse efforts to support trade development in Africa over the last 10 years. For example, WTO members, through the different bodies that comprise the organization, and the WTO Secretariat have implemented a broad range of agreements, decisions and technical assistance programmes, ranging from trade facilitation to government procurement regulations. Through technical assistance programmes and support for economic diversification and industrialization on the African continent, the WTO has played a role in fostering economic transformation. The WTO has supported trade development in Africa through its leadership on Aid for Trade. Since the launch of the initiative in 2006, donors have disbursed US\$ 451 billion in official development assistance to help developing countries build trade capacity and infrastructure. US\$ 163 billion of this amount has gone to African countries, with US\$ 16.9 billion being disbursed in 2018, representing a 180 per cent increase from the 2006 baseline.

The Aid for Trade initiative focuses on economic diversification as being key to development; in the 2019 Aid for Trade monitoring exercise, 97 per cent of African respondents pointed to economic diversification as a priority. The Aid for Trade Work Programme for 2020-21 reiterates the importance of investments in digital connectivity, which have become more important as a result of the COVID-19 pandemic. Development financiers have also introduced new aid programmes, including a US\$ 160 billion World Bank fund to address the economic impacts of the COVID-19 pandemic and a US\$ 10 billion COVID-19 Response Facility from the African Development Bank (ADB). The Trade Facilitation Agreement (TFA) expedites the movement, release and clearance of goods and establishes measures for effective cooperation between economies to establish customs compliance. The TFA entered into force on 22 February 2017 after two-thirds of the WTO membership completed their domestic ratification processes. Studies show that full implementation of the TFA could reduce trade costs by an average of 14.3 per cent and boost global trade by up to US\$ 1 trillion per year, with the largest gains in the poorest countries. For the African region, the reduction in trade costs would average 16.5 per cent, with many countries facing reductions of between 15.8 and 23.1 per cent. Across coastal and landlocked Africa, reductions would average 16.8 per cent and 15.7 per cent, respectively.¹ This is significant, since the central African region has some of the highest trade costs in the world. As the cost of implementing trade agreements is significant for many economies, the WTO created the Trade Facilitation Agreement Facility (TFAF) to support implementation of the TFA. The TFAF has, for instance, funded the participation of African representatives at meetings and workshops focusing on capacity-building and utilization of the TFA.

The WTO also provides support for developing economies and least-developed countries (LDCs) through the Standards and Trade Development Facility (STDF), which helps imports and exports to meet sanitary and phytosanitary (SPS) requirements for trade based on international standards. The STDF has provided support for the implementation of Africa's SPS policy framework and has helped to strengthen sanitary capacity in many industries. The African Group² has taken an active role in the implementation of another WTO agreement, the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement). While Article 66.1 of the TRIPS Agreement provides that the Agreement is not immediately binding for LDCs, TRIPS Agreement rules have served as the basis for intellectual property regulations that have helped innovators to market their goods and limit the spread

of counterfeit goods. An amendment to the TRIPS Agreement, which took effect in 2017, establishes a secure and legal pathway for developing countries to obtain affordable medicine from generic suppliers. For example, a national workshop held in Dakar, Senegal in July 2019 covered the use of the TRIPS Agreement's special compulsory licence system to obtain affordable intellectual property for the advancement of public health. Transfers of technology to African LDCs, facilitated by the TRIPS Agreement, have played a significant role in the plan to enhance cotton production and processing in Benin, Burkina Faso, Chad and Mali.

Closely related to WTO development initiatives, the Agreement on Government Procurement (GPA) recognizes the importance of government procurement in ensuring sustainable consumption and production patterns. While no African country is currently a party to the GPA, adopting GPA disciplines such as the Article IV principle of non-discrimination can help members to attract foreign direct investment. GPA initiatives to increase competition and develop e-procurement capacity are designed to help reduce the costs of procuring vital foreign-sourced goods and services. The Enhanced Integrated Framework (EIF), an Aid for Trade facility purely dedicated to supporting trade development in LDCs, has successfully supported African LDCs in building trade-related institutional and productive capacity. One example is an EIF project in Burkina Faso that has helped to increase the production and export of cashew nuts and dried mangoes to create jobs and increase profits for producers. Another example is the Benin Agricultural Development Company which, with the help of the EIF, has increased its production by 25 per cent and generated new exports to West Africa. Both projects provide concrete examples of the WTO's successful combination of development aid and technical expertise at the service of LDCs.

African countries continue to be major beneficiaries of several other WTO technical assistance initiatives: 16 per cent of all technical assistance activities in 2019 were focused on African countries. This includes the Netherlands Trainee Programme, which sponsors junior public officials and provides them with the opportunity to learn about matters dealt with within the WTO, under the direction of staff members of the WTO, with particular attention given to African countries. The French and Irish Mission Internship Programme also sponsors the attachment of officials to their countries' Geneva resident missions, with priority given to African members and LDCs. The WTO Secretariat has also continued to

provide technical support with regard to the implementation of regional trade agreements between WTO members in Africa. The WTO Secretariat also works in cooperation with other regional bodies, including the Economic Community of West African States (ECOWAS). The WTO has organized virtual training activities on trade in services, trade facilitation and market access for officials of ECOWAS institutions in both English and in French since mid-2020. Likewise, the WTO collaborated with the Union économique et monétaire ouest-africaine (UEMOA) on a sub-regional training activity on intellectual property in 2019, and it cooperates directly with many African WTO members to collect information on their services policy regimes in the context of the Integrated Trade Intelligence Portal (I-TIP) database.

A stable multilateral trading system and access to international markets has had positive effects on the development and industrialization of Africa, and efforts to build capacity, to enable African countries to take fuller advantage of the benefits that trade brings, are continuing. In recent times, the COVID-19 pandemic has slowed these efforts and reduced the developmental gains of recent years. African countries are particularly vulnerable to the effects of the pandemic because of several factors that affect large swathes of their populations, such as informal employment, weak health systems, few social safety nets, and difficulties in mobilizing resources not only to fight the pandemic directly, but also to summon the fiscal and monetary resources needed to contain its economic impact. Keeping markets open and predictable, as well as fostering a more generally favourable business environment, will be critical to spur the renewed investment that is needed for a swift recovery. The multilateral trading system and the WTO stand ready to continue providing the necessary framework for this to happen.

1WTO Secretariat calculations using disaggregated estimates from Moïse and Sorescu (2013) based on Organisation for Economic Co-operation and Development (OECD) trade facilitation indicators.²The African Group is the coordinating informal body comprised of African members and observers. Currently this group comprises Angola, Benin, Botswana, Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Djibouti, Egypt, Eswatini, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Seychelles, Sierra Leone, South Africa, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.

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Executive Summary

Food Security and Food Self Sufficiency in Africa

African Studies Center, University of Pennsylvania

The first four years of the 1990s indicate that African economies have grown by an estimated mere 1.5 per cent per annum - worse than during the "lost decade" of the 1980s when Africa's economic annual growth rate was on average 1.8 per cent during the period 1980-1990. This growth is barely half of the rate of growth of Africa's population and is well below the annual average growth target of 4 per cent set by the World Food Conference in 1974, and still worse than the 6 per cent set in the United Nations New Agenda for the Development of Africa in the 1990s.

Not only more people go to bed hungry every day but a great number of the African population was brought into a state of insecurity and instability due to the breakdown in the social fabrics and to the expansion of war, ethnic conflicts, political turmoil, crime and diseases such as the pandemic AIDS. It is becoming even harder for the international community to keep some countries in peace and in one piece. Agricultural production which increased at an annual average growth rate of 2.9 per cent in 1961-1970, dropped to a negative growth of -2.4 per cent in 1991-1992. Per caput food production growth rate fell from a poor value of -0.1 per cent per annum in 1981-1990 to yet an alarming mediocre estimate of -5.3 per cent per annum in 1991-1992. Africa which was a small net exporter of food in 1960-1970, having achieved a food self-sufficiency ratio (SSR) of 102, saw this ratio decline to 75 in the 1978-1982 period.

Africa has become a *continent in transition*. Transition from continuous economic mismanagement and social fabric deterioration compounded by a debilitating increasing external debt, from unconvincing and uncoordinated drive to genuine democracy, towards a permanent market oriented economic system. This transition period will need 15 to 20 years.

There is again an urgent need to analyze Africa's food security issues in relation to the performance of the region's agriculture food sector and discuss the constraints to increased agricultural food production especially those of policy origin; once more, appropriate and strengthened strategies are needed to help solve the continent's food insecurity problems and highlight priorities likely to improve food security in Africa. Hunger is evil, and it is worse when hunger and loss of hope or lack of faith to take action go together. Opening up new horizons in objectives and needed action will be required for those who have lost them; and this will call for inter-country cooperation among the African countries which must identify their resources and priorities to enhance food and agricultural production including agro-industry in the continent.

Meeting food production demand in years to come suggests the importance of appropriate policies and approaches. A 5 per cent growth rate is ambitious, but not impossible. To achieve the growth target, all the African countries will need to create an enabling environment, control population growth, harness new technologies, build and strengthen considerably their own capacities, safeguard natural resources, and strengthen regional economic cooperation and integration. Fundamentally, there are five major conditions to agricultural progress in Africa: it must be environmentally sustainable; compatible with population growth rate; technologically feasible to increase yields to raise output; economically there have to be incentives (quality growth, equity and economic policies) not just exhortations; organizationally farmers must be provided with the delivery system - infrastructures and institutions; and based on regional economic cooperation and integration.

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Executive Summary

TEEB for Agriculture and Food in Africa; Assessing Policy Options to Improve Livelihoods

Dr. Harpinder Sandhu
Flinders University, Australia

Agriculture remains the most significant sector in African economy as it contributes on an average about 15% to its total Gross Domestic Product (GDP; OECD/FAO, 2016). It provides employment to about 60% of the workforce and able to feed half of the population with remaining half of the food demand met by food imports. Growing demand for food by increasing population in sub-Saharan Africa (SSA) is one of the key challenges of agriculture. It is estimated that global population will rise to about 9.7 billion by 2050 and about 1.3 billion will add to the existing African population. This will put enormous pressure on agriculture and food systems to respond in order to meet the food demand, reduce food imports and protect natural resources. At the same time, it provides an opportunity for African agriculture to respond more cohesively and improve value generated by this sector to society, environment and the economy. This can help achieve self-sufficiency in food, gainful employment to growing work force, protection of natural resources and contribution towards sustainable development goals (SDGs). A comprehensive action plan with carefully developed policies are required to achieve these outcomes. It is recognised that the global agriculture and food systems cause damages to environment and human health and these are not captured by the current economic system. This leads to perverse and pervasive outcomes for society and the environment. Therefore, this

report aims to consider all social and environmental externalities – both negative and positive, in sub-Saharan African agriculture and food systems and reflect them in an economic system by evaluating comprehensive costs and benefits by adopting an innovative, universal, and inclusive framework (the 'TEEBAgriFood' framework). This assessment intends to stimulate appropriate policy responses so that sustainable agriculture and food systems can be developed to ensure food and nutritional security and economic prosperity for all in Africa.

The report provides a regional analysis and narrative on the economics of the agriculture and food sector by focusing on Sub-Saharan Africa, highlight key positive and negative externalities it generates, and the national and international policy context. These externalities are assessed in three case studies – agroforestry (coffee/cacao) in Ethiopia and Ghana, livestock in Tanzania and rice in Senegal, using the TEEBAgriFood Evaluation Framework.

Cocoa (Ghana) and Coffee (Ethiopia) in Agroforestry Systems

This study quantifies the biophysical and social impacts and dependencies along the cocoa and coffee value chains in Ghana and Ethiopia, respectively (ICRAF, 2019). Its aim is to assess key negative and positive impacts to health, ecosystems and the economy of the processes associated with the value chains of the two commodity crops. This is achieved by applying the TEEB for agriculture and food (TEEBAgriFood) framework (TEEB, 2018). Following this framework, several invisible and visible benefits and costs within these value chains are identified, quantified, monetised and/or described. Most of these benefits and costs are in monetary values except for biodiversity, vegetative diversity and aquatic life diversity, which were measured using diversity indices such as Shannon-H index, Simpsons index, species richness index, Alpha index. Secondary data sourced from variety of sources including peer reviewed journal articles, technical reports etc. was used in the analysis.

Livestock Systems in Tanzania

The study quantified socio-economic and ecological externalities of value chain activities related to three livestock sectors (Pastoralist cattle system, Backyard poultry system, and Smallholder dairy system) in Tanzania using the TEEBAgriFood evaluation framework. The livestock described here have local value chains which are also examined in each case. Different actors exist in the pastoralists' cattle value chain in Arusha region. The major actors in the chain are

producers (farmers), middlemen, traders, abattoirs, butchers, supermarkets, hotels and individual consumers (final consumers). However, middlemen dominated the market and reported to be the major means of market information. Backyard poultry production in Tanzania is a traditional sector at smallholder level, and has an important position in the rural household economy, supplying high quality meat and eggs, and increasing income, for rural farmers. The bulk of milk produced originates from the traditional small holder dairy system and from over 90% of the cattle population and is consumed at household level, with only about 3% of the milk filtering through to the formal market

Rice in Senegal

There are strong imperatives facing the rice sector in Senegal: to increase domestic production and processing of rice. Several substantial donors have proposed that investment should be made in However, there are a number of alternative pathways to that goal. For example, increasing rice production by conventional high-input methods could ramp up yields, but there are increased costs related to greater fertilizer, pesticide and water use. Large-scale rice value chain projects may propose equally large rice mills, but the opportunity to process rice in smaller units may enable greater use of rice by-products such as for livestock feed and promote greater equity through community ownership. Different pathways have different implications for employment in the agriculture and food sector. By using a holistic framework to review the possible pathways, many diverse aspects can be brought into focus at the same time, looking at impacts on not just economic/produced capital but also social, human and natural. The application of TEEBAgriFood framework and system modelling has shown that alternative systems based on FAO's principles of agroecology can guide further development of rice policies in Senegal to provide insights into policy opportunities and recommendations for capturing externalities in decision-making for better livelihood outcomes

Three case studies clearly examined key aspects of the value chains of coffee, cocoa, livestock and rice. This analysis also recommended also some alternative systems and scenarios for policy makers to consider in respective countries. For example, shaded coffee and cocoa systems promote several public benefits and can be incentivised through markets and also by providing subsidies by government. Livestock system in Tanzania provide food demand for millions of rural dwellers and need further support from training and quality inputs in order to realise their full potential. Rice in Senegal can be produced by using the principles of

agroecology thereby saving inputs cost. These savings can then be provided directly to farmers and R& D sector to support these multi-dimensional farming systems. Such approach can lead to develop self-sufficient system in these countries. Further analysis is required at continent scale including key cereal crops that are essential for food security in SSA, in order to generate evidence for shifting agriculture and food policies towards long term sustainability, achievement of SDGs and well-being for all.

Recommendations

Based on the analysis presented in earlier sections, some recommendations are suggested as below.

1. Subsidies for inputs can be carefully investigated to target desired outcomes for society rather than narrow focus of per hectare productivity.
2. FDI can be further channelized to invest in infrastructure that is required to support agriculture sector – roads, ports, storage, transport, finance, processing, regulated markets.
3. Extension services can be further improved by training about the multidimensional aspects of farming and move away from the per ha productivity.
4. There is need to improve HDI by investing in education, children and women health, environmental sustainability, so that the society is healthy, better educated and can make informed decisions about their food choices.
5. R&D sector needs investment and reforms as the current global agriculture is geared towards single narrow focus that has to change and this research should trickle down to African continent and SSA region for transformation of agriculture and food systems.
6. Agriculture is vital for 9 out of 17 SDGs and also a prominent sector in Africa agenda 2063, therefore needs further attention with policy makers in terms of investment and national and regional policies.
7. There is need to identify change agents to bring this transformation.
8. Producing more, in a more sustainable manner, while absorbing a growing labour force
9. Promoting diversification based on high quality processed products
10. Promoting efficient and more equitable value chains
11. Making farms and agricultural systems more resilient
12. Developing regional markets and controlling international integration

13. Designing and implementing structural policies and instruments
14. Reforming development aid aimed at facilitating the structural reform process
15. A clearly articulated objective and a shared vision

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Executive Summary

Scaling Up Disruptive Agricultural Technologies in Africa

Jieun Choi, Mark A. Dutz & Zainab Usman
World Bank Group

“**Disruptive technologies in agriculture enable farmers and agribusiness entrepreneurs to leapfrog current methods to increase their productivity, efficiency, and competitiveness”**

Agri-tech solutions range from mobile apps to solar applications, to portable agriculture devices, to bio-fortified foods. Disruptive Agricultural Technologies (DATs) differ from other agri-tech solutions in that they empower farmers by either;

1. Accelerating agri-food outcomes by multiple folds (3-5x) and/or by
2. Circumventing the conventions of the value chain to achieve the same/better results — but with a more efficient agri-food outcome.

First, DATs help farmers by reducing the costs of linking various actors of the agri-food system both within and across countries through providing, processing, and analyzing an increasing amount of data faster. Second, DATs help farmers make more precise decisions about resource management through accurate, timely, and location-specific price, weather, and agronomic data and information that is becoming increasingly important in the context of climate change. Third, DATs can make smallholders and especially marginalized farmers more competitive by leveling the playing field.

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https://doi.org/10.1596/978-1-4648-1444-0_es

https://elibrary.worldbank.org/doi/full/10.1596/978-1-4648-1444-0_es

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Chapter

Enhancing Investment Opportunities through Agriculture, Entrepreneurship and Technological Innovation

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Introduction

The global financial crisis of 2007-2009 and the ensuing weak global economic growth and high unemployment have prompted deeper reflections on the key drivers of economic growth and development. The objective is to design policies and strategies that would accelerate structural shifts towards a stronger, more resilient and sustainable economic future. In this regard, efforts to restore long term growth and macroeconomic stability would require a re-assessment of the roles of technological innovations, entrepreneurship and agriculture in boosting economic opportunities (Gittel et al, 2014). The important nexus of entrepreneurship and technological innovation for long term economic development has been highlighted by Drucker (1985) and Henderson and Weiler (2010). According to these authors, entrepreneurs leverage on available technologies to create commercial ventures and generate employment opportunities for the economy. By assembling required resources, applying relevant business knowledge skills and drawing on important networks, entrepreneurs are able to produce new products and services, create new markets and distribution channels that can ensure the efficient delivery of goods and services to consumers.

Agriculture like most other sectors, benefits from advancements in technology; as its productivity tends to increase as entrepreneurs efficiently combine factors of production to produce a wide range of goods and services at lower cost and higher quality. In achieving this, new technologies and innovations have to be adapted

and deployed to the entire value chain, ranging from production, distribution, storage and product marketing.

The quality of technological innovations deployed towards product improvement is a function of the stock and quality of knowledge and available information. This implies that, for innovation to take place, producers must actively seek new ways to improve the quality and variety of their products in a cost minimizing manner. This category of producers that aggressively seek for improved methods of producing goods and services is known as the classic Schumpeterian entrepreneurs (Haque, 2016). Thus, entrepreneurship, agriculture and technology have been widely believed to be among key drivers of economic development of most countries through the provision of job opportunities, innovation and improved welfare. However, in spite of their huge potential contributions to economic growth and development, many developing countries especially in Sub-Saharan Africa (SSA), rank abysmally low in global innovations and entrepreneurship indices. For instance, according to the 2017 Global Innovations Index, the top forty countries were largely drawn from Europe, America and Asia; while South Africa, the best innovative country in Sub-Saharan Africa ranked 57th followed by Mauritius (64th) and Tunisia (74th). Nigeria ranked 119th position out of 127 countries (Dutta et al, 2017). A similar trend was also observed in the 2017 Global Entrepreneurship Index. America, Europe and Asia led the global entrepreneurship ranking. Botswana, the best entrepreneurial country in SSA, ranked 52nd globally among 137 countries followed by South Africa (55th), Namibia (60th) and Morocco (70th) while Nigeria occupied the 100th position (Zoltan et al 2017). This suggests a direct correlation between the poor performance of SSA countries in entrepreneurial and technological advancements and their slow pace of industrialization and economic development. It is against this backdrop that this paper sets out to examine the relationship between entrepreneurship, technology and agriculture and discusses how their potentials can best be harnessed to unlock economic opportunities, particularly in Nigeria.

Following this introductory section, the rest of the paper is organised into five main sections. Section two attempts to provide the conceptual review of the key concepts while Section three reviews the extant literature both theoretical and empirical that are directly relevant to the study. Section four presents global and domestic analysis of agri-business technology-based entrepreneurship development, while Section five specifies the key challenges and prospects of agri-business technology-based entrepreneurship development in Nigeria. Section Six concludes the paper and provides some policy recommendations.

Conceptual Issues

Within the context of this paper, the concepts of entrepreneurship, agriculture and technology do not follow any sequential order. That is, the title of the paper does not intend to suggest that entrepreneurship could lead to agricultural development or technological development can be an outcome of agricultural development. Rather, each concept is a process that builds upon but also affected by the other two. In other words, while entrepreneurship, agriculture and technology are highly interrelated and linked, such relationships may not necessarily follow a causal one-way process. Due to the pervasive nature of several basic terminologies used in this paper, it may be necessary to explain some conceptual issues as follows.

Entrepreneurship

The concept of entrepreneurship has evolved over time as reflected in the various definitions by different authors. Schumpeter (1942) provided one of the most popular definitions of an entrepreneur as one who coordinates the production process and also acts as an agent of change through a process of creative destruction. By implication, the Schumpeterian entrepreneur is considered an innovator. The entrepreneur's innovative activity, described as a 'destructive process' essentially destabilizes an equilibrating economic system and provides a window of opportunity for economic rent seekers. The process of adjustment to equilibrium position then triggers the take-off of other innovations which stimulates the entry of more entrepreneurs into the economic system. In essence, Schumpeter's theory asserts that the increased number of entrepreneurs arising from the adjustment process could lead to enhanced economic growth. According to this definitional school of thought, entrepreneurship is not considered to be highly relevant at the initial stage of economic development as long as factor accumulation remains the key driver of growth. It, however, plays a more pronounced role at later stages of development where the major growth drivers are knowledge and competition (Naude, 2013).

Another definition by Kirner (1973) considers an entrepreneur as a manager of the production function, payment of wages and acceptance of responsibilities for all production risks and uncertainties. Developing economies like Nigeria would find this definition relevant since their business environment is highly characterized by several risks and uncertainties. There are two distinct types of entrepreneurs: necessity entrepreneurs and opportunity entrepreneurs (Calderon et al, 2016). Necessity entrepreneurs involve people who are left with no other better option than to establish any business activity. Consequently, this type of entrepreneurship has been found to have no positive effect on economic

development. For instance, the fall of the Berlin wall in the 1980s led to the closure of many uneconomic factories in Central Europe. As a result, workers that lost their jobs but were still in their productive age had no choice than to resort to self-employment through necessity entrepreneurship. However, the influx of large number of former factory workers into necessity entrepreneurship led to a period of negative economic growth.

In contrast, opportunity entrepreneurs capitalize on the unexploited or under exploited business space to start a business. This group of entrepreneur has the ability to identify and exploit a business opportunity and thus contribute positively and significantly to economic growth. In essence, while the establishment of a new business to exploit a business opportunity may promote economic growth; resorting to entrepreneurship as the only option without any planned business strategy may attract underdevelopment.

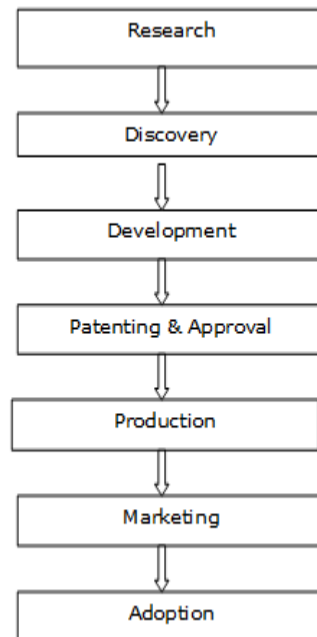
It is important to note that all countries experience a mixed ratio of both opportunity and necessity entrepreneurship. However, it is advisable to have a higher ratio of opportunity-to-necessity entrepreneurship as a veritable indicator of economic development. The level of entrepreneurial development of countries around the world is usually measured by the Global Entrepreneurship Index (GEI). It is an annual index that measures and ranks entrepreneurial performance in each of the 137 countries.

Technological Innovation

The term 'innovation' derives from its Latin equivalent '*innovare*', which implies 'to make something new'. 'Technological innovation, therefore entails the generation of new ideas based on technological knowledge or capability (invention); transformation of the idea into a reality in form of a product (realization) and the diffusion or marketing of the product to consumers (implementation). There are several classifications of technology innovation by different authors. For the purpose of this paper, we shall adopt Marquis approach (o2chapter2) which identified three key types of innovation. The first is *radical innovations* which are ideas with impactful changes on the entire industry. The second is *incremental innovations* which consist of small ideas but impactful in enhancing the quality of products, processes and services. The third is *system innovation* which describes ideas that require a combination of resources over an extended period of time to accomplish.

Usually, the innovation process begins as a concept that undergoes refinement and development until it finally becomes a finished product for consumption. A schematic presentation of the innovation process is shown below:

Figure 1: Typical steps in the life cycle of a new technology



Source: Zilberman (2008)

For a technology to be relevant, it has to be adaptable and appropriate to specific conditions, hence the difficulty for any same technological solution to be optimal everywhere. The specific socio-economic, demographic, ecological and climatic peculiarities are therefore necessary considerations for deploying technological solutions. For developing countries to successfully acquire and apply knowledge for development, they need to invest substantially over a sustained period of time in research and development (R&D) capability, education and relevant skills. Acquisition and adaptation of appropriate foreign knowledge to the local environment require domestic capabilities in R & D. For instance the remarkable efforts made by Singapore, a relatively small economy, in encouraging research and development enables the country to benefit immensely from the global innovation system. China also combined its strong domestic R & D capability with government strategic commitment to exploit the global knowledge system to its advantage.

In contrast, countries with low domestic capacities in science, technology and innovations (STI) have low propensity to benefit significantly from the global

knowledge system. For instance, countries like Kenya and Rwanda, despite the slight progress made in the application of innovation to mobile money and phones, have not benefitted substantially from the global knowledge system due to weak domestic capacity base. Enhanced capabilities in R&D require strategic commitment to sustained investment at all strata of education including basic, secondary and tertiary levels as well as in skills development. This implies that huge investments in human capital development through R & D are essential for achieving increased economic growth and development.

The fundamental contribution of technological innovation to economic development occurs largely through the firm and industry activities. Unlike entrepreneurship, ample empirical evidence identified technological innovation as a strong determinant of economic growth (Wong et al, 2005). Most studies that have investigated the impact of technology on economic growth drew from the Solow's (1956) neo-classical theory. According to the theory, growth is essentially driven by enhancements in the quantity, quality and productivity of labour and capital. By implication, the Solow's neoclassical model failed to explicitly acknowledge the role of entrepreneurship which has been recognized by Schumpeter as the underlying cause of technological innovation (Wong et al, 2005).

Agriculture

The definitional scope of agriculture has widened significantly in recent times. Unlike few decades ago, when agriculture merely referred to the production of basic crops, the modern concept of agriculture has broadened to include forestry, fruit cultivation, bee keeping, poultry and other forms of livestock management. In both developed and developing countries, agriculture plays a critical role in promoting economic opportunities through the provision of food security, supply of raw materials to feed the non-agricultural sector, generation of foreign exchange through exports and creation of employment. In poor developing economies, it accounts for about 29 percent of the gross domestic product (GDP) and employs 65 percent of the labor force. In addition, more than 75 percent of the poor in the developing world live in rural areas with most of them earning their livelihoods directly or indirectly from agriculture, hence the United Nations' adoption of a productive and profitable agriculture as a critical strategy for achieving the Sustainable Development Goals (Setboonsarng and Gregorio, 2017).

Agriculture-led growth has played a significant role in economic transformation and poverty reduction in many Asian economies. Contrastingly, most African countries with agrarian economies similar to those of Asian countries are unable

to benefit from a successful agricultural revolution as productivity in African agriculture continues to lag far behind the world average (Diao et al 2010). In such agrarian economies, rapid agricultural growth based on sustained productivity increase is key to achieving inclusive growth through the process of structural transformation (Briones, 2013). Experiences of many developing countries, including Nigeria, have indicated that economic growth in the last two decades has been largely inequitable, non-inclusive and jobless in nature. In Nigeria, agriculture remains one of the major keys to inclusive growth, in view of the fact that the sector provides employment for about 60 percent of the economically active population, and 70 percent of the country's poorest population.

Furthermore, the huge population of young people represents the country's greatest asset, if they are appropriately empowered to participate actively in growth opportunities that would result in economic transformation. Increasing investments in agriculture can stimulate productivity, profitability and create wealth for smallholders and rural communities. As such, agriculture-based economic growth strategy is crucial to poverty alleviation, job and wealth creation. The increasing volatility of prices of exportable primary commodities that constitute the major source of foreign exchange for developing countries and its implications on economic growth underscores the necessity and urgency for economic diversification.

Economic Growth and Development

The last two concepts that are relevant to our discussion are Economic Growth and Development. Economic growth measures the rate of production of goods and services in an economy. Measured by the gross domestic product (GDP), it provides information on the size and general health of the economy. An increase in real GDP indicates a healthy state of the economy. However, the emergence of a new concept in economic literature, known as human development in the later part of the twentieth century shifted the focus of economic policy practitioners and researchers from mere economic growth to improved human welfare. The concept of Development spans beyond mere expansion in income and wealth to include enhanced living standard through the provision of basic human needs such as food, clothing, shelter, education and medical facilities. In this context, economic growth is critical to human development but not a sufficient condition for the attainment of human well-being. In other words, while growth without development is possible, there can hardly be development in the absence of sustained growth (Thirlwall, 2003; UNDP, 1990).

Furthermore, economic growth and development can be promoted through sustained innovation and entrepreneurial skills that minimize transaction costs

through responsive regulation, better infrastructure and increased education and opportunities for more fruitful exchange. The United Nations Development Program (UNDP) constructed the Human development index to comparatively measure the level of socio-economic developments across countries. The index ranks countries on a scale of 0 to 1 with 0 as the lowest human development index and 1 as the highest human development index. Dudley Seers (1997), in one of his much-quoted addresses on the meaning of development puts it like this:

The questions to ask about a country's development are therefore: What has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three of these have declined from high levels, then beyond doubt this has been a period of development for the country concerned. If one or two of these problems have been growing worse, especially if all three have, it would be strange to call the result 'development', even if per capita income had doubled.

Literature Review

There is no gainsaying that agriculture plays a crucial role in the development process of low-income countries (Nigeria inclusive) where the sector largely contributes to income, total labour force and poverty reduction. The sector matters momentarily in low income countries where about 60 per cent of the labour force is employed and it accounts for about 25 per cent of Gross Domestic Product (GDP), but only 9 per cent in middle-income and 1 per cent in high-income countries (World Bank, 2008). Agriculture provides food, income and jobs and hence can be an engine of growth in agriculture-based developing countries and effective tool to reduce poverty in transforming countries (World Bank, 2008).

In Nigeria, the development of agricultural policy over the years has been based on the belief that agriculture is one of the panaceas to the achievement of inclusive growth due to its forward and backward linkages. Hence, several efforts to develop agriculture have been centred on improving and sustaining the sector to play this assigned role with special emphasis on the attainment of a sustainable level in the production of food without treating the sector as entrepreneurship unit that require the use of technology to achieve high productivity. Despite these policies and programmes, agricultural productivity has seriously been declining over the past decades, due partly to the negligence of viewing the sector as techno-entrepreneurship sector; as a result rural poverty is rampant. Nigeria agriculture to a large extent still possesses the characteristics of a peasant economy that was prominent in the pre-independence period. This may partly explain why the crude oil sub-sector has been growing, but the traditional agricultural sector has been declining, which are symptoms of the Dutch Disease syndrome.¹ The next

¹This concept was invented based on the experience of Netherlands in the 1960s, when as a result of the exploitation of the newly discovered large deposits of natural gas in the North Sea, the non-oil tradable sector became less competitive and declined, with a ripple effect on the whole economy which also declined.

subsection detailed theoretical and empirical literature on these issues.

Theoretical Literature Review

Over the years, economists adumbrated different theories that attempt to explain the process through which an economy can develop. In the literature, theories of growth and development are categorized into two groups, the classical and modern theories. The classical models include the linear stages of growth, including structural change models, international dependence models and neoclassical counter-revolution models. For the modern theories, the theory of coordination failure and the new growth theory are prominent. Usually, growth is often measured through the growth rate of gross income per capita while improvements in human standard of living indicate the level of development.

The early ideas of growth were propagated by Adam Smith (1776) and Karl Marx (1867)-two political economists who sought to theorize on how societies grow. Smith proposed a capitalist approach to growth but Marx pursued a socialist argument for the welfare of society. Smith argued that the division of labour will enhance society's ability to specialize, in order to drive the productive capacity and increase wealth. This will enable economic agents pursue free trade by selling goods and services acquired through specialized skills. Free trade will lead to the acquisition of private capital in the absence of government intervention. Marx on the other hand was of the view that the State was best equipped to intervene in the distribution of wealth to its citizens in order to ensure that society remains above the poverty line. Marx's view followed a centrally planned approach to the acquisition and distribution of wealth, a strategy that is expected to keep the masses above the poverty line. The theories and models discussed below follow one of these approaches but in some cases have elements of both.

Classical Theories of Growth and Development

The classical theories of economic growth and development attempt to explain the processes involved in economic growth and development from the primary to the advanced stage.

The Linear Stages of Growth Models

After the Second World War, economists began to think of how best to drive the recovery process of the several battered economies in Europe. This led to the development of some models which focused on the huge injection of liquidity into economies to drive investment in the productive sectors. Popular amongst these models were the Rostow Growth Model and Harrod-Domar Growth Model (Domar 1947; Harrod 1948; Rostow 1960; Ingham 1995; Ghatak 2003 and Todaro and Smith 2009).

These growth models recognize that economies follow specified growth paths as they move from the underdeveloped to the developed stage. Rostow identified five paths to include: *The Traditional Society*; *The Preconditions for Takeoff*; *The Takeoff*; *The Drive to Maturity* and *The Age of High Mass Consumption*. One fundamental factor common to all these growth models is that an economy requires a high level of constant investment and capital flow in order to achieve growth. These models, however, follow the rudimentary assumption that all economies will pass through these stages of growth as they move from the underdeveloped to developed stage. In reality, however, some economies jump the stages while some are unable to cross some stages as they lack the technical and technological infrastructure to progress to the next stage. Chenery (1960) and Chenery and Syquin (1975) provided further evidence to support the view that economies do not always pass through these stages of development in the sequence highlighted above but tend to follow a non-linear growth path in frequent cases.

Structural Change Models

The structural change models of growth are led by two key models (Lewis 1954 and Chenery 1960). The Lewis model is a two sector model which emphasizes that surplus labour would move from the primitive agricultural sector to the more advanced industrial sector. It assumes that workers will continue to earn their traditional wages even though their output has led to increased modern production. In effect, profit in the modern sector would increase monumentally, leading to higher savings, investment and economic growth. This model is similar to the Harrod-Domar model, as it also emphasises on savings and investment as the key driver of economic growth. This is premised on the idea that increase in savings and investment is expected to alter consumption patterns by raising the demand for modern goods and services (demand shifts from primary (agricultural) goods to manufactured goods) as the continuous accumulation of human and physical capital further fuels production. The excess of production over domestic consumption will increase international trade.

Another structural change model is that by Chenery, which focuses on the pattern of development rather than the two sector transformation described above. A key motivation of the two sector model is the shift from the agricultural sector to the industrial sector as a transformation to development of growth which Chenery argued was a reason why many developing countries neglected the agricultural sector, thus leading to food shortages. In order to address this problem, the structural change model shifted its emphasis to investment in human capital by improving education and health care. This approach is expected to exponentially increase skills sets and improve life expectancy with a cumulative increase in production levels. Chenery (1960), Chenery and Taylor (1968) and Chenery and

Syrquin (1975) further adduced other factors such as government policies, resource level, availability of external technologies and capital apart from investment in human capital as key drivers of the pattern of structural change in the economy. Therefore, these models have been the foundation theory for agricultural-related techno-entrepreneurship sector as the basis for economic growth and development, particularly in developing countries, where the sector has the potential of generating huge income and employment for the teeming population.

The Neoclassical Models

Neo-Classical models extended the Solow growth model by emphasizing the need to increase the quality and quantity of labour through improved education and population growth; increase availability of capital by increasing the savings rate and the rate of inflow of foreign investment and improved access to foreign technologies by developing new and market friendly policies to attract new technologies. The overall drive of this group of models was a focus on the markets as the vehicle of development and growth. This involves the formulation and implementation of effective market efficient policies to anchor sustainable growth.

Contemporary Theories of Economic Development

Under this category, we examine two theories, the Endogenous Growth Theory and the Theory of Coordination Failure.

The Endogenous or New Growth Theory

The emergence of the endogenous growth model in the late 1980s was to help explain the slow development process in the developing countries which had placed reliance on earlier growth theories. While technological change had long been acknowledged as a recipe for development and growth, the endogenous models' core argument was based on the fact that it occurs as an endogenous rather than exogenous transformation and leads to the accumulation and increase in knowledge, rather than labour and capital. This increase in knowledge will then lead to an increase in productivity (agricultural sector inclusive) with the appropriate policy intervention to translate to long run development and growth (Romer 1986; Lucas 1988; Aghion and Howit 1992). This position directly conflicts with Solow (1956) who earlier presented technological change as being exogenous. The new growth models recognize unequivocally that individuals cannot on their own capture the full benefits of knowledge gained from technological change and thus emphasize the role of government and public policy in the effective functioning of the markets. The endogenous growth theory, however, has the shortcoming of not recognizing the key role of institutions in the

development process. The theory also fails to disaggregate the economy into multiple entrepreneurship units by treating the entire economy as a single firm that does not encourage the growth-generating redistribution of capital and labour that are expected to occur within the economy during the structural process. In order to harness the full benefits of development under this growth theory, developing countries must thus, focus their attention on infrastructural and institutional development as these are key ingredients of the development process (Cornwall and Cornwall, 1994; Skott and Auerbach, 1995).

Theory of Coordination Failure

The Coordination Failure theory dates back to the 1950s but was only popularized in the early 1990s. It focuses mainly on the coordination of market participants by relevant government agencies and how the failure to coordinate may lead to disequilibrium in the markets. While this theory is not clearly prescriptive of how government should coordinate the markets towards equilibrium, it argues that market participants may decide to seek their own individual equilibria in the absence of a central body to administer control (Hoff and Stiglitz, 2000; Rodrick, 2004; and Bowles *et al*, 2006).

In sum, the contemporary theories recognized that growth process follows stages and requires the importance of technological know-how as well as intervention of government policies. The models basically extend the classical and neoclassical theories, and show how agricultural-related techno-entrepreneurship sector can contribute to economic growth and development, for the purpose of achieving high income and employment, as well as economic growth.

Empirical Literature Review

The economic literature has shown that for farmers to become more competitive in modern societies, they need to improve on their entrepreneurial skills and take advantage of modern technologies to achieve high yields and productivity growth. Although there is a body of emerging literature on agricultural entrepreneurship and the importance of technology in achieving the set objectives, it is still largely at its infancy stage, and more research still needs to be done in this area (McElwee and Smith, 2014; Pato and Teixeira, 2016). Several notions have been ascribed to the entrepreneurship use of technology in agriculture with some referring to it as technical entrepreneurship while others describe it simply as techno-entrepreneurship (Therin, 2007). One of the most prominent scholars in this area defined techno-entrepreneurship as a business leadership strategy that identifies capabilities of both physical and human resource and combines these resources with high-technology in order to explore commercial opportunities though with some risk-taking potentials with the

objective of generating enhanced-growth and development (Dorf and Byers, 2005). Other scholars described techno-entrepreneurship as the practice of gathering resources, technology-based procedures and policies by an innovative entrepreneur in order to exploit business opportunities (Shane and Venkataraman, 2004). In recent times, entrepreneurial approaches in agricultural-related technology industry have become important sources of value generation and growth, particularly in some advanced economies such as United States of America and Europe, where technology impact significantly on business and the quality of life. These countries have recognised the significant roles that technology plays in the economy, and society and have, therefore, established strategies to ensure, promote and advance the development of new areas of information technology. In this regard, the agricultural-related techno-entrepreneurship have high potentials that can generate huge profits but at elevated risks for both investors and new users (Roja and Nastase, 2014).

It has however, been observed that in many African countries, Nigeria inclusive, the agricultural sector has not been able to significantly apply the required entrepreneurship policies in order to achieve the set objectives. The sector has been characterised as a price-taker which blindly trails the market direction and thus produce docile market participants. This view is premised on the low utilisation of the concept of entrepreneurship (Horlings and Marsden, 2014). Some sections of the literature have viewed entrepreneurship as a way of diversifying farm activities, by organising resources to increase the range of farm business activities for the survival of households and development of society (Seuneke et al., 2013; Hansson et al., 2013; McFadden and Gorman, 2016). Some of these studies opined that the farmer-entrepreneur must be an agent of innovation diffusion, in such a way that it would encourage extension services and other networking, as well as develop infrastructure that are capable of promoting information technology (Galloway et al., 2011; McFadden and Gorman, 2016; Salemin et al., 2015; Hill et al., 2017). In this wise, it has been shown that one of the major reasons why some countries are rich and others are poor largely lies in the rate at which new technologies are introduced into the production process in rich countries. These scholars assume that the agricultural entrepreneurship is expected to play a leading role in the diversification of the economy in both the medium and the long term.

The large size of the Nigerian economy puts it in a vintage position to accommodate innovation and entrepreneurship, particularly in the agricultural sector where the country has the major comparative advantage. Thus, there is need for a broad-based approach to develop the agricultural entrepreneurship as it is expected to play an important role in the current economic diversification drive

of the government. Studies have also documented the stages and strategies of economic diversification (Clark, Lima, & Sawyer, 2016; and Imbs and Wacziarg, 2003). These studies argue that economic diversification would have to evolve along the growth paths of the economy. Early stage of development is characterised by predominantly primary-based economic activities and a high concentration of crude implements for such activities. Within this period, the source of revenue for government is rent from the exploration of natural resources. Over time, society may evolve into manufacturing, which allows for diverse or spread of economic activities across many industries. During the second stage of the diversification process, countries specialize in their areas of comparative advantage. The final stage is the evolution into a vibrant service dominated industry. Thus, successful agriculture-led economic diversification involves the production of different goods and services that largely utilise primary products as inputs at different stages of economic development that would improve income per capita.

In achieving economic diversification, critical stakeholders including reform agencies, government development departments, entrepreneurial trainers, funding institutions, technology, business development consulting and research parastatals, quality control regulators and the required regional and international bodies have important roles to play. Studies have placed analytical spotlight on the role of agricultural-related techno-entrepreneurship in driving diversification process including Nigeria. Currently, there is perhaps, no specific theoretical or empirical study in Nigeria that clarifies our understanding of the role of agriculture-based techno-entrepreneurship in promoting economic opportunities. This study strives to fill this important research gap.

Global and Domestic Analysis of Agri-business Technology-Based Entrepreneurship Development

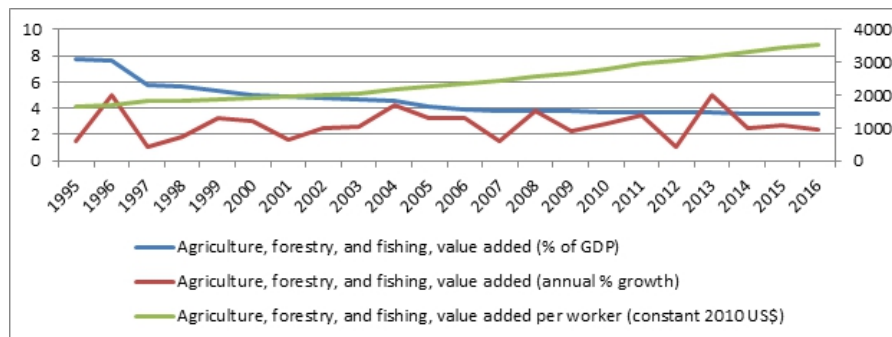
Global Trend in Agriculture Production

Global agriculture has witnessed tremendous growth since the 1960s. As the world population more than doubled from 2.9 billion in 1960 to 7.6 billion by July 2018, according to United Nation estimates², agricultural production has risen to the challenge by mitigating the problem of increased demand for food and other products to sustain the population. This is evidenced by growth in agricultural output and substantial reduction in commodity prices. Agricultural growth has provided food security and supported poverty reduction in a wide range of developing countries. However, there is no denying the overwhelming undernourishment in developing countries. Some countries (particularly in sub-Saharan Africa) are left out of the benefits of the agricultural sector success experienced low or stagnant agricultural productivity, rising food deficits, and high levels of hunger and poverty (Wik et al, 2008).

²Data extracted from www.worldometers.info/world-population/

Figure 2 below shows the recent trend in global agriculture. The growth rate of the agricultural sector has continued to fluctuate, however, within positive range. However, the sector's share of total world GDP has declined consistently over the period 1995 to 2016. It fell from about 8 per cent in 1995 to below 4 per cent in 2016. On the other hand, agricultural value added per worker in constant US dollar has been on the rise since 1995. From US\$1,631.26 in 1995, the agricultural value added, per worker more than double in 2016, as it rose to US\$3,542.13.

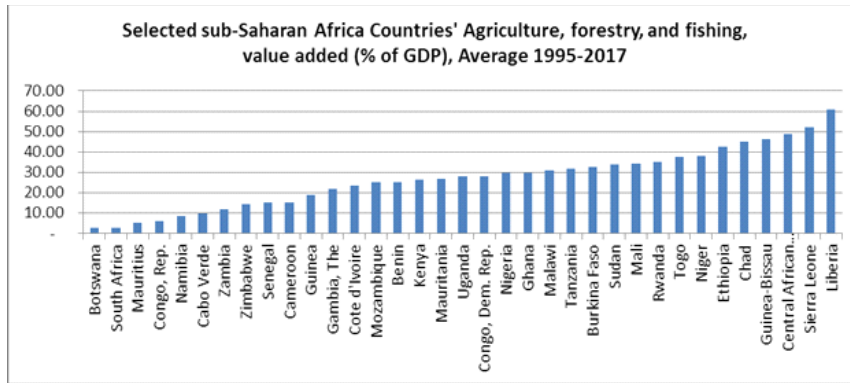
Fig. 2: Global Trends in Agricultural sector Value Added, 1995-2016



Source: WDI 2018

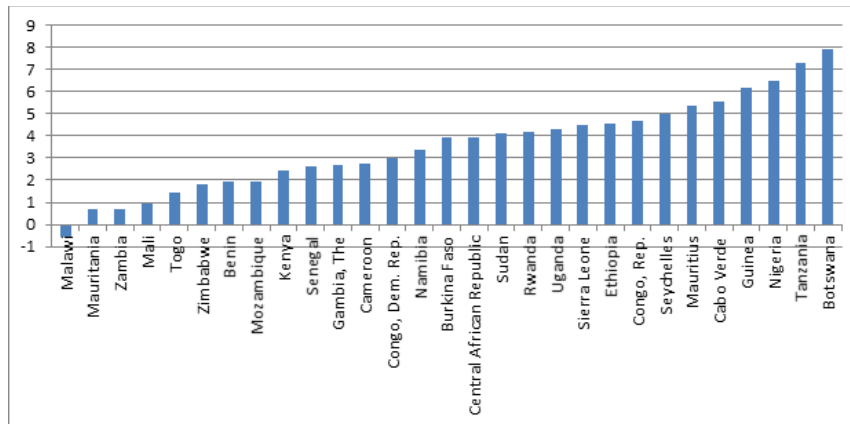
Developing countries, particularly those in sub-Saharan Africa, did not share equally from the benefit of the global agricultural success. Figure 3 shows the percentage of agricultural sector value added in total GDP for selected sub-Saharan Africa countries over the period 1995 to 2017. The share of agricultural sector ranges from 2.63 per cent for Botswana to 60.82 per cent for Liberia. In spite of the large share of the sector in some countries, very low growth rate and in some case even negative growth rates were recorded for other countries. Figure 4 shows the trend in annual growth rate of the agricultural sector in selected sub-Saharan Africa countries. Ironically, Botswana with the least share of agricultural value added in GDP recorded the highest growth rate of 7.92 per cent per annum. The poor growth rate of agricultural value added translated to poor returns or agricultural sector value added per worker. Except for 5 countries, (namely, South Africa, Congo Democratic Republic, Niger, Sudan and Mauritania) all other countries' agricultural sector value added per worker was below US\$2000 per annum.

Fig. 3: Percentage of agricultural sector value added in total GDP for selected sub-Saharan Africa countries over the period 1995 to 2017



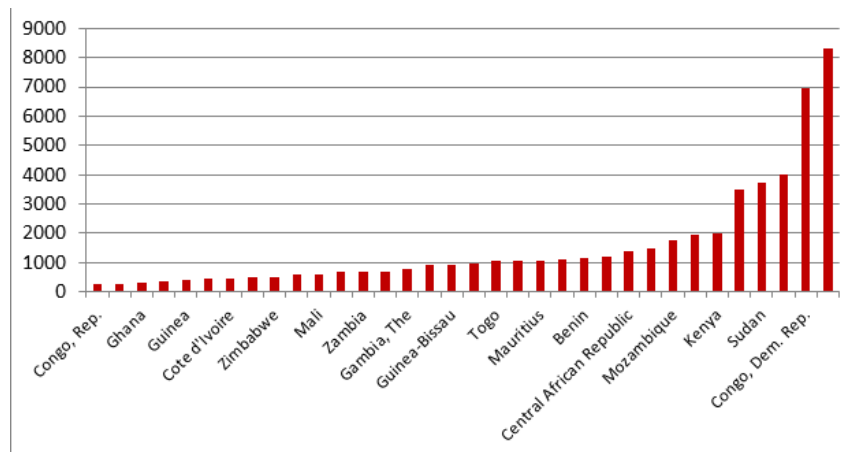
Source: WDI 2018

Fig. 4: Selected sub-Saharan Africa (SSA) Agriculture, forestry, and fishing, value added (annual % growth), Average 1995-2016



Source: WDI 2018

Fig. 5: Selected SSA countries' Agriculture, forestry, and fishing, value added per worker (constant 2010 US\$), average 1995-2017



Source: WDI 2018

Agriculture, Global Value Chain and Entrepreneurial Development

It is widely believed that agricultural growth offers one great opportunity for poverty reduction in developing countries through increasing exports of agricultural products from poor countries to world markets. Some econometric studies have empirically shown that agricultural growth is more effective for poverty reduction than the growth in other sectors such as mining, manufacturing or services (see for instance, Eastwood and Lipton 2000). According to Department for International Development (DFID):

“Agriculture remains the most likely source of significant economic growth in many developing countries. Historical experience suggests that agricultural growth and increases in agricultural productivity may be a prerequisite to broader-based sustained economic growth and development” (DFID, 2002: p. 9).

However, realizing the potential benefits of agricultural export growth requires deep analysis of the trends in world markets and policies capable of unlocking the potential for growth and poverty eradication. Global value chain perspective analyses inter-firm linkages in global agribusiness, placing agricultural production and processing in developing countries in the context of the dynamics of the broader global agribusiness and agrifood system. It was first developed to analyse trends in global manufacturing. Gereffi (1994) in a pioneering study recognized

the role of transnational manufacturing corporations as the main agents of product design, supplier selection and value chain coordination even though they were not directly engaging themselves in manufacturing production. The increasing complexity in agribusiness and agrifood system has created variety of value chain relationships, such as vertical coordination or supply chains, etc. Such agribusiness value chains include out-grower schemes, contract farming, category management by supermarket suppliers, marketing contracts etc. The term 'chain' in this context connotes the fact that most goods and services are produced by a sequence of activities which are carried out by multiple enterprises, which can be tacitly coordinated through markets or explicitly through direct exchanges of information between firms known in the literature as 'value chain governance' (Humphrey and Memedovic, 2006).

Entrepreneurs are central to the success of agribusiness value chain in Africa because economic transformation and growth depend crucially on doing new things. Entrepreneurs are the agents of change. The vast percentage of the population still in the agricultural sector is indicative of the great potential for economic transformation which the sector holds across Africa. In sub-Saharan Africa, this population can be employed in higher productivity and light agro-allied industries through effective absorption of new ideas and technological spillovers from developed and industrialized nations. The global production networks have grown over the years and new opportunities are created with changes in information and communications technology (ICT) and other infrastructure. With appropriate public infrastructure and entrepreneurial development, African countries can make crucial contribution to the world markets for green or sustainably produced commodities, and other goods and services. Potential areas of investment includes ecotourism, horticulture etc.

Lessons from rapidly developing countries of Asia emphasize the important role of public and private investment in human capacity building as well as increasing capacities in technological innovation and dynamic learning opportunities. According to the Commission on Growth and Development (2008), since 1950, there has been only 13 economies that have grown at an average of 7 percent or more a year for 25 years or longer. Nine of them are in Asia. All successful Asian economies invested in people and actively engaged in external trade to exploit their comparative advantage in labor-intensive manufacturing products (Lim, 2011). With appropriate investment in technological innovations, R&D can unlock great potentials in the agribusiness that would serve as strong drivers of rapid economic growth in developing countries. It is most vital in this current stage of global development to recognize the role of technology as the driving force of the fourth industrial revolution. The 1990s marked the age of globalization driven

by market liberalization. Globalization opened doors for increasing global connectivity in business and trade. It resulted in accelerated international flow of ideas and capabilities to meet the need of businesses and people. In the new era, the technology is the driving force, changing conventional ways of life, work and business models. Though sometime disruptive in nature, it also presents huge opportunities in fields such as information and communications technologies, new material science, financial technology (fintech) and the like. However, the government must encourage people to be the pioneers of their generation, to commit themselves to continuous learning to prepare for the unknowns (Yeung, 2017).

The Nigerian Context

Nigeria is a country with different ecological zones ranging from semi-arid, Sudan Sahel and Guinea Savannah to the Mangrove rainforest with high rainfall and moist humid environment. With the variety of ecological zones, diverse types of farming activities, including, crops and food preference are adopted among the people. Generally, it is estimated that about 75% of Nigeria's total land area amounting to 68 million ha has agricultural use potential while about 33 million ha is actually under cultivation. Out of the estimated 3.14 million ha irrigable land, only about 220,000 ha or 7% is under cultivation. Also, the country is blessed with diverse and rich vegetation that can support heavy livestock population.

The importance of agriculture in Nigeria pre-dates the political independence of the country. It can be traced to the colonial era when groundnut, rubber, timber, cattle, palm oil and other agricultural products were exported to Britain from the country. At independence, agriculture continued to hold sway as the mainstay of the Nigerian economy in terms of provision of food and employment to the teeming population as well as national income generation and industrialization. In terms of statistics, agriculture provides about 88% of non-oil earnings, and 40% of the Gross Domestic Product (GDP). However, over 90% of Nigerian agricultural output is attributed to small-scale and subsistence farmers with less than two (2) hectares farm holding. In other words, agriculture in Nigeria is still largely peasant-driven.

Historical Evolution of the Nigerian Agricultural Sector

In the 1960s, the focused regional policies based on commodity comparative advantage, enhanced the role of the agricultural sector as the main source of employment, income and foreign earnings for the country. The sector employed over 70 percent of the labor force, fed the population estimated at 55 million and 60 million in 1963 and 1965 respectively, guaranteeing the greater percentage of the

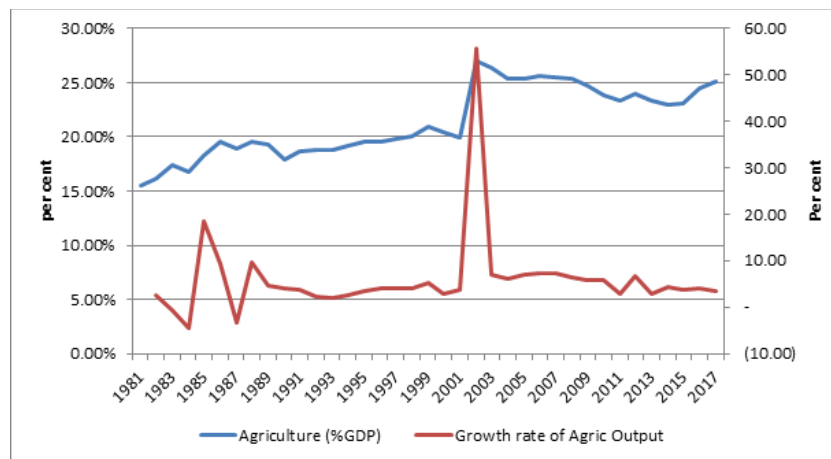
food security of the average household. In the same period, export of cash crops earned 70 and 62.2 percent respectively, of Nigeria's total foreign exchange and contributed 56.7 and 66.4 percent of GDP in 1960 and 1965, respectively (Azih, 2008). The dominant position of the agricultural sector in the Nigerian economy during this period is not debatable.

In the 1970s, the agricultural sector suffered dwindling fortune following the discovery of oil in commercial quantity. The commercial exploitation of oil heralded an era of decay and decline in agriculture and in the overall contribution of the sector to the economy. At this point, the country got infected by the popular 'Dutch Disease': a decrease in the price competitiveness of exports of the affected country's tradable and an increase in the quantity of imports as a result of higher value of local currency or currency appreciation. It contributed to loss of foreign exchange earnings capacity from agriculture, domestic revenue importance and gradual policy neglect of the sector. The neglect of the sector led to food insecurity leading to massive and continuous importation of food to meet domestic demand. Initially, with the huge foreign earnings from the oil windfall coupled with the strong exchange rate of the local currency, the country was able to conveniently fund its food import bills. However, as the price of oil in the international market collapsed, it was becoming increasingly difficult to meet the import bills and the erosion in the value of the local currency encouraged exportation of agricultural products by local producers which further worsened food insecurity.

In spite of this, the agricultural sector showed some resilience in terms of contribution to gross domestic product (GDP) and exports. The share of agriculture in total GDP of the country remained above 15 per cent in the 1980s and rose to 20 per cent in 1998. The successful implementation of the National Agricultural policies from 1998 to 2001 culminated in a significant increase in the contribution of the agricultural sector to GDP in 2002, 26.99 per cent precisely. However, the agricultural sector was not exempted from the impact of the global financial crisis. The share of the sector in GDP dropped to 24.73 per cent in 2009. In spite of the sea of interventions from the Central Bank of Nigeria to provide funding for the sector, further decline was recorded for subsequent years as shown in the figure below; the share of the agricultural sector in aggregate GDP dropped to 22.90 per cent in 2014. The interventions started yielding visible results in 2015 and 2016 when the shares of the agricultural sector gradually increase to 23.11 and 24.45 per cent, respectively. This progress was achieved inspite of the general economic recession in the country. Analysts believe that the tremendous growth recorded in the agricultural sector and stability in the foreign exchange market

were instrumental to eventual recovery of the economy from recession in 2017. The agricultural sector contributed 25.08 per cent to real GDP in 2017.

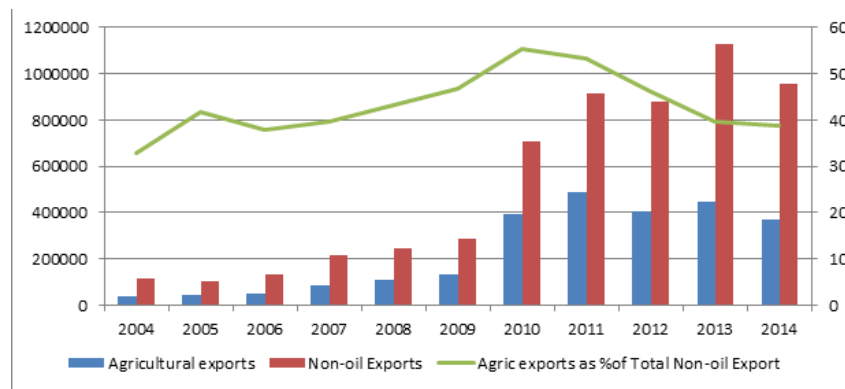
Fig. 6: Agricultural Sector Performance, 1981-2017



Source: CBN online Statistical Database.

The contribution of the agricultural sector to non-oil exports in recent times is also worthy of note. From a moderate contribution of 33 per cent in 2004, the sector's contribution has risen to more than half of the non-oil exports in 2010. Precisely, the proportion of agricultural sector exports in total non-oil exports was 55.4 per cent in 2010 and 53.2 per cent in 2011. This was expected to increase further in 2016 and 2017 following the recent agricultural development initiatives of the central bank of Nigeria.

Fig. 7: Agricultural Produce Exports as per centage of total Non-oil Exports, 2004- 2014 (Million Naira)



Source: Extracted from various editions of CBN Annual Report and Statements of Accounts

The new agricultural intervention schemes introduced by the Central Bank of Nigeria, including the Anchor borrowers' programme, have been quite significant in overcoming one of the main challenges to agricultural production, namely, the problem of limited access to credit by small-scale farmers. The Anchor borrowers' Programme (ABP) was established in November 2015 to help local farmers increase production and supply feedstock to processors, reduce importation and conserve Nigeria's external reserves. Under the programme, the sum of N40 billion is set aside for farmers at a single-digit, all inclusive interest rate of 9.00 per cent. This fund is taken from the N220.0 billion Micro, Small and Medium Enterprises Development Fund (MSMEDF). The anchor firms serve as off-takers in recognition of their track record and experience in working with out-growers involved in production. The finance model involves the anchor firms, CBN, NIRSAL and State Governments as well as the out-growers. The anchor firms, CBN, NIRSAL and State Governments work together to ensure that the out-growers comply with the terms of the funding and production contract thereby reducing the incident of side selling by producers (Polycarp, 2017).

Agricultural Sector Development Policies

Before 1970, Nigerian agriculture was fully under the control of the states and regions with minimal support from the federal government. This decentralized structure enabled the region/states to introduce state-centered/region-specific strategies involving a combination of private sector small farm holders and government direct production approaches. These strategies were highly successful

in making agricultural sector the mainstay of the economy in terms of its contribution to aggregate output, employment, supply of raw materials for nascent industrial production and foreign exchange for imports as well as ensuring sufficient supply of food for the population.

The main policy instruments for agricultural development in the 1970s and early 1980s was the series of National Development Plans [the second (1970-74), the third (1975-80) and the fourth (1981-85) National Development Plans. In spite of the great promises these plans held, the implementation of these plans failed to yield the desire restoration of the agricultural sector to its past glory. The structural imbalances resulting from the failure of past policies led to precarious economic conditions in the mid-1980s which prompted the government to embark on the Structural Adjustment Programme (SAP) in 1986. The SAP aimed at addressing Nigeria's defective mono-cultural economic imbalance through a diversification programme that would reduce dependency on the oil sector and imports. The key elements of the programme included rapid improvements of domestic food production, domestic supply of agricultural raw materials, production of exportable cash crops and rural employment. This programme, greatly increased awareness on the catalytic role of the private sector-led agricultural development in economic diversification. This was in contrast to the pre-SAP policies which were generally public sector-led, such as:

- i. **National Accelerated Food Production Programme (NAFP)** which started in 1972 primarily to raise farmers' income, accelerate the rate of diffusion of new agricultural technology and serve as a medium for testing and adopting agricultural research findings in on-farm conditions. The objectives of this programme were not fully achieved.
- ii. **Agricultural Development Projects (ADPs)** were set up in various parts of the country starting from 1975. Partly financed by the World Bank, these projects were to promote integrated rural development by providing facilities for intensive extension services, modern input supplies and distribution system and rural infrastructure, especially feeder roads.
- iii. **Livestock Development Projects** started in 1976 to commercialize beef production by the establishment of large scale public breeding ranches to encourage small scale private ranches development of grazing reserves and the provision of supervised credit for small holder fattening schemes.
- iv. **Operation Feed the Nation (OFN)**, which started in 1976, was aimed at curtailing massive food importation into the country. The stated objectives of the programme were to meet the acute shortage in food supply, and make farming more attractive with the view to stemming the movement of youths from the rural areas to the cities. Urban dwellers were also encouraged, through the programme, to engage in backyard

integration farming schemes. The programme also attempted raising production and productivity by distributing inorganic fertilizers and improved seedlings.

- v. **Agricultural Credit Guarantee Scheme** was set up in 1978 by the Central Bank to mobilize funds from the banking sector for rural development to guarantee loans by commercial banks for investment in agriculture in order to minimize the risk involved in financing the sector. The implementation of this policy has been too slow to reach all applying farmers.
- vi. **The Land Use Act** was meant to facilitate an effective utilization and exploitation of land resources for agricultural purposes. The law sought to bring the existing land tenure system under one common law. This law has been largely abused as public officials with authority for land use approval have expropriated large portions for self-based compromises. Besides the law has become a key bottleneck to land access and alienation for investment uses, necessitating the call for its amendment.
- vii. **Green Revolution**, which was launched in 1980, essentially a reformulation of “Operation Feed the Nation” Programme but focused on the small farmer and the development of the rural areas. The Green Revolution intended to address agricultural production from a fully mechanized and capacity upgrading perspective. To this effect, the government supported the policy with deliberate program of procuring machineries for full mechanized farming. It also established the Universities of Agriculture to enhance the nurturing of a young, educated population of modern farmers learned in mechanized production. A new Green Revolution effort has been launched continentally championed by the Alliance for Green Revolution in Africa (AGRA).

Just like the public sector driven policy initiatives discussed above, SAP did not significantly revolutionize the agricultural sector in the sense of positioning it as the mainstay of the economy neither did it solve the problem of food insecurity in the country nor the chronic unemployment crisis. Thus, in 1988 the National Agricultural Policy was launched and revised in 2001. The policy re-emphasized the role of agriculture in the economic structure of Nigeria and sought to improve investment in the sector and its competitiveness in both local and international markets. Other major efforts at improving the agricultural sector include the National Economic Empowerment and Development Strategy (NEEDS), the Presidential Initiatives on Commodities, the Agricultural Trade Policy, the Food Security Policy, President Yar' Adua's 7-Point Agenda, President Jonathan's 13-point Agenda, President Buhari's Economic Recovery and Growth Plan (ERGP).

In general, these new national agricultural development initiatives have a common goal of engineering the rapid improvement and growth of the agricultural sector through private sector driven initiative and government support in the area of provision of basic infrastructure. Private investment would enhance competitiveness and efficiency while the public investments play complementary role in infrastructure and rural development. This form of public-private sector partnership for agricultural development is the main target of the current agricultural policy.

Agri-business Entrepreneurship Development

Globally, agri-business has been acknowledged as a strong agent of rapid economic growth, development and stability. The United States of America, India, Israel, Ethiopia, South Africa and Malaysia used agri-business entrepreneurship as the engine to grow their economies and inspire enormous development and stability. In simple terms, agribusiness encompasses agricultural production, manufacture and distribution of farm inputs, equipment and supplies on one hand and processing, storage and distribution of farm commodities, on the other hand. Agribusiness entrepreneurship involves innovations in the entire agricultural production, processing, distribution and consumption gamut. It ranges from the stage of farm input supplies, inclusive of wood producers, furniture manufacturers, food processors, food packers, food transporter and food marketing companies to restaurants and shopping malls. It also covers input industries for agricultural production, post-farm gate industries, as well as third party firms that facilitate agribusiness operations, including bankers, brokers, advertising agencies and market information firms. Essentially, it is the totality of activities that brings food from the farm to the dining tables in our homes. The long chain of activities involved include auxiliary services like the insurance, transportation, assembly and ware housing, processing and manufacturing, shipping, marketing, financing, consultancy services and restaurants. The variety of associated services creates wealth and employment which together constitute a food production value chain.

In spite of the importance role of agribusiness entrepreneurship globally, Nigeria has only come to embrace it recently through the National Agricultural Policies, 1988 revised in 2001. As part of efforts to encourage entrepreneurial skill development among young Nigerians especially in agriculture, the agribusiness and entrepreneurship has been introduced as an academic programme in Nigerian universities. The target is to change the mentality of young Nigerians to view agriculture as business and not cultural practice that should be limited to peasant and subsistence capacity. Other initiatives in this direction include the Presidential Initiatives for rice, cassava and sorghum, processing zones for major staple foods,

resuscitation of Bank of Agriculture and several Central Bank of Nigeria (CBN) agricultural loans as well as establishment of entrepreneurial development centres (EDCs) in the six geopolitical zones.

Recently, an index for comparing country performance in terms of encouraging entrepreneurial skills development was being developed. The global entrepreneurship index (GEI) which ranks 137 countries on 14 pillars of performance, namely: opportunity perception, start-up skills, risk acceptance, networking, cultural support, opportunity start-up, technology absorption, human capital, competition, product innovation, process innovation, high growth, internationalization and risk capital, is a useful indicator of a country's standing in terms of entrepreneurial development. In 2017, Nigeria's overall score was 20 per cent while individual and institutional scores were 66 and 30 per cent, respectively. With this score, Nigeria ranked 100th out of the 137 countries evaluated on the index. Even in sub-Saharan Africa, Nigeria was number 8th of 30 countries considered in the index. The GEI identified Nigeria's strongest area as its wealth of human capital and the weakest area as opportunity start-up. The greatest lesson from the index is the point that Nigeria can add up to \$354 billion to the economy by improving entrepreneurship conditions by 10 per cent. In the same token, agriculture has been projected as one of the major driving forces of Nigeria's economic resurgence. With contribution of over 22 per cent to GDP and over 90 per cent of the employment, an agricultural sector resurgence programme that seeks to improve the productivity in the agricultural sector via genuine entrepreneurship and technological innovation would be a step in the right direction. This will end the era of treating agriculture as a development programme and chart a new course for the sector as a business venture.

Challenges and Prospects

In spite of the crucial role of the agricultural sector in the economy, the sector has been beset by several structural bottlenecks over the years. Some of these problems are presented below;

1. Policy Inconsistency and Weak Implementation

Most agricultural policies and initiatives have failed as a result of poor conception and inefficient implementation by the relevant agencies in the country. Recurring inconsistency, weak and ineffective implementation of agricultural policies has been the bane of Nigerian agricultural revolution such as the presidential initiatives. Often government policies are announced for political gains without properly setting up the necessary structural backup to ensure its successful implementation. Some examples of agricultural programmes that have suffered

setback due to inconsistency and weak implementation include the presidential initiatives on cassava. The policy was aimed at promoting production of cassava for exports but it failed as cassava exports has not remarkably contributed to total exports volume or earnings till date. Inconsistent trade policy has also had its toll on the agricultural sector. There is the fear amongst producers of rice that government may lift the restriction on the importation of foreign rice and this uncertainty is affecting their investment in rice production.

2. Poor Infrastructure Base

The poor state of infrastructure in the country is a general problem for all entrepreneurs and businesses. However, agricultural sector growth has been further inhibited by poor state of transportation, irrigation facilities, storage facilities and other infrastructure. The weak infrastructure has particularly hindered the development of downstream and upstream agribusinesses. Absence of basic infrastructure for agriculture and industrial activities in the country acts as a strong bulwark against rapid development of agriculture value chain and entrepreneurial skills acquisition and development.

3. Environmental Challenges

Aside from the man-made challenges and problems associated with public policies, natural disasters such as flooding in some regions of the country as well as desertification in other parts constitute an impediment to agricultural sector growth and its effectiveness in poverty reduction. There are also the problems of global warming and green house depletion due to human activities.

4. Slow Technological Assimilation and Poor Service Delivery Environment

Nigeria, like other African countries, is still depending on crude and less sophisticated technology in agricultural production. The slow pace of adoption of appropriate and modern farming techniques combined with poor agricultural service delivery environment has continued to act as a strong deterrent and disincentive for long term private sector investment in agribusiness. The consequence is a pool of low skilled farmers, labour intensive production and limitation to value addition and processed agricultural produce. This also leads to wastages, heavy post-harvest losses and inefficient pricing of farm products.

5. Lack of Long Term Financing for Agriculture

Over the years, the Central Bank of Nigeria has exerted tremendous efforts to bridge the financing gap in the agricultural sector. Some of the schemes include the Central Bank of Nigeria Agricultural Credit Guarantee Scheme, Nigerian

Agricultural Cooperative and Rural Development Bank (NACRDB), NIRSAL, CACs and recently, Anchor Borrowers' Programme (ABP). These financing interventions are mostly reactionary in nature and targeted at small-holders. There is the need to move away from this approach to a more sustainable funding window through which investors can obtain long term loans for investment in the agricultural value chain development.

6. Weak Market Base

Say's Law states that, production must always be equal to demand. If there is no market for the goods produced, the price would be unattractive and productivity would fall. Access to market is important for agricultural sector competitiveness and increased production. The domestic market for most agricultural produce is undeveloped, narrow and fragmented. Poor sanitary and phyto-sanitary standards adherence by local producers hinders access to foreign markets and constrained participation in export activities to low and raw-commodity based commodities. Tied to the above is the lack of reliable and sustainable market information system to aid the development of market for both input and output in order to ensure competitive prices for producers and agribusiness operators.

Conclusion and Recommendations

The Nigerian economy has been under intense pressure in recent times to meet the demands of the populace in terms of provision of job, foreign exchange for imports, food for the population, and basic raw materials for the industrial development of the country. These pressures can only be addressed through the growth and sustainable development of the agribusiness value chain through investment in technological innovation and the right spirit of entrepreneurship cultivated via deliberate policy on entrepreneurial development. As a way forward, the following recommendations would serve as a step in the right direction.

1. Bridging the Infrastructure Deficits

Provision of both soft and hard infrastructure is crucial to the development of agribusiness value chain. It is also an enabler of the competitiveness of agricultural exports in the international commodities markets. The standard infrastructure is particularly important for success in global agribusiness markets. Also, logistics-capability development (particularly physical and informational infrastructure) is vital for successful agribusiness. Airports, seaports, good communication infrastructure are all required for coordination of communications between enterprises and facilitation of rapid shipment of products. Sometimes, relatively simple and cheap infrastructure is all that is

required to significantly facilitate communication between buyers and producers. Humphrey et al (2003)'s research on e-commerce in horticulture revealed that relatively simple, cheap and reliable ICT infrastructure that enable suppliers to coordinate their activities with buyers would be relatively more useful than high-bandwidth applications capable of processing transactions online in real time. In other words, too much sophisticated infrastructure may contribute less than the basic, cheap, and relatively simple infrastructure can contribute.

Solving the problem of infrastructural deficits would also expand the market base for agricultural exports and improve the competitiveness of our products in the international market. In the specific case of Nigeria, there is urgent need for the government to take appropriate steps in the extension of the railway lines to major farming areas, improve the condition of existing roads, and stabilize the pump price of fuel. This will reduce transaction costs and enhance access to markets.

2. Investment in R&D and Technological Innovation

The investment in R&D should focus on three areas of the agribusiness value chain, namely, production, processing and marketing. In the area of production, research should be directed at improving the quality of inputs and adoption of high yielding seeds, as well as best approach to management of irrigation facilities. In the area of processing, technological innovations in agri-allied products and improving phytosanitary standards as well as the search for better storage techniques should be the main focus. In respect of marketing and trade, the main area of research focus should be on elimination of constraint to exportation of farm products and low quality of farm products. Research efforts should also focus on methods of upgrading the flow of agricultural market information in Nigeria. This will enable farmers to take appropriate steps and decisions concerning the production and marketing of certain commodities.

3. Entrepreneurship Development Programmes

Promotion of entrepreneurship education at all levels is important to ensure capacity building for diverse enterprises in agriculture. Government at all levels should be involved in the process of encouraging and educating our small-holder farmers to engage in agriculture as a business, and also provide funding to entrepreneurs to eliminate the opportunity start-up problems. In the same spirit, agricultural extension agents in the states and local governments should be trained to provide necessary technological packages required to teach and guide farmers on entrepreneurship development. Potential young entrepreneurs should also take advantage of the services provided by the CBN entrepreneurial Development centres located in all the 6 geopolitical zones to enhance their entrepreneurial ability and business start-up capacity.

4. Provision of Long Term Funding for Agro-Allied Business

The CBN has contributed immensely in breaking the barrier of lack of access to funding in agricultural sector via a number of programmes, Nigeria Incentive-based Risk Sharing System for Agricultural lending (NIRSAL), Commercial Agriculture Credit Scheme (CACs), Agricultural Credit Guarantee Scheme Fund (ACGSF), Agricultural Credit Support Scheme (ACSS), Nigerian Agricultural Cooperative and Rural Development Bank (NACRD, now Bank of Agriculture), Anchor Borrowers' Programme (ABP), etc. However, the CBN alone cannot do it all. Other agencies of government have a role to play in encouraging both government and private sector funding of agricultural projects. Credit facilities should be extended to all stages of the commodity chain in order to improve the competitiveness of the agricultural sector.

5. Policy Coordination and Consistency

Appropriate policy coordination among the various tiers of government and agencies of government is vital for the sustainable growth and development of the agricultural sector. Besides, some level of consistency is required for successful delivery of the agribusiness value chain. Agricultural investment depends on the elements of government policy amongst other factors. If a favourable government policy is frequently and suddenly replaced by unfavourable policy, it will bring apathy and weak response to government positive policies in future. A good example of policy inconsistency problem is the case of ban on certain commodities that are produced locally. If farmers increase their investment and cultivation of such commodities expecting the prices to increase, government should not suddenly lift the ban as this would result in huge losses to the farmers.

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2 *Chapter*

Boosting Entrepreneurship in Nigeria: The Need for a New Management Approach

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Abstract

Developing nations obviously need ever-improving entrepreneurial activities to keep afloat given the dynamics of the global environment. This study examined the need for a new approach to entrepreneurship in Nigeria if its related activities must receive the necessary boost. Data was obtained from secondary sources including books, journals, magazines, newspaper internet, etc. The theory of entrepreneurial growth by Mahajan (1970) was adopted as its theoretical framework while data analysis was by the mode of content analysis. Result revealed that a dynamic approach which is capable of evolving changes in line with the global business trends is required in Nigeria if entrepreneurship must be given the necessary boost. The paper recommended that government should give serious consideration to such an approach.

Keywords: *Entrepreneurship, Nigeria, Content analysis, New management approach.*

Introduction

The mono-product feature of the nation's economy has left Nigeria heavily dependent on crude oil for more than 90% of its foreign exchange earning in spite of its endowment with large agriculture potentials in arable land space of over 70%. The nation is classified as one of the poorest in the world. "Its industrial sector, which is expected to create substantial job opportunities and reduce

unemployment, is fast deteriorating due to low productive capacity” (Chibundu, 2006). Poverty and unemployment continue to grow rapidly due to ever-increasing population and the dwindle in production for both domestic and international markets. The picture becomes clearer as the National Bureau of Statistics (2010) reported that “about 70% (105 million) Nigerians live below poverty line against 54% which was reported in 2008”. Its harmonized living standard survey (2010) further reported that 90% of Nigerians live on less than \$2 a day and puts the current poverty rate at 79% out of which 30.3% are extremely poor.

Awe (2010) described an entrepreneur as, “an innovating individual who perceives needs, conceives goods or services to satisfy the need and organized factors of production”. The role he performs is called the entrepreneurial function and the process is called entrepreneurship. Entrepreneurship is the activity of venturing into new enterprises. It is distinct from management and involves the creation of new enterprises to meet new challenges and opportunities presented by a given situation. “It is a process of bearing a non-insurable risk as to achieve business objectives” (Awe, 2006). Thus, the entrepreneur perceives the commercial potency of an idea, mobilizes the needed resources, and provides the forces to detonate the commercial exploitation of the business idea; such business idea then turns into commercial ventures, which adds economic value and has profit as its main objective.

A direct outcome of technological improvements is the increased alternatives in production techniques. Information flows more freely and even more easily than ever. Industries become more complex and competitive even as countries develop, which calls to question the essence of entrepreneurship. It is against this backdrop that “entrepreneurial activities have been found all over the world to be capable of making positive impacts on the economy of the nation and quality of life of the people” (ACs and Storey, 2004). The present comatose state of the Nigerian economy is a sad reminder that the country's tremendous potential for growth and poverty reduction are far from being fully exploited” (World bank, 1996)

Entrepreneurship is pertinent to the analysis of how new ideas or recipes for reconfiguring objects in the material and social world can be harnessed to enhance a nation's wealth. In the long term, a country's economic progress depends on its ability to increase the value of what it produces with its resource base (people, land, and capital). The point to make is that neither the end to which these

resources are put nor the means for achieving the seeds (i.e. the set of resources and how they are used) are given or fixed. They are the result of entrepreneurial choices and are open to entrepreneurial initiative. Individual entrepreneur and entrepreneurial teams bring to light the resources, technologies and trading opportunities that make economic development possible. Indeed, “whenever entrepreneur is the first to discover the availability and potential economic value of new resources, they are in effect bringing those resources into existence in economic terms” (Kirzner, 1989).

Nigeria as a country has numerous business and investment potentials due to the abundant, vibrant and dynamic human and natural resources it possesses. Entrepreneurship activities and innovative ingenuity in Nigeria have developed enterprises in such areas as agriculture/agro allied, solid minerals, transportation, information and telecommunication, hospitality and tourism business, building and construction. Anyadike, Emeh and Ukah (2012), observed that “these human and natural resources notwithstanding, Nigeria is still one of the poorest countries in the world and has one of the highest rates of youth employment in sub-Sahara Africa”.

Statement of the Research Problem

The critical role of entrepreneurship in developing societies is no longer a subject of debate. However, while such a role is widely acknowledged, it also needs to be underscored that entrepreneurs can neither function in isolation nor vacuum. Government policies are needed to emplace effective judicial, educational, financial, e.t.c. systems synergizing to encourage and promote entrepreneurship. In addition, basic infrastructure such as power, water, and transportation are all required to enable entrepreneurship to flourish. Lastly, while entrepreneur refers to an individual (i.e. the person), entrepreneurship is a process and like every process needs to be properly managed to achieve better results. This study seeks to examine the need to boost entrepreneurship in Nigeria by adopting an improved management approach.

Objectives of the Study

The broad objective of this study is to assess the extent to which entrepreneurship in Nigeria can receive a meaningful boost through the adoption of a new management approach. Specifically, the study seeks to:

- a) Ascertain the potentials of a new management approach in the effort to boost innovation through entrepreneurship.
- b) Examine the extent to which a new managerial approach to entrepreneurship can enhance innovation among Nigerians.

Research Questions

This study will address the following questions:

- a) Does a new management approach have the potential to boost innovation through entrepreneurship in Nigeria?
- b) To what extent can a new management approach towards entrepreneurship enhance the innovation by Nigerians?

Literature Review

Conceptual Clarification

Entrepreneurship

Entrepreneurship is defined as; an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes and raw materials through organizing efforts that previously had not existed. (Venkataraman 1997; Shane and Venkataraman, 2000). Other definitions subscribe to the notion of innovation is a key attribute of entrepreneurship. From Kirzner's (1997) perspective, the entrepreneur is “an individual who is alert to opportunities for trade”.

“The entrepreneur is capable of identifying suppliers and customers, and acting as an intermediary where profit arises out of the intermediary function” (Deakins and Fineel 2006). In his perspective, Schumpeter (1934) “involves innovations that result in new combinations that spur creative destruction where the newly created goods, services or firms can hurt existing goods, service or firms” (Shane, 2003). Zimmen and Scarborough (2005) hold that, “entrepreneurs are new businesses or combinations that arise in the fall of risk and uncertainty for the purpose of achieving profit and growth”. The factors that distinguish entrepreneur most strongly are, “innovation, opportunity recognition, process, and growth in business and employment of strategic management practices” (Carland, Bonltons and Carland 1985; Watson, 2001).

Content Analysis

This is a research tool used to determine the presence of certain words or concepts within texts or sets of texts. It is a highly flexible research method that has been

Table 1.

Surname of researcher(s), title/ year of study, time frame of research.	Geographical & content scope	Data sources and analytical tools	Findings/recommendations/ conclusions
Idam (2014) Entrepreneurship development in Nigeria: a review	Nigeria: the paper is an attempt to identify the causal factors which militate against the effectiveness of government efforts at entrepreneurship development	Secondary data from both empirical and theoretical literature constituted the sources of data. Content analysis was the tools for analysis	Study recommended that entrepreneurial firms should be separated from other non-entrepreneurial small businesses to allow for distinct policies and programmes required by each category of small business
Bodunrin (2014) The problems and prospects of entrepreneurship activities and business management practices in Nigeria.	Nigeria: the research work examined the problems and prospects of entrepreneurship activities and business management.	Secondary data was used for evaluation.	Result of the study revealed that poor transportation system inaccessible market, inadequate capital, unstable political structure, poor response of financial institutions and shortage of infrastructure were the major problems to the development of entrepreneurship and business managements in entrepreneurship to the study area. Sustainable development practice in entrepreneurship was recommended.
Agu and Ayogu (2015) Assessing the prospects and problems of entrepreneurship development in Nigeria.	Nigeria: The study is an assessment of the prospects and challenges of entrepreneurship development in Nigeria.	Data was sourced from both secondary and primary materials including books, journals periodicals etc. while questionnaires and an interview, chi-square analysis was used.	Findings indicate that multiple taxes and levies, lack of knowledge of technology, and unfair competition are the challenges of entrepreneurship development in Nigeria.

Theoretical Framework

Mahajan (n.d) presents different perspectives on the theories of entrepreneurship development. One such theory is the political system theory of entrepreneurial growth. The theory states that favorable political environment has impact on the entrepreneurship growth because stable political system creates infrastructure promotes policies and encourage people towards entrepreneurship. Commitment in the political system creates a favorable business environment and enhances creative and entrepreneurial ability which leads to the entrepreneurial growth in the country.

widely used in the library and information sciences (LIS) studies with varying research goals and objectives. The research method is applied in qualitative, quantitative and sometimes mixed mode of research frameworks and employs a wide range of analytical techniques to generate findings and put them into context.

New management approach (NPM) or new public management approach. This is a new paradigm for public management which emerged since the 1980s. The emergence was prompted by the increasing awareness in society regarding transparent functioning of government which has improved on accountability concept. According to Hughes (1998) “traditional pattern theories on how to operate now is old and in any way not consistent with today's changing community needs”. Therefore, a new approach for public management with little new public management is evident. The approach was used for the first time in 1980 when Prime Minister of England Margaret Thatcher, with a neoliberal approach of governance formed the restructuring of the public sector. Hood (1991) opines that “this approach is the result of combining two different ideas”. The first idea of conventional economics which is based on representation theory founded management and the second idea oriented management which is the idea about reforming public sector and it originated from private sector (Yamamoto, 2003).

Empirical Review

Past and current works by researchers that are related to the subject matter are hereby reviewed. This is presented in a tabular form as follows:

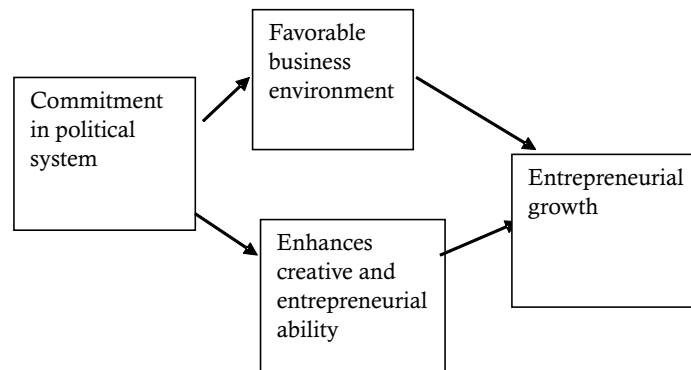


Fig. 1: Political system theory of entrepreneurial growth

Sources: [https:// ecestudy. Files.](https://ecestudy.files.wordpress.com/2015/02/theories-of-entrepreneurship-pdf)

[Wordpress.com/2015\02 theories of entrepreneurship pdf](https://ecestudy.files.wordpress.com/2015/02/theories-of-entrepreneurship-pdf)

Research Methodology

This study is a descriptive study which examined the needs for a new management approach in the effort to boost entrepreneurship in Nigeria. Data obtained from secondary materials are analysed using the techniques of content analysis. The analysis proceeds thus:

Research question one (1): Does a new management approach have the potential to boost innovation through entrepreneurship in Nigeria?

According to Aldrich and Wiedenmayer, (1993) “the socio-political environment maybe so powerful as to create or destroy entrepreneurship in a country”. “Developing economics of which Nigeria is an example are characterized by a number of structural institutional and infrastructure deficits which makes doing business a bit of a challenge” (Ojeifo, 2013). In his view, Utomi (1998) argues that poor policy formulation, inconsistent application of these policies and the so-called predatory (corrupt) actions of government officials, weak institutions (such as the judiciary, education), which are supposed to hold citizens to a minimum acceptable standard of behaviors and weak business associations (pressure and lobby groups makes of particularly difficult for entrepreneurship to thrive. Following Utom's argument, it stands to reason that certain combination of factors created a situation where the USA is the world's leading incubators for entrepreneurs and global enterprise. The same factors result to the situation where well over 50% of the Forbes lists of 100 richest persons in the world are Americans.

These factors are simply summed up in the deliberate effort of government and citizens to build robust institutions, including educational institutions, infrastructure and financing institutions. It is not an accident that the private equity and venture capital systems originated in the United States, without which ventures like face-book, yahoo, Google and amazons, etc. would have remained just ideas in the mind of their promoters.

Entrepreneurship development takes place within a framework of forces which constitute the system environment which maybe either internal or external. Hence, Gorber (2002) submits that “for entrepreneurial development to survive in these varying degrees depend on strategic management of the environment”. The study by Osemeka (2012) posits that though there is widespread knowledge of efficiency of entrepreneurial development mix, integrated entrepreneurial development efforts indicate that “several of the institutions established by government concentrated on partial approach to entrepreneurial development programmer”. The paper recommended a new approach comprising of four priorities agenda to enhance entrepreneurial development in Nigeria.

Research question two (2): To what extent can a new management approach towards entrepreneurship enhance innovation by Nigerians?

An empirical investigation by Hemen, Uguru and Atuba (2016) assessed the various sectors of the Nigerian economy that need innovation, the defects in the legal framework for the protection of innovators in Nigeria, and the factors challenging technological innovation in the country. It discovered that the level of innovation and technology in Nigeria is low and the Nigerian patent law is week. The article therefore, recommended that government should evolve policies that would address the challenges in technological innovations. It further stated that the patent law indeed amendment. Modern research facilities should be established and human capital developed. The paper believes that given this new approach to the management and protection of entrepreneurship and its innovative skills, the Nigerian economy can complete favorably with any other on the global science. This empirical stance adds values to the views of scholars on a better management approach to innovation in Nigeria. In this vein, Uguru (2011) asserts that, “patent matters in Nigeria are governed by the patent and design act, Cap p2. Law of the federation of Nigeria, 2004”.

He defines such a patent document as:

A document issued, upon application by a government office (or a recognized office acting for several countries) which describes an invention and creates a legal situation in which the patented invention can normally only be exploited (manufactured, used sold imported) with the authorization of the owner of the patent.

According to Maskus (2005) and Martha, “economists have now recognized that there are simulative effects. It is as important for firm to adopt a new management and organizational system and a new product and quality control and mechanism as is to find a new technologies. Those interventions can be quite costly and will be undertaking only when the risk of their loss to unfair competition and trademark infringement is minimized in an environment of weak protection, it is difficult also to foster attitude of creativity, intervention and risk taking. Rather the economic stagnate in a mode favouring copying and counterfeiting and technology. According to Schumpeter (1934) innovation would not occur in the absence of patent protection of alternative mechanism for protection.

The strength of IPRS enforcement efforts differs with economic development levels as noted by Maskus et.al (2005), according to them on the part of pour countries, this reflect both an unwillingness to pay the costly administrative expenses and inability to manage complicated technological and judicial issues associated with IPRS. These call for a new approach in management. In a study on a frame work for technological entrepreneurship development: Key issues and policy directions(2011) by Siyanbola, and Sanni, it was under assured that innovation process is facilitated by technological entrepreneurship which is in turn pre-conditioned within the context of favorable policy, financial and institutional support.

Findings

The analysis in the study recorded a number of revelations of innovation, intellectual property right (IPRS) protection on economic development and growth”. An inadequate set of IPRS according to this author can stifle innovation and intervention processes even at low level of economic development.

Thus, as illustrated by them:

Patience protects innovation which in turn promotes economic development. Accordingly, economic development involves carrying out innovative activities.

Innovation involves taking of risk the basic functions of patience is to protect innovation. The study discovered that there was an urgent need for a new management approach to boost entrepreneurship in this country. Such need as arising out of the fact that:

1. Nigeria like other developing country mare characterized by a number of structural institutional and infrastructure deficiencies which make doing business a bit of challenge.
There is the predominance of poor policy formation, inconsistence, and application of policies and so called predatory (corrupt) act robs of government officials.
2. The need t follow the example of the United States(USA) where certain combination of factors oriented a situation which made the US the world's leading incubator for entrepreneurship and global enterprise.
3. The same factor as mentioned above has resulted to the situation in which over 50% of the Forbes list of 100 richest persons in the world is Americans need to constitute the role model for developing countries like Nigeria.
4. It is revealed also that entrepreneurship development take place within a framework of forces which constitute the system environment that may be either internal or external. New management techniques are needed to establish such a framework.
5. It was also revealed that the survival of entrepreneurship development depends on strategic planning.
6. Anew management is required in Nigeria for the purpose of protecting to establish protection of entrepreneurs through enactment of patent right.
7. Defects in the legal framework for the protection of innovators and the challenging factors challenging technology innovation necessitate the adoption of new management approach.
8. Nigeria's patent laws are weak in Nigeria and need to be revisited via a new management approach.

Conclusion

The study exposed the fact that Nigeria lacks the institutional legal framework to enhance entrepreneurship above all the nature of challenges facing the entrepreneur activities and enterprises in the country is such that require alternative measures as a present policies have not facilitated the development of entrepreneurship. It is in this vein that the authorities concern with the management of entrepreneurship either to policy making or otherwise, need to adopt a new direction.

Suggestion

Following the findings recorded in this study, the paper makes bold to suggest that: To foster the development of entrepreneurship in a developing country as Nigeria. The following step must be taken. These steps would constitute a new management approach that will ensure that:

1. Structural institutional and Infrastructural deficiencies' which hindered the ease of doing business be tackled in earnest.
2. The issue of poor policy formulation and implementation be addressed forth with.
3. There must be positive change towards adopting a management approach which makes the United States successful with regards to entrepreneurship development.
4. A framework which constitutes the system environment should be instituted and adopted.
5. Patent laws to give adequate protection to innovation should be enacted. Such patent law must be strong enough to stand the test of time.

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3
Chapter

Entrepreneurship Education in Nigerian Tertiary Institutions and National Development

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Abstracts

The compulsory introduction of entrepreneurship education in the higher institutions especially in the universities in Nigeria will help to reduce unemployment, poverty and inequality leading to national development. With the purpose of exploring the impact of entrepreneurship education in tertiary institutions on national development, the paper adopted descriptive and analytical designed. It utilized secondary sources of data and employed sustainable development theory as a tool of analysis. The analysis of data showed that lack of entrepreneurship education is largely responsible for unemployment, poverty and inequality among the graduates of higher institutions which has adverse impact on national development. The paper, therefore, recommended that a more practical entrepreneurship education should be encouraged. The paper also called for adequate funding, planning and monitoring as well as provision of adequate teaching materials, equipments, infrastructure and loan for the graduates who have possessed entrepreneurship skills to ensure a sustainable national development in Nigeria.

Keywords: *Entrepreneurship Education, National Development, Sustainable Development.*

Introduction

It is very worrisome that over 80% of the university graduates produced every year in Nigeria lack meaningful employment owing to the nature of university education which is not only theoretical but emphasis white collar job rather than self employment and development (Adeyimola and Olufunmilayo, 2009). Accordingly, Akpan and Etor (2013) observe that the high rate of unemployment and poverty among the graduates in Nigeria is due to the university curriculum which was geared towards stereotyped goals and jobs without adequate practical work. Hence the graduates acquire education without practical skills that would enable them on graduation to practice what they learnt and create job for themselves towards national development. One of the major approaches devised by federal government through National University Commission in Nigeria towards making the youths self employed was the introduction of entrepreneurship education and linkage programmes with the purpose of improving the capacity and skills of graduates to recognize business opportunities, mobilize resources and exploit opportunities which will on a long run facilitate national development (Okiti, 2009; Nwabueze and Ememe, 2009). Put differently, the introduction of entrepreneurship education in our tertiary institutions will empower the graduates to undertake the risk of venturing into something new by applying knowledge and skills acquired in school (Nwosu and Ohia, 2009). It, therefore, help the graduates to be self-employed, self-reliant and self-sustained leading to national development.

Importantly, the high level of poverty, unemployment and inequality in Nigeria particularly among the graduates of tertiary institutions is caused by lack of entrepreneurship education. The nature of Nigerian education is such that does not encourage practical acquisition of skills and knowledge. There is poor funding of entrepreneurship programmes just as the few people with entrepreneurship skills lack access to income and loan which has made their development more difficult. There is still wide gap between education and entrepreneurship. as a result most of the graduates are unemployed, poorer and incapable of developing themselves as well as contributing to national development. Against the foregoing, this paper is aimed at exploring the impact of entrepreneurship education in tertiary institutions on national development in Nigeria.

Methodology

This study is purely descriptive and analytical in design. It relies on secondary sources of data such as academic journal articles, textbooks, newspapers and online materials. These data were subject to content analysis in order to show the

impact of entrepreneurship education in tertiary institutions on national development in Nigeria.

Theoretical Framework

There are various theories that link entrepreneurship education to national development such as human capital theory and sustainable development theory. For the purpose of exploring the impact of entrepreneurship education in tertiary institution on national development, sustainable development theory is deemed apt and appropriate. The central point of sustainable development theory as popularized by World Commission on Enforcement and Development of 1987 and the United Nations Conference for Environment and Development in 1992 (Okoroafor and Umoh, 2019) is that “societies and their environment change, technologies and culture change, values and aspirations change and a sustain such change, that is; sustainable society must allow and it must allow continuous, viable and vigorous development” (Amujuri, 2013).

The emergence of sustainable development theory was informed by the inability of the neoclassical models of development to address key development issues such as poverty, human welfare and environmental health, and its negligence of equitable distribution of growth benefits which are key elements in economic, political and social stability (Obijuru and Okoroafor, 2018). Accordingly, Okoroafor and Umoh (2019) writes that the emphasis of Economic Study/ Action of 1991 on sustainable development encompasses equitable and social responsiveness, recognizing the extensive nature of poverty, deprivation and inequality between and within nations, classes and communities. The choice of sustainable development in this study is because of its inclination and penchant for continuous development of the people particularly the graduates of tertiary institutions in Nigeria through creation of employment and wealth, reduction of poverty and inequality via entrepreneurship education leading to national development. Sustainable development hub seeks to promote prosperity through growth, equity, and efficiency in all sectors of development. It also seeks to support a people through empowerment, participation of all stakeholders, social mobility and various institutional development etc. These are what entrepreneurship education pursue, which in turn facilitate national development. This, therefore, provides justification for the choice of sustainable development theory.

National Development

National development is a concept that has attracted multidimensional meanings and explanations. It implies a positive change and transformation in socio-economic and political conditions of the society (Abah and Nwokuwu, 2017).

National development cuts across social, economic, political, industrial and technological development (Okere and Okoroafor, 2019). However, most development scholars would have us believe that national development is continuous improvement and advancement in the socio-economic and political sectors of the society (Ezeayika, 2006, Unanka, 2001). In this vein, Akindele, Ogini and Agade (2013) see national development as the totality of improvement in collective and concrete terms across socio-economic, political, technology as well as religion which can be achieved through strategies mapped out by the government as contained in the nation's development plans.

Similarly, the south commission provides a background of what constitutes national development, which according to Ezeanyika (2006) comprises a process of self-reliant growth achieved through the participation of the people under their interest, and must end poverty, provide productive employment and satisfies the basic needs of the people. The foregoing definitions capture the need for self-development, self participation and accessibility to basic social amenities which underscores the indispensability of entrepreneurship education for sustainable national development. Taking a cue from Dudley Seers' view, the issue at stake in respect of development of any nation bothers on what has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three of these have declined from high levels, then beyond doubt, thus has been a period of development for the country concerned. If one or two of these central problems have been growing worse, especially all three have, it would be strange to call the result development, even if per capita income doubled (Seers, 1969). By necessary implication of seer's definition, national development could largely be determined by the level of poverty, unemployment and inequality which entrepreneurship education is designed to address in Nigeria. On the basis of the above premise, eradication, or minimization of poverty, unemployment and poverty through entrepreneurship education would boost national development.

Entrepreneurship Education

There are a plethora of definitions of entrepreneurship. For Allawadi (2010, cited in Ugwumba and Olorunfemi, 2013), entrepreneurship involves the carrying out of new combinations as enterprise and the individual whose function, it is to carry them out as entrepreneur. It focuses on the combination of five ideals, namely; the introduction of a new product, a new method of production, opening a new market, conquest of new source of supply and creating a new organization.

Entrepreneurship education is the development of the people (students), competencies and skills towards creating a business or career option it includes offering functional education to the youths to make themselves employed and self-reliant, providing youth graduates with adequate training to be creative and innovative in identifying novel business opportunities and establish a career in small and medium scale business (Paul, 2005). Similarly, Unachukwu (2009, cited in Macaulay and Ebelogu, 2015) posits that entrepreneurship education deals with the equipping of the students in a manner that they will have;

1. Ability to create and build something from nothing
2. Ability to have a vision matched with focus and determination of building an enterprise.
3. Ability of possessing the skill of seeking an opportunity where people fail to do so
4. Ability to build a working team to complement one's own talents and efforts
5. Ability to control resources judiciously
6. Ability of innovativeness and creating
7. Ability to undertake personal and financial risk.

Objectives of Entrepreneurship Education

Osuala (2010) clearly spelt out the objectives of entrepreneurship education. According to him, they include:

1. To provide meaningful education for students in order to make them self-reliant and self-independent
2. To provide graduates with the necessary training for career development
3. To provide graduates with training skills that will make them meet the manpower needs of the society
4. To provide graduates with enough training in risk management
5. To stimulate industrial and economic growth
6. To increase the creative and innovative ideas of graduates in identifying new business opportunities.
7. To provide small and medium size companies in order to reduce the rate of employment.

In the same manner, Nwangwu (2007, cited in Akpan and Etor, 2013) presents the objectives of entrepreneurship education in the tertiary education level in Nigeria as:

1. Offering functional education for the youth so as to enable them to be self-employed and self-reliant
2. Providing graduates with adequate training that will enable them to be creative and innovative in identifying novel business opportunities
3. Offering graduates adequate training in the acquisition of skills that enable them to meet the manpower needs of the society.

Beyond the above objectives of entrepreneurship education, it is essential to note that entrepreneurship education's ultimate aim in the tertiary institutions in Nigeria is to help graduates to have the fundamental skills to be self-reliant, self-sufficient, self-sustained and self-supportive leading to national development.

Empirical Studies

Igboeche (2019) focused on entrepreneurship development as a catalyst for economic growth in Nigeria. The paper was aimed at examining how entrepreneurship development can serve as a catalyst for economic growth and to explore the factors responsible for entrepreneurship development in Nigeria and its relevance for economic growth. The paper utilized expository research design which depended on secondary source of data. The data were analyzed using historical and explanatory analytical tool. Relying on dynamic entrepreneurship innovation theory as the theoretical tool, the analysis of data revealed that entrepreneurship development is a driver to economic growth in Nigeria through employment generation, promotion of innovation, diversification of sources of revenue, increase of GDP and development of small and medium enterprises in Nigeria. The paper recommended backup for entrepreneurship development and favourable entrepreneurship environment.

Similarly, Aluke and Yomi-Akinola (2019) focused on entrepreneurship education as a tool for reducing unemployment in Nigeria. With the purpose of investigating if entrepreneurship education can serve as a useful tool for reducing unemployment in Nigeria, the authors postulated that entrepreneurship education has the capacity to drive socio-economic growth and development as well as reducing unemployment in Nigeria. The author employed descriptive research design based on the use of questionnaires for data collection which were analyzed using statistical package for social science. The analysis of data proved that entrepreneurship education is a viable tool for reducing unemployment in Nigeria. The paper, therefore, suggested collaborative partnership between industries and universities, strong government policy and funding to strengthen entrepreneurship education in Nigeria

Jacob and Ehijiele (2019) were concerned with unemployment in Nigeria and the role of entrepreneurship education. The paper examined the role of entrepreneurship education in eradicating unemployment in Nigeria. The paper used survey research design through questionnaires administration as the data were analyzed quantitatively and subjected to test using chi-square statistics. The findings of the paper indicated that entrepreneurship education has a significant and positive effect on unemployment eradication in Nigeria. The paper recommended encouragement of entrepreneurship education and vocational studies. In the same vein, Ekechukwu, Nwinyinya, Okorie and Albi-Oparaocha (2018) researched the role of entrepreneurship education on the empowerment of Nigerian youths for national economic development. The paper was principally aimed at determining the strength of entrepreneurship education in imparting the right skills and attitudes to students and the extent entrepreneurship education can help the students to undertake the establishment of their own. The authors argued that entrepreneurship education ensures generation of greater employment opportunities, stimulation of development of local technological base and source of foreign exchange earnings. The study made use of descriptive survey design via questionnaires as the responses were measured on a four point likert scale with mean score while the hypotheses were tested with the aid of test of proportion which showed that entrepreneurship education imparts skills and attitudes to students as well as favourably exposed them towards establishing their own businesses leading to national economic development. The paper recommended provision of enabling environment in the form of electricity, good roads and soft loan as well as redesigning the practical means of teaching entrepreneurship for result orientation.

Ogbondah and Nwogu (2017) were involved in the study of entrepreneurship education and sustainable youth empowerment in Nigeria. The paper, which was aimed at showing how entrepreneurship education could serve as a instrument for sustainable youth empowerment in Nigeria maintained that one of the greatest social challenges in Nigeria today is large scale youths unemployment due to non-empowerment of the youths through entrepreneurship education. The paper further maintained that if entrepreneurship education is fully implemented will serve as a panacea to social menace among the youths. The paper was historical and descriptive in approach. It utilized secondary sources of data which followed descriptive analysis. The paper revealed that the non empowerment of the youths through entrepreneurship education is largely responsible for the social menace being exhibited by them. The paper recommended redesignation of school curriculum for practical youths empowerment.

In another study, Ogeni (2017) focused on the relevance of entrepreneurship education to the development of micro, small and medium enterprises (MSMEs) in Nigeria. They posited that incorporation of entrepreneurship education as a course and subject into the educational curricular of vocational studies, secondary, tertiary institutions and entrepreneurship agencies has become a globally accepted initiative to address the increasing unemployment rates. The study employed survey research design anchored on the use of questionnaire to assess the state of entrepreneurship education and the impact on the development of micro, small and medium enterprises (MSMEs) in Nigeria. Relying on the use of non-parametric test of Kruskal-Wallis of K-independent sample test to test the independency of the formulated hypotheses the findings revealed that a direct and indirect relationship exist between entrepreneurship education development of MSMEs and job creation in Nigeria. Also, the study unveiled that entrepreneurship education positively impacts on youth significantly as it reduces youth unemployment as well as guarantees sustainable employment in Nigeria. The study recommended collaboration between the National University Commission (NUC) and Ministry of Education at the federal and state levels to ensure that entrepreneurship education is made compulsory.

Ogundele and Egunjimi (2017) were concerned with entrepreneurship education as an instrument for sustainable economic development in Nigeria. The study was aimed at discussing the relevance and benefits of entrepreneurship education towards enhancing sustainable economy in Nigeria. The paper argued that the major problems facing Nigeria are high rate of poverty, unemployment, overdependence on foreign goods and technology and lower economic growth and development. The paper further argued that entrepreneurship education equips individuals with skills to be self-reliant. The paper was qualitative in nature and descriptive in the analysis of data. Its findings showed that improved and sustainable economy depends on a strong entrepreneurship education. The paper called for effective technical education and youth empowerment, introduction of entrepreneurship programmes at all levels of education and adequate support of entrepreneurship development by government. Anyebe (2017) looked at entrepreneurship education and employment in Nigeria with the purpose of examining the relationship between entrepreneurship education and employment in Nigeria. The paper was qualitative in design and obtained data through secondary sources. The analysis of data revealed that schools in Nigeria are characterized by outmoded operational process and management structures

which are incapable of producing graduates with the capacity to generate creative ideas and turn such ideas into satisfying ventures. The paper recommended curriculum review in order to develop entrepreneurship skills and culture in the youth and adults and keep space with the present reality.

Abiola (2017) was involved in studying strategies for improving entrepreneurship education in Nigeria with emphasis on entrepreneurship teachers in Katsina state. The study aimed at assessing the strategies for improving education in Nigeria. It adopted survey research design through the use of questionnaire. Data collected were analyzed with the use of mean and standard deviation and t-test statistics. The findings demonstrated that identified strategies are required in improving and fostering entrepreneurship education in Nigeria. The paper recommended the establishment of practical entrepreneurship ventures schools. Abimbola (2015) researched on entrepreneurship development and entrepreneurship education as panacea for unemployment and poverty reduction in Nigeria with the aim of ascertaining the need for promoting employment and poverty reduction in Nigeria through entrepreneurship education. The paper posited that entrepreneurship education has the capacity of creating wealth, reducing poverty as well as ensuring self-development, economic and national development. The paper utilized descriptive survey methodology through the use of questionnaire as the analysis of data revealed that most of the vices associated with the youth such as kidnapping, militancy and other social problems like unemployment and poverty can be reduced drastically by engaging the youths in entrepreneurship ventures. Against this observation, the paper recommended mobilization of competent entrepreneurship personnel based on the use of formal and informal approaches to train the youth and adults, literates and illiterates, employed and unemployed. Also, adequate funding of entrepreneurship programmes by government is solicited.

Similarly, Haruna (2015) studied entrepreneurship as a tool for poverty reduction and means of attaining the millennium development goals (MDGs) with the aim of showing the nexus between entrepreneurship and poverty reduction for the attainment of millennium development goals. The paper was narrative in its methodology and relied on the secondary sources of data. The content analysis of data uncovered that entrepreneurship education is a strong means of reducing poverty and stabilizing national economy as the high level of poverty in Nigeria is attributed to poor entrepreneurship education. Hence the paper called for strong

government support for agriculture, youth and women empowerment, education, free loan facilities and the creation of enabling environment for entrepreneurship development. Ebebe and Ofoego (2015) looked at entrepreneurship as a necessary tool for poverty reduction among women for sustainable development with the purpose of showing how entrepreneurship can contribute to minimizing poverty among women for sustainable development, the paper argued that the high level of poverty in Nigeria, particularly among women is largely due to lack of entrepreneurship which undermines sustainable development. The paper was purely descriptive in nature and utilized only secondary sources of data. The analysis of data uncovered that the increased poverty level among women not only undermines efforts to minimize poverty but also serve as an obstacle for the realization of their human rights and prohibition of violation of women's rights. The paper recommended functional entrepreneurship programme for Nigerians especially the women.

Entrepreneurship Education and National Development

Despite the fact that many scholars have argued that the factors militating entrepreneurship education towards national development are many, the more disturbing ones according to Anyadike, Emeh and Ukah (2012), Olorundare and Kayode (2014), Onwubiko (2011), Undie, Sule and Bassey (2012) are poor funding, poor planning and monitoring, inadequate teaching materials and equipment, paucity of competent instructors or teachers, lack of infrastructure and lack of access to ICT, and lack of income & access income and loan. These factors constitute bottlenecks to the realization of the purpose of introducing entrepreneurship education which is fundamental for national development. That, notwithstanding, the prospects of entrepreneurship education in Nigeria abound. There seems to be a nexus between entrepreneurship education and national development. Undoubtedly, entrepreneurship education facilitates economic development through increasing the production of goods and services. It raises incomes and consumption levels of the people as well as ensuring equitable distribution of resources. Entrepreneurship education facilitates wealth creation and poverty reduction (Ekechukwu, Nwinyinya, Okorie and Albi-Oparaocha, 2018; Ogundele, Egunjimi, 2017; Reister, 2010). By these means, the national income which is the total monetary value of all final goods and services produced in an economy like (Nigeria) over some period of time, usually a year, is increased (Todaro, 1982). Hence, the economic growth of a country which constitutes part of national development is largely determined by its national income or gross national product which entrepreneurship education has the capacity to achieve.

Entrepreneurship education is also vital in stimulating social development. It is a panacea for unemployment as it creates employment opportunities and provides a means of livelihood to the people (Alvaro, Domingo and Salvador, 2008, Ogeni, 2017; Awogbe and Iwuamadi, 2000). In early 2000s, entrepreneurship studies were introduced into the Nigerian educational system, especially at higher institutions as a mandatory course. The Centre for Entrepreneurship Development (CED), which has the objective of teaching and motivating students of higher institutions (especially in science, engineering and technological (SET)) to acquire entrepreneurial, innovative, and management skills, was established. This was done to make Nigerian graduates self-employed, create job opportunities for others and generates wealth in the process (Anam, 2019). Entrepreneurship encourages creativity, innovation and skill acquisitions which promote the prosperity and progress of a nation. As Akiri, Onoja and Kananzang (2016) aver, if the citizens of a country possess adequate entrepreneurship skills, knowledge and potentials, driving the development of their country is easily attained. Importantly, entrepreneurship education promotes gender equality as it empowers all gender thereby reducing the rate of socio-economic inequality and disparity (Obijuru and Okoroafor 2018). In summary, entrepreneurship education helps to ensure the presence of basic needs of life, reduction of poverty, unemployment, crime rate, violence and restiveness among the youth. Lastly many have continued to wonder if entrepreneurship education could lead to political development, arguably, empowering the people through entrepreneurship education affords them the opportunity of increasing their voice and participation in governance particularly in the decision-making process to ensure that enabling environment is created for sustainable business venture. When all these are achieved beyond measure through entrepreneurship education, national development is assured. Hence, a strong relationship exists between entrepreneurship and national development.

Concluding Remarks

The deplorable condition of graduates in Nigeria is disturbing. Many of them are victims of poverty, unemployment and inequality owing to lack of skills and knowledge to be self-employed. As a means of improving their condition, the Federal Government of Nigeria through National University Commission introduced entrepreneurship education to help them acquire the necessary skills in order to be self-employed and self-sustained and to contribute meaningfully towards national development. However, in order to ensure that the purpose of introducing entrepreneurship development is met with success, adequate funding

planning and monitoring are advocated. Also, there is an overriding need to provide adequate teaching materials, equipment and infrastructure. Also, government should provide nor interest soft loans for those who have acquired entrepreneurship education in the higher institution particular in the university.

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4
Chapter

Assessment of the Effectiveness of Token Economy System (TES) as a Behaviour Modifier on Problem Behaviours in the Classroom: Implications for Increase in Students' Academic Performance in JSS1 & SS1 in Bayelsa State

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Introduction

The poor performance of students can be as a result of certain variables such as the environment, parental influence, peer group influence, classroom situations, socio-economic status of students and parents, internal and external locus of control. But paramount among there are the teaching method and teachers methods of instruction in the classroom. An assessment is necessary for a wholesome consideration of the classroom assessment of performance in all domains, the cognition, affective and psycho motor, domain of students. Assessment is an attempt to take care of a students performance not only in one short examination but in all parts of performance of students progress. (Ubulom, 2019) 2019. This can only be successful when certain modifying variables can be used to improve students performance.

The method of instruction and style of a teacher in the classroom can help to improve the academic performance of students. The Token Economic System (TES) is one of such modifying variables used by the teachers or school counsellors to improve on students academic performance in schools. (TES) application is done when students participants are given a token which later

culminates into reward on incentives or reinforcement, on certain undesired behaviours. The TES is carried out as an inducement or enhancers for predetermined backup reinforcement which will yield results later Kazdin (1977). The relevance of TES is that the token are the motivating and modifying variable on specific behaviours are tied to a significant reinforcement. Kazdin, 1977 and Sugai, 1998. Token economy system is also an emphasis on the effectiveness of applying tokens as energizer as with children with developmental delays as well as other problematic behaviours in developing children. Ayilon and Azrin (1968). It is paramount for teachers to adopt the token economy system in our everyday teaching process in the classroom. It merely acts as a reinforcement or motivator and a modifier, on any activity as part of a reward on students. TES when applied correctly has some peculiar characteristics of other behaviours modification interventions. Hall (1979) this consist of list if target behaviours that may not be reinforced, the method if TES is adopted to ensure that the token transforming agent on the behaviour which allows the token to become a reinforcing stimulus, goes on to be used for the backup reinforce. O'Learnny and Drabman (1971). The following are steps to be taken to administer a token economy system (TES).

1. To identify a target behaviour
2. Develop an operational definition
3. Tokens must be made after the target behaviour has been identified
4. Backup reinforcement needs to be gathered
5. Rules regarding delivery and exchanging of tokens must be developed.
6. Tokens must be known as secondary reinforcers as the backup reinforcers.
7. When given out tokens as reinforcers, it is relevant to practice with students on how to earn tokens, the rules for exchanging and then how to exchange tokens for a reinforcer so that they have access to the contingency; the modifying result. Kazdin and Bootzin 1972).

The issue as to how the TES can be adopted in our schools depends on the follow up of these different steps outlined above. Teachers who want to improve on some undesirable behaviour if student should adopt these methods for a successful outcome. TES if properly used can reduce problems behaviours in various subject areas under different conditions. Kazdin (1982). TES has been used successfully for different behaviours such as;

1. Remaining in seat
2. Increasing attention
3. Increasing appropriate call-outs in class.
4. Decreasing distrupture behaviour within the class

5. Increasing academic behaviours such as completing homework assessments
6. Increasing academic engagement time accuracy
7. Increasing in improving children with developmental delay.
8. Cognitive defiant autism
9. Emotional & behavioural problems.
10. Conduct disorders and typically developing children
11. Adult with psychiatric diagnosis
12. Legal offenders, employees and teachers.

Token economy system can be administered by the following class of persons. Parents, teachers, school psychologists/counsellors, employees, doctors, nurses, clinical psychologists and psychometricians. TES is generally a technique that focuses on increase in positive behaviour by students in class and this has been rated very high by series of studies, is unlike techniques that focus on reducing negative behaviours. Fratz & Kelly (1986). token economy system is a well known therapy used for moderation in class room situations to increase positive behaviours that will accelerate an increase in academic performance of students.

Statement of the Problem

The poor performance of students in secondary schools in Bayelsa State needs to be given attention as this will help to ameliorate the extent of youths without the minimum requirement for admission into the university.

The need to moderate the behaviour of students in the classroom which are mostly influenced by peer groups, parental, environment, socio-economy, infrastructural control. This will go a long way to improve the performance of students in class assessment which will lead to improved academic performance.

The issue of putting the behaviour modifier which is token economy system into practice in our secondary schools is a focal point in this study. Principals of school need to embrace this system as a behaviour modifier so as to encourage the school counsellors, teachers to apply it to improve students academic performance. The State Ministry of Education should be intimated on the need to provide overhead costs for the successful implementation of the TES in secondary schools in Bayelsa State.

Parents assistance to apply TES at home will also eliminate cost assessment on teachers and will assist in so many ways to lesson the administrative and re-administrative cost of TES by teachers in classroom. Cost implication is a major issue to the success of TES the financial burden on teachers and principals has to be less. It might be a combination of school and the parent-teachers Associate to make funds available if the State ministry is not responding amicably to the request of principals, in the bed to foster improved academic excellence by student in secondary schools in Bayelsa State.

Aim and Objectives of the Study

This study aims to investigate the 'Assessment of the effectiveness of a token economy system as a modifying variable on student problem behaviours in the classroom; implications for an increase in student academic performance in Bayelsa State. Inspite terms the objectives of this study seek to.

1. Determine the extent to which TES can moderate and increase positive academic behaviours. Like completion of homework/assignment in 20 JSS 1 & 20 SS1 students in Atesra secondary school in Bayelsa State.
2. Ascertain the extent to which TES can moderate and increase positive behaviours in students like self-help skills in Maths class, English class of 20 JSS 1 & 20 SS 1 and positive performance in Maths and English test of students in Atesra secondary school in Bayelsa State.

Research Questions

1. What is the extent of effect of administering TES on 20 JSS 1 & 20 SS1 student on completion of home work/assignment in Atesra secondary school in Bayelsa State?
2. What is the extent of effect of administering TES on 20 JSS 1 & 20 SS 1 student on self skills in maths class, English class on an increase on performance in maths and English?

Methodology

This study employed single & multi-baseline design. This research design is a special experimental methodology approach for effects of intervention measures on an individual's clinical behaviour it uses the subject as the control measure by changing the treatment by assessing via repeated observation or measurement. The impacts of the changes are noticeable as certain new behaviours are exhibited. Kpoloiue (2010). This design involves multiple measurements of the subject with respect to the dependent variable of the study pre-treatment known as the

Baseline. And the treatment condition to reflect the effect of the treatment. The study is both single and multiple-subject research design because it chooses to administer treatment on the baseline of classes of JSS 1 & class of SS1 student on single subject on performance of Assignment and multiple subject research design and the increase in performance of student in self helps skills in English and maths and performances of student in test on maths and English on the baseline and treatment on both classes of students in Bayelsa State. Single subject research design has four phases.

- i. At base line – this is the dependent variable under investigation before treatment.
- ii. Treatment condition – this is the experimental treatment condition which is the independent variable.
- iii. A2 baseline – after treatment has been administered measures are taken at end of B1. The dependent variable is back to original State.
- iv. B2 treatment condition – Re-administration treatment and multiple measures are taken.

This stage involves a comparison of subjects performance in A1 B2 A2 & B2 in all the Baseline and treatment conditions. The effect of the independent variable (on the dependent variable behaviours is determined (Kpolovie, 2010). While the multiple Baseline design is the use of more than one Baseline for experimental treatment effect on the dependent variable. This design shows a time causal of treatment when the replicated subjects indicate the same result in all treatments. The multiple Baseline treatment increases internal validity by reflecting history. And also has a high external validity as it gives room for more accurate generalization and room for comparison with other treatment conditions administered.

The population of the study consist of twenty (20) students of JSS1 and twenty (20) students of SS1 class of Atesra Secondary School in Yenagoa Local Government Area of Bayelsa State. The researchers employed purposive samplings technique to select students for the study. This was appropriate due to the design of the study which entails pretest and administration stage and re-administration stages. The instrument for data analysis is simple mean and percentage using the Baseline/treatment graph to show the detailed result of information on the performance of students on A1, B1, A2 & B2 in both single and multiple Baseline treatment.

The validity and reliability is ensured by the multiple-baseline which measures the internal by extending all the subjects after treatment effect has been demonstrated while the external validity allows a more accurate generalization to other comparable or similar subjects when the effect of treatment intervention has been demonstrated.

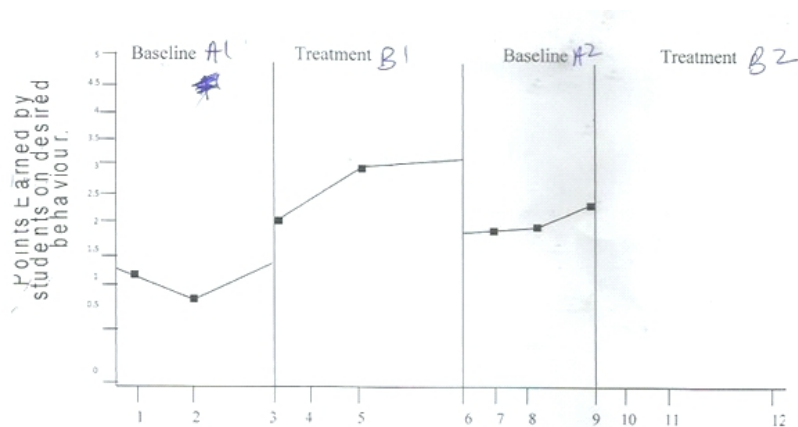
The validity and reliability is high as a result of treatment based on pretest-stage administration stages.

Results

Research question 1

What is the extent of effect of administering TES on 20 JSS 1 & SS1 students on completion of homework/ Assignment in Astesra Secondary School in Bayelsa State.

Fig. 1.



Investigation on 20 JSS1 students on single baseline – Treatment design

A¹ → B¹

A² → B²

For improvement on use of TES

Baseline A 1

The result on Baseline A1 on students is as follows:

Table 1.

Total minimum score	Total average score	Total maximum score	Mean score	Criterion mean
0.7%	0.6%	1%	0.8%	2.5

The cumulative average score of 0.8% is below the criterion mean of 2.5%. This simply indicates that the behaviour of 20 JSS 1 students before the treatment of TES was low.

B¹ Treatment

The result is as follows:

Table 2.

Total minimum score	Total average score	Total maximum score	Mean score	Criterion mean
2%	3%	3.5%	2.8%	2.5

The mean score of 2.8% is above the criterion mean of 2.5% this means that the treatment of TES moderated the students behaviour in the first treatment on completion of assessments/homework.

Baseline A²

Table 3.

Total minimum score	Total average score	Total maximum score	Mean score	Criterion mean
1.5%	1.7%	2%	1.7%	2.5

The result of baseline A² shows that the mean score of 1.7 is still less than 2.5 criterion mean. The effect of TES on awaiting re-administration is low. This means more tokens and less exchange will be carried out.

B² Treatment

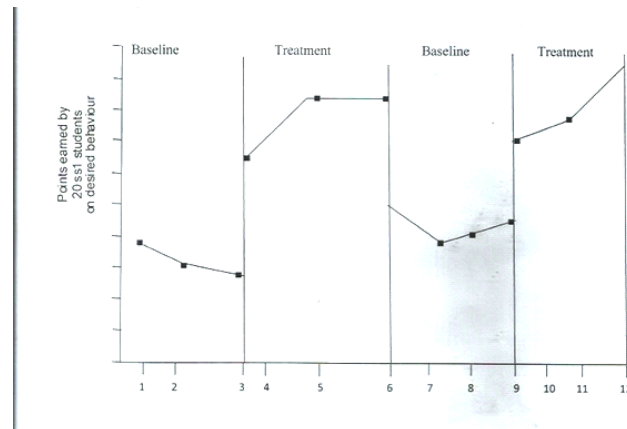
The result of B² on 20 JSS1 students are as follows.

Table 4.

Total minimum score	Total average score	Total maximum score	Mean score	Criterion mean
2.5%	3%	3.2	2.9	2.5

The result of mean score of 2.9 is more than the criterion mean of 2.5 which indicates that the B² treatment increased positive behaviour of 20 JSS 1 students on completion of assignments and homework.

Fig. 2.



Investigation of 20 SS 1 students on single baseline A¹ and treatment B¹ result.

A¹ → B¹

A² → B²

A1 Baseline

The result is as follows:

Table 5.

Total minimum score	Total average score	Total maximum score	Mean score	Criterion mean
1.7%	1.9%	1.9%	1.8%	2.5

The mean score of 1.8% is less than 2.5 the criterion mean. This means that the expected behaviour treatment of completion of assignment & home work is low.

B¹ Treatment

Table 6.

Total minimum score	Total average score	Total maximum score	Mean score	Criterion mean
3.5%	4.5%	4.7%	4.2%	2.5

The result showed that there was positive behaviour towards completion of assignment of Atesra Secondary School in Bayelsa State.

A² Baseline

The result of baseline A² is as follows:

Table 7.

Total minimum score	Total average score	Total maximum score	Mean score	Criterion mean
2.2%	2.3%	2.5%	2.3%	2.5

The result showed that the performance of A² is below that of A¹ but the mean score of 2.3% is still less than the criterion mean of 2.5%. which means the desired behaviour is still low.

B² Treatment

The result of B² treatment is as follows:

Table 8.

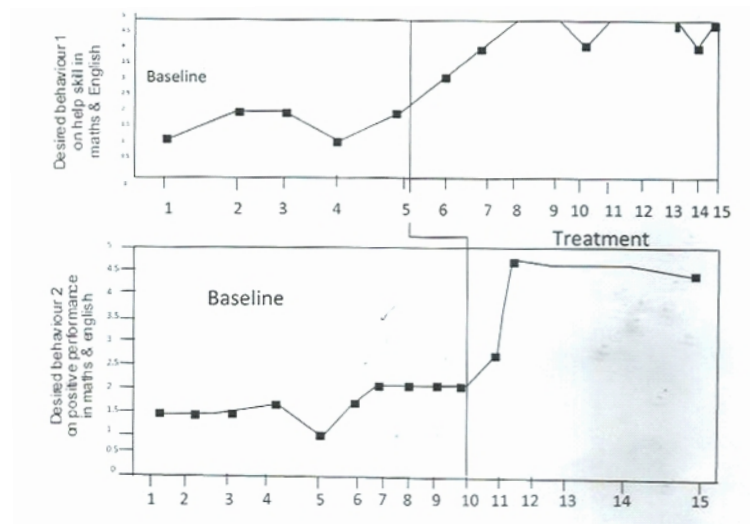
Total minimum score	Total average score	Total maximum score	Mean score	Criterion mean
3.5%	4%	5%	4.2%	2.5

The mean score of 4.2% is far higher than the criterion mean of 2.5%, this indicates that the performance on positive desire behaviour by 20 SS II students of Atesra secondary school was achieved.

Researched Question 2

What is the extent of effect of administration of TES on 20 JSS1 & SS1 student of Atesra secondary school in Bayelsa State on self help skills in Maths & English and on test performance in Maths and English.

Fig. 3



Multiple Baseline Treatment on desired Behaviour I self help skills in Maths and English Behaviour 2 positive performance in Maths & English of 40 students comprising of SS1 of Atesra Secondary School in Bayelsa State.

Baseline – Self-help skills scores A¹

Table 9.

Day 1	Day 2	Day 3	Day 4	Day 5	Mean Score
0.5%	0.7%	1.2%	0.3%	0.7%	0.7

Treatment on self-help skills scores B¹

Table 10.

Day 6	Day 7	Day 8	Day 9	Day 10	Day 11	Day 12	Day 13	Day 14	Day 15	Mean score
5.0%	5.0%	4.5%	4.5%	5%	4.5%	4%	4%	4.5%	4.5%	5.05

The result of investigation indicates that the mean score of 5.05 is far higher than the criterion mean of 2.5. This indicates that all 40 students of JSS 1 & SS 1 has a positive behaviour on self help skills.

Result of multiple baseline treatment of performance of 4.0 SS1 students and JSS1 students using TES are as follows:

Baseline A²

Table 11.

Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Day 8	Day 9	Day 10	Mean score
1.7%	1.8%	1.9%	1.5%	1.6%	1.8%	1.7%	1.8%	1.9%	1.9%	1.8

The mean score of 1.8 is less than the criterion mean of 2.5, indicates their desired behaviours before treatment was low.

Treatment

Day 11	Day 12	Day 13	Day 14	Day 15
3.5%	4.5%	5%	4.8%	4.5%

The result of treatment for positive performance in maths and English mean score of 4.5 is far higher than the criterion mean of 2.5. The TES was successful in improvement of the desire behaviour.

Discussion and Findings

During the treatment period of the use of single Baseline A1 & B1, students responded to promptness in completion of Assignments as most tokens were retained for reinforcements and they became contingents as no token was exchanged. The treatment gave a positive result and the method used to enable the students to have a positive desired behaviour. As the mean score was always higher than the criterion mean during treatment. The single baseline treatment of TES revealed that at the beginning – baseline score was low but at the end, B2 treatment revealed that TES if applied is effective in modifying students towards completion of assignments or homework.

The result of multiple baseline treatment for self skills and increase in performance to maths and English test of both JSS1 and SS1 students showed that during the baseline the mean score was always lower than the criterion mean of 2.5 but on treatment the mean scores were always higher than the criterion mean of 2.5.

The result of the multiple baseline design had its implication in that it reveals some vital viable that helped in increasing performance in both self-help skills and increase in performance of maths and English such as:

1. More zeal and rudiments
2. Accuracy in working
3. More attentiveness in class
4. Quick response to answering questions in class. These were all interrelated dependent variables that were improved upon while treatment was on.
5. The tokens that were gotten were all retained and only few exchanged by those who promptly ailed faster than others. Both classes were very anxious to participate in the TES as they all wanted to show that they can improve upon all desired behaviours not minding the difference in class.

Conclusion

In view of the findings of this investigation, the researchers have come to realize that the TES is a very effective method of improving the positive desired behaviours of students for a better academic performance which is the main goal of education in society. The TES comprising of giving tokens, retaining of tokens for an exchange for reinforcement has a high cost of implications which is one of the limitations of the system.

Recommendations

Based on the findings of this study, it is recommended that,

1. The Counselling Association of Nigeria should create awareness on the usefulness of implementation of TES in Secondary Schools in Nigeria.
2. The State Ministers of Education should provide funds for the implementation of TES in schools.
3. The Parents Teachers Association PTA should also be involved in finding of TES in schools.
4. The idea that price giving or awards are all a part of TES is not proper for it does not improve the desired behaviours that will result to a lasting academic performance of students.
5. Principals, teachers and school guidance Counselors should ensure that the TES is carried out at least once every term.

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5
Chapter

Poverty Reduction, Unemployment and Rural Development; Aftermath of COVID-19 Pandemic in Nigeria

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Abstract

Nigeria has one of the countries whose experience of poverty and unemployment is on the high side makes this study to look into the effect of the economic lockdown during the global pandemic in the country, with the aim of making effort on how this effect can be translated into economic development. Survey research design method was adopted with self-administered questionnaire used to collect data. Findings revealed that in Nigeria COVID -19 outbreak effects was felt in almost all sectors and the aftermath greatly affected the country's GDP and this adversely affect rural development in the country, which translated to a worrisome rate of poverty and unemployment. Hence, both individual and government have now seen that campaigning for economic diversification is not sufficient for economic development but rather a prompt swing into action by all is needed for sustainable development of rural areas to respond to the worrisome rate of unemployment and in turn high level of poverty caused by the COVID-19 lockdown in the country. It was recommended that government at all level as well as individuals and stakeholders should put in place actions that would gear up rural development and set policies at their various helms of affairs that would encourage economic participation of all citizens in all sector of the economy.

Keywords: *Poverty, Unemployment, Rural development, COVID-19*

Chapter DOI: 10.48028/iiprds/ap-21/beoaeat.7762.chp05

Introduction

In December 2019, the World Health Organisation (WHO) declared COVID-19 as a global pandemic, having registered the effects this contagious virus has caused across the globe. The virus which emanated from Asian countries led to the total lockdown of all (social and economic) activities in all countries affected to curb its spread. Before WHO pronounced it has a global epidemic, Nigerians saw the disease as a foreign land infection that could never spread to the country and this affected the response to its confirmation in the country. Despite the rate of spread of COVID -19 in the country, many believed it was a disease for the high class citizens. High rate of poverty and unemployment with (stagnation in) development of rural areas are inherent characteristics of developing nations which has always been considered by researchers over the years, all with the aim to tackle development challenges. Weak progress on structural changes and low spending on research and development accounts for the deterred economic growth in developing countries. The rural poor in middle- and low-income countries will be particularly at risk (with the COVID-19 aftermath) due to the depth of their poverty, high population numbers, reduced remittances and the limited capacity of the state to respond (Ocampo, 2020). Even the G20 Leaders, the International Monetary Fund, the World Bank Group and the UN Secretary General, are all of the opinion that poor people and poorer countries are particularly at risk as a result of the pandemic.

The consequences of COVID-19 disease outbreak on the economy of Nigeria have gradually started unfolding. According to Woodhill (2020), the health and economic impact are likely to be felt more by the world's poorest people. This pandemic experienced all over the world in the year 2020 affected the job of many citizens (there was job creation and job loss), this resulted in reduction or loss of incomes to individuals, firms and government, thereby having a widespread impact on people's financial resources to the extent that acquiring even basic needs such as purchase of food became difficult for the poor citizens. One of the ways the economic effect was reflected is through the inability of government to fulfill her rural development plan in the year 2020, this would likely be the situation in the next few years due to economic aftermath of COVID-19 caused by the direct and indirect impacts (like shortfalls in government revenue) of the lockdown policy. To assess the economic impact of the lockdown, consideration has to be given to gross national product (GDP) as well as the number of people living below the international poverty line.

In Nigeria, the government has given development of rural communities' utmost priority over the years because most economic diversification options such as agriculture can be enroot through rural development. In most developing nation about 70% of the population lives in the rural areas and almost all of them still live in extreme poverty, buttressing the fact that the negative effect of COVID-19 would be felt more by low class citizens. According to Ocampo (2020), the economic effect of the pandemic is most likely to initially increase poverty level in the country thereby hindering poverty reduction strategy. Ocampo (2020), also stated that, actions need to be taken in areas such as trade, finance and tax corporations to put the global economy on a more suitable path. Another severe socio economic impact of COVID-19 which has greatly affected the Nigerian economy is the sharp drop in oil prices, which threatened to undo years of moderate economic growth in Nigeria and many other oil-dependent African countries (IMF, 2020a).

The socio-economic effect of COVID-19 in Nigeria and the world at large requires attention being given to strategy, business, people, risk and operations generally. This is because the disease outbreak has a significant influence on; business operations, health care systems, recession, lives and properties. Before the pandemic, the increase in the rate of unemployment and even underemployment in Nigeria contribute a lot to why poverty level is on the high side in the country and now the effect of this disease outbreak experienced all over the world has affected the job structure or nature of many citizens. While to some the experience has been job loss and to some others especially those endowed with Information Technology (IT) knowledge, it has being an opportunity for job creation as IT was the most reasonable means of communicating during the lockdown. But quite a number of Nigerian citizens lost their jobs due to the lock down, this resulted in reduction or loss of income thereby having a widespread impact on people's financial resources to acquire even basic needs such as purchase food. Though the lock down effect on jobs was felt by both the employers and employees it however opened the mind of many to the reason to look into diversifying their means of earning and likewise other creativity in them where geared-up by the lockdown.

The COVID-19 lockdown had a great impact on Nigeria economy and this has caused the rate of unemployment, poverty and rural development to worsen with a prediction of the situation getting worse in the future. It is not an under-statement to say that the experience brought by the pandemic in the year 2020 has shown the

need for all nations to plan appropriately for the future. Hence, critical future insights are more important than ever especially in a developing country like Nigeria. This study therefore intends to look into the effects of the economic lockdown during the global pandemic on the Nigerian society, with the aim of making effort on how these effects can be translated into economic development while other objectives of this study are to know the impact of rural development on poverty reduction, investigating the effects of rural development in curbing unemployment and examining the relationship between unemployment and poverty reduction.

Review of Related Literature

The arrival of the pandemic set off a chain of policy actions, including public health and education campaigns, fiscal and monetary measures, restrictions on large sections of the economy, and compensating measures in the form of social protection for poor and vulnerable people (Onyekwena and Amara Mma, 2020). The Economist Intelligence Unit warns that COVID-19 outbreak will be the most brutal recession in living memory that “could devastate poor countries”.

Impact of Rural Development on Poverty Reduction

The various control measures imposed by government during the lockdown in addition to restrictions in movement, led to the incidence of increase in the prices of goods and services, lack of food, restriction from accessing basic need such as shelters. Increases in the prices of goods and services are due to scarcity of resources, low supply and high demand, which led to inflation. Various researches have suggested that Nigeria economy requires economic diversification and development of rural areas is a good means through which this can be achieved.

Given the adverse outcomes of the pandemic, a pressing economic policy concern is to find ways to reduce the negative consequences of lower household income, higher poverty, and the greater likelihood of associated long-term impacts, such as deeper rates of malnutrition. In the short-term, while the focus has been on health, security, and the welfare of vulnerable population groups, the government has provided food from the national grain reserve and advanced payments of conditional cash transfers [(FAO, 2020; FGN, 2020a) as cited by ACAPS (2020); Nnabuife, 2020].

As stated by (UNHCR, 2020), the impact of the lockdown reduced family interactions (57.61%) whereby keeping the core family members only with no possibility of visiting relatives. The stressful situations caused by the restriction could stimulate mental and emotional disorder, particularly among households with poor income. The COVID-19 economic challenge requires a good foresight thinking to prepare for how shorter-term impacts of the lockdown will unfold, also to look at what await the economy in the future as well as how to ensure the best is made out of the situation such as vast investments that will be made to help recovery can contribute to a more equitable and sustainable society. Inequity and unsustainable resources use and climate change impact disproportionately on poor rural people and small-scale farmers. COVID-19 needs to be a wake-up call for creating systems that are far more resilient to shocks such as the current pandemic (UNHCR, 2020).

Slow down in rural development is also expected due to the fact that the cash flow and profits of firms have dropped substantially putting many, particular small and medium sized enterprises, at risk of financial default. This has a spiraling negative impact on the economy with flow-on effects to the financial sector and the availability of credit (Woodhill, 2020). Economic fallout from the crash in oil prices and the economic effects of COVID-19 would worsen poverty and economic inequalities in the country. Prior to the pandemic the Nigerian economy was characterized by slow growth, high inflation rates and currency fluctuation, and high levels of poverty (Daily Trust 20/05/2020 as cited by ACAPS, 2020).

About 15% of the world's poorest reside in Nigeria; urban crime, kidnappings, and herder-pastoralist clashes are widespread in some areas due to poverty, limited resources, and lack of economic opportunities. There is a risk that the economic impact of COVID-19 will exacerbate insecurity (The New Humanitarian 15/05/2020; Chatham House 12/05/2020 as cited by ACAPS, 2020). A study on remittances conducted in Nigeria between 2011 and 2012 found that over 74% of the total remittances flows to the country were spent by households on consumption, education and health (Progress in Development Studies 12/2014; IFAD 2011 as cited by ACAPS, 2020). Decline of remittances to Nigeria will probably lead to increased poverty and reduced access to essential goods and services (The World Bank 04/2020 as cited by ACAPS, 2020). Nigeria is the biggest oil exporter in Africa and the largest gas reserves in the continent, with the huge reserves of both human and natural resources, Nigeria is expected to build a

rich and comfortable economy, reduce its poverty level significantly and be able to provide infrastructural services to cater for its population need (World Bank, 2014).

The dependent of the country on the oil sector have not helped to bring up development as expected especially to rural areas. It is therefore important that putting in place some factors which would aid the development of the rural areas in Nigeria should be given priority. Therefore, it is important to note that the impact of COVID-19 on the rural poor needs to be given attention especially with the economic, livelihoods, health and food security implications in the short, medium and longer term.

Effect of Rural Development in Curbing Unemployment

ACAPS (2020) stated that, oil revenues contribute 60% of the government's revenue and 90% of its foreign revenue. The recent global crash in oil prices, fuelled by an OPEC+ price war and subsequent drop in demand of oil derivatives amid COVID-19 containment measures worldwide, resulted in Nigeria reducing its oil production and exports. Depletion of foreign reserves in the Nigerian Central Bank (normally countries get foreign currency from exports to replenish their reserves) has made it difficult to stabilize the local currency (Naira) against the US dollar, causing a rapid depreciation of the Naira (ODI 07/04/2020 as cited by ACAPS, 2020).

The UN Refugee Agency- UNHCR (2020) as part of the prevention and mitigation measures in response to the pandemic explained that there were wide ranging restrictions to movement and closure of socio-economic institutions and infrastructure across the country, leading to reduction of access to services during the COVID-19 pandemic. The report indicated that access to education was the most impacted (at 62%) resulting from the country wide closure of schools and educational institutions. It is more like a shame that it was difficult during the lockdown for online schooling to be conducted in a country that is referred to as the giant of Africa. This explains that effective management of resources to coordinate various sectors like education is important. If resources has been effectively utilized before the pandemic lockdown the education sector would have not suffered that much. The situation to people in the rural areas would be worse because most members of these communities are actually being encouraged enroll in school through sensitization that it is an expenses that worth it in a future date even though their income seems to be low to cater for educational expenses as believed by them.

Analysis have projected that due to the sharp reduction in national GDP as a result of the lockdown, Nigeria is likely to experience recession. During an 8-weeks period in the lockdown the country's GDP reduced by about 23% and just as the global projection, a reduction of about 6% to 9% compared to the expected level of GDP before the COVID-19 outbreak was estimated for the second half of the year 2020 in Nigeria (see IMF, 2020b; World Bank, 2020a). The Nigeria poverty rate was also estimated to increase by 9% with the majority remaining poor till the end of 2020. The 2016 recession was the first in 25 years, and while painful, it amounted to a relatively manageable contraction of about 1.6% of GDP (World Bank, 2019). During the lockdown the agricultural sector was exempted from the lockdown policy, yet there was a prediction of a reduction in the agric-food production which was estimated to be about 11% as at the end of 2020.

The rural areas are where certain occupations like farming, fishing, mining, which serves as major options for economic diversification in Nigeria in order to reduce the country's dependence on oil can take place. The unemployment rate in the country could be address through rural development by provision of amenities that would encourage citizens to engage in different sectors (like mining, fishing, farming) that present job opportunities.

Relating Unemployment and Poverty Rate

Aside unemployment (brought about by the lockdown) that has contributed to the increased poverty rate, the value of the Nigeria currency also had it own impact. The high rate of poverty in Nigeria has been connected in the past to mismanagement of the economy as well as frequent changes in economic and social policies due to frequent change in government. When citizens are gainfully employed, it reduce the poverty level experienced in an economy, but the pandemic has made a lot of citizen especially the low level workers to loss their job. This coupled with the devaluation of Nigeria currency due to lockdown, has reduced the purchasing power of the citizen, making the low income earners to be at more disadvantage. Woodhill (2020) stated that at the very least the current crisis will lead to increased poverty levels in the short term and hamper longer-term poverty reduction ambitions. Akwara, Akwara, Enwuchola, Adekunle, and Udaw, (2013), unemployment was seen to be critical in the 1980s and has ever since been on the rise in Nigeria. The figure of 20% unemployed from the nation's work force in 2011 was up from 15% in 2008 (Lamido, 2013). People facing this challenge are the youth of Nigeria who up till date constituted the highest unemployment rate. Between the ages of 18 and 45 years old constitute about 40% to 60% unemployed in Nigeria (Akwara, et al, 2013).

The informal workers are particularly vulnerable to the negative economic effects of movement restrictions and social distancing measures. The depreciation of the Naira did not seem to have an immediate impact on inflation (Petroleum Economist 24/03/2020 as stated by ACAPS (2020)). Movement restrictions together with lockdown measures have decreased trade (import, export, and inter-state trade) and caused business closures, leading to higher prices for goods and services, unemployment, and loss of incomes. Higher transaction costs for trade of essential goods caused by movement restrictions and continued currency devaluation, following the global decline of oil prices, will likely result in a continued increase in prices and decreased households' purchasing power (FEWS NET 04/2020 cited by ACAPS, 2020).

The informal sector accounts for 80% of employment in Nigeria (ILO 2018 cited by ACAPS, 2020). There is often no record of informal workers; consequently, they are less likely to be protected by labour laws or included in social protection programmes. Informal workers often rely on daily work and payments are received in cash. 72.3% of all people employed in the informal sector in Nigeria are poor (ILO 2018). Poor households are unlikely to have savings, assets, or mechanisms that would enable them to cope with the sudden loss of income and economic shock caused by COVID-19 containment measures (ACAPS 2020).

The informal sectors that could help to tackle economic diversification (to create employment in order to solve the problem of poverty) could be found in the rural areas, hence the need for the development of rural areas.

Methodology

To collect data for this study, descriptive survey research design was adopted and a questionnaire was distributed to a sample size of 250 selected randomly from 50 local communities in the Southwest States in Nigeria. Statistical analyses were performed using SPSS (SPSS version 21 for Windows). Descriptive statistics (frequency, percentage, mean and standard deviation) was used to test the hypothesis and inferential statistics was tested by t-test. The results of the analysis are presented below:

Table 1: Social-demographic characteristics of respondents

Items	Characteristics	Frequency	Percentage(%)
Gender	Male	121	48.4
	Female	129	51.6
	Total	250	100
Age	Below 30years	77	30.8
	31-40years	95	38
	41-50years	65	26
	51years and above	13	5.2
	Total	250	100
Marrital Status	Married	168	67.2
	Single	79	31.6
	Others	3	1.2
	Total	250	100
Monthly income	Less than #100,000	155	62
	#100,000-#150,000	69	27.6
	#150,000-#200,000	21	8.4
	#200,000 and above	5	2
	Total	250	100
Religion	Islam	191	76.4
	Christianity	52	20.8
	Traditional	5	2
	Others	2	0.8
	Total	250	100

Table 1 shows descriptive analysis of respondents by demographic information. Out of 250 respondents sampled in the study area, 121 (48.4%) were male while 129 (61.6%) were female with majority of the respondents within the active population age bracket of 31 to 40 and 41 to 50. The income status of the respondents had majority earning less than #100,000 per month.

Table 2: To measure rural development

Variables	Yes		No		Mean	Std. Dev.	Decision
	f	%	f	%			
Before the lockdown, is there electricity, water and good road in your town/ village?	55	96.5	195	3.5	2.33	0.71	Disagree
Is there electricity supply in your town?	30	73.3	220	26.7	2.08	0.76	Disagree
Is there enough schools to cater for at least basic education in your town/village?	100	84.2	150	15.8	2.91	0.68	Disagree
Is there increase in the rate of school enrollment in your town?	105	40.8	145	59.2	2.43	0.71	Disagree
Is there hope that with the effect of COVID -19 government would provide these facilities to your town after the lockdown?	50	41.7	200	58.3	1.7	0.95	Disagree
Grand Mean					2.2	0.76	Disagree

Source: Field Survey (2021)

Table 2 shows that the study area has a deterred development and there is no prospect for the provision of facilities that would facilitate it by government due to the COVID-19 effect.

Table 3: To Measure the relationship between rural development and poverty level

Variables	Yes		No		Mean	Std. Dev.	Decision
	f	%	f	%			
Do you have a good waste drainage and toilet facility in your home before the lockdown	55	22.0	195	78.0	2.33	0.31	Disagree
The absent of drainage and toilet facility in your home is not connected to the level of your income	30	12.0	220	26.7	2.08	0.26	Disagree
Can you comfortably provide for your basic needs e.g food, cloth, shelter during and after the lockdown	100	40.0	150	60.0	2.5	0.18	Disagree
Government provision of facilities improved of poverty rate before the lockdown in your area	105	40.8	145	59.2	3.14	0.51	Disagree
Grand Mean					2.51	0.32	Disagree

Source: Field Survey (2021)

The response from the respondents gives a grand mean of 2.51 and 0.32 standard deviation, proving that rural development does not correspond with poverty level.

Table 4: To measure the relationship between rural development and unemployment level

Variables	Yes		No		Mean	Std. Dev.	Decision
	f	%	f	%			
Is farming embraced by the people of your community during and after the lockdown	241	96	9	3.6	3.33	0.71	Agree
Is fishing, mining and other available jobs embraced by the people in your area during and after the lockdown	11	4.4	239	96	2.08	0.76	Disagree
Do entrepreneurs in your area have access to bank loan	7	2.8	243	97	2.19	0.68	Disagree
Grand Mean					2.53	0.72	Disagree

Source: Field Survey (2021)

Table 4 shows that farming was more embraced by the people during and after the lock down, indicating that the campaign for income diversification from oil sectors got a good response in the agricultural sector. Fishing, mining and other available jobs in the study area were not embraced by many during after the lock down while access to bank loan that could encourage involving in other productive activities is not available. is table has proven that the campaign for income diversification from oil sectors got a good response in the agricultural sector.

Hypothesis One

H₀₁: There is no significant influence of rural development on the poverty level of the respondents during and after lock down.

H₁₁: There is a significant influence of rural development on the poverty level of the respondents during and after lock down.

Table 5: Relationship between Rural Development and Poverty Level

Variables	N	Mean	Std. Deviation	t-cal	sig. (2-tailed)
RD	250	2.203	0.760	3.045	0.072
PL	250	2.510	0.320		

Source: Fieldwork (2020)

** Significant at $p < 0.05$, (RD=Rural Development and PL = Poverty Level)

Table 5 reports the means, standard deviations, and t-statistics for the study variables. Results revealed that there is no relationship between rural development and poverty level. Null hypothesis was not rejected since the p-value is greater than 0.05 (i.e. sig. = 0.072) and conclude that there is no significant influence of rural development and poverty level of the respondents during and after lock down.

Hypothesis Two

H₀₂: There is no significant influence of rural development on the unemployment level of the respondents during and after lock down.

H₁₂: There is a significant influence of rural development on the unemployment level of the respondents during and after lock down.

Table 6: Relationship between rural development and unemployment level

Variables	N	Mean	Std. Deviation	t-cal	sig. (2-tailed)
RD	250	2.20	0.76	3.31	0.065
UL	250	2.53	0.72		

Source: Fieldwork (2020)

** Significant at $p < 0.05$, (RD=Rural Development and UL = Unemployment Level)

Table 6 reports the means, standard deviations, and t-statistics for the study variables. It revealed that there is no relationship between rural development and unemployment level. Hence, the null hypothesis was not rejected since the p-value is greater than 0.05 (i.e. sig. = 0.065) and it was conclude that there is no significant influence of rural development and unemployment level of the respondents during and after lock down.

Findings

It is obvious from the analysis above that the lockdown of activities due to the pandemic would have a serious effect on the Nigeria economy. This study reveals that before the lockdown, many Nigerians live below the world acceptable poverty line and this is as a result of the high level of unemployment in the country. The COVID-19 restrictive measures, severely affect activities that promote economic and social development and coexistence in the country which actually resulted in a drastic increase in unemployment level especially among the low class citizens

(mostly residing in rural areas) in the country. The aftermath of the lockdown was felt in sectors like education, agriculture, oil, sport, tourism, commerce and industry and has also greatly affected the country's GDP causing a reduction in the government revenue due to lower demand for oil. This has actually contributed to an increase in unemployment and therefore increasing poverty rate in the country. It was also discovered that despite the campaign of income diversification over many decades, a larger percentage of government's revenue still comes from oil proceeds. Though, response from the study area proves that the campaign for income diversification from oil sectors got a good response in the agricultural sector, but this is not the only option available for diversification and that participation in other sectors must have being low due to lack of encouragement.

The reduction in the oil income has greatly affected government ability to fulfill her responsibilities such as development of rural areas. It was however revealed that both individual and government have now seen that campaigning for economic diversification is not sufficient for economic development but rather a prompt swing into action by all is needed to put in place factors that would help to achieve sustainable development of rural area so as to be able to curb the worrisome rate of poverty and unemployment in the country.

Conclusion

It was concluded that the dependent of the Nigeria economy on the oil sector have not helped to spring up development as expected to the rural areas and even to the country as a whole. This study also shows that the lockdown has opened the mind of individual, firms and government to various opportunities they could explore to generate more income. We could also infer from this study that Nigeria has a large rural sector that calls for modernization and that the economic diversification the country requires could be achieved through the development of rural areas. It is therefore important to put in place factor that would encourage participation in other sectors as this would aid the development of the rural areas in Nigeria. This would increase employment opportunities and when citizens are gainfully employed, it reduce the poverty rate experienced in an economy, as the pandemic has made a lot of citizen especially the low level workers to loss their job. This coupled with the devaluation of Nigeria currency has reduced the purchasing power of the citizen, making the low income earners to be at more disadvantage.

It is therefore concluded that the development of rural areas has resulted in reduction in unemployment, individuals would have access to reliable and secured

income and as the income of individuals/citizens increases, (through citizens patronage) source of income to organizations and government would increase making each stakeholders have higher purchasing power to cater for their needs and meet up with tier responsibility which would in the long run translate to economic development.

Recommendations

In order to be able to strategize responses to tackle unemployment and poverty as an aftermath of this disease outbreak and translate such to economic development, an effort to reduce over dependence on oil income in Nigeria should be made. It is recommended that government at all level as well as individuals and stakeholders should put in place actions that would encourage rural development as a means to diversifying income of individual, firms and government. Policies that would guarantee job security, encourage rural development and ease participation of any citizens in all sectors of the economy should also be established as a means through which economic diversification could be attained. Also, strict and effective policies to tackle several factors (like mismanagement of the economy, frequent changes in economic and social policies due to frequent change in government) responsible for high rate of unemployment and poverty should be put in place.

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6
Chapter

Food Insecurity and Economic Growth in Nigeria

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Abstract

Globally, one of the practical indicators for assessing the wellbeing and development of any nation is the level of food security. Food security is one of the Sustainable Development Goals. In Nigeria, the problem of food security has not been critically and adequately investigated, in spite of different approaches at tackling the challenge and the enormous amount of money spent in attempting to assure the food security of Nigerians. Therefore, this paper examined the rising food insecurity in Nigeria and its implications on the economy. A qualitative approach was used and secondary data were obtained from Food and Agricultural Organization to examine the prevalence of food insecurity from 2000 to 2016. The proxy of food security such as food inadequacy, undernourishment and gross domestic product in Nigeria were used. Finding of the study revealed that about most Nigerian were persistently under-nourished with inadequate food for a healthy and active life. Finding also deduced that the inadequacy of food and trend of undernourishment have been on increase in Nigeria which in turn negatively and significantly influenced the economy growth. The study recommended that attention should be placed on social development, structural transformation and provision of social protection for the poor and vulnerable people in the country.

Keywords: *Economic growth, Food inadequacy, Food insecurity, Undernourished*

Introduction

One of the most vital need that is essential to human survival is adequate food. Food together with clothing and shelter are generally classified as the human basic needs. Access to adequate nutritional food has been widely declared as a basic human right (Food and Agricultural Organisation, 2012). Up till now, regardless of progress in human understanding of how to guarantee this basic need and to conceptualize or monitor it, lack of food still persists to affect millions of people all over the world. According to FAO (2014), about one in eight people across the world experienced chronic undernourishment as a result of physical unavailability of food, lack of social and economic access to adequate food. Food insecurity exists when people are undernourished (Otaha, 2013). Food insecurity is a global phenomenon and not new. Many attempts to assess, monitor and eliminate hunger and food insecurity have been happening for decades. In 1996, this issue was brought to attention during the World Food Summit in Rome when it dawned on the government that each and every one nation in the world must strategize to improve agricultural production so as to match the per capita needs of the population (FAO, 1996). The United Nations 2030 agenda for Sustainable Development Goal (SDG) No. 1 and 2 also seek to end poverty and food insecurity in all its forms all over the world (United Nation, 2015). Past effort at improving adequate food through agricultural production has not yielded successful results, because of some factors which are natural and artificial depending on the circumstances and the countries.

Food insecurity is more prevalent in African nations including Nigeria (Matemilola and Elegbede, 2017). *Nigeria as giant of Africa* is fortunately blessed with abundant fertile land for agriculture and enormous human resource. Its economy happens to be the largest in 2014, but not less than 70 percent of Nigerian population is surviving on less than a dollar per day while food insecurity prevalence stands at 79 percent and 71 percent in the low income urban households and rural areas respectively (Akerele, Momoh, Aromolaran, Oguntona and Shittu, 2013). Furthermore, poverty and hunger rate in Nigeria is alarming (Omorogiuwa, Zivkovic and Ademoh, 2014). In the rural Nigeria, inadequate and poor distributions of food have combined with poverty to form an almost insurmountable challenge and especially with unpredictable variations in weather conditions (Akinyele, 2009).

In spite of the amount of resources the country has, hunger and poverty have remained deeply rooted as about 70 percent of the population still lives below the

poverty line. On the other hand, economists both locally and internationally have severally revealed that Nigeria's economic output is underperforming. Therefore, the extent to which indicators of food insecurity such as number of malnourished people and poverty head count ratio contributes to economic output of Nigeria need scholarly and professional attention. This study filled this gap by investigating the rising food insecurity and its implications on the economy output in Nigeria.

Literature Review

Food Insecurity in Nigeria

The concept of food insecurity is comparatively the same in all the literature. The FAO (2003) described that food insecurity exists when people do not have adequate physical, social or economic access to food. Similarly, the United States Department of Agriculture Economic Research Service (2014) defines food insecurity as limited or uncertain availability of nutritionally adequate and safe food or limited or uncertain ability to acquire acceptable foods in socially acceptable ways. From these two definitions, the key feature to food insecurity concept is that, both identify “limited or uncertain availability or accessibility” of food. For that reason, food insecurity includes having a limited amount of food and lack of guaranteed access to the food. Though these three aspects of the definition are related, the difference is important to note. Food insecurity is not just about quantity of food; it also pertains to certainty of availability and access. The definition is descriptive in its arrangement of “nutritionally adequate and safe” food. These terms exemplify two different aspects of food security. Safe food is more straightforward and can be considered food that is safe for consumption. For example, safe food is produced under sanitary conditions and is not spoiled. On the other hand, nutritionally adequate has a separate meaning. One could argue that having access to endless amount of processed food and nutritionally deplete items may qualify as “nutritionally inadequate,” as it may result in lack of vitamins, minerals, phytochemicals, or protein. In considering food insecurity, it is essential to also look at undernourishment and other related terms.

Undernourishment according to Olaniyi (2011) exists when caloric intake is below the minimum dietary required intake (MDER). The MDER is the amount of energy needed for light activity and to maintain a minimum accepted weight for attained height (Olaniyi, 2011). Food insecurity or lack of access to nutritionally adequate diet in a country can take two different forms, these are: chronic food insecurity and transitory food insecurity (Azad and Kaila, 2018). Chronic food

insecurity exists when food supplies are persistently inefficient to supply adequate nutrition for all individuals, while transitory food insecurity occur when there is a temporary decline in access to adequate food because of instability in food production, food price increases or income shortfalls (Olaniyi, 2011). Among the most difficult problems to understand and measure is that food insecurity is an individual concept, and different members of specific households can experience different outcomes—men versus women, adults versus children, and potentially even different children within the same household.

Today, the numbers of individuals experiencing food insecurity is rising in Nigeria. FAO (2015) reports that, regardless of Nigeria having achieved the reduction of undernourishment of the population by more than half from 12.07% in 2015 to 10.0% in 2016, the number of people who are undernourished in Nigeria increased from roughly 13 million to almost 14 million from 2015 to 2016 (see Table 1). Furthermore, there is regional, rural, urban, and cultural variation in food security across the country. Food insecurity in Nigeria is also likely to vary within the households and as a direct function of intra-household characteristics, such as household structure and decision-making processes.

Table 1: Trends of Food Insecurity in Nigeria from 2000 to 2016

Date	Undernourished People (Value in Million)	Prevalence of undernourishment as a share of population (Value in %)	Average dietary energy supply adequacy (Value %)	Depth of the food deficit (Value in %)
2016	14.3	-	121	48
2015	13.0	7.9	124	44
2014	11.6	7.3	124	40
2013	11.0	6.7	125	39
2012	10.5	6.5	125	39
2011	10.1	6.4	125	38
2010	9.6	6.3	125	37
2009	9.2	6.2	125	37
2008	8.9	6.1	126	36
2007	8.8	6.0	126	37
2006	9.2	6.1	125	40
2005	10.2	6.6	123	46
2004	11.1	7.5	121	52
2003	11.7	8.4	121	56
2002	11.5	9.0	120	57
2001	11.5	9.1	121	59
2000	-	9.4	-	-

Source: FAO (2018)

Nature of Current Economic Growth in Nigeria

The nature of economic growth can be seen by presenting the distinctiveness of the economic growth during the study period. Nigeria is one of the most developed countries in Africa. In 2017, real GDP growth for Nigeria was 0.8 %. Though Nigeria real GDP growth fluctuated substantially in recent years, it tended to decrease through 1998 - 2017 period ending at 0.8 % in 2017 (See Table 2). The Gross Domestic Product (GDP) in Nigeria expanded 2.90 percent in the second quarter of 2018 over the previous quarter. GDP Growth Rate in Nigeria averaged 1.08 percent from 2010 until 2018, reaching an all time high of 10.59 percent in the third quarter of 2010 and a record low of -13.98 percent in the first quarter of 2016 (International Monetary Fund, 2018). Services is the largest sector of the economy, accounting for about 50 percent of total GDP. One of the fastest growing segments in Services are Information and Communication, which together account for about 10 percent of the total output. Agriculture, which in the past was the biggest sector, now weights around 23 percent. Crude Petroleum and Natural Gas constitute only 11 percent of total GDP, while being the main exports. Industry and Construction account for the remaining 16 percent of GDP (Central Bank of Nigeria, 2018).

Table 2: Nigeria Real GDP Growth Rate (1990-2017)

Date	GDP current prices (U.S Dollar)	GDP per capital (U.S Dollar)	GDP Growth Rate (%)
1990	62.17	686	-
1991	60.13	645	-0.6
1992	52.28	546	2.2
1993	56.81	578	1.6
1994	80.13	793	0.3
1995	132.23	1,273	1.9
1996	172.69	1,618	4.1
1997	187.87	1,713	2.9
1998	209.68	1,861	2.5
1999	57.48	496	0.5
2000	67.82	570	5.5
2001	73.13	598	6.7
2002	93.98	748	14.6
2003	102.94	798	9.5
2004	130.35	983	10.4
2005	169.65	1,245	7.0
2006	222.79	1,591	6.7
2007	262.22	1,823	7.3
2008	330.26	2,234	7.2
2009	297.46	1,959	8.4
2010	369.06	2,365	11.3
2011	414.10	2,583	4.9
2012	460.95	2,798	4.3
2013	514.97	3,042	5.4
2014	568.50	3,268	6.3
2015	493.84	2,763	2.7
2016	405.44	2,208	-1.6
2017	376.28	1,994	0.8

Source: CBN (2018), IMF (2018)

Relationship between Food Insecurity and Economic Growth

In recent times, many scholars have tried to question the economic growth achieved in Africa during the last twelve years because of food insecurity. Economic growth is a key policy objective of any government. It refers to an increase in the national output or income in the given country. Economic growth, proxies by Gross Domestic Product (GDP) confers many benefits which include raising the general standard of living of the populace as measured by per capita national income (Adugan, 2016). Therefore, economic growth indicates the

percentage changes in the national output in the domestic economy in the given year (usually one year). From these definitions, it can be understood that economic growth is a single dimension that can raise income and reduce hunger, but higher economic growth may not reach everyone.

Many studies on economic growth have been carried out as related to food security. Asayehgn (2016) investigated the causal linkage between food security and economic growth in Ethiopia. The study found that food insecurity, low food intake and the variable access to food endemic is not due to the lack of economic growth and income distribution. The study also confirmed that transitory food insecurity and chronic food insecurity seems to derive directly from inflationary pressures, resulting from excess in the money supply. A similar study conducted by Agboola (2014) investigated the long run impact of food security using food availability as a proxy on economic growth within 124 countries with a five year average data from 1970/1974-2000/2009. This study also examined the difference in the impact of food availability on economic growth between food secured countries and food insecure African countries. The findings from this study posit that the impact of food availability on economic growth is negative in the long run for food insecure African countries. The study also revealed that for food insecure African countries increasing food availability in the long run is detrimental to growth. The major reasons identified for this outcome is that the source of food for these food insecure African countries has been identified as donation from developed countries; these food donations at times lead to disruption of food market within these countries leading to discouraging of farmers in the production of these crops; thereby making these countries even more food insecure instead of ensuring food security in the long run.

Another recent study by Olofin (2016) examined the interaction among per capita income growth, climate change and food security in fifteen West African Countries between the period of 1990 and 2013. The study provided evidence of income growth spurring food security in the short run and reducing it in the long run. The study also revealed that climate change increased food insecurity throughout in West Africa.

Methodology

In this study, a qualitative approach was used and secondary data were obtained from Food and Agricultural Organization, Central Bank of Nigeria and International Monetary Fund. Published data sets for the period of 2000 to 2017

were collected on GDP and the proxy of food insecurity such as undernourishment, dietary energy supply adequacy and food deficit. Data obtained were analysed using Ordinary Least Square (OLS) multiple regression.

Analytical Framework

The analytical framework leans very closely to the newer endogenous growth theory prescription and extends the food insecurity trends to focus on the variables which are Economic Growth (GDP) as dependent variable, proxies of food insecurity (undernourishment, dietary energy supply adequacy and food deficit) as independent variables. In accordance to this new growth theory, economic growth is determined by food availability (Agboola, 2014). The endogenous growth model here is linear and could be mathematically written in both functional and natural-log form as stated below to make the analyses less tedious:

$$Y = f(\text{UndN}, \text{DESA}, \text{FD}, \mu) \quad (1)$$

$$\Delta \ln Y_t = b_1 - b_2 \ln \text{UndN}_t - b_3 \ln \text{DESA}_t - b_4 \ln \text{FD}_t \quad (2)$$

Where: Y = Economic growth (GDP)

UndN = Undernourishment

DESA = Dietary energy supply adequacy

FD = Food deficit

U = Error term

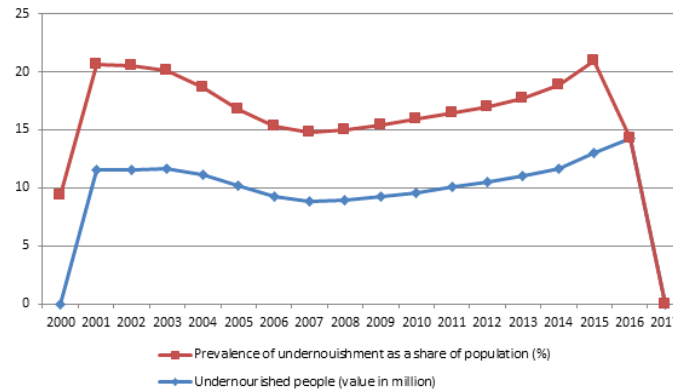
Theoretical priori expectation: b_2, b_3 and $b_4 < 0$.

Hence the above estimable long-run linear equation 2 posits that 'Y' the economic growth (GDP) in Nigeria is a function of UndN, DESA and FD. Economic growth (GDP) 'Y' is the dependent variable, 't' indicates time dependent and μ_t is an unobservable component that is assumed.

Results and Findings

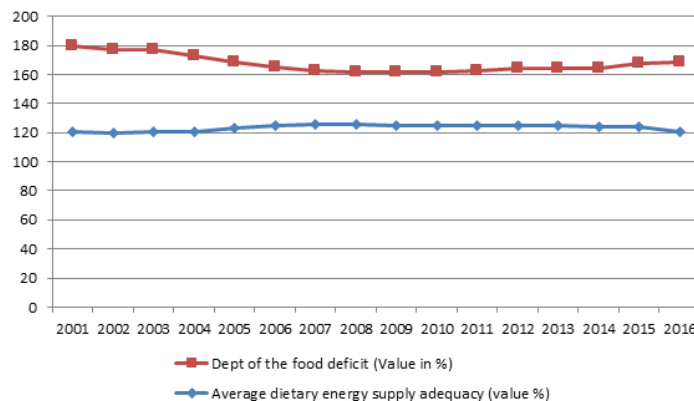
This section presents the empirical results and discussions on the relevant findings from the model specifications tested in this study. Figure 1 below shows the trends of undernourished people and prevalence of undernourishment as share of population in Nigeria.

Fig. 1: Trends of undernourished people and prevalence of undernourishment as share of population in Nigeria (2000-2017).



The result in figure 1 shows that in 2016, number of undernourished people for Nigeria was 14.3 million persons. Number of undernourished people of Nigeria increased from 11.5 million persons in 2002 to 14.3 million persons in 2016 growing at an average annual rate of 1.76 %. The result further shows that, the prevalence of undernourishment for Nigeria was 7.9 % in 2015. Prevalence of undernourishment of Nigeria fell gradually from 9.1 % in 2001 to 7.9 % in 2015. Population below minimum level of dietary energy consumption (also referred to as prevalence of undernourishment) shows the percentage of the population whose food intake is insufficient to meet dietary energy requirements continuously. Data showing as 5 signifies a prevalence of undernourishment below 5%.

Fig. 2: Showing Average dietary energy supply adequacy and Food Deficit in Nigeria (2000-2017)



The result shows that In 2016, dietary energy supply adequacy for Nigeria was 121 %. Dietary energy supply adequacy of Nigeria increased from 120 % in 2002 to 121 % in 2016 growing at an average annual rate of 0.06 %. The result further shows that food deficit for Nigeria was 48 kcal per person per day in 2016. Food deficit of Nigeria fell gradually from 57 kcal per person per day in 2002 to 48 kcal per person per day in 2016. As shown in Figure 3 below, the real GDP growth for Nigeria fluctuated substantially and tends to decrease through 2000 to 2017 period ending at 0.8% in 2017.

Fig. 3: Showing the GDP Growth Rate in Nigeria (2000-2017)

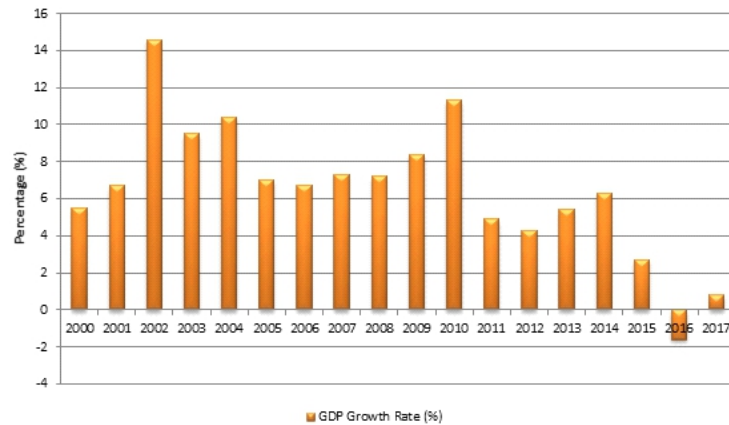


Table 3: Ordinary Lease Square Analysis

Table 3: Long-Run Ordinary Lease Square Regression Analysis

Data Presentation				
LnGDP= $f(\ln\text{UndN}, \ln\text{DESA}, \ln\text{FD})$				
Dependent Variable: GDP				
Method: Least Squares				
Date: 16/11/18 Time: 12:37				
Sample (adjusted) 2000-2017				
Included observations: 28 after adjusting endpoints				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-198.957	221.170	-.900	.386
lnUndN	50.425	18.614	2.709	.019
lnDESA	1.335	1.600	.834	.420
lnFD	-7.391	2.612	-2.830	.015
R-squared	0.481	Mean dependent var		4.3188
Adjusted R-squared	0.352	S.D. dependent var		3.003
S.E. of regression	3.482	Durbin-Watson stat		1.480
Sum squared residua	145.462	F-statistic		3.712
Prob(F-statistic)	0.042			

Source: Researcher's SPSS Result, (2018).

The result in Table 3 above presents the OLS regression analysis. The result shows that there is positive and significant impact of undernourishment on Gross Domestic Product (GDP) with a coefficient of 50.425. Hence, undernourishment is positively significant to Gross Domestic Product in Nigeria. Also, the regression result shows that food deficit has a negative impact on GDP with a coefficient of -7.391. This negativity of the coefficient of food deficit conforms to the economic a priori expectation of a negative impact of food deficit on GDP. Furthermore, the result obtained from the regression shows that dietary energy supply adequacy is insignificant to GDP. The implications is that the selected variables are correctly signed in accordance with the priori expectations except food insecurity with negative sign, indicating that while undernourishment was contributing positively to the economic growth, the food deficit is contributing negatively and significantly to economic growth in Nigeria, but dietary energy supply adequacy is not contributing significantly to economic growth in Nigeria.

Furthermore, the R-square (0.481%) indicates 'a good fit' showing that 48 percent of the variations in GDP are explained by the combined effect of variations in the undernourishment, dietary energy supply adequacy and food deficit. The F-statistics (3.712) confirms further that the independent variables are jointly and statistically important in explaining the variations in the economic growth process. The implication is that proxies of food insecurity affect economic growth in Nigeria. However, a cursory look at the low D.W (1.480) ratio show possibility of first order positive serial correlation in the face of non-stationary properties of the times series variables regressed at level. This indicates some degree of time dependence of the series at level and this can lead to spurious regression.

Conclusion and Recommendations

This study assessed the implications of food insecurity on economic growth in Nigeria. The study deduced that while undernourishment contributes positively to the economic growth, the food deficit is negatively and significantly to economic growth in Nigeria. Studies showed that dietary energy supply adequacy is not contributing significantly to economic growth in Nigeria. The study concluded that food insecurity have significant effect on the economic growth in Nigeria. The study recommended that attention should be placed on social development, structural transformation and provision of social protection for the poor and vulnerable people in the country.

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7
Chapter

Effective Management of Communal Crises and the Achievement of Food Security in Nigeria: A Study of the Tiv-Jukun Crises in Taraba State

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Abstract

Nigeria's quest for achieving food security is under threat by incessant communal crises. Among several violent crises, the frequent Tiv-Jukun crises in a widely acclaimed foremost agricultural producing area constitute a threat to the integrated Agricultural Transformation Action Plan, (IATAP) for achieving food, and cash crops security in Nigeria. Descriptive and exploratory designs were used, relying on both quantitative and qualitative evidences for examining; these crises, strategies for managing it, and its implications on food security. This study is critical for national orientation, the achievement of national integration and cohesion among the people, and for peaceful agriculture. Reviews and analytical techniques revealed that the crises centered on socio-economic and political factors. Governments' strategies for handling communal crises were devoid of both preventive, and effective management, as approximately 10% annual slack in food supplies due to the crises could significantly be accountable for Nigeria's inability to achieve food security. The constitution, national integration and food programmes reviews are imperative.

Keywords: *Communal-Crises, Constitutional-Reviews, Disparity, Displacements, Farmers, Food-Programmes, Food-Security, Killings.*

Background to the Study

The first sets of Tiv people in southern and central areas of Taraba State, North East Nigeria were believed to have migrated to the area in the 1800s (Adesoji and Alao 2009, and Alozie 2019). These researchers posited that the Tiv people gained socio-political prominence in the former Wukari province, especially when a Tiv man won a seat to the Federal House of Representatives in 1959. The people have been great farmers of many sorts, and driven by land hunger, hence their inclination for migration. On the other hand, the Jukun people have inhabited Wukari and many other parts of the state around the 15th and 16th Centuries. The latter have been warriors and great farmers as well. Both the Tiv and Jukun farmers of Taraba State usually contributed approximately more than 10% of annual staple food crop supplies in Nigeria, largely by small scale farm holders.

The long running Tiv-Jukun crises dated back to the 1840s (Akanji, 2019). The emerging prominence of the Tiv people coupled with their clamour for equal rights and entitlements to economic and socio-political rights triggered several crises, usually leading to the killing of people, with hundreds rendering homeless, and many others fleeing to either other parts of the state, or to Benue State which is home to most Tiv people.

Communal conflicts in Nigeria usually take the form of clashes of varying interests, sometimes violently, either between two or more communities, or between different ethnic groups, religious groups, cattle herders versus farmers, and among others within a community. The violent nature of most of such conflicts continued to threaten the peace and security of people across the local government areas of Wukari, Ibi, Donga, Takum, Kurmi, Bali, Gassol, and the state in general. These incessant crises have threatened the mutual cohesion of the people and food security in Nigeria. The magnitude of these frequent crises has grown to an intolerable scale amounting to a national challenge.

The resulting frequent destruction of human lives, animals, homes and farms no longer guarantee peaceful co-existence among the people. Hence, Alimba in Alozie (2019) asserted that the Tiv-Jukun crises have denied the people the dividends of democracy. Like similar communal crises of Birom-Hausa/Fulani communities in Jos, Plateau State, Ife-Modakeke in Osun State, and in Oyo, Nassarawa, Abia, and Kano States were all centred around the indigene-settler sentiments. Indigene-Settler sentiments in Nigeria usually manifest in form of

disparity, and eventual crises between the warring groups. Hence, the indigene, native or 'son of the soil' versus settler controversy is meant to stigmatize the latter groups.

Alubo, (2003) and Akanji, (2019) described the so called 'Settlers' as citizens of Nigeria either born in a place, but whose parents were from elsewhere or emigrants, subjected to discrimination and various forms of exclusion or deprivation from certain rights, privileges or opportunities enjoyed by the 'indigenes'. The Tiv-Jukun incongruent competition for available opportunities and resources have assumed a fierce dimension characterized by claims and counter claims in unique projection for self-actualization (Alozie, 2019). Hence, each group taking their destiny into their hands by the show of force at any slightest conflict which usually surround the enforcement of their rights and privileges. While the Tiv people the area claimed to be indigenes, the Jukun people see their Tiv neighbours as people who have other homes elsewhere (Adesoji and Alao 2009, Akombo 2016). The implication of the Tiv-Jukun crises on food security in Nigeria is obvious from the destruction of human lives, animals and farms, the expulsion and the mass movement of hundreds of the 'settler' farm holders considered to be persona-non-grata from their locations or communities in the agriculturally virile staple food crops producing areas would remain a significant slack in the country's food security.

Nigeria's quest for a diversified economy from crude oil is under threat from incessant communal crises which have made life difficult across the country. Worst of all, the aim of reinvigorating agricultures at risk due to the gradual but devastating blow to agricultural practices. A major aim of Nigeria's national agricultural policy is to achieve sustainable food security which can guarantee adequate nutrient intake, creation of income and wealth, export expansion and foreign exchange earnings. This was to be achieved through the Integrated Agricultural Transformation Action Plan (IATAP) launched in August 2011 for developing value chain of five key commodities – rice, cassava, sorghum, cocoa and cotton. The first three of these commodities are typically the major farm outputs of the Tiv and Jukun farmers of Southern and Central Taraba. The success of this action programme depends largely on peaceful agricultural production in Nigeria. Nwajiuba (2012), listed three issues to be addressed for achieving green agriculture (resource efficiency, social inclusiveness and low carbon in agriculture) among which is safe and sustainable agricultural practices, protein, the soil and few external inputs.

Problem Statement

Apart from rural-urban migration, population growth, and climate, communal crises are perhaps the next greatest threat to food security in Nigeria. The Tiv-Jukun crises of Taraba State affect about 0.2 million farmers producing approximately 10% of Nigeria's annual food crops which can hardly be ignored. Livestock produced in large quantities from these areas were never speared. Successive Nigerian constitutions from political independence in 1960 as amended to date shed light on citizenship and fundamental rights, chapter iii section 25 to 27 of the 1999 constitution stipulates the condition for citizenship of a place of birth, registration, and naturalization. While chapter iv of the constitution spells the conditions for enjoying fundamental human rights of every Nigeria irrespective of ethnicity, and place of birth but in-exhaustive of indigene-ship and ethnic considerations. For instance, political consideration of indigene-ship is on the basis of either ethnic or sub-ethnic rights in nature. Hence, by this constitutional provisions, group or ethnic groups rights supersede individual citizen rights. Hence it is apparently clear that the constitution casts the cloud over the citizenship of a place or Nigeria in favour of indigene-ship of a place through one's parents or grandparents indigenous to a community, local government and state.

Research Questions

Several pertinent questions should be considered such as;

- i. Can Nigeria achieve sustainable food security in the largely volatile agricultural producing areas given the Boko Haram war in North East, herdsmen/farmers crises, and several insurgents across the country, carrying out acts inimical to peace?
- ii. Can Nigeria achieve food security with poor agricultural activities, hunger, and despair instead of self-sufficiency and guaranteed food production and food exports?
- iii. Can Nigeria achieve food security when human lives, livestock, crops and homes being destroyed frequently in their hundreds and thousands?
- iv. Can Nigeria surmount her food security challenges in which over 15% of her farmers who earned more than US\$1.5 (N547.5) on average per day (Nwajiuba, 2019) end up in the internally displaced persons (IDPs)' camps, while others were either killed or maimed?
- v. Can Nigeria achieve food security when there is fear, apprehension and uncertainty in place of hope due to crises like the Tiv-Jukun crises?

The World Food Summit,(1996) defined 'food security' as the access by all to sufficient food for an active and healthy living. A country which has achieved sustainable, adequate food nutrition for every citizen is said to have achieved food security. Such a country is also said to be wealthy. Hence, food security is necessarily a good measure of standard of living and an indicator of Human Development Index (HDI).

Objectives of the Study

The major objective of this study is to examine the implications of the Tiv-Jukun crises on food security in Nigeria. Specific objectives of the study include the examination of the;

- i. Major causes of the communal crises in Nigeria, and in particular the Tiv-Jukun crises in Taraba State.
- ii. Strategies employed by the governments for managing and containing communal crises in Nigeria, and in particular the Tiv-Jukun crises in Taraba State.
- iii. Implications of communal crises, particularly the Tiv-Jukun crises on food security in Nigeria.

Significance of the Study

After gaining proper insight into the Tiv-Jukun crises, both the Taraba State, and Federal Government of Nigeria can cast more attention to the weakness of section 147 of the 1999 constitution widely considered to be a fundamental flaw underlying 'indigene-settler' crises in Nigeria. This evaluation of the implication of Tiv-Jukun crises on food security in Nigeria can be a 'wake-up' call to both the national orientation and national integration policymakers to stand up to the challenges of national cohesion as a panacea to communal crises in Nigeria. This paper can also rekindle the interest of the Nigerian military and police authorities to re-assess their tactical strategies for curbing militia tendencies in crisis-ridden areas of the country. The Taraba State and National Assemblies will act in resolving several communal crises fundamentally fueled by party politics if the recommendations of this research are properly implemented.

Again, this study can bring into focus the loss of lives and colossal losses of food crops and animals in several tones especially rice, cassava, yams and maize in the Tiv-Jukun habitat of Taraba State. Hence, this study can effectively draw the agricultural authorities into the struggle for ending communal crises in Nigeria.

Ending communal crises in Nigeria can enhance the realization of the dream of the Integrated Agricultural Transformation Action Plans (IATAP) and food security in Nigeria. As a contribution to knowledge, this study can be useful to different categories of stakeholders, including researchers inclined in negotiations and conflict resolutions. This study can be of great interest not only to the wholesale and retail food sellers but also to the individual consumers spread across the country.

Literature Review

Comparative Review

The Research Gap

Lack of focus on the impact of communal conflicts on food security in Nigeria provides the research gap for this study.

Table 1: Comparative review of related literature

S/No	Authors	Title	Study objectives	Methodology	Findings	Recommendations
1	Adosoji, A. D. & A. Alao	Indigene-ship and citizenship in Nigeria: Myth and Reality	Examination of indigene-ship, Myth and Citizen-ship Myth and Reality	Indigene-ship is a major factor in communal conflict in Nigeria	Constitutional reform to address indigene-settler dichotomy	Periodic reforms on National Integration Policy in Nigeria
2	Akanji, T (2019)	Understanding the issues in citizenship-indigene-ship crises in Nigeria: Lessons of Multi-Ethnic cities	Examination of how indigene-ship syndrome has created insecurity in Nigeria	Descriptive/ survey method	Section 147 of 1999 constitution , a flaw for communal volatility in Nigeria	Periodic reforms on National Integration Policy in Nigeria
3	Akintol, O. E & A. Alao (2009)	Indigene-ship and citizenship in Nigeria: Myth and Reality	To examine the indigene-settler question in Nigeria	Source of data collection explanatory and deductive analytical method		Indigene-settler syndrome has negative impact on federalism in Nigeria section 147 of 1999 constitution should be amended
4	Alozzie C. C. (2019)	Communal conflicts and challenges of National Integration in Nigeria	Examine communal crises as Interjecting National Integration in Nigeria	Exploratory and Deductive Design	Indigene-settlers syndrome as bane of National disintegration in Nigeria	Periodic reforms on National Integration Policy in Nigeria
5	Nwajiuba, C. (2012)	Nigeria's Agricultural and Food Security Challenges	Examination of Agriculture and Food Security in Nigeria	Survey/descriptive design	Challenges of agriculture and food security in Nigeria are enormous due to insecurity	Redefine agricultural and food security strategies in Nigeria

Conceptual Clarification

According to Okpoko (2012), There are divergent views of scholars on the precise meaning of conflicts as each one defines it according to the individual research,

circumstance, dimension, and space of time. Definitions of conflicts can also be a reflection on the class of interest and class struggle between warring groups, To Alozie (2019), conflicts involve competition among individuals for the control or exercise of dominion and counter activities over certain cherished values in a particular locality over a space of time.

Marxist scholars view conflicts in terms of class struggle for economic gains or supremacy between bourgeois (the rich, cohesive, and stronger groups) and the proletariats (the have nots, and weaker groups). In the 1937 popular book titled "The communist manifesto, Karl Marx posited that class conflicts have been a part of human society by nature. On the other hand, Angaye (2003) in Alozie described conflicts as the aftermath of the quest for domination over other groups by the dominant group. Alozie (2019), sees conflicts in a society or organization as an inevitable quest since achieving amicable ways of sharing wealth and opportunities are hard to come by. Usually, the dominant groups in conflicts do emerge from certain advantages over others. The term 'elite' derived from French meaning excellent as used by Pareto (1915-19), in his book titled 'The Mind and the Society' refers to the group of people who show the highest ability in their chosen field of endeavor. Whereas, Mosca in his work titled 'The Ruling Class' (1896) posited that the society or the political system comprises two groups, the rulers and the ruled. The rulers are the elites who control most of the wealth, power and prestige in the society. The ruled are the masses that are perpetually under the elite.

The elitist argument is that liberal democracy and authoritarian socialism are necessarily the manipulations of elite system. Hence, in 1935, Pareto justified this position in his piece of work, the law of elite circulation, while Mosca in 1939 argued on political class. On the other hand, Lopez (2013) cited Pareto notion of political class as elite's law of circulation to mean that elites can only be stated by other sets of elites keeping the masses perpetually under domination. In the classical elitist literature, Pareto explicitly likened the elites as lions by capacity, personality and the skills in using coercion to dominate the masses whose weakness relatively resemble those of fox. Hence the contemporary class struggle was clearly foreseen by the elite theory. The theory describes the economic elite as policy planners who possess superior power.

Theoretical Framework

Elite theory is adopted as the theoretical basis of this paper. In the elite theory, three famous sociologists; Vilfredo Pareto, Gaetano Mosca and Robert Michels in the

early 20th made separate but related sociological analysis of the term 'elite' (Akanji 2019 and Aknitola and Yabayanze 2017).

Empirical Literature

The Major Causes of Tiv-Jukun Crises in Taraba State

Political Factors: Most political literature have it that crises occur due to differences in intergroup relations which apparently seem to be inevitable as individual and group interest differ. Hence, crises are phenomena in inter-relationships. Buttressing this point, Smith, (1968) and Tilly, (1969) posited that every political process has a potential for violence due to the diverse political maneuvers or strategies for gaining individual or group power advantage. Akombo (2016.16) argued that the British Colonialists found the Jukun people more cohesive with their age long organized native authority administration and chiefdom compared to their Tiv counterparts in the Old Wukari Federation. The colonialists therefore promoted Jukun supremacy over their Tiv neighbours, and hence introduced the idea of exclusive tribal lands for the former among other preferential treatments (Akombo 2014.3). Attesting to this argument, the researcher cited cases of politically motivated crises of 1959 when a Tiv man, Charles Tanguil Gaza won the seat to the Federal House of Representatives for Wukari Constituency, the appointment of Simon Iorter Musa, another Tiv man as Wukari Local Government caretaker chairman, (1981-1983) by Abubakar Barde (Governor of defunct Gongola State), and the appointment of some Tiv people into the government of Rev. Jolly Nyame (former governor of Taraba State), supposedly leading to the 1990-1992 crises.

Social Factors: The Tiv people of Taraba State who were by all accounts late comers and whom by their social orientation continued to grow to the fear of the Jukuns. And between 1928 and 1937 the Tiv people of the state grew by approximately 2.5 times their Jukun counterparts and from 11.3% to 37.3% compared to the latter who grew from 8.6% to 10.0% in the same period (MA/PROF/FED/4/1/4377 in Akombo 2016). By 1948, the former was almost half of the Old Wukari Federation, but were socially excluded, like the exclusion from Wukari Native Authority administration), and from several opportunities (Gunn, 1947 in Akombo 2014.97, and Agaba and Akintola 2012). So, the preference for those who could trace their descendants to Wukari to enjoy social rights and privileges heightened the division between the two contenders (Adesoji and Alao 2009, Akombo 2016, and Albert 2001).

Economic Factors: To the materialists like Stuart Hall and Karl Max, the decision to gain economic advantage over others plays a central role in inter-group relations. In the Tiv-Jukun crises of Taraba State, the strive for retaining or gaining economic power over land, and other resources of the area by the Jukuns, contended by the Tiv people fuelled the hostilities between the two groups. The struggle for supremacy in political representation, social amenities and access to land, employment, education, e.t.c have been dully attributed as the major causes of the Tiv-Jukun crises in Taraba State.

Research Methodology

Descriptive or survey method was adopted for this study, using exploratory and qualitative methods of analysing the Tiv-Jukun crises, the farmers killed or displaced, animals and farm lost. In this study, gathering precise information was done through secondary data and personal interviews. According to Agu (1992) and Adefila (2008), a descriptive research method describes a situation, event or the scenario under consideration. This method is suitable for the description of the actual conflict between the Tiv and Jukun people of the eight local government areas of southern and central Taraba, and its impact on food production and supply in Nigeria.

According to Akintola and Yabayanze (2017) and Alozie (2019), the exploratory (deductive) or qualitative analytical approach is suitable for this study, based on the utilization of the analysis of data from Journals, Workshops/Conferences, Text Books and relevant unpublished research works.

Discussions and Findings

Government Strategies for Managing and Containing the Tiv-Jukun Crises in Taraba State.

Containment, Reliefs, Reconciliation, and Resettlements (CRRRs)

Containment is a mechanism for moving insecurity agents, usually the police but rarely the military for dislodging the militias in fighting or the use of peace agents to calm nerves where there were likelihood of breakdown of law and order. In every communal crises, the government usually intervene to contain it by detachments of security personnel not only to stop the fighting if any but also to maintain peace which can guarantee lives and properties, guarantying the exercise of voluntary occupations; farming, civil service, entertainment, e.t.c and free movement of labour and goods.

Relief is the act of reducing pain, anxiety, e.t.c which can give hope to people instead of despair by providing immediate necessities of life like tents, food and water, clothing, medicine, e.t.c. Reconciliation is an act of bringing opposing groups to an agreement, usually through mediation and round table discussions. This method of settling crises can be effective if the issues of disagreements are adequately addressed, and where warring parties to a dispute are pacified.

Resettlement may be a part of settling crises where land is involved. A careful analysis of land disputes or claims may favour resettlement of a part or whole group of people elsewhere. In all the Tiv-Jukun crises which involved land disputes, containment, relief, reconciliation and resettlements were applied by the governments. In some of the Tiv-Jukun crises beginning with the 1959 to the 2019/2020 disturbances, these strategies were applied and in particular the resettlement of the Tiv people of Kparev, Akwana, Ikyernum, Rafin Kada, Kente, Assa among others in the 2001/2002 and 2004 Zegeate and Atem Tyo, attacks (Akombo, 2016).

Containment, Reliefs, Reconstruction and Compensations (CRRCs)

These strategies constituted the second set of government interventions in many communal crises in Nigeria, including the Tiv-Jukun crises of Taraba State.

Reconstruction of damaged public facilities like roads, culverts schools e.t.c and private houses were usually done in order to reinstate people's confidence, hopes, and peace. On the other hand, compensation have been a mechanism for pacifying individuals who lost identifiable relative(s) personal properties like homes, cars, farms, e.t.c not only to restore asset losses, but also to reduce the chances of reprisal attacks.

Government strategies for managing and containing communal crises in Nigeria were restricted to the CRRRs and CRRCs. The inadequacy and ineffectiveness of these strategies may be seen from the frequency and number of communal crises in Nigeria, and in particular the Tiv-Jukun crises. Nigeria has witnessed the 1959 and 1964 Wukari Tiv-Jukun disturbances in which several houses, animals, farms e.t.c were lost, the 1977 Jukun youths' attacks on Tiv settlements and its inhabitants, the 1990-1992 bloody crises, the 2001 and 2002 Tiv-Jukun/Fulani fatal crises, the 2004, and the 2019/2020 bloody crises. The areas mostly touched were Wukari areas of Piye, Bantaje, Tsokundi, Nwokyo, Akwana, Assa, Kente, Rafin Kada, Chonku, Fyayi, Riti Sondi, Chediya, Ugber Jembe, Akomikyar, Abagye,

Nakombo, Gidan Idi, Takum, Kurmi, Bali, Ibi, Gassol and Donga Local Government Areas estimated hundreds of lives, thousand animals and farms were lost, with several houses burnt, and estimated losses of several millions of food crops (Akombo, 2016.155).

Findings

- i. Social, economic, and political factors were found to be the major causes of the Tiv-Jukun crises. These factors corroborate with those of several studies on communal crises in Nigeria.
- ii. Government strategies for managing and containing communal crises in Nigeria particularly the Tiv-Jukun crises were devoid of the application of proactive measures like legislative provisions, and prosecution of crises offenders.
- iii. Approximately 10% of annual food crop output losses in the Tiv-Jukun crises of Taraba State to the national output food production in the crises years were critical in the incapacitation of Nigeria's un-attainment of food security.

Conclusion and Recommendations

Social, economic, and political factors were central to the Tiv-Jukun crises in Taraba State. First, the clamor for equal rights and privileges by the Tiv people which were resisted by their better rooted Jukun people led to the several shows of force in the crises years.

Secondly, the struggle for retaining the control of economic resources like land by the Jukun people, and with the clamour for equal access to such resources continued to climax into violent clashes. Again, the quest for championing representations for each of the warring groups usually resulted in the elitist hijack of the process of dichotomizing the settler-indigene arguments. It was the difficulty in managing and containing this dichotomy that has continued to undermine the peace and tranquility of the people. It was the failure of government to provide the legislative framework and to apply sanctions for crises offences that has not encouraged national cohesion, and integration. And this has also made it impossible for Nigeria to achieve food security due to, incessant communal crises inimical to peaceful agriculture.

Recommendations

- i. Constitutional review to adequately address the settler-indigene dichotomy which has continued to fan the ember of communal crises in Nigeria.
- ii. Reinvigorating national orientation and integration policies has become imperative.
- iii. Aggressive national food programmes have also become imperative so as to achieve food security for the country.

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8
Chapter

Accessibility of Cassava Farmers to Radio Agricultural Information in Nigeria

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Abstract

Radio information is central to boosting cassava production in Nigeria. Past studies reveal that radio stations disseminate agricultural information to farmers in Nigeria. Despite the availability of information, there is still low productivity of cassava farmers resulting in their inability to meet local demand and export. However, this study investigated accessibility of cassava farmers to radio agricultural information in Southwest, Nigeria. The study adopted survey research design; while questionnaire was used as the instrument of data collection. The population of the study comprised cassava farmers in Ogun, Osun and Oyo States, Nigeria. Findings revealed that cassava farmers had access to radio and also to radio agricultural information. Findings showed that cassava farmers listened to radio agricultural programmes often. Findings further showed that radio stations disseminate agricultural information to cassava farmers on the average of twice a week ($\bar{x}=2.72$). Findings revealed that accessibility of cassava farmers to radio had a significant influence on their productivity. The study revealed that cassava farmers experienced challenges in accessing agricultural information due to the fact that agricultural information on radio is not relevant to their information needs. Also, agricultural information on radio is transmitted at odd hours when farmers who desire such information have gone to their farms. The study recommended that radio stations should transmit timely and relevant agricultural information to cassava farmers. Radio stations should increase transmission times of radio agricultural programmes

Keywords: *Cassava farmers, Radio agricultural information, Information dissemination, Productivity, Accessibility.*

Chapter DOI: 10.48028/iiprds/ap-21/beoaeat.7762.chp08

Introduction

Information has become one of the most important factors of production, and there is no doubt that this trend will continue (Olaniyi and Adewale, 2014). In this present information age, it is knowledge acquisition and application that will drive development and create opportunities for economic growth and poverty reduction. Having timely and relevant agricultural information especially on cassava production is germane to efficient and productive agricultural economy. Cassava (*Manihot esculenta*) is a major food crop in Nigeria. It is also a major staple food in Nigeria. It has contributed to the socio-economic development and well being of Nigeria both as a subsistence crop for households and as a commodity for domestic/commercial /transactions (Kalu, 2006). Information and knowledge are key components of an improved agricultural sector (Lwoga & Stilwell, 2011). Farmers require information in order to progress in their agricultural activities. Thus, there is a direct relationship between availability of information and agricultural development (Babu, Glendenning, Asenso-Okyere and Govindarajan, 2011). To improve the economy, information needs of cassava farmers have to be met. Cassava farmers need to have access to quality information for their productivity potentials to be realized. Therefore, information is an important resource for all agricultural activities. It is only when farmers are informed, that they will be able to feed any nation. In this regard, radio is important in agricultural information dissemination to farmers. Against this background is the need to investigate the accessibility of cassava farmers in Southwest, Nigeria to radio agricultural information.

Objectives of the Study

The specific objectives of this study were :

1. Investigated the level of accessibility of cassava farmers in Southwest, Nigeria to radio
2. Identified types of radio agricultural programmes cassava farmers in Southwest, Nigeria listen to.

Research Questions

The following research questions were designed to guide the study:

1. What is the level of accessibility of cassava farmers in Southwest, Nigeria to radio?
2. What are the types of radio agricultural programmes cassava farmers in Southwest, Nigeria listen to?

Review of Related Literature

Agricultural Information Dissemination

In Nigeria and all over the world, information is seen as important to human existence. For anything and everything, information is required. Information is a valuable resource needed in any society thus acquiring and using it are critical and important activities. Information can reduce uncertainty, and enhance awareness of possible actions to take to solve any type of problem. It can be argued that lack of information can be a hindrance to development. Popoola (2007) also lends his academic voice to the importance of information by stating that information is a critical economic resource, and that when utilized, it can increase the knowledge state of an individual in decision making. Issa (1997) believes that no individual can do without information. He argues further that information should be widely disseminated regardless of whether the person is an urban or rural dweller. From the standpoints of Popoola and Issa, it is clear that information is the oil that lubricates the wheel of progress of individuals, and corporate organisations as well.

Generally, agriculture is an information intensive industry. Agricultural activities in Nigeria are known to be sources of livelihood to many people, especially in the rural areas, and accessibility to knowledge and information services can hardly be denied as important in transforming the sector. Nenna (2016) asserted that agriculture depends largely upon the continuous flow of information from local, regional and world market. Farmers require relevant information in order to plan for their activities. Williams and Trywell quoting Adomi et al, (2010) recognised that, farmers need to have access to quality agricultural information in order to improve their production. Therefore, information is very important resource for all agricultural activities. Agricultural information provision and dissemination is a must for every responsible government because it is only when farmers are informed, that they will be able to produce enough to feed the nation, Nigeria.

Farmers, no doubt, constitute a particular group of people whose information need is very specific. In agricultural environment, relevant and timely information helps farmers' community to take right decision to sustain growth of agricultural activities. Timely access to radio market information helps farmers make correct decisions about what crops to plant and where to sell their products and also buy inputs. Without doubt, cassava farmers would feel discouraged to do large scale cassava farming if they discover that marketing their products could become

problematic. Njoku (2016) avers that the major missing link between research and sustainable food production is lack of effective information system. Marocchino cited in Oyeyinka, Bello and Ayinde (2014) argues that among the factors that tend to limit the contribution of the agriculture sector to economic growth and poverty reduction is poor network of agricultural information services. In addition, weak linkage among actors in the agricultural sector tends to be one of the limiting factors to the accessibility and usage of agricultural knowledge and information among farmers in most rural areas in Nigeria. Unarguably, farmers need to be informed appropriately and timely too, about happenings in the agricultural world. No doubt, Nigerian farmers would enhance their agricultural production if they could access the type of agricultural information they need on radio. Among other things, Nigerian farmers need information, especially on climate. This is supported by the submission of Churi, Mlozi, Tumbo and Casmir (2012) that crop production risk caused by climate variability cannot be managed in the absence of climate information. In their study on 'Managing Climate Risks in Rural Semi-Arid areas in Tanzania, Churi *et al.*, found that climate information was important factor for making farmers decisions. According to Oyesola and Obabire (2011), farmers need regular information and enlightenment on various organic methods of weed, pest and disease control.

Several challenges facing farmers in accessing agricultural information have been identified. For instance, Aina (2004) revealed that the factors affecting the flow of agricultural information to farmers in Africa include the limited number of radios and television sets, the low literacy level of farmers, and the inadequate number of personnel trained in agricultural information.

Theoretical Framework

The study anchored on uses and gratifications theory. That people use the media, is central to the uses and gratifications theory. The audience use the media to get what they need in terms of knowledge, education, enlightenment and information. Contextually, cassava farmers use the radio; they listen to agricultural programmes on radio, for instance, they listen to news, discussion programmes, radio drama, public announcements and jingles, that give information on their agricultural activities. And because cassava farmers are not just passive receivers of the messages, they are able to selectively choose, attend to, perceive and retain the messages on the basis of their needs. Since cassava farmers use the radio to get their information needs, then the uses and gratifications theory becomes relevant to this study.

Empirical Review

Scholars and researchers have conducted various investigations to assess radio and agricultural information dissemination among cassava farmers in Nigeria. Such researches have attempted to x-ray relevant concepts and proffered possible solutions to poor performance of the agricultural sector. Murumba & Mogambi (2017) carried out a study on 'Radio for Farming? An analysis of Regional Radio Programs and Agricultural Productivity in Kenya. The study sought to find out whether the people of Kimilili sub-county use West FM as a source of information and to assess the impact of West FM's farming programs on agricultural productivity in Kimilili sub-county. The study found that due to access to information from West FM station, farmers have managed to improve their yields over time. It was discovered that farmers learnt a lot of new farming ideas that enabled them venture into different farming methods. These methods include: mixed farming, crop rotation, livestock keeping, and fertilizers to use and also how to market and distribute their products.

Similarly, Oyeyinka, Bello & Ayinde (2014) in their study published in European Journal of Business and Management with the title 'Farmers Utilization of Farm-Radio Programmes for Marketing of Agricultural commodities examine the use of radio for marketing of agricultural products in Oyo State, Nigeria. They discovered that majority of the farmers (84.0%) used the radio agricultural programme as their agricultural market information source. The study concluded that apart from radio, the most widely use source of market information by farmers are extension agents and verbal contact with fellow farmers.

Methodology

The study adopted survey research design. The population of the study comprised cassava farmers selected from Ogun, Osun and Oyo states in South West, Nigeria totalling 6,353 from which a sample of 593 cassava farmers who participated in the study were determined, using the Taro Yamane formular. Multi-stage sampling technique was used. . Firstly, 3 states (50%) out of 6 in South West, Nigeria were selected using simple random technique. This led to the selection of Ogun, Osun and Oyo States. Fifty percent of local governments were selected in each state in order to adequately represent the cassava farmers in each state. This process led to the selection of 10 local governments in Ogun State, 15 in Osun State and 17 local governments in Oyo State.

The next sampling technique was proportional sampling technique which ensured that participants were represented relative to the size of their population in each of the selected sub-unit. Consequently, cassava farmers were selected proportionally by states and by local governments. Cassava farmers in Ogun State constituted 63.43% of the total number of cassava farmers in the three selected states (3,765). Osun State constituted 26%, while Oyo State constituted 10.57%. Therefore, out of a sample of 593, Ogun State had 376 participants (63.43%); Osun State had 154 participants (26%); while Oyo State had 63 participants (10.57%). The study adopted structured questionnaire to gather data from the respondents. Five hundred and ninety-three (593) copies of the questionnaire were administered; 97.5 percent return rate was recorded with retrieval and validation of five hundred and seventy-eight (578) copies of the questionnaire.

Data Presentation and Analysis

Research Question One: How accessible is radio to cassava farmers in South West, Nigeria?

Fig. 1: Cassava farmers with Access to Radio

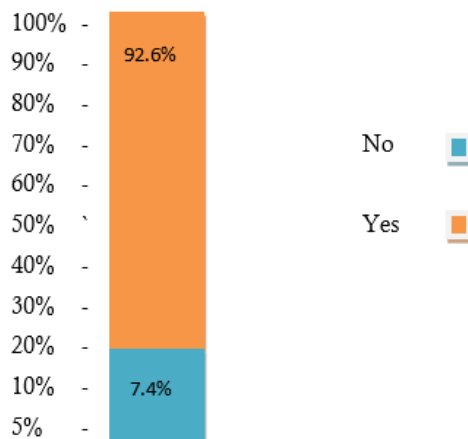


Fig. 1 indicates that majority of the participants had access to radio while only 7.4 percent did not have access to radio.

Fig. 2: Radio Stations Cassava Farmers Listened to

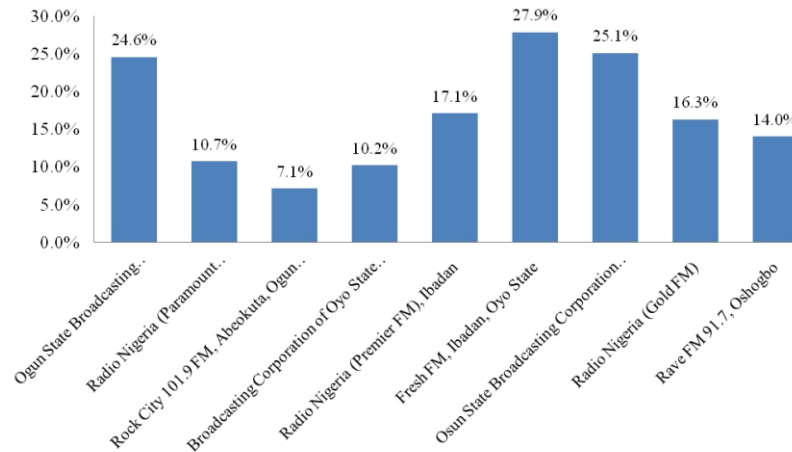


Fig. 2 illustrates that majority of the participants listened to Fresh FM, Ibadan Oyo State (27.9%), followed by those who listened to Osun State Broadcasting Corporation (OSBC) (25.1%); while fewer respondents listened to Broadcasting Corporation of Oyo State (BCOS), Ibadan (10.2%) and Rock City 101.9 FM, Abeokuta Ogun.

Table 1: How Often Cassava Farmers Listen to Radio

Variable	Frequency	Percent
Not at all	27	4.7
Not often	162	28.0
Often	188	32.5
Very often	201	34.8
Total	578	100.0
Mean (\bar{x})		2.97
SD		0.90

KEY: ***Decision rule if mean is ≤ 1.49 = Not at all; 1.5 to 2.49 = Not Often; 2.5 to 3.49 = Often; 3.5 to 4 = Very Often

Table 1 indicates that respondents listened to radio often ($\bar{x} = 2.97$). This implies that cassava farmers in South West, Nigeria listened often to radio.

Fig. 3: Radio Programmes Cassava Farmers Listened to

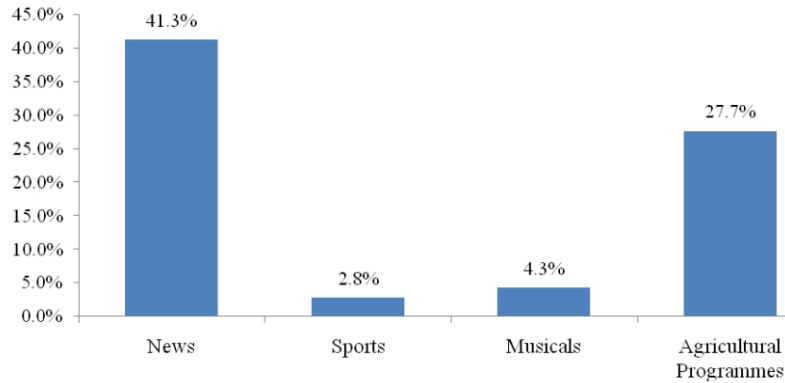


Fig. 3 depicts that cassava farmers listened more to news (41.3%) than agricultural programmes (27.7%). On the other hand, cassava farmers listened sparingly to musical and sports programmes on radio. This suggests that news broadcast on radio is listened to more than other programmes including agricultural programmes.

Fig. 4: Means by which Cassava Farmers Accessed Radio

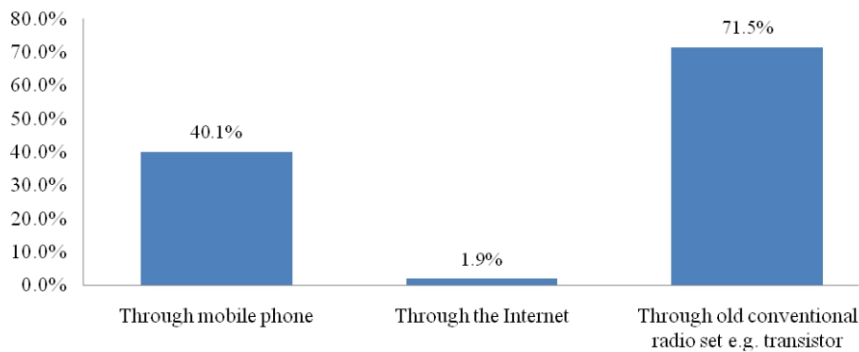


Fig. 4. shows that majority (71.5%) of cassava farmers accessed radio through the conventional transistor radio platform radio. In addition, 40.1 percent of cassava farmers accessed radio through mobile phones; while 1.9 percent accessed it through the Internet (1.9%). This suggests that the old transistor radio is popularly used by cassava farmers in South West, Nigeria.

Research Question 2: What are the types of radio agricultural programmes cassava farmers listen to?

Fig. 5: Cassava Farmers' Awareness of Agricultural Programmes on Radio

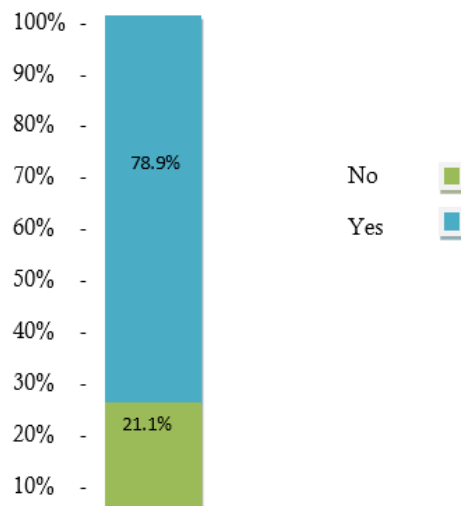


Fig. 5 indicates that majority of cassava farmers' were aware of agricultural programmes on radio.

Fig. 6: Types of Agricultural Programmes Cassava Farmers Listen to on Radio

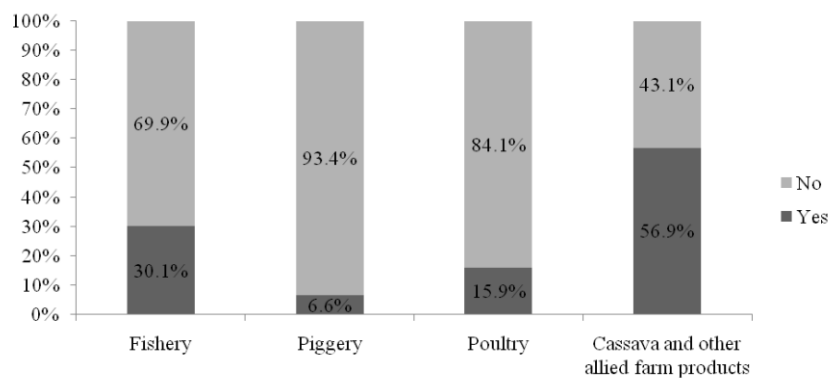


Fig. 6 shows that that majority of cassava farmers listened to cassava and other allied farm products radio programmes (56.9%), followed by fishery radio programmes (30.1%), poultry (15.9%) and piggery (6.6%).

Table 2: How often Cassava Farmers Listen to Radio Agricultural Programmes

<i>Variable</i>	Frequency	Percent
Not at all	102	17.6
Not often	100	17.3
Often (weekly)	261	45.2
Very often (daily)	115	19.9
Total	578	100.0
Mean (\bar{x})		2.67
SD		0.99

KEY: ***Decision rule if mean is ≤ 1.49 = Not at all; 1.5 to 2.49 = Not Often; 2.5 to 3.49 = Often (Weekly); 3.5 to 4 = Very Often (Daily)

Table 2 shows that participants listened to radio agricultural programmes often ($\bar{x} = 2.67$). This implies that cassava farmers in South West, Nigeria listened to agricultural programmes on radio often.

Table 3: How Often Radio Stations Disseminate Agricultural Information

<i>Variable</i>	Frequency	Percent
Not at all	113	19.6
Once a week	233	40.3
Twice a week	24	4.2
Thrice a week	120	20.8
Everyday	88	15.2
Total	578	100.0
Mean (\bar{x})		2.72
SD		1.39

KEY: ***Decision rule if mean is ≤ 1.49 = Not at all; 1.5 to 2.49 = Once a week; 2.5 to 3.49 = Twice a week; 3.5 to 4.49 = Thrice a week; 4.5 to 5 = Everyday

Table 3 shows that radio stations disseminated agricultural information to cassava farmers on the average twice a week ($\bar{x} = 2.72$). This suggests that cassava farmers in South West, Nigeria were not disseminated with radio agricultural information everyday.

Fig. 7: Challenges of Accessing Radio Agricultural Information by Cassava Farmers

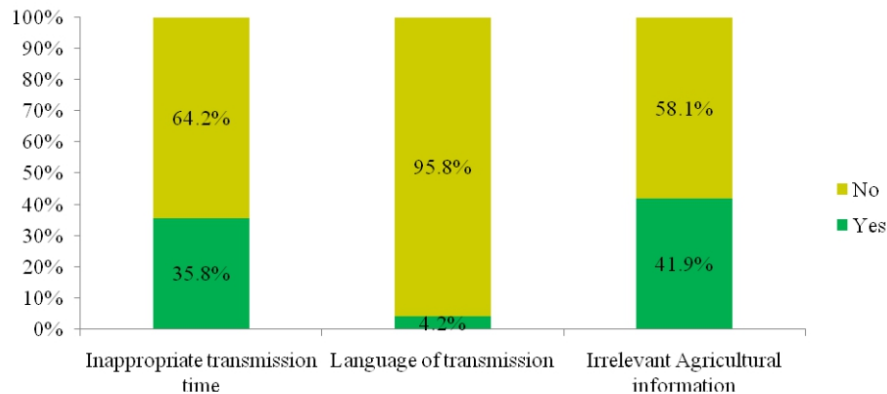


Fig. 7 shows that the most prominent challenge working against the acquisition of agricultural information by cassava farmers in South West, Nigeria was dissemination of irrelevant agricultural information (41.9%); this is followed by inappropriate transmission time (35.8%); while language of transmission constituted the least challenge.

Discussion of Findings

Research Question 1: What is the level of accessibility of cassava farmers in South West, Nigeria to radio?

As revealed by the findings of this study, majority of cassava farmers had access to radio while only 7.4 per cent of the farmers did not have access to radio. Majority (71.5%) of cassava farmers accessed radio through the conventional transistor radio platform as indicated in Fig. 4. Findings also revealed that cassava farmers listened often to radio for agricultural information. These findings agree with the findings of Haider (2014) that 94% of the farmers listen to radio in Pakistan. The findings also agree with the findings of Familusi & Owoeye (2014) that radio is the most important instrument in information dissemination because it reaches larger percentage of the people (farmers). In their study conducted to assess use of Information and Communication Technologies among farmers in Benue State, Nigeria, Mbah, Agada and Ezeano (2016) reported that 98.8% of the respondents (farmers) were using radio. Going by the findings of Mbah, Agada and Ezeano in Benue state and the percentage of farmers using radio in the study states, it can be said that almost all the farmers had access to radio. Findings of this study also

agree with those of other authors (Ajayi, 2003; Anigwe, 1990) who earlier reported radio as leading source of agricultural information to women farmers in their study areas. In an earlier study conducted in South West, Nigeria, Patel and Ekpere (1978) reported that 83 percent of the farmers listened to radio farm-programmes. Findings of Patel and Ekpere agree with the findings of Mbah, Agada and Ezeano who reported that 98.8% of respondents (farmers) in the study area were using radio. Findings of this study also confirms findings of Oyeyinka, Bello & Ayinde (2014) who also reported that majority of farmers, 84% in Oyo State, had access to radio, and also used the radio agricultural programme as their agricultural market information source. Findings of this study also resonate with the findings of Oyetoro, Adewumi & Sotola (2017) whose findings revealed that radio was the most accessible mass media channel by cassava processors in Saki agricultural Zone of Oyo State, Nigeria. Nenna (2016) also reported that mobile phones, radio and television ranked the most sources of awareness and utilized ICTs in receiving agricultural information related to cassava production in Anambra State, Nigeria. These findings by previous researchers point to the fact that cassava farmers generally had access to radio. As earlier stated in this discussion, cassava farmers having access to radio might not be enough, using agricultural information disseminated to them for productivity is much more important. Findings of this study therefore confirm findings of previous authors that cassava farmers in South West, Nigeria had access to radio.

The findings of this study is also in consonance with the findings of Tijani (2017) that radio is the most readily available ICT device (99.2%) to farmers in Imo State, Nigeria.

Research Question 2: What are the types of radio agricultural programmes cassava farmers listen to?

As indicated in Fig.6, majority of cassava farmers in Southwest, Nigeria were aware of agricultural programmes on radio. Result of the analysis showed that majority of the cassava farmers listened to cassava and other allied farm products radio programmes (56.9%, followed by fishery radio programmes (30.1%), poultry (15.9%) and piggery (6.6%). Findings of this study corroborate the findings of Omoregbee and Banmeke (2007) that there was high awareness among respondents about agronomic practices and low awareness about agro-chemical associated with cassava production in Delta state. In a sense, the findings showed that cassava farmers listened to radio programmes. When cassava farmers are aware of radio agricultural programmes and make an effort to listen to such

programme, there is tendency for such cassava farmers to use the agricultural information to increase productivity especially where such information is relevant to their agricultural information needs. For instance, findings from the study conducted by Kembero (2014) established that farmers in Bomachoge constituency adopted the information disseminated through radio which was found to be highly relevant to their needs. This also corroborates Haider's (2014) study which revealed that farmers in Pakistan listen to radio agricultural programmes which help them to adopt innovations and apply new methods and practices in their farms. Findings of this study showed that part of the reasons cassava farmers in Southwest, Nigeria did not use radio agricultural information disseminated to them is because such information do not satisfy their agricultural information needs. When agricultural information needs of cassava farmers are not satisfied there is tendency they would listen to other agricultural programmes that may not be beneficial to them. This perhaps explains why cassava farmers listen to fishery, poultry and piggery radio programmes as revealed by the findings of this study even though they do not satisfy their agricultural information needs. Radio stations should remember that one of the reasons for agricultural information is to ensure national food security. Therefore, radio stations should try as much as possible to make sure that agricultural information, especially through discussion programmes, that they disseminate satisfy agricultural information needs of cassava farmers.

Conclusion and Recommendations

The study concluded that cassava farmers in Southwest, Nigeria had access to radio and, also to radio agricultural information. Findings also revealed that cassava farmers were aware of agricultural programmes on radio. The study showed that cassava farmers listened to cassava and other allied farm products radio programmes, followed by fishery, poultry and piggery radio programmes. The study revealed that cassava farmers experienced some challenges in accessing radio agricultural information; they include: dissemination of irrelevant agricultural information; inappropriate transmission time, and language of transmission.

It is, therefore, recommended that Government should ensure that cassava farmers have access to relevant radio agricultural information at all times. Similarly, radio stations should not deny cassava farmers' access to agricultural information; they should constantly identify agricultural information needs of cassava farmers and

try as much as possible to satisfy such information needs. Also, radio stations should disseminate timely and relevant agricultural information to cassava farmers. Further, radio stations should disseminate agricultural information to cassava farmers in the language they understand.

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9
Chapter

Analysis for Performance Management and Information Communication Technology (ICT) in Enhancing Effective Managerial Planning in an Organization

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Abstract

The study discussed analysis for performance management and Information Communication Technology (ICT) in enhancing effective managerial planning in an organization through the application of ICT that could provide effective transformation in both human and technological powers. ICT today has greatly advanced many organizations in terms of effective production of goods and services in relation to skills acquisition, motivation, rapid production and other necessary aspects in the organization. However, the study explores issues like research purpose, aims and objectives which shows the effectiveness and efficiency of performance management utilized in an organization through the use of ICT. Similarly, the study also discussed crucial understanding by enplaning the general and the more specific term, such as organization in the 21st century and the role of ICT in the 21st century. The study, therefore, identified a direct need to understand and make consultations on other people work in the literature review. It stated that performance management, behavioural expectation and result expectation as the major avenue to improving managerial responsibility which could be only achieved through the applicant of ICT. The study further mentioned and explained the paradigm of ICT revolution in the 21st century, it revealed that Information Communication Technology is

one of the vital tools that could manufacture current manpower in an organization. Additionally, the research methodology was purely conceptual, methods used for data collection was secondary such as; books, journals, magazines, interments and other valid second-hand information. The study finally established recommendations as strategies for enhancing future organization through ICT revolution.

Introduction

Performance management appraisal is one of the fundamental tools in providing everlasting solutions to any organization in relation to skills acquisition, motivation and other necessary aspects in the organization. This paper discusses issues like the aims and objectives of the study which the researcher made crucial by explaining the general and the more specific terms in the study. The literature review stated that performances management, behavioural expectation and result expectation the major avenue to improving managerial responsibility. This paper further mentioned and explained the paradigm of inquiry, where the researcher introduced competency model as an instrument in explanation the topic. similarly, research methodology was also employed where qualitative, that is, non-numerical methods in collection of information was introduced. Increasingly, data collection methods were also picked to explain both primary and secondary data. Data analysis and ethical issues were also explained.

Statement of the Research Problems

Performance management appraisal is one of the fundamental development in understanding and explaining employee development. It is used in quantifying performance management. Recent survey by “Watson Wyatt” showed that only three out of ten workers agree that their company performance improving performance management. Similarly, managers are reluctant to provide vital and candid feedback and have honest discussion with employees with fear of reprisal or damaging relationships with employees. The focus of the study is French with 55 total numbers of employees, India with 123 total number of employees and Brazil with 35 total numbers of employees. Performances management is one of the fundamental mechanisms that will promote effective and efficient workplace and an enabling environment for proper sales in Brazil, French and India.

The fundamental problems of ICT in Nigeria resulted from the basic root of poor technology which affected several organizations that led to slow information and weak organizational planning. However, planning is one of the management

techniques that managers could introduce to promote effective management of their organizations, yet due to manual managerial planning among organization, it has contributed series of decay in our organization. The problems of Information and Communication Technology could be integrated without the contribution of the government and other stakeholders.

Figure 1 summarizes problems of ICT in an organization

Fig. 1.



Sources: Reviewed 2021

Figure 1 shows that lack of knowledge, poor managerial activities carried out in the organization, pace of change and findings are associated with problems facing a number of organizations in Nigeria.

Review of the Relevant Literature

Concepts of Information and Communication Technology (ICT)

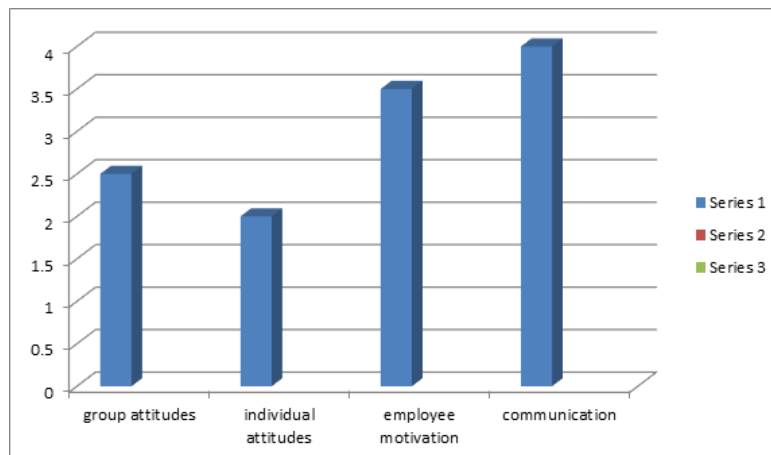
ICT is technology that supports activities involving information. Such activities include gathering, processing, storing and presenting data. Increasingly these activities also involve collaboration and communication. Today, we are in the 21st century era of digital information and the only way to promote any organization is through digital planning policy.

Possible Outcomes from Effective ICT and Management Planning

- a. Classification of jobs responsibilities and expectations which shall promote adequate managerial planning in many organization

- b. Enhancing individual group expectations so that individual member can be able to know its role and responsibility
- c. Developing employees capability to their fullest extent through effective feedback and coaching, that has a great positive impact on the organization
- d. Driving behavior to align with the organizational core values, goals and strategy
- e. Providing the basis for making appropriate human capital decision
- f. Improving communication between employees and managers

Fig. 2



Source: Reviewed 2021 paper work

The study revealed that group attitudes influence organizational performance in an organization and it directly promotes organizational stability. Eventually, individual attitudes also has direct correlations with productivity and promote organization performances. However, employee motivation has the greater effectiveness which carries the second rate in the line of organization and finally, communication has the highest rate in performance evaluation.

Specific Objectives of this Research Work

1. To understand the concepts of management
2. To explain the advantage of performance management
3. To examine the contribution of managers towards improving performance management

4. To explain the attitudes of workers toward their organization

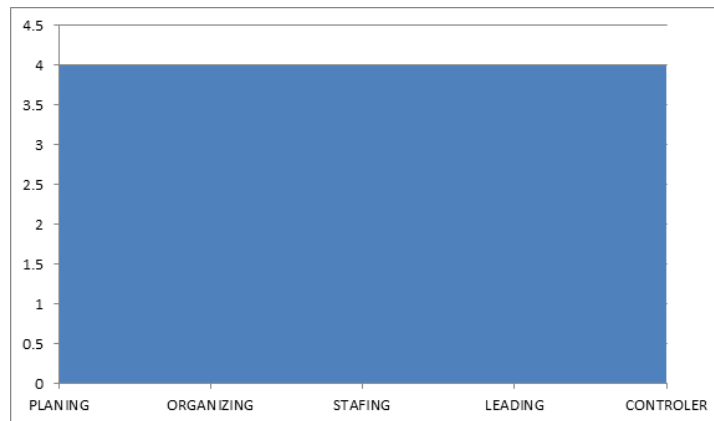
Concept of Management and how it could be Effective in Interpreting ICT Tools

Management is one of the fundamental disciplines that have provided for years effective and efficient control and management of the organization. No society, no organization, no industry and no firm that could develop without proper management, management for years serve as the heart of the organization and therefore indicate as a pillar of company survival. Management has the following five fundamental pillars of survival in any firm;

1. Planning
2. Organizing
3. Staffing
4. Leading
5. Controlling (Fayol)
 - i. Planning meaning what needs to be done in the future (in advance)
 - ii. Organizing to adequately ensure the combination of human and non-human resources are in consideration
 - iii. Commanding or leading is another vital concept in management. What must be done and getting people to do it
 - iv. Coordinating is creating basic structure that an organization could achieve its fundamental goals and accomplish its objectives
 - v. Controlling is carefully checking the progress in view of the plans that has been established.

From the above conceptual framework of management, it is fundamental to ensure that proper and effective managerial techniques adequately enhance the effective utilization of ICT in any organization. However, it is a failure if any organization irrespective of whatsoever, need to build up the five pillars of management for survival. All of these are fundamental examples given below in table format.

Fig. 3: Fives Pillars of Achieving ICT in and Organization



Sources: Empirical Review 2021

Performance Planning

Performance management cycle is a tool in understanding the effectiveness and efficiency of any organization, therefore, employee's performances are expected which includes both behavioural and value expected.

Behavioural Expectation

The critical understanding of performance management systems and behavioural expectations also discusses employees as the key compliant area. During the performance planning process, these behavioural standards with employees are significant for a manager to make very critical look in order to make sure that employees understanding on behavioural standards relates to their specific jobs. Unlike Managers have to employ critical methodological ideas in dealing with the organization. French with high rate of industrialization, India with high rate of population will therefore compete in terms of technological ideas and populational ideas (Gelland and London, 1998).

Guidelines for Establishing Effective Performance Goals

1. Goals must be clearly defined and the end result must be accomplished
2. Possible goals should have a direct and obvious link to organizational success
3. Goals should be defined and achievable to motivate performances

Guidelines for Providing Feedback Effectively in Performance Management

1. Provide immediate positive and developmental feedback in a private location
2. Ask for employees' views about what could have been done differently
3. Be specific about what behaviours were effective and ineffective
4. Focus on what the person did or did not do and not on personal characteristic
5. Offer help in addressing developmental needs and providing resources

Advantages of ICT and Management

1. It enables the organization to enhance fundamental performance factors and expectations
2. It shows the distinction between effectiveness level that helps supervisors to explain why and how employees were evaluated in a particular way.
3. It provides job relevance basis for evaluating employees increasing fairness

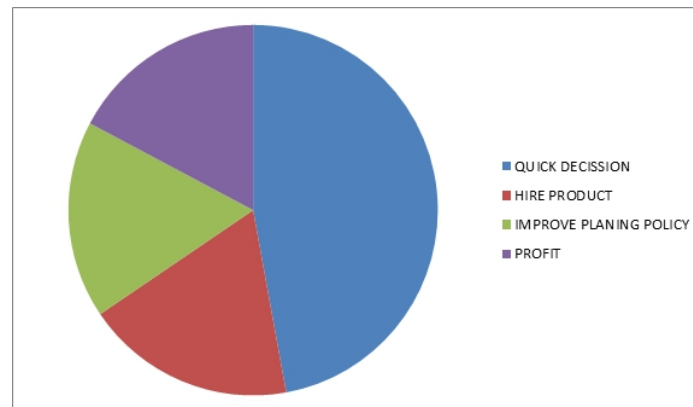
Components of (ICT) as a tool for Improving Performance Management

These people are the system users. They may include information consultants, business analysts, managers. ICT helps to connect and relate all departments like marketing, sales, inventory accounting and other departments in an organization. Everyone within an organization can access one and the same system and share the same information.

Procedures and Instructions

These include the ICT procedures for collecting, storing, retrieving and processing data. These can both be manual and automated and can also come from internal and external sources. The ICT software will be coded with the procedures and instructions and the employee will also have to be able to store information, it must have a database structure such as the Structured Query Language or SQL. This is commonly used for database.

Fig. 4: How to Effectively Implement ICT in the Process of Performance Management



Source: Review, 2021

The above table shows the effectiveness of ICT in an organization, it improves the quality of decision making in an organization because decision making is one of the tools that promote the quality and quantity of any organization whether big or small. Integrating ICT in the decision-making process is one of the managerial responsibilities. Additionally, ICT and managerial planning will increase the rate of hire purchase and this can be done if the organization inject ICT revolution in the organization. The planning process has for years served as building blocks that enhances the capability and improve the standard of the organization. For example, no organization can directly achieve its fundamental aims and objectives without proper managerial planning in the area of policy and programs that hold any organization, digital methods need to be imposed to indicate the level of compliance and adequacy in regards to effective organization.

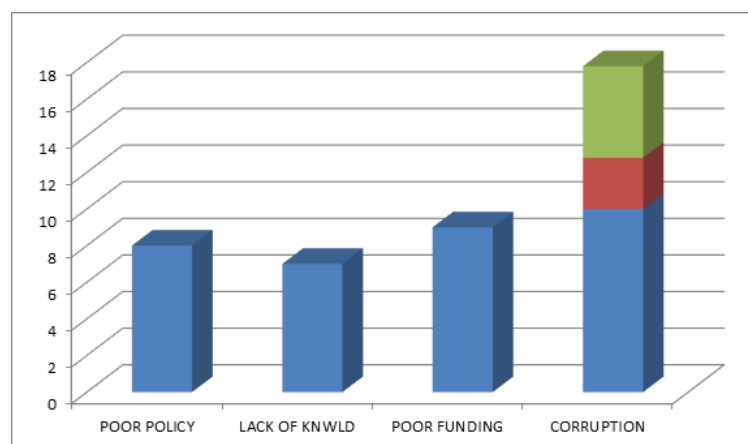
Paradigm of Enquiry

Competency model is one of the unique grounded theories in understanding and explanation of performance management process. Looking at the compositions of the following countries French, India, and Brazil, it is significance to understand the quality, team work, professionalism, accountability, job specification, knowledge and skills. Virtually, with the application of all of these, the sale division of these countries will be achieved. However, competency model or theory is one of the unique models established to promote the quality of decision

making within the organization. The standard of ICT and competency are interrelated and interdependent in the sense that no one can exist in isolation. The study justifies that the fundamental aspect is to make competency and innovation through ICT revolution.

Findings, Summary and Recommendations

Fig. 5



Source: Review, 2021

The table shows corruption is one of the vital myths that have killed the establishment of proper implementation of ICT in many public organizations in the country. Corruption has damage series of development in our organization today. The study revealed that corruption has a negative impact on organizational patterns on decision making process. Increasingly, lack of knowledge contributed severally in promoting poor integration of ICT in an organization. At the same time, government should as matter of fact introduce internal and domestic training for workers in all organizations so that they could compete with global standard. Government should ensure that policies are made to implement not to be used as eye watching. Similarly, based on these findings, it is vital for the government to ensure that adequate concern is given to organizations so that Nigerian organizations can challenge and also enter into global organization, this can only be achieve through adequate implementation and integrating ICT in all formal and informal organizations in the country.

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10
Chapter

Impact of Corporate Social Responsibility (CSR) on Profitability of Listed Manufacturing Multinational Companies in Nigeria

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Abstract

This paper evaluated the relationship between corporate social responsibility and financial performance of multi-national manufacturing companies listed on Nigerian stock exchange. The impact of corporate social responsibility in enhancing financial performance and reducing financial distress has been termed as significant. Good corporate social responsibility is expected to reduce financial distress but poor corporate governance practices lead to higher financial performance. As a result of good corporate governance, a firm is shielded from susceptibility to future financial distress. Corporate social responsibility of the firms listed at NSE has been in the lime light in the recent years where managers and directors have been accused of poor corporate social responsibility resulting to financial distress among listed firms. Corporate social responsibility of firms listed at NSE is hence a topic of concern. The study used contract theory, Stakeholder theory, in building a theoretical argument. The study employed a descriptive research design with qualitative approach. Nestle foods was adopted as the sample of the study because of its variety products, departmental stores, warehouses and customers drive everywhere in Nigeria. Questionnaires were administered on staff, customers, and community members. Using correlation as the tool of analysis, it was found that corporate social responsibility improves financial performance. It was concluded that corporate

social responsibility is affected by financial performance. So, in view of the above, it was recommended that multi-nationals corporations should increase their corporate social responsibility by extending it to staff, customers and community. Stock exchange commission and Nigerian stock exchange should ensure compliance.

Keywords: *Corporate social responsibility, Philanthropy, Community, Social welfare and Financial performance.*

Introduction

Corporate social responsibility is a challenging area in accounting. It is also a tool if well utilized to reduce insecurity and improve national development. The concept of Corporate Social Responsibility (CSR) entails the practice whereby corporate entities voluntarily integrate both social and environment upliftment in their business philosophy and operations. The concept argued that business and society are intertwined, that society has certain expectation regarding business and therefore the firm has responsibilities towards societies (Caroll and Shabana, 2010; Carroll, 1979; Carroll and Brown, 2018 and Elkington, 1998). A business enterprise is primarily established to create value by producing goods and services which society demands. The present-day Ojochenemi, (2021), conception of corporate social responsibility (CSR) implies that companies voluntarily integrate social and environmental concerns in their operations and interaction with stakeholders. The notion of CSR is one of ethical and moral issues surrounding corporate decision making and behavior, thus if a company should undertake certain activities or refrain from doing so because they are beneficial or harmful to society is a central question. Social issues deserve moral consideration of their own and should lead managers to consider the social impacts of corporate activities in decision making.

Today, managers of Multinational Companies (MNCs) have found a need that the environment in which they operate should be provided for because their intermediate and macro environments have a direct impact on the attainment of the corporate goals, objectives and mission statement. The purpose of all Profit-making organizations, and even the non-profit making organizations, is to maximize profit and in turn minimize cost, through optimal utilization of available resources to achieve the best results they are capable of. Profitability is an important factor to all MNCs, because it is one of the major purposes for which the MNCs are established. CSR involves a business Ojochenemi, (2021), identifying

its stakeholder groups and incorporating their needs and values within the strategic and day-to-day decision-making process, thus a means of analyzing the inter-dependent relationships that exist between businesses, the economic systems and the communities within which they are operating. CSR is a means of discussing the extent of obligations a business has to its immediate society; a way of proposing policy ideas on how those obligations can be met; as well as a tool by which the benefits to a business for meeting those obligations can be identified (CSR Guide). CSR is also referred to as corporate 'or business responsibility', corporate 'or business citizenship', community relations', social responsibility'. It involves the way organizations make business decisions, the products and services they offer, their efforts to achieve an open and honest culture, the way they manage the social, environmental and economic impacts of business activities and their relationships with their employees, customers and other key stakeholders having interest in the Business and its operations. The motivations to engage in CSR are varied – response to market forces, globalization, consumer and civil society pressures, corporate objectives, including security and development etc. The activities of these firms are therefore visible because of their global reach. As such, there is a higher incentive to protect their brands and investments through CSR. The CSR activities in this sector are mainly focused on remedy the effects of their business activities on the local communities. So, the firms operating in this sector have often provided pipe-borne waters, hospitals, schools, etc.

- a. A company running its business responsibly in relation to internal stakeholders (shareholders, employees, customers and suppliers);
- b. The role of business in relationship to the state and nationally, as well as to global institutions or standards; and
- c. Business performance as a responsible member of the society in which it operates and the global community.

The general objective of this study is to examine the effect of Corporate Social Responsibility of Nestle Nigeria on its profitability. But specifically, the study sought to achieve the following objectives:

The following are the hypothesis set for the study:

Nestle Nigeria Plc does not embark significantly on Corporate Social Responsibility, Corporate Social Responsibility does not significantly impose challenges on Nestle Nigeria Plc and Nestle Nigeria Plc Corporate Social Responsibility does not significantly guarantee the customers' confidence level in the organization.

The study is focused on the headquarters of Nestle Nigeria. It critically examines what impact Corporate Social Responsibility has on the profitability of Nestle Nigeria for the period 2015-2021, The study is expected to make contribution to knowledge in the following areas: Provide information about CSR in relation to corporate institutions. It is also to be a fundamental material for scholarly discourse in management science relating to Corporate Social Responsibility. The study will provide information on the impact of CSR on the profitability of MNCs operations in Nigeria. Finally, the research work will provide information on the challenges of CSR in the fast-moving consumer good (FMCG) sectors with recommendations. It also suggested further future research in the area of CSR.

Literature Review

Concept of Corporate Social Responsibility

CSR as defined by European Commission (2001) is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis following increasingly aware that responsible behavior leads to sustainable business success. CSR is about managing change at company level in a socially responsible manner which can be viewed in two different dimensions:

- a. Internal – Socially responsible practices that mainly deal with employees and related to issues such as investing in human capital, health and safety and management change, while environmentally responsible practices related mainly to the management of natural resources and its usage in production.
- b. External – CSR beyond the company into the local community and involves a wide range of stakeholders such as business partners, suppliers, customers, public authorities and NGOs that representing local communities as well as environment. A company should focus on areas such as economic, environmental and social when developing sustainability strategy sustainability strategy development can be based on legitimacy, economic and social theories. These theories explain social disclosures pattern by organizations. Thus, CSR practices can be based on these three strategies.

Legitimacy theory is whereby corporate social disclosures were motivated by the corporate need to legitimize activities. This is where corporate management will react to community expectations. Thus, companies are expected to carry out

activities that are acceptable by the community. Legitimacy also implies that companies will take cautious to ensure their activities and performance acceptable to the community given a growth in community awareness Elkington, (1994), Corporate social disclosure can be used to appease some of the concerns of the relevant publics and also as a proactive legitimization strategy to obtain continued inflows of capital and to please ethical investors.

Economic theory reflects the degree of association of CSR and financial performance by taking consideration of cost-related advantages, market advantages and reputation advantages. In the business, CSR is concerned with employment, lifelong learning, consultation and participation of workers, equal opportunities and integration of people towards restructuring and industrial change. Basically, the formation of policies is influenced by the authority employment strategies, the initiative on socially responsible restructuring, the initiatives to promote quality and diversity in the workplace and health and safety strategy.

Policies, strategies and programs that are associated with social activities can be used to indicate the level of CSR's commitment of an organization. Organizations too, need to meet the customer 's demand and expectations. Today, buying behavior is changing whereby consumers have increasingly required information and reassurance interests on the environmental and social concerns. As to maintain good relationship and attract more customers, enterprises are taking initiatives to fulfill the demand of providing such information. For instance, eco-labelling is a way of communicating organization 's social responsibility to public. Besides, CSR is also concerned with employment, lifelong learning, consultation and participation of workers, equal opportunities and integration of people towards restructuring and industrial change. Employees who feel protected and appreciated will increase their productivity in production and thus, achieving economies of scale.

Philanthropy to Corporate Responsibility

The practices of philanthropy have been evolved from the day business existed in this world until today. The main reason for a company to exist is to create profit. Making profits are nothing wrong but the way used to derive such profits are of concerned. Before 1970, basically, corporate share its profit with the community through philanthropic activity. In other word, CSR is after-profit obligation. If let

say, companies are not profitable they do not have to behave responsibly. This impact is even worse during severe economic depression or when an organization is managed by unethical, short-term thinking managers that would lead to societies having no choice and accepting discrimination, child labor, pollution and dangerous working conditions. Another debate arises in this approach is if companies are just being good and donating a lot of money to social initiatives then they will be wasting shareholders' money. That is not sustainable in the long-run, and shareholders will quickly lose interest. Thus, during 1970 to 1990, organization had shifted from sharing profits with the community as a soft approach of philanthropy to the hard approach by using philanthropy for the purpose of profit-making. CSR is perceived as a public relation tool in improving an organization image and performance. CSR is also performed for mitigating adverse impacts of an organization onto environment and society such as those in the oil and gas industry. While philanthropy does little or nothing to help companies make profits, CSR activities are linked to improving a company's bottom line. Therefore, during 1990 to 2001 period, embedding socially responsible principles in corporate management has become a corporate obligation. CSR is increasingly being embedded into the corporate mission, strategy and actions of organizations.

Multinational Corporation

Multinational corporations are companies or enterprises that operate in a number of countries and have production or service facilities outside the country of its origin. While still maintaining a domestic identity and a central office in a particular country, the aim is to maximize profits on a worldwide basis. As world is encouraging on international business, therefore, multinational corporations are among the major participants in business activities. Most multinational companies that were established in Nigeria have interesting business philosophies on CSR. They started with business philosophy as a principal and guideline towards CSR's implementation. Though companies came from various nature of businesses, their aimed are similar which is to recognize the need of making business decisions that demonstrate economic, social and environmental responsibilities for the stakeholders which consist of employees, community, business partners, suppliers, customers, government and shareholders. These companies bring benefits to society through wealth generation, employment, skill development and transfer and community initiatives. The words they committed are evident by the policies, strategies and innovative programme with further

establishment and improvement on the social, economic and environmental issues. There are various policies, strategies and programs which have been implemented by multinational companies that can be shared and useful as an acknowledgement of CSR's practices in the business and thus, continuously contributing to the sustainable development. Among the best practice of CSR can be reflected by the strategies, which differs by environmental and social scopes.

Small and Medium-Sized Enterprises

Small and medium-sized enterprises (SME) play an important role in Nigerian Economy. The term SME is also synonymous to small and medium-sized industries (SMI). SMEs are the engine of economic growth which also representing the key source of endogenous growth. SMEs are also the impetus for the country's broad based economic development. The Nigerian government has given a priority on development of SMEs. In Nigeria, SME is usually in the form of private limited company, partnership and sole-proprietorship. There is no standard definition of SMEs in Nigeria. However, the Association of Nigeria Industries (AGI) define SME based on the number of employees, amount of capital, total assets and sales turnover. SMEs can be categorized into three broad sectors namely manufacturing, agriculture and services. SMEs in Nigeria are defined in terms of annual sales turnover or its number of full-time employees. Since SMEs are a part of business entities populations in Nigeria, therefore, their contributions towards society should be taken into considerations. Limited capacity, money and other resources may hinder SMEs from adopting CSR into their business operations.

Size of Organization

Ojochenemi, (2021), found that size of organization influences the level of corporate disclosure in the annual report. Large organizations undertake more activities and have greater impact on society. Besides, larger organizations are susceptible to scrutiny by various groups in society and thus, face greater pressure to disclose their social activities in order to be legal and socially responsible (Cowen et al. 1987). In their study, Ojochenemi, (2021), used total assets as proxy for size of organization. Besides, size of organization can also be defined based on SMIDEC's (2006) definitions which use number of full-time employees besides of annual sales turnover to differentiate between SMEs scale and their nature of business. The discussion revealed the findings behind the results of study.

The Concept of Corporate Social Responsibility Practices

The extent of CSR practices is compared among different organizational listing status. These include government-linked corporations (GLC), multinational corporations (MNC), local Nigerian corporations (GC) and small and medium-sized enterprises (SME). Multinational corporations started with business philosophy as a principal and guideline towards CSR implementation and would like to demonstrate economic, social and environmental responsibilities that benefiting its stakeholders. By operating in more than one country, MNC imposes greater impact and faces massive pressures from more stakeholders. Countries whereby its people are highly socially responsible may demand more CSR practices by MNC. Therefore, best CSR practices initiated in countries in which CSR is an obligation and subjected to legal actions for non-conformance might be adapted into the operation of MNC in other countries. This may suggest the reason of high commitment exhibited by MNC as compared to other organizational listing status in Nigeria. In environmental policy, MNC leads other organizations for almost the same reason for its highest commitment reported. Facing pressures from environmental groups and government in some other countries, MNC prefers the safe side by ensuring its operations has a minimal impact to the environment. These practices are adopted as part of its environmental and safety practices in other regional counterparts. Overall, it can be concluded that apart from philanthropic means, MNC seems to avoid legal actions for non-conformance in CSR. Having good image is posed as a motive by MNC by appeal pleasingly to various interest groups. Therefore, MNC is found to be an excellent CSR performer.

Measures of Corporate Social Responsibility

Determining how social and financial performances are connected is further complicated by the lack of consensus of measurement methodology as it relates to corporate social performance. In many cases, subjective indicators are used, such as a survey of business students, or business faculty members or even the Fortune rankings. Significantly, it is unclear exactly what these indicators measure. In other cases, researchers employ official corporate disclosures annual reports to shareholders, CSR reports, or the like. Despite the popularity of these sources, there is no way to determine empirically whether the social performance data revealed by corporations are under-reported or over-reported. Few companies have their SCR reports externally verified. Thus, Mayang and Noorlailie, (2018) information about corporate social performance is open to questions about

impression management and subjective bias. Still other studies use survey instruments or behavioral and perceptual measures. Waddock and Graves (1997) drew upon the Kinder Lydenberg Domini (KLD) rating system, where each company in the S&P 500 is rated on multiple attributes considered relevant to CSP. KLD uses a combination of surveys: financial statements, articles on companies in the popular press, academic journals (especially law journals), and government reports in order to assess CSP along eleven dimensions¹. Based on this information, KLD constructed the Domini 400 Social Index (DSI 400), the functional equivalent of the Standard and Poors 500 Index, for socially responsible firms.

Concept and Measures of Financial Performance

Although measuring financial performance is considered a simpler task, it also has its specific complications. Here, too, there is little consensus about which measurement instrument to apply. Many researchers use market measures. Mayang and Noorlailie, (2018), others put forth accounting measures (Waddock and Graves 1997; Cochran and Wood 1984) and some adopt both of these two measures Mayang and Noorlailie (2018), which represent different perspectives of how to evaluate a firm's financial performance, have different theoretical implications and each is subject to particular biases. The use of different measures, needless to say, complicates the comparison of the results of different studies. In other words, accounting measures capture only historical aspects of firm performance. They are subject, moreover, to bias from managerial manipulation and differences in accounting procedures. Market measures are forward looking and focus on market performance.

Corporate Social Responsibility in Nestle Nigeria

Long before such activities became popularly known as Corporate Social Responsibility (CSR) and long before it became essential for companies to engage in CSR as part of their brand building agenda, Nestle Nigeria have been making regular, substantial contributions to the wellbeing of grassroots communities and Nigerians.

Nestle's CSR strategy reflects their commitment to being socially, economically, and culturally responsible. With a resolve to provide sustainable solutions to the diverse developmental challenges that Nigerians encounter on various fronts, the Organization pursues constructive engagements and mutual partnerships with the recipient stakeholders, through a user-defined needs identification system.

Nestle 's CSR is accentuated by sustained aspiration to lead the industry by example not just in the provision of the best products, services and developmental assistance for promoting the individual and common good, but also in maintaining the highest standards of corporate governance, accountability and responsiveness to their internal and external stakeholders.

Nestle organization's CSR initiatives, have provided targeted support for education and youth development, grassroots sports development, healthcare, arts and culture, entrepreneurial and economic development, as well as sustainability of the environment.

Nestlé's sustainable agriculture strategy is designed to ensure a steady supply of safe, high-quality agricultural commodities and allow rural communities to increase their income as a result. One of Nestle's priorities in this area is to reduce the high levels of mycotoxins in cereals, dried fruits and nuts from Central and West Africa, as this natural, fungus-based contamination can cause immune suppression, impaired development in children and liver damage in both humans and animals. Up to 30% of cereal crops are lost to contamination, caused largely by the humid environment and poor drying and storage practices.

The Impact of Corporate Social Responsibility

CSR is a required investment to create sustainable development for the business, because it offers the companies (MNCs) an opportunity to bridge the trust gap among different stakeholders such as, government, customers, employees, suppliers, investors, and others. Some of the impact of CSR includes:

CSR programs offer opportunity to build goodwill, affect corporate image and reputation as a result of company 's contribution to the welfare of the community, either local or international. She added that CSR enhances growth of investors 'confidence in the company's shares.

A firm that consistently fulfil its social obligations makes itself a welcomed member of the community and this may attract customer both home and abroad.

1. Social and human pressure. These have induced contending demand and requests on MNCs in the face of financial constraints. Today, the outlook of Nigerian MNCs is no more measured by, —local standards, but by international standards. Often, the inability of MNCs to satisfy these demands have resulted in disappointments and eventually to, —organization bashing;

2. Inadequate information to the public on the modalities and essence of CSR as
3. well as the achievements of MNCs in this regard. Many believe that MNCs are not doing enough to improve the welfare of the public in view of the supposedly jumbo profits they make;
4. Inability of MNCs to co-ordinate efforts and collaborate to execute CSR projects, particularly the capital-intensive ones, such as road construction.

Empirical Studies of CSR and Financial Performance

According to Mayang and Noorlailie (2018), one hundred twenty-two published studies between 1971 and 2001 empirically examined the relationship between corporate social responsibility and financial performance. empirical studies of the relationship between CSR and financial performance comprise essentially two types. The first uses the event study methodology to assess the *short-run* financial impact (abnormal returns) when firms engage in either socially responsible or irresponsible acts. The results of these studies have been mixed. discovered a negative relationship; reported a positive relationship, Other studies, discussed in McWilliams and Siegel (1997), are similarly inconsistent concerning the relationship between CSR and short run financial returns.

The second type of study examines the relationship between some measure of corporate social performance (CSP) and measures of long-term financial performance, by using accounting or financial measures of profitability. The studies that explore the relationship between social responsibility and accounting-based performance measures have also produced mixed results. Cochran and Wood (1984) located a positive correlation between social responsibility and accounting performance after controlling for the age of assets Carroll, (1991) detected no significant relation between CSP and a firm's risk adjusted return on assets. In contrast found significant positive relationships between an index of CSP and performance measures, such as ROA in the following year. Studies using measures of return based on the stock market also indicate diverse results. Gwynne, (2009) refutes previous research by Moskowitz by extending the time period for analysis from 6 months to 3 years.

Theoretical Framework

A number of theoretical frameworks have been proposed by researchers to model the CSR idea. Using the social contract theory signifying the societal license

implicitly granted to businesses to operate, Committee for Economic Development (CED) (1971) developed a CSR framework of three concentric circles: the inner circle representing the strict economic responsibility of the business to the society through the provision of goods or services profitably and the provision of employment; the intermediate circle representing the obligation to respect the societal value system; and the outer circle depicting the expectation for active involvement in improving the environment. Even though its emphasis is on the involvement of businesses in the provision of social/public goods beyond the narrow economic focus, the framework provides no idea of how the identified responsibilities can be discharged.

Caroll (1991) expanded the CED framework by developing a more comprehensive three dimensional CSR framework, covering the nature of corporate responsibilities, the topical social issues to which the responsibilities are tied, and the philosophy of responsiveness. The corporate responsibility dimension was modelled as a pyramid of four key responsibilities that are based on the societal expectations from the business firms (Carol, 1979). Arranged in their order of emphasis, these are economic responsibilities, legal responsibilities, ethical responsibilities, and philanthropic or discretionary responsibilities (Carol, 1979). The economic responsibility, as the base of the pyramid, attracts the greatest emphasis. The economic responsibility of business firm is the societal expectation that the business firm should produce the needed goods and services and sell them profitably, as well as employ people in the production process (Carol, 1979). According to Caroll, the economic responsibility is so fundamental that the other responsibilities rest on its assumption. A corollary to this requirement is that if the business fails in its economic responsibilities, it faces a threat of going out of business and losing its rights to exist under the terms of the social contract and stakeholders' theories. The legal responsibilities relate to the societal expectation that, in producing the needed goods and services, business firms must perform their expected roles within the confines of the extant laws, regulations, norms and customs leading to orderliness in the society (Caroll, 1991). Failure to abide by the guiding rules increases the risk of being penalized which may include withdrawal of the implicit social contract certificate (Caroll, 1991). The author posited that every society also expects business firms to act ethically and morally. Though the business firms are artificial persons, corporate decisions are influenced largely by internal decision structure and a set of organizational beliefs, values and culture. This connotes that these artificial persons are also capable of assuming and

discharging moral responsibility. So, the society expects business corporations to act ethically while discharging their other obligations. The philanthropic responsibilities are voluntary activities that the society desires. Such gestures are in the form of corporate donations, charitable gifts or community involvement in purely corporate activities. The society rewards the business firms for such philanthropic gestures in the form of loyalty to the firm and social acceptance of its products or services. However, Friedman (1970) warned that when firms indulge in philanthropic activities in anticipation of obtaining these rewards such activities do not constitute a CSR. This emphasizes the voluntary and non-premeditated nature of the CSR concept. In view of the above, contract and stakeholder theories are adopted to anchor the study.

Research Methodology

Research design is the structuring of investigation aimed at identifying variables and their relationship to one another. This is used for the purpose of obtaining data to enable the researcher test hypothesis or answer research questions. It is an outline or scheme that serves as a guide to the researcher in his effort to generate data for his study. In this study, the research design used is the survey design. The survey research design is aimed at discovering the inter-relationship between variables. Questionnaires was used as the instrument of gathering information from knowledgeable respondents and also going beyond the observation of the correlation between independent and dependent variables.

Population and Sample Size

The study population is very large, so 100 respondents were selected from the top-level management, middle level management and the supervisors which should be a good representation of the population based on stratified sampling. This cuts across the various departments in the organization such as corporate affair department, customer services department, retail department, marketing department and others. Again 300 customers were selected from customers through random sampling. Finally, five (5) business partners of Nestle were interviewed on face to face discussions to solicit their views on the subject of the study. In all 405 respondents were used for the research.

Research Instrument

The instrument used for the collection of data for the purpose of this study were questionnaires and face to face interviews. The questionnaires contain relevant

questions for the purpose of this study. The data obtained from completed questionnaires were analyzed and used.

- a. **Correlational Analysis:** The Pearson product-moment correlation coefficient (sometimes referred to as the PMCC, and typically denoted by r) is a measure of the correlation (linear dependence) between two variables X and Y , giving a value between +1 and -1 inclusive. It is used as a measure of the strength of linear dependence between two variables. According to Ojo (2005) PMCC is used to find out if there is any relationship between two variables. While doing this, a variable is regressed to another variable.

When increase in variable X leads to an increase in variable Y ; we say there is a positive correlation. If vice versa it is negative. (Ojo, 2005).

Product moment correlation coefficient (r) is given as;

$$r = \frac{\sum_{i=1}^n (X_i - \bar{X})(Y_i - \bar{Y})}{\sqrt{\sum_{i=1}^n (X_i - \bar{X})^2} \sqrt{\sum_{i=1}^n (Y_i - \bar{Y})^2}}$$

Where: r = Pearson's Product Moment correlation.

Σn = Number of pairs of values

X = Independent variable (CSR)

\bar{X} = Mean of independent variable (CSR)

Y = Dependent variable (Profitability)

\bar{Y} = Mean of dependent variable (Profitability).

Interpretation

The correlation coefficient ranges from -1 to 1. A value of 1 implies that a linear equation describes the relationship between X and Y perfectly, with all factors affecting Y held constant for which Y increases as X increases. A value of -1 implies Y decreases as X increases. A value of 0 implies that there is no linear correlation between the variables.

Result and Discussion

This section deals with presentation, analysis and interpretation of the data collected from the field by means of questionnaire as well as those collected from secondary sources (annual report) to show the impact of corporate social

responsibility of the profitability on multinational companies in Nigeria. Table 4.1 summarizes the results of the aggregate impact of corporate social responsibility on staff, business customers, community and financial performance

Table 1: PMCC Correlation Analysis Computations

X	Y	X-X	Y-Y	(X-X) ²	(Y-Y) ²	(X-X)(Y-Y)
18	5	8.8	4	77.44	16	44
26	0	16.8	-1	282.24	1	-16.8
2	0	-7.2	-1	51.84	1	7.2
0	0	-9.2	-1	84.64	1	9.2
0	0	-9.2	-1	84.64	1	9.2
46	5	0	0	580.8	20	52.8

$$\Sigma X = 46$$

$$\Sigma Y = 5$$

$$\Sigma (X-X) = 0$$

$$\Sigma (Y-Y) = 0$$

$$\Sigma (X-X)^2 = 580.8$$

$$\Sigma (Y-Y)^2 = 20$$

$$\Sigma (X-X)(Y-Y) = 52.8$$

$$r = \frac{52.8}{\sqrt{580.8 \times 20}} = 0.49$$

$r = 0.49$ means that there is a positive strong relationship between the response of the staff and that of the external stakeholders.

In order to test the degree of significance of the relationship at the particular degree of freedom, the Pearson product moment correlation coefficient table was used.

At 0.05 level of significance

Degree of freedom = $N - 2$

Where $N = 51 - 2 = 49$

Decision

n Rule: If calculated r (r_c) > tabled value (r_t) reject H_0

If tabled $r >$ calculated value accepts H_0

From the result obtained the calculated r (r_c) 0.49 is greater > tabled value (r_t) 0.21 thus, reject H_0 and accept H_1 . This means that, the relationship is significant at 5%

confidence level. This confirms that there is a positive relationship between Corporate Social Responsibility and profitability.

This study supported the findings of (Caroll and Shabana, 2010, Carroll, 1979; Carroll and Brown, 2018 and Elkington, 1998, Ojochenemi, (2021). However, it contradicted the works of Mayang and Noorlailie, (2018), Waddock and Graves 1997; Cochran and Wood (1984) accordingly.

Conclusion

In chapter one and two corporate social responsibility has been defined by many writers who looked at it from numerous perspectives. The research work was basically conducted to find out if Nestle Nigeria embarks on CSR, if CSR has any significant impact on Nestle Nigeria's profitability and to know if there are challenges faced by Nestle Nigeria for embarking on CSR. In carrying out the study, primary and secondary sources of data were made use of in gathering relevant information. From the information gathered, it was found that as CSR of Nestle Nigeria increases, there was a corresponding increase in profits of Nestle Nigeria. Corporate social Responsibility is an accepted practice by both Nestle Nigeria and members of the host community. This was supported by the positive responds obtained from the questionnaire.

There has been increasing amount spent on CSR (2006 – 2021) and a corresponding increase in Nestle Nigeria's profit records (2006-2021), which is supported by the responses from the questionnaire that CSR has a positive impact on the profitability of Nestle Nigeria. Responses also showed that Nestle Nigeria stands to gain other benefits such as Large Customer Base, Customer Confidence, Good corporate Image and Other attributable Benefits aside profitable.

From the research it came out clear that indeed CSR programs embarked by Nestle has created value for Nestle Nigeria as stakeholders and customers are comfortable transacting business with Nestle. Again, stakeholder businesses also grow and therefore improves customer loyalty. This was one major breakthrough Nestle has achieved to stay competitive and the preferred fast moving consumer goods MNC in Nigeria.

The study also revealed that even though Nestle Nigeria is doing a lot of community based social intervention programmes, the customers or the people in

the community are not aware of such programmes. This is because Nestle has not done enough to communicate to the community on the programs intended to make life much easier for the society. The concept of CSR has become more and more common in business practices and customers today almost expect companies to be socially responsible. Even though CSR is very important for companies, it has historically not been a very lucrative approach for them to involve in these activities. The business of the 21-st century will have no choice but to implement CSR. Like any successful management strategy, a CSR process needs both high level management vision and support, and buy-in at all levels of the company.

CSR does not give immediate results. The same CSR initiative will also not work for all types of organizations. Designing CSR initiative requires careful planning and implementation mechanism. Corporate organizations should integrate the innovative CSR strategies into different marketing communication strategies to build and sustain a competitive advantage. Corporate social responsibility has a significant impact on the profitability of MNCs, and it is a positive impact, which includes good business relationship, good will among other benefits. In today's competitive market, CSR offer an opportunity for companies to explore other areas of improving profitability. Customers have become very sophisticated and very much aware of their environment against the perception that corporate organizations make a lot of profits, it becomes imperative for these companies to put back into the society through corporate social responsibility programs. Even though the benefits from CSR are over a long time of time, it is such that it gives a lot more intangible benefits to the organizations. Such benefits include, customer loyalty, brand image, improved corporate image, market share and community presence.

Unfortunately, all these benefits cannot be quantified in monetary terms but translates into improving the profits of the organization over time. Indeed, CSR is capital intensive and needs an extensive program backed by executive support to roll out various CSR programs. Small and medium enterprises are unable to engage in such ventures due to factors already indicated in the study such as long return on investments, lack of commitment from the executive and the expertise to run such programs. Government organizations even though may engage in corporate social responsibility programs its is usually not capital intensive. Of course, these organizations are not income generated but are sub-vented by the

government and so there is not an allocation for the society. CSR activities are usually donations to deprived communities and groups. The findings of the study show that CSR will not only improve the financial performance of corporations but security and national development. It is a basis of human empowerment.

As to whether CSR can be a business strategy for companies to achieve corporate targets and objectives such as competitiveness in market or market share is another study that can be researched further.

Recommendations

This study offers an opportunity to the corporate world to think out of the box and explore other potentially viable areas to improve the company profits portfolio. Corporate organizations stand to gain over a period of time some leverages other than just products and services they render to the society. CSR will not only improve the financial performance of corporations but security and national development. It is a basis of human empowerment: the following recommendations are made arising from the study.

1. CSR projects should be well structured and implemented to have maximum impact. This would enhance the well-being of the beneficiaries. From the survey it revealed that some customers or inhabitants of a community are not aware of any CSR programme ongoing. Mostly they are unable to connect with the results of the programme. It tends out that the community expectations are somewhat different from the corporate organization. Organizations could liaise with community authorities to identify areas or opportunities available to them to better the lives of the people through the provision of some social amenities. This will go a long way to improve the general living standards of the people.
2. Corporate organizations should intensify efforts to educate the public on their primary responsibilities, various commitments to other stakeholders and operational/financial limitations. By doing so, the public will begin to show understanding and appreciation of the efforts and contributions of such organizations. In most instances if the customers or the people in the community are involved, monitoring becomes feasible and measurable. Corporate organization should also involve the community in the planning, formulation, implementation and evaluation of CSR projects. This will eliminate stakeholder conflicts that may arise in some societies.

3. Governments and local authorities should explore the areas where a certain amount of tax will be used by the organization to undertake community based projects such as schools, electricity, clean water, jobs and income generating activities. This can be in a form of tax exemptions granted to these organizations. This will make the corporate organization be more responsible in the area of work and contribute significantly to national development.
4. For academic and industry discussions i recommend that further study should be conducted to establish the real value in monetary terms how much CSRs contribute to the organizations profitability. Also further research should be conducted to quantify how much or to what degree these CSR programs have impacted on the society and its corresponding value generation for the company.

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11
Chapter

Information and Communication Technology: A Viable Tool for National Development

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Abstract

Nigeria has been in search of adequate measures to improve on the effectiveness, performance and efficiency of the different sectors of her economy towards attaining national development. As the importance and value of information increases, Information and Communication Technology (ICT) is rapidly evolving and taking centre stage in everyday life in the 21st century; this is particularly evidenced in sectors such as agriculture, health, industries, education among others which has greatly influenced the welfare of the citizenry. The emerging information and communication technologies help to overcome barriers of distance and time and acts as a key element in achieving development goals and mitigating the impact of unforeseen events such as natural disasters or outbreaks of disease. In light of the foregoing, the aim of this study is to x-ray the concept of ICT, some of the benefits developing countries can derive from the application and adoption of ICT, as well as some of the challenges they encounter and what the government can do to assist in the implementation of ICT.

Keywords: *Information Communication Technology, Veritable Tools, National Development and Challenges*

Introduction

The term “Information communication technology (ICT)” has become a catchphrase in the Nigerian education system for more than a decade ago, as in most economies of the world. The quest to achieve economic development and indeed national development often involve the development of agriculture, mining, industrial as well as the service sectors. The industrial revolutions in Europe and America generally had their tours on technological breakthroughs. According to (Harchaoui, 2002) Information and communication technology during the late 1990s, was the largest contributor to growth within capital and services for both Canada and the United States. Mafe (2016) posits that similar trend has been observed with economic development of China, Korea, Taiwan, India, South Africa and other emerging economic powers.

Information and Communication Technology (ICT) is an indispensable and irreplaceable part of the contemporary world. In fact, culture and society have to be adjusted to the challenges of the knowledge age. The pervasiveness of ICT has brought about rapid technological, divers' awareness, social political and economic transformation, which has eventuated into a network society organized around ICT. As a result of the growing recognition, Nigeria, as a nation, has given prominence to the potentials of information and communication technology in our school system. Just to buttress this, the year 2000, the federal government of Nigeria embarked on an aggressive drive towards the provision of a more efficient services in the nation through its privatization and deregulation policies. The policy thrives led to the establishment of national telecommunication policy in December 2001. The policy, among other things recognized the need for the establishment of an enabling environment for deregulation and rapid expansion of the telecommunication services in the country. The mission statement of the government was to use ICTs for education, creation of wealth, poverty eradication, job creation and global competitiveness (Olusanya, 2006). The policy was designed to develop globally competitive quality manpower in ICTs and other related disciplines. Information and communication technology is a composite term comprising technologies such as the internet which is used to communicate and gain access to information. The internet is a network of computers that allows communication and passing of information around the world. It includes any communication device or application such as radio, television, hardware and software and so on as well as services and applications associated with them. National development refers to any attempt to eliminate unemployment, illiteracy

ignorance, poverty and improving the conditions of living of the people by means of providing them with amenities such as education, transportation, health care services, agriculture and commercial businesses. This is realizable by the use of ICT which helps in achieving development in an economy and ensuring steady progress in all the various sectors.

Conceptual Issues

Development

The word development in the realm of scholarship is viewed from two perspectives, geared by the argument on what development entails (Adebisi, 2014). Accordingly, some scholars use the word “growth and change” interchangeably with the word “development”. It is noteworthy that both words have different meanings from development. While growth is seen as an element in development, it cannot on its own be development. The first perspective of development is obviously tied to economic domain, where it is seen as maximization of growth in the Gross National Product (GDP) through capital accumulation and industrialization (Ayeni, 2018). It is the growth in Gross National Product (GNP) that is used as an economic parameter in measuring growth in this sense. Contrary to the foregoing, the second perspective on development is drawn from the assumptions of the Marxist/Radical school of thought, which considers development from general improvement in the wellbeing and living conditions of people in a given society. The Marxist sees development from the angle of reality on ground and view liberalists as being too abstract. The concern of Marxist is man and his wellbeing and not micro-economic variables (Okereke and Ekpe, 2010). Consequently, development therefore implies that greater majority of citizens of a nation have access to quality education, employment, health services and other infrastructural indices. When required infrastructures are instituted for good living conditions of citizens across the country, there is then national development (Onyeka, 2012).

Information and Communication Technology (ICT)

Information and Communication Technology (ICT), which generally refers to a range of communication systems, devices, applications, and services (such as mobile phones, computers and the internet), offers powerful tools to change and foster new economic opportunities for citizens. ICT is widely viewed as a means of effecting changes in business process. These changes if properly implemented can translate directly to wealth maximization and other economical development.

It is a fast growing new technological era, Nigeria both in education and in the job market. Nworgu (2013) defined Information and Communication Technology as a diverse set of technological tools and resources used to communicate, and to create, disseminate, store and manage information. These technologies include computers, electronic data processing, telecommunications, audiovisual equipment, the internet and related services. The term ICT is referred to as a convergence of technologies that include the computer and microprocessor technology which enable users to access, store, transmit and manipulate information. Duncombe (2009) opined that ICT is a host of system, equipment and materials essentially computer based which are used to electronically achieve communication goals and varied services. The National Policy on Information Technology in Adebisi (2014) see information technology as the bedrock for national survival and development in a rapidly changing global environment. Information and Communication Technology has greatly changed the environment and the teaching and learning method in business education programme. It has been a long time since the invention of the typewriter in 1868, and since then, no bigger invention has made such sweeping changes to it as the invention of the microchips and now internet. The emergence of the information age has given business educators new tools and progress never before margined. It should be noted that business education graduates must be competent to provide quality services needed by the society hence the need for possession of entrepreneurial competencies because without them, the objective of developing individuals who shall be able and competent enough to achieve the set goals of business education programme in Nigerian tertiary institutions will not be achieved.

Nigeria like most developing countries has come to know the importance of information and communication technology (ICT) as a driver for sustainable socio-economic growth and development. According (Adebisi, 2014), this recognition is well captured in the national development plan – Nigeria's vision 20:2020: “The increasing globalization driven by ICT makes it imperative for Nigeria as an emerging market to irreversibly consider the application and promotion of ICT strategy to facilitate its rapid growth and development. This will involve the development of a vibrant ICT sector to drive and expand the national production frontiers in Agriculture, manufacturing and service sectors. It would also require the application of the new knowledge to drive other soft sectors, governance, entertainment, public services, media sector, tourism, etcetera”. If

Nigeria therefore is serious about becoming one of the world's leading economies in this era then is high time we realized that ICT is not a “nice to have” asset but a sine qua non for transforming Nigeria into a knowledge economy.

ICT for National Development

Information and Communication Technology has become a key player in national development of modern days. As noted earlier, information and communication technologies (ICT) entails the use of technologies by people to share, distribute, gather information and communicate via computers and other computer networks. ICT includes such technologies as radio, television, video, DVD, telephone (both fixed lines and mobile phones), satellite systems, computer and network hardware and software) as well as equipment and services with these technologies such as video conferencing, e-mail and blogs.

National development can aptly put as the ability of a country or countries, nation or nations to improve or enhance the social welfare of the people by providing them with social amenities like quality education, potable water, medical care, transportations infrastructure etc. it means the ability of a nation to improve the lives of its citizens. It is holistic approach to reconstruct and develop the various facet of a nation and the development of the individuals' person. The contest here is that ICT can be used to improve general wellbeing of a country and its inhabitants. The methods of gathering, processing and dissemination of information have tremendously changed in the modern society with the advent of ICT; it has an impact on our social, cultural, economic, administrative aspects of society.

Ways ICT Can Contribute to National Development

ICT can be use to increase productivity goods and services for the benefit of man in the following ways:

1. ICT in agriculture – ICT is applicable in this regard in many ways. This includes the promotion of modern machinery and equipment, enhancing research on farming and animal husbandry, provides information on modern technologies in horticulture and in agro technology, promote awareness in the field of modern agriculture fertilizers pesticides, provides information on seeds that maximize harvest and preservation of products.
2. ICT in banking sector – the application of ICT in the banking sector

includes provision of ATM, credit cards, allows interbank money transfer, money grams services, on-line banking (e-banking) etc.

3. ICT in industry – the impact of ICT on industrial activities cannot be over-emphasized. This in no doubts includes provision of information on modern tools, which helps to facilitates office automated systems, increases productivity, efficiency and accuracy provides software on designing and modeling, saves energy via the use of electronic processing, provides facilities for advertising and marketing, provides know-how on the use of new techniques in various industries.
4. ICT in education – ICT can be used to improve the quality of teaching in our school system through hypermedia tools simulation, animatic, modeling, audio and video, modern learning/technology methodologies, huge collection of subject related materials (lessons, tutorials etc)
5. ICT in the health sector – ICT can assist in the health sector through E-channeling research and innovation, medical testing and reporting, in house management, maintenance of medical history records, surgery among others.
6. ICT in transportation sector – information and communication technology (ICT) holds the potential to dramatically change the way people drive and their mobility patterns, thus potentially reducing greenhouse gases (GHGs) emissions, air pollutants and facilities. It has the way of educating the driver towards a more sustainable travelling/driving behavior, might provide opportunities for energy savings and avoid emissions.

ICT can potentially be a powerful tool to promote change, namely by ICT applied to vehicles through on-board user aid devices for educating the driver, improving efficiency, reducing costs etc. ICT deployed in the road network are the more traditional way of enforcing a change in behavior, by enforcing stricter speed limits. These stricter speed limits can be applied at all time by specific signalization or through variable speed limits (VSL) depending on traffic, infrastructure and weather information.

Benefits of ICT in National Development

Information and communication technology (ICT) as a sector can contribute immensely to the national GDP of a nation, and that ICT acting as an enabler, can result in improved market competitiveness of a nation's products and services.

ICTs can impact positively on governance and other sectors of the economy. In turn ICT can effectively assist international economic integration, improve living standards and poverty reduction addressed through effective and focused utilization of ICTs in key sectors such as education, industry and agriculture (Bello and Aderbigbe, 2014).

ICT has a significant role to play in development efforts around the world. However, “there was a time when the benefits of applying ICT in fighting poverty and promoting economic growth were not widely understood. Lately however, this view has given way to an understanding of ICT as an essential component of broader efforts to harness the free of information to increase voice, accountability and economic development” (2006 information and communications for development: Global trends and policies) in (Bello and Aderbigbe, 2014).

Specifically, the usefulness of ICT includes:

1. Globalization- it has not only brought the world closer together, but it has allowed the world's economy to become a single interdependent system. This means that we can not only share information quickly and efficiently, but we can also bring down barriers of linguistic and geographic boundaries, modern information and communication technologies help to overcome the barriers of distance and time, and greatly improve the accessibility of information and knowledge. Due to this fact, the sharing of information and knowledge quickly and effectively becomes feasible and acts as a key element in achieving national goals and development.
2. Cost effectiveness – information technology can help to computerize the business process thus streamlining businesses to make them extremely cost-effective money-making machines. This in turn increases productivity which ultimately gives rise to profits that means better pay and less strenuous working conditions. Moreover, the use of ICT can help firms increase their overall efficiency in combining labour and capital or multiple factor productivity (MP). More rapid MFD growth may also be linked to network effect arising from use of ICT, as there can lead to lower transaction costs and more rapid innovation.
3. Bridging the cultural gap – information technology has helped to bridge the cultural gap by helping people from different cultures to communicate with one another, and allow for the exchange of views and ideas, thus increasing awareness and reducing prejudice.

4. Absence of time lag – It has made it possible for businesses to be open everyday through the week all over the globe. This means that a business can open anytime, anywhere, making purchases from different countries easier and more convenient. It also means you can have your goods delivered right to your doorstep without having to move a single muscle.
5. Creation of new jobs – probably the best advantage of information technology is the creation of new and interesting jobs. Computer programmers, systems analyzers, hardware and software developers, technicians, engineers and web designers are just some of the many new employment opportunities created with the help of ICT.
6. Reduction in Corruption: with payment being made online, and not physical; leakages has been blocked. Leakages abound in the public and private sector, and the only way it has been sufficiently blocked apart from whistle blowing is the use of ICT; either through website or applications such as e-tranzact or remitta payments. With leakages been blocked payment will get to the rightful owner and funds remitted properly.
7. Increase in Goods and Services: Advance technologies in health, telecoms, media and other sector have been largely due to break out in communication technology advancement. Services are been generated everyday as new start-ups emerge. Starts up in finances, transport, and agriculture have large input from ICT. These start-ups remit part of its profit as tax to the government, providing revenue and ease of doing business to the economy.

Challenges of ICT

Despite the lofty benefits of ICTs, one still wonders why there has remained tremendous challenges especially in developing countries such as Nigeria facing ICTs. According to (Bello and Aderbigbe, 2014). Developing countries are now becoming aware of the benefits derived through the adoption and use of ICT but there are many serious challenges which must be addressed and chief among them are:

1. High Cost of Establishment: ICT does not only include mobile phones, television, software, hardware nor telephones. It extends to the very complicated ones like robots, networks like our telecoms, drones etc. the cost of setting up any of these is high.
2. Lack of Skilled labour: Although Nigeria is recording an improvement in the level of computer literacy, which is majorly due to the injection of

computer studies into school's curriculum and the admittance of children into computer training institutes by parents. These still hasn't made up for the inadequacy in computer skilled labours. The complex and more advanced part of ICT such as the robotics have no existence in Nigeria, partly due to the absence of such course and necessary facilities in our institutions.

3. **Unreliable Power Supply:** For the Nigerian ITC sector to witness progress not only in application but also in invention and development, power supply must be stable. It is heartbreaking that Nigeria still battles the problem of epileptic power supply. The various Telecom mast scattered all over the country are powered by heavy duty diesel generators which is not supposed to be so. These add to the cost of the company's maintenance.
4. **Job Loss/Unemployment:** The increased application of ITC has caused many Nigerians to lose their jobs. For example, the introduction of automated services displaces the need for any manual. Before now, letters were sent through post-offices primarily and majorly NITEL, but now, people can send voluminous amount of letters through email, social networks, text messages or better still, a video chat or phone call. The introduction of ICT in this case, cost the Postmen and women their jobs thus increasing the unemployment rate.
5. **Insecurity:** ICT has offered a big blow to insecurity. Cases of hacking are now heard here and there. People's phones get hacked and sensitive information get stolen. ICT also fosters terrorism and violence. The Boko haram group which has and still is, terrorizing Nigeria for years now, pass on their messages through videos showing how they murder their victims in cold blood and send it into public circulation. They used ICT to seek for information, human and material resources, gather sympathizers, recognition and maybe even respect. The wide dissemination puts the state in a condition of disarray.
6. **Cybercrime/Fraud:** Cybercrime is a severe adverse effect of ICT in Nigeria. The emergence of yahoo boys as we describe them here is as a result of ICT. They dupe people through various means such as voice phishing, sms, phone calls, emails and worst of all, social networking sites. They have no specificity for victims; they scam both Nigerians and foreigners alike.
7. **Fostering of Immorality and Corruption:** Through the internet, children

can now access thousands of porn sites with their mobile phones or computers. They now get to see and practice what they are not supposed to considering their ages. Nude pictures and videos are now taken/recorded by people of both genders and circulated through social sites which wouldn't have been so easy without ICT.

8. Poor Academic Performance/Examination Malpractice: Mobile phones, video games, movies, social networks (facebook, instagram, whatsapp etc) now constitutes the major source of distractions for students. Examination malpractice is also aided by ICT. Students get to see questions and answers on the internet prior to the examinations while others enter into examination hall with their mobile phones and answers to questions stored in them.
9. Fosters Kidnapping and Deceit: In the quest of meeting up with people they encountered on social media, people get kidnapped while some get deceived and duped. Kidnappers and ritualists have through this medium deceived several people under the guise of trying to move from being virtual friends to real friends.
10. E-War and Hate Propaganda: ICT gadgets have been used as instruments for crime and hate propaganda in Nigeria. This is making the government program of One Nigeria nearly impossible. Gadgets that are supposedly to connect and reconnect friends and strangers have become a tool for propaganda, hate speech and war.

Conclusion

ICT can be termed as a vehicle of development in various sectors of human endeavors. It is not a misplace that almost all the countries of the world over are buying into this system which promotes national development. ICTs can aid sustainable national development when used appropriately, with all the stakeholders participation to use ICT to realize national development especially in the developing economies. The potentiality of ICT does not only include easing information and communications but also engender growth and development. In a country like Nigeria, where vast majority of the population is below the poverty line, ICTs create a chance to empower the residents and transform them into more productive human capital. There are some challenges, however, militating against the smooth development of ICTs in Nigeria. These include erratic power supply, inadequate of ICTs facilities, lack of ICT skills/technological know-how, inadequate access to computers, inadequate public and private partnership among

others. The government at all levels should awake to these challenges to ensure they put in proper policies system that will serve as impetus for the ICT of the country to thrive and realized the utmost benefit therein.

Recommendations

In the light of the critical issues raised, the following recommendations were made:

1. There is the need for well-equipped ICT centres in all educational institutions to enable them live up to their social and political responsibility
2. Every Nigerian should develop personal interest in the use of ICT and government should provide adequate funding.
3. The use of ICT should be made compulsory in all the various sectors of the economy and proper training and orientation should be given on the effective use of ICT.
4. A stable power supply should be made available for the effective use of ICT in Nigeria.
5. ICT should be promoted all over the country and be made available and affordable for Nigerians.
6. There should be public private partnership to aid the acquisition of ICT equipment and its application in the country.
7. ICT professionals such as software and computer engineers should be employed to manage and maintain the ICT equipment that are used for national development.
8. The practice of ICT should be deepened in the Nigerian public sector towards prudent use of government resources for national development.
9. More ICT security Gadgets be employed and positioned strategically across the country to curb crime.

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12
Chapter

Advertising Revenue and the Sustenance of Public Broadcast Stations in Kano State: Study of Abubakar Rimi Television (ARTV)

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Abstract

Advertising revenue plays vital role in sustaining mass media. The media industries depend on the income generated from advertising revenue to operate while companies and industries depend on the media to promote their products and services. Thus, the study examined advertising revenue as a source of income in public broadcast stations in Nigeria with specific reference to Abubakar Rimi Television, using qualitative research methodology and the persuasion theory, the research findings revealed that advertising revenue contributes heavily in sustaining the station with about 88% substantial share. Findings also revealed that numerous challenges affect revenue generation in the station, some of these are low debt recovery from major advertising agencies in Lagos, poor advertising perception among local Populace, stiff competition from sister stations that uses digital technology. Based on the above, the study recommend that Government should ensure that only Professionals are recruited into the commercial department and also equip the station with up to date machines to meet the standard of nowadays.

Keywords: *Advertising, Media organization, Revenue generation, Government*

Introduction

Advertising can be defined as a paid dissemination of information through a variety of mass communication media in order to motivate desired action, (Anyadrio, 2007; Bishop 1988, Zanot 1984). Advertising is a non-personal message to promote or sell a product, service or idea. Advertising and media are as blood and kidney, i.e. they need each other for operational and financial survival and conventional fulfillments. The media need advertisements to count on for fiscal survival likewise the Products, Services or Ideas need advertisement for the awareness of the Public about their existence (Okpoko, 2008). Advertisement is paid for; which means the advertisers pay the media an amount of money to disseminate their information. Advertisement is goal oriented, because the reasons behind it is to promote sales rate, to introduce a physical or mental commodity to the market so as to be patronized by prospective customers or to sustain the patronage of a product, service or idea by the customers (Shumaila and Ayesha, 2013; Gronholdt and Christensen, 2006). Advertising is a powerful communication force and vital marketing tool, helping to promote the sales of goods, services, images and ideas, through channels of information and persuasion (Myers, 2005; Becka, Martino and Towners, 1976).

Advertising is widely recognized as an effective communication tool that links the manufacturer and the prospective buyers/consumers together (Wright, 1982). Advertising as an integral part of the global economy has over the years transformed into a big business to such extent that many media houses depend on advertising revenue to sustain themselves (Okolue, 2011). Advertising is a powerful communication force and vital marketing tool, helping to promote the sales of goods, services, images and ideas, through channels of information and persuasion. In this modern world all forms of business depends largely on advertising (Wright, 1982; Amen, 2010).

Statement of the Problem

Like any other organization, broadcast stations need adequate funding and sufficient resources to effectively operate and fulfill their mandate of gathering, processing and disseminating information to the general public. This however is proving to be quite difficult in the Nigerian context, since early 80s when the country started experiencing deterioration in its economy, public organizations received less grants from the government media organization seek for alternative sources of funding to make up for the shortfalls in subvention received from

government. Broadcast stations devised creative ways of raising revenue to support their recurrent expenditures, some of these strategies include commercialization of airtime, hosting of events, and all these are in addition to the traditional advertising of Product and Services for revenue generation. Based on the above, the study examined the role of Advertising revenue in sustaining Public Broadcast Stations with specific reference to Abubakar Rimi Television (ARTV) Kano, Nigeria.

Objectives of the Study

The study intended to:

1. Find out the rate at which advertising revenue contribute in sustaining ARTV
2. To see if Government beside advertising revenue contributes heavily to their sustenance
3. And to see how advertising revenue can be effectively utilized to sustain the Station

Research Questions

1. To what extent does advertising revenue contribute in sustaining ARV?
2. What is the extent of government support in sustaining ARTV?
3. How advertising revenue can be effectively utilized to sustain the Station

Brief Literature

Looking at Nigerian broadcast Stations, Government owned media organizations still depend on government grants and subventions. This attitude of heavy dependence on Governments grants and subsidy has certain disadvantages to the media stations and is a serious threat to the smooth operations of the stations. Advertising revenue is the media support system as it is the main economic base for most newspapers, magazines, radio and television stations as they sell their audience to advertisers who in return sell their products to their audiences. According to Mehta (2000) every system of broadcasting requires a sound system or means of financial support to keep it going. Unless a station has ample funds to maintain staff and facilities and to hire the best talent, its programming will suffer. Advertising also has a major social impact by helping to sustain the media and making the media relatively in-expensive to the public. Newspaper, magazines and broadcast stations drive their primary income from advertising.

Advertising in Nigeria

Town crier, hawking and display system are traditional advertisement method used by various communities in Nigeria before the advent of modern advertising in the country. Advertising by hawking was done by professionals who are hired to roam about the quality and availability of specific goods and services. The town crier served as special emissary of the chief or village head who often stand at the village square to herald the day's important message. On the other hand, the displays involved the process of exhibiting or spreading out goods for the travelers to see and buy without difficulty. However, the establishment of Iwe Irohin in 1854 by Reverend Henry Townsend of the Church Missionary Society (CMS) flagged off the train of modern advertising in Nigeria. Pioneered newspaper publication in Nigeria, also rolled the first printed advertisements in form of obituaries, birthdays, weddings and train and ship schedules, vacancies for house boys and maid as well as announcement on church activities (Akinfeleyele and Okoye 2003).

Other newspapers rolled simultaneously after the debut of Iweirohin giving further boost to print advertising. They include the Anglo Africa (1863); The Lagos Times and Gold Cost Advertiser, 1880; The Lagos Observer 1882; the Eagle and Lagos Critic, 1883; The Mirror 1887; Lagos Weekly Record – 1890; The Nigeria Chronicle and Lagos Standard both launched in 1908. All these newspapers – devoted some pages for advertisement and by the first two decades of the 20th Century advertising had already become a lucrative business in Nigeria courtesy of foreign business in Nigeria, courtesy of foreign business that had taking firm root in the Country. The coming on stream of West African Publicity Company Ltd WAP in 1928 which later transformed into Lintal also helped institutionalized advertising in Nigeria.

Importance of Advertising Revenue to Public Media Organization

According to Nwabuze, Ezebuenyi and Ezeoke (2012), advertising revenue help and play a vital role in the successful running of Public broadcast Stations in Nigeria, for without advertising revenue; the services of most of Public broadcast would have collapsed (Oguh 2003). However, the system practices in developing countries reflects the prevailing political, economic, social and ideological system of their Counties. Broadcasting structures and control in Nigeria have generally followed all free for all patterns, except in the former Colonial territories, where the African/ Asian pattern has predominated. In the former British Colonies

Broadcasting is operated by corporate bodies modeled on the British pattern; although the level of Government involvement and supervision differs. Broadcasting system in Central America is radically different from that of prevailing African and Asian countries (Owen 2002, Daramola, 2005, Sambe 2005). Broadcasting system in Asia is similar to the pattern obtained in African. Almost all the radio and television station services are operated directly by Governments; however, there are some varieties in the unity pattern of broadcasting which follow the American pattern. This can be found in the United Arabs Emirate (UAE). In the Philippines, South Korea, Lebanon, Thailand and Japan broadcasting media operates on commercial basic with very much emphasis on commercial for their survival. The broadcast system in African countries practiced is Colonies – model, majority of African Countries deplore the system of broadcasting brought to them by their Colonial masters. In some African Countries like Ghana, Gabon, Sierra Leone and Malawi, Public corporations can be founded modeled on the (BBC) but not totally dependent on Government for funds. The electronic media radio and television are owned, controlled and financed by the various Government i.e. Federal and State Governments, (Whitmore, 1985; Zanol, 1984; Baker and Greyser, 1980; Coen, 2002).

However, broadcasting in Nigeria is completely monopolized by Government while to some extent private entrepreneurs control some parts of the press. Thus, even with Government control of broadcasting, there are some elements of commercialization. Apart from the subvention received from Government, they also generate revenue through advertisement. Advertising is inevitable the strongest force in revenue generation in Nigeria for both broadcast and print media; it is one of the oldest ways of creating awareness and bringing goods closer to the People, it is communication which occurs every day in most of our life, (Okolie, 2011). Advertising in Nigeria determines the growth and profitability of a media or advertising agency and all advertising functions in an agencies or media are important and contribute to their success. Nevertheless, an effective advertising can be achieved through research, which is considered the bedrock of any study aimed at achieving a better result. Therefore, advertising revenue will continue to remain a very important force in both print and electronic media, and will continue to exert a strong influence in the survival of media organizations (Nwabueze, Ezebuonyi and Ezeoku, 2012).

Theoretical Framework

The study adopts Gate keeping and Persuasion theory.

Gate keeping theory: Describe the process in which ideas and information are filtered before publications. The theory can be traced to Kurt Lewin's 1974. According to Folarin (2002) Gate keeping is an internal scrutiny of news worthy. He further stated that the media as corporate citizens, must be responsible and whatever served to public be it advertisement, news stories, is responsible and meaningful. Media organizations in Kano state must ensure consciousness and served the Public in responsible and meaningful way.

The study also adopted persuasion theory which is centered on the messages used in changing the attitude of receivers the messages are able to change and modify behaviors of consumers. The theory can be traced to Yale University and Psychologist Carl Hovland who conducted studies during 1940s and 50s. The theory is relevant to the study because by using persuasive appeals during advertisement will attract consumers to make their purchase on the product advertised. These will in return attract the advertisers to advertise their Product through the media.

Research Methodology

The study employed in-depth interviewing, also known as unstructured interviewing, is a type of interview which researchers used to elicit information in order to achieve a holistic understanding of the interviewee's point of view or situation. In-depth interview is sometimes referred to as intensive interview, with this method ".....elaborate data concerning respondent's experiences and feeling are obtained," (Wimmer and Dominick 2003:207). This method involves selecting subjects for study and conducting several detailed interviews at different times.

Some of the officers interviewed are:

Director Commercial

Commercial officer

Internal Auditor

Director Accounts

Engineering Services

Director of Admin and General Services

Two hours interview were conducted. A guided interview approach was employed. And when employing this approach for interviewing, a basic checklist was prepared to make sure that all relevant topics were covered. The interviewer was still free to explore, probe and asked questions deemed interesting to the researcher.

The most important advantage of the in-depth interview is the wealth of detail that it provides. Furthermore, when compared to more traditional survey methods, in depth interviewing provide more accurate responses on sensitive issues. The rapport between respondent and interviewer makes it easier to approach certain topics that might be taboo in other approaches. Purposive sampling was used: it is a non-probability sampling method that allows a researcher to select a sample on the basis of knowledge of a population and the purpose of the study (Babbie, 2001). Purposive sampling was used among the top management officers of the station as stated below. Radio tape recorder was used as an instrument.

Findings of the Study

Result of the findings revealed that Abubakar Rimi Television (ARTV) being a Public broadcast station, Government pays 75% of the salary of its permanent staff and the remaining 25% comes from advertising revenue. Findings revealed that the station uses advertising revenue to pay NEPA bills, purchase of diesel, maintain plants, take care of travelling and duty expenses, canvassers' commission and artistes' fees. This clearly shows that the station cannot survive without advertising revenue. The findings from the interview revealed that advertising revenue is a strong pillar that holds the Station, without which it cannot survive. The Director Commercial during an interview revealed that, various types of advertising were found to be aired in the station each with specific charges depending on the content, duration and organization of material.

As to the questions on whether they regard religious and cultural sensitivities in their adverts, the Director Commercial revealed that it becomes mandatory to consider religion and cultural values of their audiences. As to the questions on whether they could improve their services in terms of revenue generation, the Director commercial revealed that the station is doing its best to improve their services in terms of revenue generation by employing competent staff and using up to date machines in their studio. Findings revealed that the total revenue generated by the station in a year help them to meet their financial expenses, including capital expenditure.

Conclusion

The paper examined Advertising revenue in sustaining media organization with specific reference to Abubakar Rimi Television. Gate keeping and Persuasion theories were used. Qualitative research method was used for the study. The result found that advertising revenue is a strong pillar that holds media Stations in Nigeria, without which they cannot survive.

Recommendations

1. Media organization needs to develop programmes that will be of benefit to the Public in order to attract the patronage of Advertisers.
2. Research is also needed to find out the programmes contents which will really attract advertisers.
3. Adequate Logistics, Facilities and Personnel should be provided to enable their Commercials reach their target audience.

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13
Chapter

Sociocultural Characteristics of Women Entrepreneurs in Sokoto State and their Ability to Access Formal Credit Services

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Abstract

This study is unique in the effort to empirically analyze the impact of some dominant socio-cultural characteristics of women entrepreneurs in Sokoto state on their ability to access formal credit. Adopting cross-sectional exploratory survey method and a multi stage sampling technique, a semi-structured questionnaire was used for data collection. Binomial logistic regression model was developed and estimated to examine the influence of socio-cultural variables of the respondents on their ability to access formal credit; this was supplemented by path analysis, which was intended to expose the degree of involvement of the socio-cultural characteristics. The result of both the logistic regression and the path analysis indicated that the socio-cultural characteristics of the women posed a significant constraint on their ability to access formal credit at X^2 values of 84.09percent and 89.5percent respectively. However, of all the coefficients of parameters estimated for explanatory variables, only marital status and religious orientation were not statistically significant while husband or family permission indicated to be the strongest constraint on access to formal credit. The Path analysis revealed, after adequate modification, a CFI and NFI values of 1 indicating a perfect fit, the AGFI also indicates good fit at 0.99, however, the result suggest that a variables that may not impose a direct constraint certainly do have an indirect effect through an intervening variable which cannot be overlooked.

Key words: *Women entrepreneurs, Formal credit, Socio-cultural characteristics, Credit constraint.*

Introduction

Women entrepreneurship development has become one of the strategies employed by various governments to achieve the goal of women empowerment initiative (Iheduru, 2002). Nigeria and other developing countries have in the last few decades, demonstrated keen interest in the support of women empowerment initiatives. Notwithstanding the differences in culture, level of education and the level of the economic and industrial development of their countries, women suffer similarity in the natures of injustice and discrimination within the family structure, in employment, in education and in access to professional trainings and economic resources, (Dolphyne, 1991). The country is coming from a history where poverty is more endowed in the northern states and where poverty among women is more pronounced than among men (CBN, 2016). The women in the northern Nigeria are predominantly followers of Islamic faith by religion and majority are Hausa/Fulani by tribe and for some socio-cultural and traditional practices such as early marriages, purdah and gender norms, there exist restrictions over a woman's interaction with men outside the family circles. They are usually economically dependent either on their parents before marriage, or husbands after marriage and their children during old ages. Men are generally considered the providers of family needs and wants irrespective of their economic condition, the woman's roles are limited mainly to household/housewife responsibilities (Sani, 2017). These have indeed contributed significantly to the extreme poverty incidences among women because they, to some extent have been denied the opportunities to exploit their economic potentials optimally.

However, due to increased pressure to support or contribute financially to the welfare of the family, more women in the northern part of the country now participate in different kinds of businesses ranging from trade, agriculture, food cooking for sale and beverages, schools, saloons and various entrepreneurial ventures. This is in spite of the existence of these socio-cultural practices, most women entrepreneurs operates as entrepreneurs at home where they rely on the mediatory roles of others (mainly children) for vital linkages to the markets. This is a milestone and a departure from the former face of northern Nigeria, where women find it difficult to run business outside their matrimony. Entrepreneurship is a concept and an idea that has been welcomed in the northern states as more women show interest to run different kinds of businesses, but one of their biggest challenge as cited in numerous research is the limited access to Fund (Bardasi, Blackden, and Guzman, 2007; Mole and Namusonge, 2016; Osano and

Languitane, 2016; Sawaya and Bhero, 2017; Trulsson, 1997; World Bank, 2009; Yusuf, 2013).

In spite of this recorded milestone, their economic activities still remain at a micro level with little or no impact on their poverty level this could be attributed to their inability to access formal credit. It is equally derivable from literature that existing studies on women entrepreneurs seem non-attentive to the fact that women appear to "use" business ownership differently to men, as they are more willing to shuttle between their work and other areas of their lives due to their social position and prevailing cultural norms of their respective communities. This unique characteristic should earn them special attention in scholarship, coupled with the fact that they are much likely to use entrepreneurship as a temporary solution within a wider career path. Equally, of striking interest is that women do not only have lower participation rates in entrepreneurship than men but also generally choose to start and manage firms in different industries than men, a result of social and cultural norms (Ochieng and Sije, 2013; Gould and Perzen, 1990), these industries (primarily retail, education, agro-allied and other service industries) chosen by women are often perceived as being less important to economic development and growth than the high-technology and manufacturing industries. In the face of all these, financing is of primary importance to business owners who may want to benefit from services provided by financial institutions who are expected to respond to the needs of women business owners, among others. Nonetheless, such women entrepreneurs are constrained from accessing formal credit facilities generally, while the few among them with this privilege still cite paucity of funds or capital as a major constraint (GPFI and IFC, 2011; Powers and Magnoni, 2010; Yusuf, 2013).

A study by Kapinga and Montero (2017) revealed that the socio-cultural standing of a woman entrepreneur can limit her access to formal education which can consequently adversely affect her ability to access economic resources and efficiently conduct her business. Similarly, Shoma (2017) revealed that gender-biased and structural barriers resulting from inequality inherent in several socio-cultural practices have prevented female entrepreneurs from financing their business activities. Kumar (2014) studied two different settings within the same state to reveal that the socio – cultural status and the residential background of a woman have significant impact on her opinions, views and behaviors as an entrepreneur. Studies have also suggested that women entrepreneurs face problems that are

varied and yet interwoven due to their socio-cultural position in the society (Anna, Chandler, Jansen and Mero 2000; Kumar 2014; Mueller and Thomas 2001). The study by Giwa and Babakatun (2019) also suggest that the culture, gender and religion of women have significant effects on their entrepreneurship development.

The influence of the socio-cultural characteristics of a woman on her economic activities cannot be denied, this influence no doubt extend to their ability to access formal credit. However, these studies assumed 'a size fits all' approach by assessing this influence from a broad view point instead of focusing on specific prevailing socio-cultural variables peculiar to each study's setting. The studies all converged that the choices and actions of women entrepreneurs are significantly affected by their socio-cultural experiences/characteristics but the bulk of the available literature have failed to recognize the dissimilarities between the socio-cultural position of the women entrepreneurs in their respective communities. In other words, the socio-cultural characteristics that could be constraining women entrepreneurs from accessing formal credit cannot be generic in nature (Mueller and Thomas, 2001). Researchers have attempted to study the degree and directions of such influence but little or no attempt has been focused on identifying specific socio-cultural traits or practices peculiar to a group of people and how such factors affect the women entrepreneurs within the group's access to formal credit.

The present research is an attempt to fill this gap. The research attempts to analyze the influence of socio-cultural characteristics on the ability of women entrepreneurs in Sokoto state to access formal credit by focusing on unique cultural practices/norm or characteristics that have resulted from the people's way of life overtime, the objective here is to assess if these variables have constrained, or otherwise, the study group from accessing formal credit. This article is structured into five main parts; this first part, which is the introduction, covers the background of the study, highlighting the problem of focus and exposing the gap in the previous studies which the present study aims to fill, the second section deals with a review of previous literature and the theoretical framework adopted for the study, the third part explains the methodology employed to conduct the study and the result and discussion of findings is in the fourth section while the last section outlines the conclusions and recommendations of the study.

Literature Review and Theoretical Framework

Women entrepreneur has been conceptualized by different authors, for instance, Singh (2012) defined the woman entrepreneur as a confident, innovative and creative woman capable of achieving self-economic independence individually or in collaboration, generates employment opportunities for others through initiating, establishing and running the enterprise by keeping pace with her personal, family and social life. Similarly, Pareek (1992) defined woman entrepreneur, as a female who plays a captivating part by repeatedly interacting and keenly adjusting herself with financial, socio-economic, and support spheres in society. Concisely, women entrepreneurs are those women who conceptualize a new business or ways of adding value to an existing brand, initiate it, organize and combine the factors of production required to operate while managing all economic uncertainty (risks) involved in running the business enterprise. Whether they are involved in small or medium scale production activities, or in the informal or formal sectors, women's entrepreneurial activities are not only a means for economic survival but also have positive social repercussions for the women themselves and their social environment, United Nations Industrial Development Organization (UNIDO, 2001).

Hence, a woman Entrepreneur is a woman who undertakes wealth creation and value addition process by incubating ideas, combining resources and making things happen for financial and/or social benefits. Women in different nations play important roles like men in economic development through entrepreneurship. As Kpohazoude (1994); Omotayo (2005); Selvalamar and Sadiq (2006) argued that women entrepreneurs play the role as mothers, wives, daughters and their need to generate income for the family as important economic 'driver' for business ownership. There is compelling evidence that women can be powerful drivers of economic growth. An analysis by Aguirre, Hoteit, Rupp and Sabbagh, (2012) indicate that if female employment rates were to match male rates in the United States, it would boost overall GDP by 5 percent and in Japan such initiatives could increase GDP by 9 percent. The researchers further stated that the United Arab Emirates could witness a boost of 12 percent in GDP and the Egyptian economy by 34 percent, with increased participation of women entrepreneurs. In developing economies however, the effect can even be more pronounced.

A report by World Bank (2009) indicated that women entrepreneurs comprise about a half of human resources in developing economies serving as key

facilitators of micro economic development in their communities. Studies have also indicated that majority of women entrepreneurs own SMEs in developing countries and their significant contribution to gross domestic production (GDP) and improving income of their households cannot be ignored (ILO 2007; Ghosh 2009). Availability or accessibility of fund is with no doubt the lifeline of any business activity. It is needed for daily activities of the business, expansion and growth of the business and goes a long way in determining the performance of the business generally. The socio-cultural experiences/characteristics of women entrepreneurs and their business activities cannot be treated as mutually exclusive, such socio-cultural environment comprises the forces that influence the interactional relationships they engage in which affect their attitude, behavior and disposition, this includes all elements, conditions and influences which shape the personality of an individual and potentially affect its behavior, decisions and activities (Anna, et al, 2000). The ability of a woman entrepreneur to access formal credit is no doubt embodied in her business activities which are a factor of her socio-cultural settings (Anna, et al 2000; Giwa and Babakatun 2019; Kapinga and Montero 2017; Kumar 2014; Mueller and Thomas 2001; Shoma 2017). This will invariably determine not only the daily activities of the business but also the performance level, survival and growth of the business.

Theories explaining the impact of socio-cultural experiences of entrepreneurs on their activities include scholars like Max Weber, as cited in Van de Ven, (1993) who explained that society plays a big role in developing entrepreneurs, because individual draws his values from the social values, morals and institutional framework within which he lives. Arguing that culture, which entails the totality of the way of life of a people, has great impact on the attitude and behavior of individuals and their disposition to life and invariably on the activities as well as the choices the individual makes as an entrepreneur. The last three decades have recorded a growing interest in studying women entrepreneurs world-wide, but more so mainly in the United States and Canada, as a result of the high growth in the number of enterprises created by women and also because it was thought that women encounter difficulties in starting and operating businesses that are different from those faced by men (Neider, 1987). These differences could be attributed to the variations in the socio-cultural variables that are norms in each society, these variables are certainly different for men and women in each society and they go a long way in regulating the activities and thinking of both sexes thereby making each to have different orientations, perceptions as well as

opportunities. Kumar, (2014) aptly described the social-cultural environment of an individual as consisting primarily of man created intangible elements which affect people's behavior, relationship, perception and way of life, and their survival and existence. Such elements include beliefs, values, attitudes and life styles of persons as developed from cultural, religious, educational and ethnic conditioning. In other words, the socio-cultural environment refers to forces of influence from interactional relationship among people which affect their attitude, behavior and disposition. This includes all elements, conditions and influences which shape the personality of an individual and potentially affect their behavior, decisions and activities. Mueller and Thomas (2001) while studying culture and entrepreneurial potential found support for the proposition that some cultures are more conducive to entrepreneurship than others.

Gender related discriminations especially in African countries are caused by socio-cultural factors which appear to pose hindrance to women entrepreneurial activities and access to economic resources (Otero, 1999) such discriminations are in the area of distribution of social wealth, education and health (Porter and Nagarajan 2005; May 2007; Roomi and Parrot 2008). Socio-cultural factors can have extensive impact on the making of new entrepreneurs, their choice of business and decisions they make while operating and to a large extent the ability to access formal credit. Situation where women are discriminated against in business undoubtedly negate economic, social and political development (OECD, 1997, 2000 and 2012). More often gender, marital status and age have been stressed in literatures among the factors that influences access to finance especially in developing countries, Sabarwal, Terrell and Bardasi, (2009).

Examining the effect of socio-cultural characteristics on entrepreneurship development of women in Kaduna metropolis, Giwa and Babakatun (2019) assess the impact of culture, gender and religion on women's entrepreneurship activities using descriptive survey research design, they collected data from 332 women entrepreneurs in Kaduna metropolis and analyzed via correlation and regression analyses techniques to examine the relationship between the socio-cultural factors of women entrepreneurs in the metropolis and their entrepreneurship activities. The result revealed that the p-value of all independent variables were significant at 0.000, with R^2 values of 0.61, 0.45 and 0.43 for culture, gender and religion respectively. This suggests a significant relationship among these socio-cultural variables and women entrepreneurship development in the metropolis, this

implies that these factors can influence the ability of the women to access fund for the efficiency of their business. The study therefore recommends that socio-cultural factors such as religion, culture and gender roles of women entrepreneurs in Kaduna metropolis be factored into issues of women entrepreneurship development because the variables have shown to have significant impact and could hinder the smooth running of their businesses.

Kumar, (2014) conducted a study on socio cultural factors of women entrepreneurs of Uttarhand State of India and their entrepreneurship development. The researcher aimed to examine the effect of the socio-cultural factors as well as perception of the women entrepreneurs on their entrepreneurial activities and funding ability, using a sample of 280 women entrepreneurs from three district each from two different regions of the state with diverse characteristics (rural and urban), data was collected with the use of questionnaire and statistical techniques like percentage method, mean, bar diagram, t test and ANOVA were used to analyze the data collected. The result revealed that the entrepreneur's socio – cultural characteristics and residential area has significant impact on their opinion, views and behavior, the result also revealed sociocultural factors having significant effect and influence on the women entrepreneurs' activities and their contribution towards the state economy. It was further revealed that the women entrepreneurs with high social status basically residing in the urban area have significantly different views and opinions from their counterparts in the rural area with low social status, this has significantly affected their level of participation in the state's economic activities. However, the researcher was not really specific in addressing or rather in soliciting data to provide information about specific socio-cultural issues/variable instead focused on general statements like asking if culture affect their entrepreneurial activity without identifying the specific cultural practice, this could lead to the respondents giving the same response to differently perceived questions.

In a similar context, Mbiti, Mukulu, Mung'atu and Kyalo (2015) examined the influence of socio-cultural factors on growth of women-owned micro and small enterprises (MSEs) in Kitui county of Kenya, using a descriptive survey as research method, the study targeted a population of 390 women owned micro and small entrepreneurs drawn from manufacturing, agriculture, commerce and services sectors in the county. A Proportionate stratified sampling was used to draw a sample of 194 women entrepreneurs from which simple random sampling

was applied to select respondents from each sector, questionnaires and observation guide were used to collect data. Socio-cultural factor was measured by asking the respondents how their traditions, beliefs, attitudes and values affects their ability to network and associate as well as how it affects roles of women and type of business, they start in Kitui county. The influence of socio-cultural factors on growth of their enterprises was measured by asking the respondents whether tradition, beliefs and their community practice affect the performance of their business, the result suggested that socio-cultural factors positively influenced the growth of women- owned MSEs even though such socio-cultural variables were not explicitly identified and measured by the researchers and they also fail to highlight the nexus between business growth and the availability of capital or formal credit.

Despite having a limited variety of economic activities which they can venture into owing to the constraints embedded on them by their socio-cultural position in the society, women also face numerous challenges within the limited choice they have. In an attempt to understand the extent of such challenges, Kapinga and Montero (2017) examined challenges faced by women entrepreneurs involved in the food processing industry in Iringa, Tanzania. Using interviews and focus group discussions to collect data, content analysis was employed to interpret the findings. The findings indicated that the women face problems which included lack of access to markets, unequal social responsibility and insufficient capital resulting from inability to access fund, the study also revealed a large number of the women had limited chance to pursue formal learning beyond the compulsory primary education which is mandated by law on every child in the country for reasons owing to cultural constraints embedded in the society. This limited education due to unequal social responsibility could largely impede the ability of the women to access formal credit.

Examining the challenges and obstacles faced by female entrepreneurs in the cottage, micro, small, and medium enterprise, Shoma (2017) employed a feminist theoretical ideas and a liberal viewpoint to explore how gender-biased and structural barriers prevent female entrepreneurs from financing their business activities in Bangladesh. Using data collected from banks and financial institutions (FIs) on loan services for the period 2010–2018, the researcher found that female entrepreneurs were treated significantly differently from the men by FIs in Bangladesh; the researcher attributed this bias to a lack of woman-friendly

sociocultural and economic environment which has made credit almost unattainable to women businesses. Such practices included unfavorable inheritance rights, inequitable educational opportunities and women-unfriendly workplace practices, stressing that the social norm that women should stay in the home has had a significant negative influence on women entrepreneurs in the country. The researcher advocated the amendment of the inheritance laws to guarantee women's financial rights and an adoption of a comprehensive, sustainable industrial policy to promote female entrepreneurship development.

Olateju, Aminu, Shehu, and Danmola (2017) examined the factors that determine women entrepreneur access to Cowries micro credit program in Lagos Nigeria, using a simple random sampling method to select 359 female entrepreneurs from the list of CMB from two LGAs in the study areas and probit regression analysis to estimate the factors that influence women's participation in the microcredit program. The explanatory variables examined were; age, marital status, educational, years of business experience, household size, membership of political party and income, the descriptive statistics revealed that the majority of the respondents are married, belong to a political party and educated with just a few having no formal education. The inferential result revealed a likelihood ratio chi-square of 84.44 and a *P value* of 0.000 with all explanatory variables highly significant and having the researchers' *apriori* expected signs except the age which is not significant even at 10 percent level of significance, marital status has a positive sign with a marginal effect of 0.1078328 indicating that participation in the program will likely increase by 107.83 percent for married women entrepreneurs while holding other variables constants, the marginal effect for education is -0.0278889 and p-value 0.000, with a negative sign and highly significant, indicating that a one year increase in the number of years of education of the women entrepreneurs will lead to 27.67 percent fall in their participation in CMB loan program. Household size and income also revealed to have negative marginal effects of -0.0437291 and -0.000012 indicating that an increase in either will lead to 43.73 percent and 0.0014 percent falls respectively, in their participation in CMB loan program. However, membership of political party and years of business experience have positive marginal effects on participation in CMB loan program.

Koko, (2015) investigated the socio-cultural constraint impeding women entrepreneurs from accessing business capital in Sokoto metropolis. Employing a

cross sectional sample survey, variables of the study were marital status, educational qualification and religious belief proxied for socio cultural constraints, using an estimated population of 300 due to unavailability of ready census, the research worked with a sample frame of 120 respondents. The result indicated R^2 as 0.572 using Negelkerke R^2 which means that 57.2percent of the variation in the dependent variable was explained by the independent variable and marital status of the variables proxied for socio-cultural variable had a parameter estimate of 0.212. This means the relationship is positive but at 10percent level of significance meaning a statistically not significant relationship.

Methodology

This study was conducted following the methodological rules of exploratory (cross-sectional) survey study which is appropriate when there are few or no earlier studies to refer to or rely upon to predict an outcome (Cuthill, 2002). The study aimed at finding out the extent to which the socio-cultural environment of the woman entrepreneurs in Sokoto State effects their ability to access formal credit in all categories of enterprise they operate, ranging from Trading, Services, Manufacturing, and Agro-allied etc.

Population and Sample of the Study

The study covered all women entrepreneurs operating within the boundaries of Sokoto State. The population of the study therefore, constitutes all women entrepreneurs within the state. A multi-stage sampling technique was employed (Saunders, Lewis and ThornHill, 2007), the state was first purposively stratified (Raj, 1972), into three senatorial districts; Sokoto east senatorial district with eight LGAs, Sokoto central senatorial district also with eight LGAs and Sokoto west senatorial district with seven LGAs. The second stage was a random selection of four LGAs from each of the senatorial districts to make a total of twelve LGAs selected. Purposive sampling technique was further employed for the next stage because of the absence of a sampling frame owing to the fact that the study group operates mainly in the informal economy coupled with the cultural practices prevalent in the study area that limits a woman's mobility (Boyd and Last, 1985), in essence, 25 women were purposively selected from each of the randomly selected LGAs, giving us 300 targeted respondents.

Data Collection and Analysis

The instrument of data collection was a semi-structured questionnaire. This

technique of data collection was chosen because it helped the respondents to be objective and more precise in responding to the research questions, the design of the questionnaire was simple and user-friendly, with questions formulated in both structured and unstructured manner. Binomial logistic regression model was used to estimate the influence of socio-cultural variables of the respondents on their ability to access formal credit; this is supplemented by path analysis, which is intended to expose the degree of involvement of various socio-cultural characteristics of women entrepreneurs in Sokoto State in constituting a barrier, if any, to accessing formal credit.

Variable Measurements

Variables employed for the research is measured as reflected in table 1 and justifications for selection explained thereafter.

Table 1: Variable Descriptions

Variable Name	Label
Access to formal credit (<i>Dependent Variable</i>).	AFC
Husband or family permission or opinion (<i>Independent Variable</i>).	HFP
No of children or dependents or family size (<i>Independent Variable</i>).	NCD
Purdah (<i>Independent Variable</i>).	PD
Level of western education(<i>Independent Variable</i>).	LWE
Marital status (<i>Independent Variable</i>).	MS
Religious Orientation (<i>Independent Variable</i>).	RO

Table 1 displays the variables employed to measure the influence of the respondents' socio-cultural characteristics on their ability to access formal credit. These variables were selected because they are factors that have strong bearing on the entire way of life of the study group (Boyd and Last, 1985; Dolphyne, 1991; Sani, 2017; Shihabuddin, 2003; Yusuf, 2013). The dependent variable was measured by asking the respondents if their socio-cultural characteristics have influenced their ability to access formal credit, If 'Yes'=1 if 'No'= 0. All Independent variables were measured using Likert scale where respondents were asked to rate on a scale of 1 to 5, how each factor/variable has influenced their access to formal credit, if Very strongly=5, Strongly=4, Undecided=3, Not strongly=2 and Not at all=1.

Husband or family permission (HFP) is a constraint on the woman entrepreneur when she has no freedom to make the decision to access or use formal credit

services without having to seek for permission to do so from the husband in the case of a married woman or from her relatives in the case of unmarried, widowed or divorced.

No of children or dependents in your care or family size (NCD) is a constraint when such influences the woman entrepreneur's accessibility and use of formal credit that is to say the higher the number of children or dependents in the woman entrepreneur's, the less the chances of accessing and using formal credit.

Purdah (PD) is the restriction of movement by culture that is imposed on the wife restricting where and when she can go out of her matrimonial home. This as a constraint is measured by the intensity of the practice that is to say the higher the intensity of the practice the less chances of accessing and using formal credit.

Level of western Education (LWE), western educational qualification is also proxied for socio cultural constraints. The knowledge and capability level of an individual represents his/her initial endowment that is useful in obtaining and developing other types of resources and it is said to be the single most important factor leading to one's capability to document business transactions. It is considered a socio-cultural variable because the level of a women's educational attainment in this part of the country is strongly tied to culture. The higher the level of western education it is believed, the more chances of accessing and using formal credit.

Marital status (MS) is proxy for socio cultural constraints, which is concerned, with whether an entrepreneur is constrained to accessing formal credit due to this status. Marital status has an influence on an entrepreneur's ability to access and use formal credit where married women are confined in their matrimonial homes and the culture and tradition restrict them from intermingling with men outside their matrimonial homes.

The regression function below was developed as required to aid analysis:

$$AFC = \beta_0 + \beta_1 HFP_1 + \beta_2 NDC_2 + \beta_3 PD_3 + \beta_4 LWE_4 + \beta_5 MS_5 + \beta_6 RO_6 + e$$

Where:

AFC = Access to formal credit.

β_0 = Constant

- $B_1 - B_6$ = vectors of parameters to be estimated
 HFP = Husband or family permission (support)
 NDC = Number of dependents or children
 PD = Purdah
 LWE = level of western education
 MS = Marital status
 RO = Religious Orientation
 e = error term

Data Presentation, Analysis and Interpretation

Socio-Cultural Factors and Access to Formal Credit

To analyse the relationship between the socio-cultural characteristics of women entrepreneurs in Sokoto and access to formal credit, the respondents were first asked if their socio-cultural characteristics have influenced their ability to access formal credit and the result to this is presented in table 2.

Table 2: Have your socio-cultural characteristics constrained your ability to access formal credits

Response	Frequency	Percentage
No	42	14.9
Yes	239	85.1
Total	281	100

Source: Fieldwork, 2018

The results show that out of the 281 responses, 239 or 85.1percentresponded 'YES' which outweighed 42 or 14.9percent NO responses, revealing that their socio-cultural characteristics do influence their ability to access formal credit. An analysis of the influence of the socio-cultural characteristics identified on their ability to access formal credit is estimated using binomial regression and the result presented in table 3.

Table 3: Summary of Binomial Logistic regression on socio-cultural factors

Dependent Variable: Have your socio-cultural characteristics constrained your ability to access formal credits? AFC . YES (1) NO (0)			
Response Factors	B	Odd Ratio: Exp(B)	Wald X2
HFP	0.878	2.407	12.91 (0.000)
NCD	0.633	1.883	4.749 (0.009)
PD	0.628	1.873	6.678 (0.001)
LWE	0.531	1.701	5.245 (0.002)
MS	-0.011	0.989	0.002 (0.965)
RO	-0.055	0.947	0.07 (0.792)
Constant @ Df 1	-6.789	0.001	21.468 (0.000)
Diagnostics			

Source: Author's Computation as extracted from SPSS version 23

Note: Figures in parenthesis are the significance level

Table 3 revealed that of all the parameters estimated for explanatory variables, only Marital Status (MS) and religious orientation (RO) are not statistically significant, this result is in consonance with the findings of Koko, 2015 which was focused on women entrepreneurs within the same state which also revealed marital status as statistically not significant to accessing growth capital among indigenous women entrepreneurs in Sokoto metropolis. RO was found to be not significant to access to formal credit, this is contrary to priori expectation considering the collateral requirement and interest (*Riba*) base of formal credit loans. All other explanatory variables are significant at 1percent level. The odd ratios show that HFP (husband or family permission) has the strongest influence on access to formal credit of all the socio-cultural factors, this is not surprising considering that the cultural norms in the setting of the research. Closely followed are NCD (family size), PD (Purdah) and then LWE (level of western education).

The count statistic Chi-Square X^2 is 84.092 which is greater than P-value (0.000) indicating that the model is adequate and statistically significant at 1percent. The Cox and Snell R square is 0.278 or 27.8 percent and Nagelkerke R square is 0.491 or 49.1 percent. This indicates that minimum variation of all explanatory variables jointly is 27.8percent and maximum of 49.1 percent from Nagelkerke R square. Here, the joint R square (*Pseud* Statistics) is strong because the maximum is at the border line of 0.5 or 50 percent. The percentage of probability of error is

131.583^a or 32.03percent as shown by (-2 Log likelihood). This result from the binomial logistic regression suggests a strong relationship between the socio-cultural characteristics of women entrepreneurs in Sokoto and their ability to access formal credit. All explanatory variables, with the exception of MS and RO are statistically significant at 1percent level. However, the odd ratios showed that all variables in the model do influence the dependent variable.

Path Analysis Result

The default model for socio-cultural constraints to accessing formal credit was estimated through path analysis and the result generated can be seen in figure. 1.

Chi-square = .000 $df = 0$ p -value =---

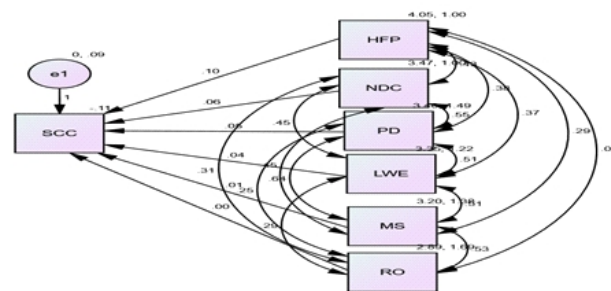


Figure 1: Path diagram for socio-cultural constraints to accessing formal credit

Note: SCC=AFC (access to formal credit constrained by socio-cultural factors)

The summary of fit statistics of the path analysis is presented in table 4.

Table 4: Fit measurement for path 1 of socio-cultural constraints

Fit measure	Value
Chi square	.000
Chi square p-value	—
Normal Fit index	1.00
RMSEA	—
CFI	1.00
GFI	1.00
AGFI	—

Source: Author's computation using SPSS AMOS version 25

The result indicates that minimization was achieved with no error or warning. The chi square statistics revealed a perfect fit of the model, this is not surprising because our model is conceived in terms of observed variables only and includes no latent or intervening variable, in such instance a perfect fit chi square can be expected (Hoyle, 1995). A chi-square value of 0 would ordinarily indicate no departure from the null hypothesis. But in the present analysis, the 0 value for degrees of freedom and the chi-square value merely reflect that there was no null hypothesis in the first place. The normal fit index (NFI), comparative fit index (CFI), and the goodness of fit index (GFI) all reported a perfect model fit, but the root mean square residual (RMSEA) and the adjusted goodness of fit (AGFI) were not calculated from the model. The uncalculated values make it difficult to assess the overall fit of our data hypothesized path model. However, Meyers, Gamst and Guarino (2006) have suggested that chi-square statistics should not be the sole index used to judge the overall model fit because of its sensitivity to sample size. Hence, other fit indexes have to be used to avoid the rejection of a good-fitting model due to some trivial but statistically significant differences between the observed and predicted values.

Moreover, the model is a just-identified (saturated) model with zero degree of freedom and only one possible solution for each parameter estimate, it means that it will automatically provide a perfect fit of the model, hence the decision for modification to an *overidentified* model as required for ideal structural equation modelling (Byrne, 2001; Schumacker and Lomax, 2004). This will mean that the models will have more than one possible solution, but has one best or optimal solution for each parameter estimate and has more information in the data matrix than the number of parameters to be estimated. This means that here is a positive number of degree of freedom and the ultimate aim is to achieve the best fit with the largest number of degree of freedom possible. This will ensure that the model is as generalizable as possible. To achieve this, the researcher made several attempts at modification before finally arriving at a modified path model that eliminated the path coefficient with zero influence on access to formal credit (SCC RO) as well as the covariance with the least value. The result of the new path estimation can be seen in figure 2 and the fit summary displayed in table 5.

Chi-square = .223 $df = 2$ p -value .895

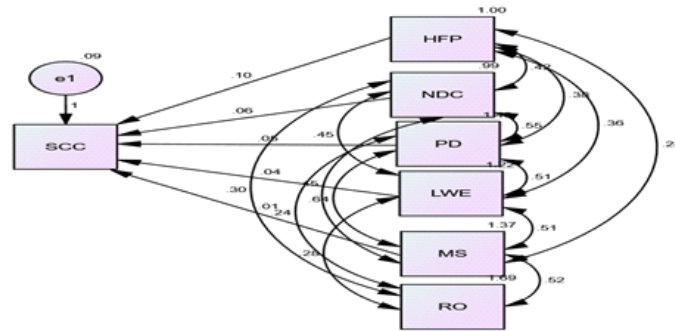


Figure 2: Modified Path diagram for socio-cultural constraints to accessing formal credit.

Note: SCC=AFC (access to formal credit constrained by socio-cultural factors)

Table 5: Fit measurement for modified path for socio-cultural constraints to accessing formal credit

Fit measure	Value
Chi square	0.223
Chi square p-value	0.895
NFI	1.00
RMSEA	0.000
CFI	1.00
GFI	1.00
AGFI	0.997
TLI	1.042

Source: Author's computation using SPSS AMOS version 25

This new path provides an adequate fit at two degree of freedom and a probability level of 0.895. The chi square value of 0.223 indicates little difference between expected and observed covariance matrices. The CFI and NFI values indicate a perfect fit at one so does the GFI value. The AGFI also indicates a good fit at 0.99 well above the accepted threshold of >0.95, RMSEA is at 0.000 well below the threshold of <0.05. The TLI of 1.042 indicates a perfect model fit as well.

The values of our predictive fit indices; ECVI and the AIC when compared for between our default model, the saturated model and the independent model, the values of both in our default model indicates a better potential for replication across the population, with a lower level of complexity (0.187) than the saturated and independent model because.

The probability value of our chi-square indicates our hypothesized parameters accounting for 89.5 percent variation in socio-cultural constraint of access to formal credit. This is result revealed a similar value to the chi-square value of 84.09percent obtained from binomial logistic regression.

With the model fit acceptable, the parameter estimation of the variables is displayed in table 6, revealing each parameter and their significance level in the hypothesized model computed from the result of the unstandardized path analysis result.

Table 6: Parameter variance and significance

Relationship			Estimates	Standard Error	Critical Ratio	P-value
SCC	<---	HFP	.100	.020	5.054	***
SCC	<---	NCD	.061	.022	2.826	.005
SCC	<---	PD	.048	.017	2.807	.005
SCC	<---	LWE	.043	.018	2.351	.019
SCC	<---	MS	.012	.018	.662	.508

Source: Author's computation using SPSS AMOS version 25

Note: SCC=AFC (access to formal credit constrained by socio-cultural factors)

Husband and family permission (HFP) was revealed to have the highest value of variation at 0.1 and significant at 1percent level while marital status (MS) has the lowest variance at 0.012 and indicates statistically not significance. The remaining parameters are all significant, NCD and PD at one percent level and LWE at five percent level. Looking at our logistic regression result in table 2, these results are quite similar.

In estimating the effect of each parameter on the dependent variable, the researcher first calculated the values of indirect effects of all parameters using the tracing rule because the hypothesized model has no latent variable and this means

it cannot be computed through bootstrapping. The decomposition of this is displayed in table 7.

Table 7: Decomposition of indirect effect

Relationship	Path 1	Path 2	Indirect effect	Total indirect effect values
SCC <---NDC<---HFP	0.171	0.422	0.072162	0.194759
SCC<---PD <---HFP	0.166	0.379	0.062914	
SCC<---LWE<---HFP	0.135	0.363	0.049005	
SCC<---MS<---HFP	0.038	0.281	0.010678	
SCC<---HFP<---NDC	0.28	0.422	0.11816	
SCC<---PD<---NDC	0.166	0.549	0.091134	0.286857
SCC<---LWE<---NDC	0.135	0.449	0.060615	
SCC<---MS<---NDC	0.038	0.446	0.016948	
SCC<---HFP<---PD	0.28	0.379	0.10612	
SCC<---NDC<---PD	0.171	0.549	0.093879	
SCC<---LWE<---PD	0.135	0.508	0.06858	0.292823
SCC<---MS<---PD	0.038	0.638	0.024244	
SCC<---HFP<---LWE	0.28	0.363	0.10164	
SCC<---NDC<---LWE	0.171	0.449	0.076779	
SCC<---PD<---LWE	0.166	0.508	0.084328	
SCC<---MS<---LWE	0.038	0.509	0.019342	0.282089
SCC<---HFP<---MS	0.28	0.281	0.07868	
SCC<---NDC<---MS	0.171	0.446	0.076266	
SCC<---PD<---MS	0.166	0.638	0.105908	
SCC<---LWE<---MS	0.135	0.509	0.068715	
SCC<---MS<---RO	0.038	0.519	0.019722	0.329569
SCC<---LWE<---RO	0.135	0.284	0.03834	
SCC<---PD<---RO	0.166	0.243	0.040338	
SCC<---NDC<---RO	0.171	0.299	0.051129	

Source: Author's computation using path diagram and analysis result.

Note: SCC=AFC (access to formal credit constrained by socio-cultural factors.)

It should be noted that the effect of each variable, direct and indirect are calculated using the values of our standardized estimation because these correspond to effect-size estimates.

The total effect of our estimation is in table 8.

Table 8: Effect Table

Parameter	Direct Effect	Indirect Effect	Total Effect
HFP	0.28	0.195	0.475
NDC	0.171	0.287	0.458
PD	0.166	0.293	0.459
LWE	0.135	0.282	0.417
MS	0.038	0.330	0.368
RO	0	0.150	0.150

Source: Author's computation using results from SPSS AMOS version 25 analysis

The result suggest that the explanatory variables are interrelated in their influence on socio-cultural constraints, the explanatory factors that were revealed as statistically not significant cannot be completely discarded or ignored because even if they have no direct effect as socio-cultural constraint on access to formal credit, their indirect effect through other explanatory factors cannot be ignored. The implication of this is that the socio-cultural characteristics of women entrepreneurs in Sokoto states have an interwoven effect on their ability to access formal credit.

Conclusions and Recommendations

The study aimed to analyse the effect of some specific identified prevailing social and cultural norms in Sokoto state on the ability of women entrepreneurs in the state to access formal credit. The result suggests a strong and inter-connecting influence of these socio-cultural characteristics on their ability to access formal credit.

The policy implication of this is that the social and cultural peculiarities of this group of women have not been fashioned into the available credits deliverables and this has constrained their ability to access formal credits. The research calls for innovations on the part of the formal credit provider, this, they can achieve by working hand in hand with NGOs and Civil Society Organizations (CSOs) so that formal credit and financial literacy can reach the women.

The state government should create a platform to bring together all concerned parties to achieve this because the state stands to be a major beneficiary if these group of women are able to adequately access credit and contribute meaningfully

to the state economy thereby reducing the poverty rate in the state which presently is identified by National Bureau of Statistics as the poorest state in Nigeria (NBS, 2019).

The study recommends a sensitization of the general public by the state government, focusing on the heads of households, community leaders and traditional figures, on the importance of women empowerment to the family and the society in general, this will go a long way in solving the number one cultural constraint to accessing formal credit by the study group. With this the women can easily be granted permission by their husbands and family to access formal credit and expand their businesses.

There is also a need for the conventional banks to create alternatives to branch-based banking; this will afford this group access formal credit by bringing the services closer to them creating a solution to the effect of the cultural practice that limits their mobility. The federal government should come-up with policies that would be flexible to accommodate the diverging socio-cultural characteristics of women entrepreneurs under a uniform template to afford for accountability and fit into the consumer protection equation; this will improve the women's access to formal credits and help achieve the objectives of financial inclusion for all in Nigeria.

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14
Chapter

FINANCIAL SECTOR REFORMS AND FINANCIAL INCLUSION IN NIGERIA: EMERGING ISSUES AND IMPLICATIONS FOR NATIONAL DEVELOPMENT

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Abstract

Providing access to financial services is increasingly becoming an area of concern for every policymaker for the obvious reason that it has far-reaching economic and social implications. Financial inclusion has therefore become an explicit strategy for accelerated economic growth and is critical for achieving inclusive growth in a country. This realization, in the recent past, was the major impetus for the adoption of policies and measures aimed at growing global financial inclusion as a means of promoting world economic prosperity. The objective of this paper is to examine financial sector reforms and financial inclusions in Nigeria. Data are obtained from extant literature and official gazettes. The assessment from the literature is evaluated through content analysis, and a conclusion is drawn.

Keywords: *Financial Sector, Financial Sector Reforms, Financial Inclusion, National Development*

Introduction

The principle of financial inclusion has assumed a greater level of importance in recent times due to its perceived importance as a driver of economic growth. Giving access to the hundreds of millions of men and women (all over the world) who are presently excluded from financial services would provide the possibilities for the creation of a large depository of savings, investable funds, investment, and therefore global wealth generation. In other words, access to financial services, that are well suited for low-income earners promotes enormous capital accumulation, credit creation, and investment boom. Usually, the low-income earners constitute the largest proportion of the population and so control an enormous chunk of the economy's idle fund albeit held in small amounts in the hands of each of the several million members of this group. Harnessing and accumulating these resources provides a huge source of cheap long-term investable capital. Mehrotra et al (2009), emphasized that access to financial services allows the poor to save money outside the house safety, and helps in mitigating the risks that the poor face because of economic shocks.

Achieving pervasive financial inclusion has remained a global challenge with as much as 54.0 percent of adults worldwide being financially excluded (without access to financial services). The situation is even worse in developing economies where some countries have as much as 70.0 percent financial exclusion levels. The 2010 financial survey by the Consultative Group to Assist the Poor (CGAP/World Bank), shows that the figures in almost all economies in Sub-Saharan Africa were below this world average, while high-income countries were above it. Sub-Saharan Africa and South Asia are the regions with the lowest share of banked households. The report also indicated that the percentage of households having deposit accounts in a formal financial institution varies greatly across countries, ranging from below 1.0 percent in the Democratic Republic of Congo and Afghanistan to about 100 percent in Japan. This worrisome level of access to finance, especially in developing countries poses a serious challenge not only to the different local economies but also to the global economic growth at large thus, necessitating pragmatic efforts by policymakers to remove barriers like education, gender, age, and irregular income to enhance access.

The objective of this paper is therefore to examine the efforts so far made in achieving financial inclusion in Nigeria, the challenges therein, and the way forward. Following this introduction section 2.0 deals with the conceptual issues

and relevance of financial inclusion. Section III reviews the country's experiences in financial inclusion, while Section 3.0 gives an overview of financial inclusion in Nigeria. Issues and challenges of financial inclusion in the country are x-rayed in Section 4.0, while Section 5.0 contains the way forward and conclusion.

Literature review

Conceptual Issues

The increasing importance of financial inclusion as a catalyst for economic growth and development has been well documented in the literature. Financial inclusion is today widely considered as a right of all citizens to social inclusion, better quality of life, and a tool for strengthening the economic capacity and capabilities of the poor in a nation (Banco Central do Brazil, 2010). Policymakers have thus, viewed financial inclusion as a basic access for all citizens, highlighting its non-excludability and its non-rivalness. Considering that financial inclusion meets these two criteria, Mehrotra et al (2009), concluded that though, the degree of “publicness” in “financial inclusion” may be different from a typical public good like defense, there should be no doubt that financial inclusion meets the two features of public good and thus, can be regarded as a “quasi-public good”.

Consequently, financial inclusion is defined as a process or situation that allows for ease of access to, or availability of, and usage of formal financial systems by members of the economy. It describes a process where all members of the economy do not have difficulty in opening bank accounts; can afford to access credit; and can conveniently, easily, and consistently use financial system products and facilities without difficulty. It is the process that ensures that a person's incoming money is maximized, outgoing is controlled, and can exercise informed choices through access to basic financial services (PCC Financial Inclusion Strategy, 2009). In that regard, financial exclusion is the inability of an individual, household, or group to access particularly formal financial products and services. To Mohan (2006), financial exclusion signifies a lack of access by certain segments of society to appropriate low-cost, fair, and safe financial products and services from mainstream providers.

Though there may not have been a universal agreement over an exclusive list, it is widely agreed that financial inclusion is multidimensional, encompassing access to, use of, and capability about a range of financial services. Stephen Sinclair et al (2009) summarized that financial inclusion is a state in which all people have

access to banking and insurance services as well as financial literacy and capabilities. It has also been defined as “the state of financial system where every member of society has access to appropriate financial products and services for effective and efficient management of their resources; get needed resources to finance their businesses; and financial leverage to take up opportunities that will lead to increase in their income” (Chima, 2011). The Centre for Financial Inclusion provides a somewhat all-encompassing definition. The Centre defines financial inclusion as “a state in which all who can use them have access to a full suite of quality financial services, provided at affordable prices, in a convenient manner, and with dignity for the clients. It is a state where financial services are delivered by a range of providers, most of them private sector, and reach everyone who can use them, including the poor, disabled, rural, and other excluded populations” (Centre for Financial Inclusion, 2010).

The Relevance of Financial Inclusion

The global financial inclusion average defined as the number of adults with access to financial services is less than 50.0 percent. The problem is more acute in developing and African countries, such that achieving a higher financial inclusion level has become a global challenge (Ardic et al, 2011). The global target has been to remove all the barriers, including education, gender, age, irregular income, regulation, and geographical locations that have together contributed to the dearth of access to financial services by billions of adults all over the world.

Sanusi, (2011) attributed the rise in poverty level in Nigeria to the challenges of financial exclusion. According to him, achieving an optimal level of financial inclusion in Nigeria means empowering 70.0 percent of the population living below the poverty level, and this would boost growth and development. Inclusion of this segment of society would generate multiple economic activities, cause growth in national output, and eventually reduce poverty. Theoretically, greater access to deposit facilities enhances the ability of financial intermediaries to mobilize savings, while better access to finance facilitates economic growth by increasing the ability of households to undertake productive investments (Andrianaivo and Kpodar, 2011). Specifically, financial inclusion connects people to banks with consequential benefits. Chong and Chan (2010), noted further that access to a well-functioning financial system, by creating equal opportunities, enables socially and economically excluded people to integrate into the economy and actively contribute to economic development. This ensures that the financial

system plays its role of inclusive growth which is one of the major challenges of emerging and developing economies.

Mohan (2006) noted that, once access to financial services improves, inclusion affords several benefits to the consumer, regulator, and the economy alike. The author noted that the establishment of an account relationship can pave the way for the customer to avail the benefits of a variety of financial products, which are not only standardized but are also provided by institutions that are regulated and supervised by credible regulators that ensure the safety of the investment. In addition, bank accounts can also be used for multiple purposes, such as making small-value remittances at low cost and purchases on credit. In summary, access to a bank account does provide the account holder not only a safer means of keeping his/her fund but also provides access to the use of other low-cost and convenient means of transaction. For the regulator, the transparency in the flow of transactions makes monitoring and compliance easier, while for the economy, increased financial inclusion makes capital accumulation easier and more transparent. Mohan (2006) concluded therefore that “the single gateway of a banking account can be used for several purposes and represents a beneficial situation for all the economic units in the country”.

The consequence of financial exclusion is to minimize the scale of economic activities that can be financed and hence, limiting the potential for higher economic growth. Financial inclusion requires that attention be given to human and institutional issues, such as quality of access, affordability of products, provider sustainability, and outreach to the most excluded populations. Financial inclusion guarantees the improved ability of poor people to save, borrow, and make payments throughout their lifetime.

Apart from the regular form of financial intermediation, financial inclusion takes care of:

1. Basic no-frills banking account for making and receiving payments.
2. Savings products suited to the pattern of cash flows of a poor household.
3. Money transfer facilities.
4. Insurance (life and non-life).

Overview of Financial Inclusion in Nigeria

Financial exclusion has manifested prominently in Nigeria with the bulk of the

money in the economy staying outside the banking system. The issue of financial exclusion has therefore been a major economic challenge that has received the attention of the various governments over the past four decades. Before the recent efforts to promote financial inclusion, the Nigerian economy was largely a cash-based economy with a significant proportion of the narrow money stock in the form of currency outside the banking system.

Although the average ratio of the currency outside the banking sector (COBs) to narrow money supply (M) trended downward from 61.1 percent in the 1960s to 44.3 percent in the 1970s and later to 40.9 percent in the 1980s, the value, in nominal terms, was still high considering the growth in the level of narrow money in the economy. The decline in the ratio was attributable to a combination of developments, including increased literacy and government policies directed at encouraging financial sector growth. The CBN, during this period, initiated a rural banking programme directing banks to open branches in rural areas, encouraging Nigerians to use financial institutions and products more.

The crisis in the banking industry during the 1990s eroded the confidence of the populace in the industry. The problem was aggravated by the excessive spending of the political class leading to the increase in the level of currency outside the banking system. The ratio of currency outside the banking system moved up to 47.7 percent by the end of the 1990s. To forestall the damaging effect of the banking industry distress in the 1990s, the government implemented various policies which not only involved economic reforms to improve the general wellbeing of the populace in terms of employment and income earning capacity but also included measures (particularly the bank consolidation programme of 2004) that increased deepening of the financial sector. The stimulated use of financial services pushed down the ratio of currency outside the banking system to 38.2 percent by the end of 2005.

In a cross-country comparative analysis of the financial exclusion rate using the same measure of the ratio of the currency outside the banking system to narrow money supply, Martin Oluba (2008), compared the financial exclusion levels in Switzerland, the USA, Venezuela, Nigeria, Pakistan, India, and Argentina in four and half decades (1960 – 2005). He found that Nigeria had not done badly in comparative terms even though there was a need to accelerate the exclusion rate reduction.

Past Efforts at Financial Inclusion in Nigeria

Over the years, the government and monetary authorities have introduced varying policies aimed at deepening financial inclusion within the economy. The policies ranged from various institutional involvements such as the establishment of community and microfinance banks to specific policies and programmes designed to facilitate access of the financially excluded to formal financial services. The private banks, on the other hand, have also been engaged in innovations and activities aimed at getting more people involved in the financial inclusion process, though their level of involvement has always been moderated to the extent that profitability is enhanced.

One of the first major policies of the government aimed at promoting financial inclusion was the adoption of the rural banking programme in the late 1970s. The Scheme was introduced by the Central Bank in 1977 to achieve one bank branch in each of Nigeria's local government areas. The commercial banks were provided with targets to establish rural branches under the scheme. The government hoped that the rural banking scheme would help achieve the transformation through the following:

1. Provide a platform for the mobilization of savings in rural areas through the diffused network of branches in all parts of society.
2. Encourage banking habits among the largely agrarian rural population.
3. Provide credit for the growth of small-scale industries and entrepreneurs.
4. Promote balanced development and eventual reduction in the rural-urban migration (Okorie, A. 1990),

The scheme was implemented in two phases from 1977-1983 (see Table 1). Under the first phase of the programme (1977-1980), of the 200 (two hundred) target number of rural branches, the banks opened five (5) at the end of December 1977. The number of rural branches opened under phase one increased to 188 at end-June 1980 and stood at 194 by the end of December 1980. A total of N116.4 million was outstanding as deposits as of June 1980, while total loans and advances of the rural branches amounted to N22.4 million. The banks were required to open 266 (two hundred and sixty-six) rural branches under the second phase between 1980 and 1983. The number of branches opened under phase two which stood at 121 at end-June 1981 increased to 181 at end-December 1983.

Table1: Rural Banking Programme 1977-1983

	First Phase (1977 -1980)	Second Phase (1980 -1983)
Number of Banks	20	20
Allocation	200	266
Achieved at end-June 1980	188	-
Achieved at end-December 1980	194	-
Achieved at end-December 1981	199	38
Achieved at end-December 1982	200	121
Achieved at end-December 1983	200	181

Source: CBN Annual Reports and Statement of Account 1981 -1983

Overall, the number achieved in the second phase represented only 68.0 percent compared with 94.0 percent achieved during the first phase. The poor performance in the second phase was attributed to the shortage of infrastructural facilities and the fact that the banks were constrained by inadequate financial and human resources. The immediate effect of this initiative was the fact that more members of the rural populace had increased access to the use of banks particularly for savings and money transfer facilities. Another observed effect of all these initial policies on the level of financial inclusion was reflected in the decline in the ratio of Cash Outside Banks to the Stock of Narrow Money Supply in the economy from 61.1 percent in 1969, to 44.3 percent in 1979 to 40.9 percent in 1989 (Martin, 2008). These initial gains were, however, diluted by the widespread incidence of bank distress, increased inflation, and political uncertainty of the 1990s. Other initial policies to promote the spread of financial services included the introduction of guidelines that prescribed minimum levels of lending to small-scale enterprises and loans extended in rural areas. Banks that failed to meet up with these limits were not only subject to fines and penalties but were also made to transfer whatever was the shortfall amount to either the Central Bank of Nigeria or the development finance institutions.

Furthermore, to promote increased savings culture and grow banking habits, the government founded the People's Bank and facilitated the establishment of community banks. Both banks were institutions targeted at low-income/rural dwellers. The People's Bank was established in October 1989 to serve the poor in the society through acceptance of small deposits and the provision of micro-credit

to the low-income members of the economy. The bank was funded by grants and loans from the Federal Government, funds from the Central Bank of Nigeria, and low-interest-bearing loans from philanthropic organizations. The banks targeted the provision of the credit needs of small borrowers who were unable to meet the stringent requirements normally demanded by conventional banks. The bank was able to expand its activities rapidly during the first few years of its existence reaching into the nooks and crannies of the country. The total number of branches grew from 169 in 1990 to 228 in 1992 and reached 275 by the end of 1994, (CBN Statistical Bulletin, 2003). The number of borrowers increased significantly from just 8,007 in 1989 to 79,061 in 1990 but for non-availability of data, the increasing trend as also witnessed in the value of loans and advances could not be highlighted in the later years.

However, this increase indicates the potential number of the populace incorporated into the financial system through the programme as also indicated in the increased number of branches and the appreciable growth in the number of deposits/savings. However, its activities were bogged down by the bureaucracy of government preventing it from extending its impact beyond the early years before its fold-up. In addition, community banks (CBs) were licensed in the 1990s to serve similar purpose. The CBs were conceived as self-sustaining, community-owned financial institutions. Amongst the various incentives provided by the government to encourage the establishment of the CBs was the provision of a 100 percent matching grant for a community raising the minimum capital. The banks were encouraged and made to serve mostly residents with simple and non-sophisticated services. The first set of community banks was established at the end of 1990, and by 1999, the total of reporting community banks stood at 550 with a total assets base of N8.9 billion. The total deposit also reached over N5.7 billion with loans and advances of about N2.9 billion (CBN Statistical Bulletin, 2003).

Some of the other specific institutional initiatives to promote funding and growth of small and medium-scale enterprises (SMEs) and small businesses included the National Economic Reconstruction Fund (NERFUND) and the Family Economic Advancement Programme (FEAP). NERFUND was created in 1988 to provide local and foreign funds for small and medium-scale businesses, while the FEAP was established principally to assist rural women who were considered not to have access to finance to grow their businesses. Additional support was also provided by foreign governments in the form of granting of trade credits. Between

1988 and 1994 the Fund disbursed a total of over N300 million and USD\$80 million for the financing of various projects in the country.

Emerging issues on Financial Sector Reforms and Financial Inclusion in Nigeria

Since 2005, the Nigerian financial services sector has witnessed increasing activities by both the government and the regulatory authorities aimed at deliberately promoting policies that are intended to grow financial inclusion. The CBN has been at the forefront of encouraging and supporting products that are specifically targeted at the low-income and financially excluded, while the government has focused more on both interventionist financing arrangements and building institutions and frameworks that promote financial inclusion.

a. Financial System Strategy 2020 (FSS2020).

One of the critical initiatives in this direction was the incorporation of financial inclusion as one of the cardinal objectives of the Nigerian Financial System Strategy 2020 (FSS 2020). The FSS 2020 represents a holistic and strategic road map and framework for developing the Nigerian financial sector into a growth catalyst that will enable Nigeria to be one of the 20 largest economies by 2020. The Financial System Strategy (FSS2020) identified six stakeholders within the financial sector. These were the providers of financial services, which are regarded as the suppliers in the value chain of financial inclusion. The group included banking institutions, non-bank financial institutions, insurance companies, capital market players, pension institutions, and technology providers together with their regulatory bodies, all important to the process of financial inclusion.

Of the six initiatives adopted to strengthen the domestic financial market, four directly address financial inclusion. These initiatives include:

1. Development of varied financial products
2. Enhancement of payment processes
3. Development of credit system
4. Encouragement of a savings culture

The strategy highlighted the objectives of financial inclusion as the state in which adults (persons above the age of 18) have formal easy access to a broad range of financial products, which are appropriate, provided at affordable cost, and with dignity for the clients. To provide easy access means to reach and be reached by the

unbanked at any time and to operate in such a way that any desiring customer can easily access the institution and the services therein. The step was to ensure that the procedures for accessing the services of financial institutions services were simple and seamless.

b. Microfinance Policy

All over the world, the microfinance model which involves majorly the provision of financial services to the poor and low-income earners has been identified as a potent instrument for promoting financial inclusion as well as poverty alleviation. The government, in 2005 launched the National Microfinance Policy which provided the supervisory and regulatory framework that will not only facilitate the growth of privately-owned microfinance institutions but also permit and facilitate the participation of mostly the third sector institutions, including market associations, cooperatives, non-governmental organizations, self-help groups, in the microfinance model. These institutions together remain the major vehicle for the inclusion of the large and many users of the informal sector where the bulk of the unbanked exist.

By the end of December 2011, following the increased confidence and activities of the microfinance banks, the assets and liabilities of the MFBs had reached N190.7 billion from just N55.1 billion in 2006. The loans and advances given by MFBs also increased from a mere N16.0 billion in 2006 to over N67.6 billion in December 2011. A review of the loan portfolio structure showed that short-term loans, at the end of December 2011, accounted for 89.7 percent of the total. This performance is an indication of the enormous influence the microfinance institutions can have in the process of growing the financial inclusion level of the country. The CBN/Government recently revised the microfinance policy to strengthen the institutions and reposition them for enhanced service delivery creating a more responsive sub-sector.

c. Non-interest Banking

The Central Bank of Nigeria CBN introduced a new framework for Non-Interest Financial Institutions (NIFIs) in June 2011 and granted two preliminary licenses at end-December 2011. The CBN hoped that Islamic bank products would help bring into the banking sector many of the country's population that had hitherto steered away from the organized conventional financial services, due to their aversion to interest and interest-based products. The introduction of non-Interest

financial services which necessitates the addition of another component into corporate governance is expected to enhance oversight and regulation. It would also help to attract foreign direct investment (FDI), especially from the Middle East and South East Asia where a lot of investors have funds waiting to be invested in Shari'ah-compliant financial products as evidenced by the exponential growth in international Sukuk with implications for stimulation of growth in the real sector in the country. It was also projected that this specialized form of banking would further deepen Nigeria's financial market.

d. E-banking Products, Electronic Payment System and Cashless Policy

The Central Bank of Nigeria has in recent times stepped up the campaign for banks to invest heavily in other low-cost branchless channels such as ATMs, point-of-sale (POS), etc. The number of ATMs deployed by the end of 2011 stood at 9,640, giving an average of 11 ATMs per 100,000 adults. Adopted to accelerate the use of modern electronic payment channels, the cashless policy was implemented in pursuit of three major objectives. These objectives include:

1. To develop and modernize the payment system
2. Reduce banking costs to drive financial inclusion
3. Improve the effectiveness of monetary policy.

In other words, the policy was expected to drive financial inclusion based on the implicit assumption that reduced banking costs and a more efficient payment system would encourage more people and businesses to embrace formal financial service platforms. A review of the level of progress made so far on the CBN cashless project in Lagos indicates that the number of deployed and active Points of Sale (POS) grew from 5,300 in June 2010 to 18,874 as of March 4, 2011. While this number has increased to around 100,000 between the end of 2011 and the first half of 2012, the numbers of deployed POS that are actively used have not grown the same way.

An aggressive push for increased deployment and activation of more ATMs and POS will increase ease of access and hence financial inclusion in the country. EFInA access to finance survey (EFInA, 2012) of Nigeria, noted that for a cashless policy to have the desired indirect effect on financial inclusion, authorities must focus away from just increasing the number of available channel units (ATM, POS, etc.) and more towards addressing demand side issues. Increasing attention should be focused on the merchant's commitment to connecting and using POS

and building consumer interest and confidence to increase demand for electronic payment options.

According to Roland Berger's strategy report (2011), 77.0 percent of Nigerians save for emergency purposes so any infrastructure that supports the ability to withdraw funds quickly and easily will serve the populace well. The report also noted that cash availability was important and as such insufficient funds situation at ATMs and POS must be avoided to build trust of the populace in the channels. To promote the Mobile money mode of payment, the Central Bank of Nigeria, in August 2011, granted licenses to 14 mobile payment providers. By the end of January 2012, the 14 mobile payment operators were reported to have recorded 35,971 transactions worth N228 million. With over 80 million Nigerians known to carry a mobile phone, compared with the between 25 -30 million banked Nigerians, patronage of this medium of payment has the potential to grow at geometric progression with a potential transaction value of N6.5 billion daily and N1.17 trillion in 6 months (CBN National Financial Inclusion Strategy, 2012). As concluded at the "Unbanked Africa Summit" held in Lagos in 2011, mobile banking through cell phones remains a feasible tool to provide basic financial services to millions of the unbanked in urban and rural communities in Africa.

To improve efficiency, build confidence in the process, and attract more users, the Central Bank of Nigeria recently embarked on a redefining process of the nation's payments system. Some of the specific policies include the introduction of a national switch platform to capture all electronic payments within the economy; the automated cheque payment system designed to engender trust and confidence in the user; and the introduction of the Nigeria Uniform Bank Account Number (NUBAN).

All these policies led to increased activity in the nation's payments system, a reduction in money outside the banking system, and enhanced financial inclusion. By February 2012, the value of all electronic transfers had reached an average daily amount of N70.2 billion from a total of over 140,000 transactions. These transactions included: the value of instant payment transactions, daily non-cash transactions via the Nigeria Interbank Settlement System (NIBBS) and the value of cheques processed daily by the NIBBS (CBN National Financial Inclusion Strategy, 2012).

To improve confidence in the cheque system and other financial instruments, the government also strengthened and implemented the law against the issuance of dud cheques in addition to other laws designed to enhance the integrity of the market. The increased confidence will encourage illiterates who hitherto were averse to the use of the banking system and its instruments. Other policies by the CBN targeted at achieving financial inclusion in the country included: the promotion of a financial literacy campaign, and streamlining of transaction charges, among others. To address the challenge for affordability, transparency, and dignity of the customers, the Central Bank of Nigeria embarked on a comprehensive review of bank charges in 2012, with a view of coming out with a revised customer-friendly and efficient charge regime for the banks.

Realizing the challenge of financial literacy, the government had captured the enhancement of financial literacy as one of its targets for implementing the revived Universal Basic Education (UBE). It was expected that increased enrolment in schools will cause an increase in the number of literate Nigerians which would eventually increase awareness about financial institutions and their services. It was also expected that improving an individual's income-earning capacity would make it easier for the populace to patronize financial institutions and their services. In a related development, the establishment of a Consumer Protection Department in the CBN was another bold step taken by the apex monetary authority to promote consumer education and empowerment.

Recent Developments in Financial Inclusion in Nigeria

A survey conducted by the Enhancing Financial Innovation and Access (EFInA) in 2022 indicated that nearly 1 in 2 Nigerian adults do not use any formal(regulated) financial services and just above half of Nigerian adults (50.5% of adults, or 53.6 million adults) now used formal financial services while 38 million excluded. Of this, 43% live in the Northwest. Also, the financial gender gap has persisted with men more likely to be banked than adult women who tend to use more informal services than adult men. The report went further to state that half of Nigeria adults 51% use regulated financial services, and only about 1 in 3 Nigerian adults (27%) are considered “financially healthy”. The formally banked (47.6 million) use the products and services of the deposit money banks either as salaried workers or as businessmen and women, while the remainder (6.0 million) of the formally serviced use the services of other formal institutions like the finance houses, microfinance banks, etc. Nigeria has a higher proportion of

financially excluded adults at 35.9 percent, compared with 7 percent in South Africa, 22 percent in Uganda, and 28 percent in Tanzania (EFInA, 2022).

There was an observed widespread overlap in the usage of financial services between the formal and informal financial systems. Most market women, for example, operate the typical savings account with the deposit money banks most times also operate the traditional contributory/savings scheme with the “Esusu” provider. Out of the 25.4 million formally served, over 1 million use both deposit money banks and other formal institutions, while about 7 million use other informal institutions and services in addition to conventional banking services. The rate of exclusion is worse in certain regions of the economy and the rural areas when compared with the urban areas. Rural Nigeria is disproportionately more excluded from financial services, compared with urban Nigeria. Similarly, while the North has the highest percentage of the unbanked population, it also has the lowest number of bank branches with as low as between 0.99 to 1 branch per 100,000 customers, compared with as high as over 5 branches per 100,000 in some parts of the south (EFInA, 2022).

The report also indicated a large disparity in access to finance among genders. The EFInA, 2022 financial access survey report has more male Nigerian adults who are banked, while more females are financially excluded.

Formally Banked	30.0%
Other Formal Access	6.3%
Informal Access Only	17.4%
Financially Excluded	46.3%

Figure 1: Total Population/Financial Access

Source: EFInA (2022), Access to Financial Services in Nigeria 2010

Although women are often the main provider (especially in similar developing economies) for the family, the discrimination and cultural norms which prevents them from having access to finance cause their inability to provide for themselves and their families. In Nigeria, this phenomenon is well pronounced between the male and female populations where about 52.0 percent of female adult are financially excluded, in contrast to the 41.0 per cent of the male adult being financially excluded. This scenario clearly indicates the enormous opportunity that exists for growth through the provision of financial products and services that

easily and seamlessly meets the needs of most of the women. Providing women with access to finance, particularly those in the rural areas allows them to start small businesses, purchase and rear livestock to feed their families, produce goods to sell, pay for their children to go to school and enable the next generation to have a better future. Indeed, the last quarter of the decade ending 2010 witnessed increase in the annual growth rate of banking customers with an average growth rate of 24.0 percent. The number of bank branches, on the other hand, grew moderately at a rate of 9.0 per cent thus, widening the deficit of the number of branches per 100,000 customers – one of the global standards of financial inclusion measurement. By the end of 2010, the total number of branches of all commercial banks and microfinance banks added up to just about 22,700.

In a World Bank sponsored cross-country analysis of the access to financial services and the financial inclusion agenda around the world, comparative data obtained by (Ardic et al 2011), showed how well Nigeria fared among selected nations with respect to the percentage of household with access to a bank account. Amongst selected Next-11 (N-11) nations, Nigeria, with 21.0 per cent, fared better than only Pakistan, compared with the higher percentage of 39.7 and 48.0 per cent for the BRICS member nations.

A survey conducted by the Enhancing Financial Innovation and Access(EFInA) in 2011 indicated that the average number of customers served per branch of Nigeria bank has remained at a mere 4,600, in contrast to 10,800 in Tanzania. Going forward, with the deployment of new infrastructure by the banks in the country, Nigeria banks are projected to have the capacity to serve additional 36.4 million more customers. With the increased attention and activity by both the monetary authorities and the general government, appreciable progress has been made in the efforts at improving the financial inclusion rate in Nigeria. The various efforts had shown clearly that large number of persons, especially the people living outside the urban areas (rural and semi-urban areas) do not have access to formal financial services but resort to the costly and insufficient informal sources.

On the other hand, the formal sector has not been expanding rapidly enough to meet up with the volume, location and offerings that take care of the masses. The FSS 2020 document has it that the unbanked belong to the low- and middle-income groups earning between USD 500,000 and that from 2000 to 2009, the

share of households in this group increased from 68.2 per cent to 80.7 per cent. This portion of the society, according to experts, is a group that cannot be ignored as enormous number of resources can be mobilized from the group and channeled to productive activities in the economy.

Challenges of financial sector reforms and inclusion in Nigeria

Anecdotal evidence has shown that only 46 per cent of the world adults as having access to financial services. Improving the global average level of financial inclusion has, therefore, become a global challenge. According to (Moghalu, 2011), the dearth of access to financial services by billions of adults all over the world poses serious challenges to global economic growth and development.

The challenge of inadequate financial inclusion is not just for the developing economies alone, from the emerging to high-income countries, government conceive and implement policies that seek to ensure majority of the population become financially included. “Beyond the non-robustness and inefficiencies of the financial system which contributes to the act of being excluded or included, the more fundamental issue of suboptimal macroeconomic environment in the form of low-income capacity and pervasive poverty level among the populace has played a more critical role of eroding the eligibility of the bulk of the financially excluded” (Moghalu, 2011).

Specifically, he noted that the major challenges within the general economic conditions have manifested in the forms of:

1. A major challenge in the financial inclusion process is how to ensure that the poor rural dwellers are carried along considering the lack of financial sophistication among this segment of the Nigerian society due to the general low level of financial literacy. Majority of the estimated 40 million financially excluded Nigerians lack knowledge of the services and benefits derivable from accessing financial services, while staff of the service providers often display a lack of adequate understanding of the services and so unable to educate effectively. The sub-optimal outcome from attempts to increase customer awareness is reflected in the lack of appreciable progress in the literacy level of the populace. This has remained a major impediment to the progress of financial inclusion as a result process.

2. Another major challenge, especially from the part of growing savings is the inability of the populace to save as a result of double-digit inflation in the economy, with its attendant effects on real interest rates and continuous loss of money value. The disincentive negative real interest rates have made potential savers remain with other non-bank avenues for savings.
3. There is also the challenge of increasing poverty. Though the economy has been reported to have grown at an average of 2.75 percent between 2020 and 2021, the unemployment rate continues to increase while progress on many of the poverty-reducing. Millennium Development Goals have been slow.
4. The uncompetitive wage levels, particularly in the public sector where a large number belong to the low-cadre means that these groups are excluded financially. Though their salaries are paid into the bank the personnel only visit the bank once a month to collect their salaries with little or nothing to save.

Agreed that much has been done thus far and that the Central Bank of Nigeria and deposit money banks are currently implementing various policies and processes designed to enhance financial inclusion in the country, there exists a couple of fundamental issues that remain critical for any appreciable progress to be made.

Empirically, despite the readiness and enthusiasm of the excluded to be included, lack of awareness, low income/poverty, and proximity are the major barriers that prevented people from accessing services of banks, microfinance institutions, and non-interest banks among other formal channels.

Majorly, this bottom-of-the-pyramid (low-income financially excluded) populace also faces the issue of stringent and restrictive documentation requirements by the financial institutions in the country. The Know Your Customer (KYC) procedures mean that the deficient and grossly inadequate documentation holdings of the low-income and largely informal sector operators/members will prevent them from being able to access the financial system. The inability of a large portion of the excluded group to meet the basic identification requirement and the absence of a functional unique identifier identity management system remains a fundamental impediment to the high financial inclusion rate achieved. However, this challenge is currently being addressed by the Bank through the tiered

approach which aims at relaxing some of the stringent requirements of the KYC procedures for the low-income financially excluded.

Also of great concern is the largely inefficient e-channel service of most of the deposit money banks. The various e-channels and applications such as ATM, POS, and mobile banking platforms that are supposed to facilitate electronic transactions have remained deficient in most cases. ATM card requests stay untreated for weeks and months, while most subscribers to Internet and mobile banking platforms complain of poor services. This challenge manifests itself generally in the form of inadequate financial infrastructure, especially in the rural areas where the bulk of the financially excluded are found and therefore limits options for accessing financial services.

Policymakers have tended to be more concerned with ultimate inclusion as the objective whereas there are more topics under the final inclusion objective that are critical to achieving the various ingredients of financial inclusion. The reason for this is not far from the fact that, unlike the developed and high-income economies where a higher level of inclusion was already achieved, there is a need for a detailed and holistic approach. Financial inclusion is concerned with the entire financial services and not just the banking sub-sector. It involves the other services in the entire financial system like insurance, mutual funds, financial markets, credit services, government to citizen services, among others.

Financial literacy rate is low, particularly among the rural dwellers making banking and other financial services difficult for the operators. In addition, information and telecommunication knowledge is still low in the country, making access to financial services difficult. Inadequacy and inappropriateness of awareness campaigns sometimes inhibit the level of understanding of financial transactions and the ability of the illiterate to take advantage of the possibilities in financial services. Critical to awareness is the difference in the language of the target population and the language of education and therefore reduces the effectiveness of communication. A uniform population cannot effectively use financial services.

There are increasing reasons why every nation should strive hard to deepen financial inclusion. The business perspective remains very compelling, particularly in the Nigerian environment. The mass retail market, which consists

of Nigerians with monthly income of between N6,000 to N40,000 has a combined monthly income of N590 billion, compared with N570 billion monthly income for all other income groups. The former segment is not captured in the financial system. It is therefore obvious that being able to capture this segment into the financial system offers an enormous amount of cheap investible funds that will go a long way to be a game-changer in the robustness of the nation's financial system and increased availability of credit at lower cost.

Conclusion

The clear fallout of the latest global economic and financial crises of 2007-2008 together with the danger of another crisis, arising from the impending threat of the protracting Eurozone debt crisis has called for concerted efforts around the globe towards fortifying the financial markets. Financial inclusion has emerged as one major approach by policymakers to strengthen the financial sector and improve its ability to successfully ward off and reduce the possible effects of any subsequent financial crisis. It is believed that increased financial inclusion will expand the capacity of the financial markets and thus, make it able to withstand any local, regional, or global economic shocks. Given the intricacies and expertise required, financial inclusion strategies should now focus more on instituting a systematic approach, which aligns roles and responsibilities with institutions and frameworks to guarantee continuity, sustainability, and efficiency.

Implications for National Development

The following implications of financial inclusion are;

1. Role of Banks

The role of banks in the financial inclusion process is pivotal and cannot be overemphasized. There is a general belief that the financial inclusion process is not possible without the banks. There are views also that only an inclusive financial system will promote financial inclusion while the banks remain the critical agent of achieving this through the provision of efficient and key financial services. Hence, most countries today formulate their financial inclusion strategies in a manner that growth in rural areas should be facilitated by banks. It is therefore pertinent that the banks should take steps to properly play their roles in the financial inclusion process. Banks in Nigeria are therefore expected to build capacity to adequately support and propel the growth of financial inclusion in the country. Building capacity will include training and equipping of staff with the

necessary skills, particularly in rural development financing. Other processes of building bank's capacity to support and enhance financial inclusion include the use of grants and special funding to seek for innovative ways of getting services to customer to reduce transaction costs, improve and optimize the use of existing infrastructure and delivery structures rather than creating new and costly ones. Banks should seek to adapt or introduce new financial products, and where appropriate, invest well in technological research, especially in areas of financial transaction dynamics and needs of the rural areas/informal sector.

2. Role of Government

A favorable legal environment for lending may enable banks to operate more profitably through lending and grow eventually leading to expansion of banking services. Government role is more of creating the enabling environment for the operators and the consumers to relate and interact in a mutually beneficial way. Specifically, working through the regulatory organ, the government needs to strengthen land and property registries as well as enhance the transparency and efficiency of court systems. Other specific steps the government need to implement include government's continued payment of interest rate subsidies for agricultural lending in favor of the agricultural sector, and promotion of investment in communications, physical infrastructure, and services, particularly power and education. The creation of commercial courts to handle banking-related cases, particularly loans, for easy dispensation of justices would be a welcome development as such cases are currently unduly delayed in the conventional courts.

3. Role of the Informal Sector

The peculiarities and characteristics of the target population for financial inclusion have shown over the years that the structures and platforms of conventional banks and non-bank financial institutions are inappropriate and inadequate to successfully capture the financial needs of the financially excluded low-income and rural groups. The informal sector could be a range of voluntary organizations including community groups, private clubs, faith groups, and tenant or resident groups, and could also take the form of mutual, community interest groups, trade organizations, industrial and provident societies, and charitable organizations.

In most of the emerging economies like the BRICS and even in the conservative developed economies, voluntary organizations, community groups, and social enterprises are fighting inequality, creating a better environment for people to live in, and making people's lives better. These institutions have become veritable agents of social and economic regeneration. They are known to help the financially excluded have free access not only to funding but also to the advice they require and in the way that suits them. The informal sector, as an aggregation of the common people (the majority poor) and the government (as an organ of the society responsible for guaranteeing the social and economic welfare of the entire populace), both share a common interest in some areas, and this has further accentuated the need for partnership between the two. Indeed, the informal sector:

1. Provides an opportunity for the common man to have a say in the issues that affect their lives and this is in agreement with the objective of the government, especially in a democratic dispensation to support a vibrant and civic society, enabling people to better participate in solving local and national issues;
2. Is made of groups that come together and thrive largely on volunteering and self-help and this helps to build a closely knitted and strong community life. This complements the government's objective of promoting a greater number of levels of shared actions within the community and amongst diverse sections of society; and
3. Provides social enterprises such as poverty self-help groups, trade associations, and market groups etc. all of which have helped in recent times to create new ways of delivering social and environmental benefits through business approaches. Their activities have helped to deliver financing and economic empowerment as a public good in line with the government objective of ensuring equity and equality among the populace in terms of equal access to economic opportunities and social welfare.

Government therefore has a critical role to set out measures that will not only promote the value of these social enterprises and improve the provision of information and advice to social enterprises, but also enable access of these social enterprises and groups to finance for their effectiveness. Some of the specific steps needed to achieve this include legal reforms that will ease and promote the establishment of such groups and simplify their regulations. It is important that the government, policy makers and regulators put in place measures in the form of a new framework that will grow this partnership between the informal sector and

government. Such relationship will go a long way not only to give opportunity to improve the society, sustain the environment and establish new forms of enterprise but also assist in building and strengthening a prosperous, stronger and equitable society.

4. Role of Technology

The ability of banks and other financial institutions to take advantage of the huge untapped potential in the smaller towns and cities and provide them with the required type and form of financial services poses a big challenge. Banks should make it a priority first to deploy core banking solution (CBS) that will support the volume and form of services required to capture the low income and rural population. The next step would then be not just to deploy but also sustain a multi-channel approach using handheld devices, mobiles, cards, micro-ATMs, branches and kiosks, with appropriate structures to ensure seamless integration with the banks' CBS. On the part of the government, appropriate policies should be implemented to encourage and facilitate technological research and innovation that will make financial services not just easily accessible but also cheaply available. In a related development, Government and banks would need to move away from the attitude of viewing the objective behind financial inclusion as a national social responsibility or charity activity but should begin to look at it more as a profitable business opportunity and an enabler of development.

5. Role of Financial Regulator

In the consultative group to assist the poor (CGAP) financial access 2010 survey, consumer education, and protection were identified as the two most reported responsibilities of regulators. Financial literacy and consumer protection are targeted at ensuring that users of financial services are not unduly exposed to extortion and abuse. Improved literacy levels among consumers and a strong consumer protection system reduces greatly, distortions in the market information available to consumers. This will consequently lead to healthy competition, increased transparency, and improved access to retail financial markets.

The regulator, especially in developing countries like Nigeria, will do well to embrace not only coordination and constant consultation with private partners and financial institutions but also actively engage more frequently in implementation. Such a pragmatic role should include cross-cutting initiatives, ranging from information campaigns like the creation of a virtual web, the

inclusion of financial literacy in school curriculum, and training of school instructors as well as tight disclosure policy and robust dispute resolution framework. These activities, as an integral part of the financial literacy program, should span several departments, agencies in the financial markets, and ministries, including the informal sector. The Consumer Protection and Financial Policy and Regulation Department in the CBN should provide the strategic lead on financial inclusion issues.

In addition, the relevant Departments should be saddled with the responsibility of investing heavily in research programs that would help improve financial education and protection. Other activities that should be specifically under the purview of regulators include the setting up and owning of the financial inclusion strategy document and implementation of the reforms, regulation, and promotion of microfinance institutions and activities that would promote rural finance in the country.

Conclusion and recommendations

There is global consensus on the importance of financial inclusion due to its key role of bringing integrity and stability into an economy's financial system as well as its role in fighting poverty in a sustainable manner. It is more pertinent in the case of Nigeria as a developing nation to use financial inclusion as a platform not just for growing the financial sector but more as an engine for driving inclusive economic growth. Greater financial inclusion is achieved when every economic activity, geographical region and segments of the society have access to financial information, financial assistance, financial services and financing with ease and at minimum cost. This helps to promote balanced growth through its process of facilitating savings and investment and thus causing efficient resource allocation from surplus sector/segments (unproductive) of the society to deficit sectors/segments (productive) of the society. By this process, financial transaction is made easy, income level and growth increase with equity, poverty is eliminated, while the economy becomes insulated from external shock.

The policy makers will have to realized that there is not a single pre-determined recipe for improving financial inclusion, and developing country policy makers are in the best position to evaluate their unique institutional, socio-economic, financial and political circumstances and pursue the strategy that best fits. In addition, a first major step towards ensuring financial inclusion is the political will

of the government encapsulated in the creation of institutional and legal framework required for the adoption and successful implementation of financial inclusion policy in any economy. It is based on this framework that financial service providers evolve, compete, and thrive.

On the part of regulators and supervisory bodies, there is need for a consistent and coordinated effort at not only ensuring that the financial institutions offer basic banking products at minimal cost through all their channels to most of the population but also promote consumer enlightenment and protection policy. Efforts must be made to close the huge gap/spread between deposit and lending rate to encourage savings.

Indeed, a fully-fledged financial inclusion will provide a gamut of financial services, though financial inclusion in a restricted sense can start with some financial services like electronic payment systems. Particularly, mobile telephone penetration can foster economic growth, not only by facilitating financial inclusion but also by consolidating the impact of financial inclusion on economic growth (Andrianaivo and Kpodar 2010). Through higher mobile penetration, it becomes easier to have access to deposits and loans. It indeed reduces the physical constraints and costs brought by distance and time. Community-based micro-credit programmes, self-help localized cooperatives, and government special targeted interventions represent the very basics platforms through which the poorest in the society can be easily introduced into the financial system. Sustainable domestic economic growth and development with pervasive income redistribution will help the majority of the financially excluded populace to overcome poverty, increase income, save more, and embrace formal financial service platforms.

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15
Chapter

OPTIMIZING PUBLIC PROCUREMENT

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Abstract

Public procurement, the process by which governments purchase goods, services, and works from the private sector, is a fundamental aspect of public sector management and economic policy. In Africa, public procurement represents a significant economic activity, reflecting the diverse needs and priorities of the continent's countries. It covers a wide range of sectors, including healthcare, education, transportation, energy, and agriculture. This field is largely influenced by varied economic structures, regulatory frameworks, the capacity of skilled professionals, and the presence of corruption. This chapter reviews existing public procurement practices, identifying key opportunities, challenges, and reforms across the African continent. It highlights opportunities for enhancing transparency, accountability, local content, and the use of technology in public procurement. Best practices of procurement reforms and initiatives are presented, along with discussions on the challenges and solutions to achieving optimal procurement. The chapter also provides actionable recommendations for policymakers, practitioners, and stakeholders to enhance the effectiveness of public procurement systems. Optimized public procurement has the power to transform economies, improve livelihoods, and create lasting positive impacts in Africa. By leveraging technology and fostering collaboration, African countries can drive inclusive and sustainable economic growth for generations to come.

Keywords: *Public procurement, Governments purchase and Economic policy*

Introduction

Overview of Public Procurement's Role in Economic Development

Public procurement, the process by which governments purchase goods, services, and works from the private sector, is a fundamental aspect of public sector management and economic policy. It serves as a crucial mechanism for implementing government policies and delivering public services. Public procurement represents a significant portion of government expenditures, accounting for 12-30% of GDP in many countries worldwide (World Bank, 2020).

In the context of economic development, public procurement plays several key roles:

- i. **Economic Stimulus:** Government spending through procurement can stimulate economic activity, create jobs, and drive industrial growth. It channels resources into the economy, supporting businesses and fostering economic dynamism.
- ii. **Infrastructure Development:** Procurement is essential for the development and maintenance of infrastructure such as roads, schools, hospitals, and utilities, which are critical for economic productivity and social well-being.
- iii. **Promotion of Innovation:** Strategic procurement can drive innovation by encouraging suppliers to develop new technologies and solutions, particularly through competitive tendering and innovation-friendly policies.
- iv. **Social and Environmental Goals:** Public procurement can be used to achieve broader social and environmental objectives, such as promoting sustainable development, reducing carbon emissions, and supporting small and medium-sized enterprises (SMEs).

Scope of Public Procurement in Africa

Public procurement in Africa is a significant economic activity, reflecting the diverse needs and priorities of the continent's countries. It covers a wide range of sectors, including healthcare, education, transportation, energy, and agriculture. The scope and impact of public procurement in Africa are influenced by several factors:

- i. **Diverse Economic Structures:** African countries have varied economic structures, from highly industrialized economies like South Africa to

predominantly agricultural economies like Malawi. This diversity necessitates tailored procurement strategies that address specific national and regional needs (OECD, 2019).

- ii. **Regulatory Frameworks:** The regulatory environment for public procurement varies widely across the continent. While some countries have advanced procurement laws and robust oversight mechanisms, others are still developing their frameworks. Recent reforms in countries like Ghana and Kenya illustrate significant progress towards modernizing procurement systems (Transparency International, 2021).
- iii. **Capacity and Expertise:** Effective public procurement requires skilled professionals capable of managing complex procurement processes. However, capacity constraints are common, with many countries facing shortages of trained procurement officers and limited access to professional development opportunities (World Bank, 2020).
- iv. **Corruption and Governance Issues:** Corruption remains a significant challenge in public procurement across many African countries, undermining efficiency and value for money. Efforts to combat corruption and enhance transparency are critical for improving procurement outcomes (African Development Bank, 2019).

Importance of Optimizing Public Procurement for Africa's Growth

Optimizing public procurement is crucial for unlocking its full potential to drive economic growth and development in Africa. Key reasons for prioritizing optimization include:

- i. **Maximizing Value for Money:** Efficient procurement processes ensure that public funds are used effectively, delivering high-quality goods and services at the best possible prices. This maximizes the impact of government spending on development outcomes (OECD, 2019).
- ii. **Enhancing Service Delivery:** Streamlined procurement processes can improve the quality and timeliness of public services, directly benefiting citizens and enhancing social welfare. For example, efficient procurement in the healthcare sector can ensure timely delivery of essential medicines and medical equipment (World Bank, 2020).
- iii. **Promoting Economic Inclusivity:** Transparent and competitive procurement environments enable broader participation by local

businesses and SMEs. This supports economic inclusivity, stimulates local economic activity, and creates jobs (African Union, 2018).

- iv. **Reducing Corruption and Waste:** Robust procurement systems with strong oversight mechanisms can significantly reduce corruption and waste, ensuring that resources are allocated efficiently and equitably. This enhances public trust and confidence in government institutions (Transparency International, 2021).
- v. **Encouraging Sustainable Practices:** Public procurement can drive sustainability by incorporating environmental and social criteria into procurement decisions. This supports green growth, reduces environmental impacts, and promotes social equity (OECD, 2019).

Objectives and Structure of the Chapter

This chapter aims to provide a comprehensive analysis of how optimizing public procurement can be leveraged to boost economic growth in Africa. The specific objectives include:

- i. **Assessing the Current State:** Reviewing the existing public procurement practices, challenges, and reforms across African countries.
- ii. **Identifying Key Opportunities:** Highlighting the opportunities for enhancing transparency, accountability, local content, and the use of technology in public procurement.
- iii. **Exploring Best Practices:** Presenting case studies and examples of successful procurement reforms and initiatives.
- iv. **Addressing Challenges:** Discussing the main challenges hindering optimal procurement and proposing practical solutions.
- v. **Providing Recommendations:** Offering actionable recommendations for policymakers, practitioners, and stakeholders to enhance the effectiveness of public procurement systems.

The chapter is structured as follows:

- i. **Introduction:** Setting the stage with an overview of public procurement's role, scope in Africa, and importance of optimization.
- ii. **The Current State of Public Procurement in Africa:** Detailed analysis of existing practices and challenges.
- iii. **Transparency and Accountability in Public Procurement:** Exploring mechanisms to enhance transparency and accountability.

- iv. Promoting Local Content and SMEs: Discussing strategies to support local businesses through procurement.
- v. Leveraging Technology and Innovation: Examining the impact of digital technologies on procurement.
- vi. Capacity Building and Professional Development: Addressing the need for training and capacity building.
- vii. Policy and Regulatory Frameworks: Analyzing existing frameworks and the potential for harmonization.
- viii. Combatting Corruption in Public Procurement: Strategies for reducing corruption.
- ix. Sustainable and Inclusive Procurement: Importance of integrating sustainability and inclusivity.
- x. Financing and Resource Allocation: Issues and best practices for financing public procurement projects.
- xi. Monitoring and Evaluation: Tools and methodologies for effective monitoring and evaluation.
- xii. Future Directions and Recommendations: Summarizing key insights and providing recommendations for the future.

The Current State of Public Procurement in Africa

Historical Context and Evolution of Public Procurement Systems in Africa

Public procurement in Africa has undergone significant transformation over the past few decades. Historically, procurement systems were characterized by centralized, bureaucratic processes inherited from colonial administrations. These systems were often opaque and inefficient, leading to widespread corruption and mismanagement of public funds.

Post-Independence Era: After gaining independence in the mid-20th century, many African countries began to reform their procurement systems. Initial reforms focused on decentralizing procurement activities to enhance efficiency and responsiveness. However, these early efforts were often hampered by weak institutional capacities and a lack of comprehensive regulatory frameworks (OECD, 2019).

Structural Adjustment Programs (SAPs): In the 1980s and 1990s, structural adjustment programs imposed by international financial institutions, such as the World Bank and the International Monetary Fund (IMF), included components

aimed at reforming public procurement. These reforms sought to reduce public sector inefficiencies and curb corruption. Despite some progress, the SAPs were criticized for their one-size-fits-all approach and insufficient attention to local contexts (World Bank, 2020).

Modern Era of Procurement Reform: Since the early 2000s, there has been a renewed focus on comprehensive procurement reform across Africa. Countries have implemented new procurement laws, established regulatory bodies, and adopted technology-driven solutions such as e-procurement. These reforms have aimed to enhance transparency, accountability, and efficiency in public procurement processes (Transparency International, 2021).

Analysis of Current Practices and Challenges

Current Practices

- i. Legal and Regulatory Frameworks:** Many African countries have developed robust legal and regulatory frameworks for public procurement. These frameworks are often based on international best practices and aim to ensure fairness, transparency, and competition in procurement processes. For example, Kenya's Public Procurement and Asset Disposal Act (2015) and Ghana's Public Procurement Act (2003) have established clear guidelines and procedures for public procurement (OECD, 2019).
- ii. E-Procurement:** The adoption of electronic procurement (e-procurement) systems has been a significant trend in recent years. E-procurement platforms enhance transparency and efficiency by providing a centralized online system for managing procurement processes. Countries like Nigeria, Ghana, and Rwanda have implemented e-procurement systems with promising results in reducing corruption and improving procurement efficiency (World Bank, 2020).
- iii. Capacity Building:** Efforts to build the capacity of procurement professionals have been integral to modern procurement reforms. Training programs, certification schemes, and professional development opportunities are increasingly available to enhance the skills and competencies of procurement officers (African Development Bank, 2019).

Challenges:

- i. **Corruption and Fraud:** Despite significant reforms, corruption remains a pervasive challenge in public procurement across Africa. Bribery, bid-rigging, and kickbacks are common issues that undermine the integrity of procurement processes and lead to the misallocation of public funds (Transparency International, 2021).
- ii. **Institutional Weaknesses:** Many procurement agencies lack the necessary institutional capacity to effectively manage procurement processes. This includes deficiencies in human resources, technical skills, and organizational structures, which hinder the implementation of procurement reforms (OECD, 2019).
- iii. **Inconsistent Enforcement:** While many countries have robust procurement laws, the enforcement of these regulations is often inconsistent. Weak oversight mechanisms and limited accountability contribute to non-compliance and undermine the effectiveness of procurement systems (World Bank, 2020).
- iv. **Limited Access to Technology:** The adoption of e-procurement systems is uneven across the continent. Many countries, particularly those with limited ICT infrastructure, face challenges in implementing and maintaining these systems. This limits the potential benefits of technology-driven procurement reforms (African Development Bank, 2019).

Key Statistics and Data on Public Procurement Expenditure

Public procurement represents a substantial portion of government expenditures in Africa. Here are some key statistics and data that highlight the scale and significance of public procurement on the continent:

- i. **GDP Proportion:** Public procurement accounts for approximately 12-30% of GDP in many African countries. For instance, in Kenya, public procurement expenditure is estimated to be around 18% of GDP, while in Nigeria, it constitutes about 15% of GDP (World Bank, 2020).
- ii. **Sectoral Distribution:** Procurement expenditure is spread across various sectors, with significant allocations in infrastructure, healthcare, education, and defense. For example, infrastructure projects account for a substantial share of procurement budgets in countries like Ethiopia and South Africa (OECD, 2019).

- iii. **E-Procurement Adoption:** According to a 2020 World Bank report, over 50% of African countries have initiated or implemented e-procurement systems. Countries like Ghana and Rwanda have reported reductions in procurement costs by up to 15% following the adoption of e-procurement platforms (World Bank, 2020).
- iv. **Corruption Perception:** Transparency International's Corruption Perceptions Index (2021) indicates that many African countries still struggle with high levels of corruption in public procurement. For example, Nigeria and Kenya score low on the index, reflecting persistent challenges in combating procurement-related corruption (Transparency International, 2021).

Transparency and Accountability in Public Procurement

Importance of Transparency and Accountability

Transparency and accountability are foundational principles for effective public procurement systems. They ensure that procurement processes are open, fair, and competitive, which in turn fosters public trust and confidence in government operations. The importance of these principles in public procurement cannot be overstated:

- i. **Preventing Corruption:** Transparency reduces the opportunities for corrupt practices by making procurement processes visible and scrutinizable. Accountability ensures that individuals involved in procurement are held responsible for their actions, deterring fraudulent behaviour (OECD, 2019).
- ii. **Enhancing Efficiency:** Transparent and accountable procurement processes lead to better decision-making and resource allocation, ensuring that public funds are used efficiently to deliver maximum value for money (World Bank, 2020).
- iii. **Promoting Fair Competition:** By making procurement information accessible, transparency levels the playing field for all potential suppliers, encouraging fair competition and innovation. This can lead to better quality and more cost-effective goods and services (Transparency International, 2021).
- iv. **Building Public Trust:** When citizens can see how public funds are being spent and know that there are mechanisms in place to hold officials accountable, it enhances their trust in government institutions and processes (African Development Bank, 2019).

Mechanisms to Enhance Transparency

Several mechanisms can be employed to enhance transparency and accountability in public procurement:

- i. E-Procurement Systems:** E-procurement platforms digitize the procurement process, making it more transparent and accessible. These systems allow for real-time tracking of procurement activities, from tender announcements to contract awards, and provide a comprehensive audit trail. E-procurement reduces human interaction in the procurement process, thereby minimizing opportunities for corruption and errors (World Bank, 2020).
- ii. Public Disclosure:** Transparency can be enhanced by publicly disclosing procurement information, including tender opportunities, evaluation criteria, contract awards, and supplier performance. This information should be made available on accessible platforms such as government websites and procurement portals (OECD, 2019).
- iii. Independent Oversight Bodies:** Establishing independent oversight bodies to monitor procurement activities and investigate complaints can significantly enhance accountability. These bodies should have the authority to audit procurement processes, review decisions, and enforce compliance with procurement regulations (Transparency International, 2021).

Civil Society Engagement: Involving civil society organizations in the procurement process can provide an additional layer of oversight. These organizations can monitor procurement activities, report irregularities, and advocate for greater transparency and accountability (African Development Bank, 2019).

Capacity Building: Training procurement officials and building their capacity to adhere to ethical standards and best practices in procurement is crucial. Continuous professional development ensures that procurement staff are knowledgeable about the latest regulations, technologies, and methods to promote transparency and accountability (World Bank, 2020).

Case Study: Kenya's Integrated Financial Management Information System (IFMIS)

Kenya's Integrated Financial Management Information System (IFMIS) is a

notable example of leveraging technology to enhance transparency and accountability in public procurement. Introduced in 2003, IFMIS is an automated system designed to improve financial management and streamline procurement processes across government entities.

Key Features of IFMIS

- i. **Automation of Processes:** IFMIS automates the entire procurement process, from requisition and tendering to contract management and payment. This reduces manual interventions and the potential for corrupt practices (Republic of Kenya, 2020).
- ii. **Real-Time Data:** The system provides real-time data on procurement activities, enabling continuous monitoring and timely decision-making. This enhances the efficiency and responsiveness of procurement operations (Republic of Kenya, 2020).
- iii. **Audit Trail:** IFMIS maintains a comprehensive audit trail of all transactions, which facilitates transparency and accountability. This audit trail is essential for conducting audits and investigations into procurement activities (Republic of Kenya, 2020).
- iv. **Public Access:** The system allows for the public disclosure of procurement information, including tender notices, contract awards, and supplier performance. This information is accessible to all stakeholders, promoting openness and accountability (Republic of Kenya, 2020).

Impact of IFMIS

- i. **Reduction in Corruption:** Since its implementation, IFMIS has significantly reduced opportunities for corruption by making procurement processes more transparent and traceable. The system's audit capabilities have helped identify and address irregularities in procurement activities (Transparency International, 2021).
- ii. **Improved Efficiency:** The automation and real-time data provided by IFMIS have improved the efficiency of procurement processes, reducing delays and enhancing the delivery of public services (World Bank, 2020).
- iii. **Enhanced Public Trust:** By making procurement information publicly accessible, IFMIS has increased public trust in government operations. Citizens and stakeholders can now see how public funds are being utilized, fostering greater accountability (African Development Bank, 2019).

Challenges and Lessons Learned

- i. **Technical and Capacity Issues:** The implementation of IFMIS faced several challenges, including technical glitches and resistance from staff accustomed to manual processes. Continuous training and technical support were crucial to overcoming these issues (Republic of Kenya, 2020).
- ii. **Sustained Political Will:** The success of IFMIS required sustained political will and commitment from the government. Ensuring the system's independence and protecting it from political interference were critical for maintaining its effectiveness (Transparency International, 2021).

Promoting Local Content and SMEs

Role of Public Procurement in Supporting Local Industries and SMEs

Public procurement is a powerful tool for economic development, particularly in fostering the growth of local industries and small and medium-sized enterprises (SMEs). By directing government spending towards local businesses, public procurement can stimulate domestic economic activity, create jobs, and drive innovation.

- i. **Economic Stimulus:** Local procurement directs government spending into the domestic economy, supporting local businesses and generating economic activity. This can lead to job creation and the development of local industries (OECD, 2019).
- ii. **Capacity Building:** Public procurement provides SMEs with opportunities to participate in large contracts, helping them to build capacity and gain experience. This can enhance their competitiveness and enable them to scale up operations (World Bank, 2020).
- iii. **Innovation and Diversification:** By promoting local content, procurement policies can encourage local firms to innovate and diversify their products and services. This can reduce reliance on imports and foster the development of new industries (African Development Bank, 2019).
- iv. **Economic Inclusion:** Supporting SMEs through public procurement promotes economic inclusivity by enabling a broader range of businesses to benefit from government contracts. This can help to reduce income inequality and support equitable economic growth (Transparency International, 2021).

Policies and Practices for Promoting Local Content

Several policies and practices can be implemented to promote local content and support SMEs through public procurement:

- i. **Local Content Requirements:** Governments can establish local content requirements that mandate a certain percentage of goods and services procured must be sourced from local suppliers. This ensures that a portion of procurement spending directly benefits the domestic economy (OECD, 2019).
- ii. **Set-Asides for SMEs:** Procurement policies can include set-asides, which reserve a portion of contracts exclusively for SMEs. This can help to level the playing field and provide smaller businesses with opportunities to compete for government contracts (World Bank, 2020).
- iii. **Capacity Building Programs:** Governments can offer training and support programs to help local businesses and SMEs build the capacity to compete for and execute government contracts. This can include technical assistance, financial support, and access to procurement information (African Development Bank, 2019).
- iv. **Simplified Procurement Procedures:** Simplifying procurement procedures can make it easier for SMEs to participate in public procurement. This can involve reducing administrative burdens, streamlining application processes, and offering support for bid preparation (Transparency International, 2021).
- v. **Preferential Procurement Policies:** Preferential procurement policies can give preference to local suppliers and SMEs in the awarding of contracts. This can involve providing additional points during bid evaluations or offering price preferences to local suppliers (OECD, 2019).

Case Study: South Africa's Preferential Procurement Policy

South Africa's Preferential Procurement Policy Framework Act (PPPFA) is a notable example of a policy designed to promote local content and support SMEs through public procurement. Implemented in 2000, the PPPFA aims to advance economic transformation and enhance the participation of historically disadvantaged individuals and businesses in the economy.

Key Features of the PPPFA

- i. **Scoring System:** The PPPFA uses a scoring system to evaluate bids, combining price and preference points. Preference points are awarded based on various criteria, including the participation of historically disadvantaged individuals and the use of local content. This ensures that contracts are not awarded based on price alone, but also on socio-economic considerations (Republic of South Africa, 2021).
- ii. **Local Content Requirements:** The policy mandates specific local content requirements for certain sectors and products. For example, government contracts for uniforms and textiles must meet a minimum local content threshold, ensuring that a portion of procurement spending supports local industries (Republic of South Africa, 2021).
- iii. **SME Set-Asides:** The PPPFA includes provisions for set-asides, reserving a portion of government contracts for SMEs and businesses owned by historically disadvantaged individuals. This helps to create opportunities for smaller businesses to participate in public procurement (Republic of South Africa, 2021).
- iv. **Capacity Building Initiatives:** The South African government has implemented various capacity-building initiatives to support SMEs in accessing public procurement opportunities. This includes training programs, workshops, and financial assistance to help businesses meet the requirements of government contracts (World Bank, 2020).

Impact of the PPPFA

- i. **Increased Participation of SMEs:** Since the implementation of the PPPFA, there has been a significant increase in the participation of SMEs and historically disadvantaged businesses in public procurement. This has contributed to economic empowerment and job creation (African Development Bank, 2019).
- ii. **Support for Local Industries:** The local content requirements have stimulated the growth of local industries, reducing reliance on imports and fostering the development of domestic production capabilities. This has had a positive impact on various sectors, including manufacturing and textiles (OECD, 2019).
- iii. **Challenges and Lessons Learned:** Despite its successes, the PPPFA has faced challenges, including compliance issues and the need for continuous monitoring and evaluation. Ensuring that local content requirements are

met and that preferential procurement policies are implemented effectively requires ongoing oversight and adjustment (Transparency International, 2021).

Leveraging Technology and Innovation

The Impact of Digital Technologies on Public Procurement

Digital technologies have revolutionized public procurement, enhancing efficiency, transparency, and accountability. The integration of technology in procurement processes is transforming how governments operate, making procurement more accessible and streamlined. Key digital technologies impacting public procurement include e-procurement platforms, blockchain, artificial intelligence (AI), and big data analytics.

E-Procurement Platforms: These platforms automate the entire procurement lifecycle, from tendering to contract management, making processes faster and more transparent. They reduce the reliance on paper-based systems and minimize human errors and opportunities for corruption (World Bank, 2020).

Blockchain Technology: Blockchain provides a decentralized and immutable ledger of transactions, ensuring transparency and traceability. This technology can prevent fraud and corruption by creating a tamper-proof record of procurement activities (OECD, 2019).

Artificial Intelligence and Big Data: AI and big data analytics can be used to analyze procurement data, identify patterns, and predict future trends. These technologies can enhance decision-making, optimize procurement strategies, and detect irregularities or fraudulent activities (Transparency International, 2021).

Benefits of E-Procurement and Other Technological Advancements

Implementing digital technologies in public procurement offers numerous benefits which includes;

- i. **Enhanced Transparency and Accountability:** E-procurement systems provide a transparent platform where all procurement activities are visible and traceable. This reduces the risk of corruption and increases public trust in government processes (African Development Bank, 2019).
- ii. **Increased Efficiency and Cost Savings:** Automation of procurement processes reduces administrative burdens and speeds up the procurement

cycle. This leads to significant cost savings and improved efficiency in managing public resources (World Bank, 2020).

- iii. **Better Supplier Management:** Digital procurement systems facilitate better supplier management by providing a centralized database of suppliers. This helps in evaluating supplier performance, ensuring compliance with procurement regulations, and fostering healthy competition (OECD, 2019).
- iv. **Improved Data Analytics and Decision-Making:** Advanced analytics tools allow procurement officials to analyze large volumes of data, gaining insights into spending patterns, market trends, and supplier performance. This data-driven approach enhances strategic decision-making and resource allocation (Transparency International, 2021).
- v. **Fraud Detection and Prevention:** Technologies like blockchain and AI enhance fraud detection and prevention by providing secure and tamper-proof records of transactions and identifying anomalies that may indicate fraudulent activities (African Development Bank, 2019).

Case Study: Nigeria's Blockchain Pilot in Procurement

Nigeria has been at the forefront of leveraging innovative technologies to improve public procurement. One notable initiative is the pilot implementation of blockchain technology to enhance transparency and efficiency in procurement processes.

Overview of the Pilot Project

In 2020, Nigeria launched a pilot project to integrate blockchain technology into its public procurement system. The project aimed to address challenges such as corruption, inefficiency, and lack of transparency in procurement activities (Federal Government of Nigeria, 2021).

Implementation and Features

Decentralized Ledger: The blockchain-based system creates a decentralized ledger of all procurement transactions. Each transaction is recorded in real-time and is immutable, ensuring that procurement data cannot be altered or tampered with (OECD, 2019).

- i. **Smart Contracts:** Smart contracts are self-executing contracts with the terms of the agreement directly written into code. They automatically execute and enforce contract terms when predefined conditions are met,

reducing the need for intermediaries and minimizing the risk of disputes (Federal Government of Nigeria, 2021).

- ii. **Transparency and Traceability:** The blockchain system provides complete transparency, allowing stakeholders to track the entire procurement process from tendering to contract execution. This traceability helps in identifying and addressing any irregularities or corrupt practices (World Bank, 2020).

Impact and Outcomes

- i. **Reduced Corruption:** The immutable nature of blockchain records has significantly reduced opportunities for corruption and fraud. The transparent ledger ensures that all procurement activities are visible and accountable (Transparency International, 2021).
- ii. **Enhanced Efficiency:** The automation of contract execution through smart contracts has streamlined the procurement process, reducing delays and administrative burdens. This has led to faster procurement cycles and improved service delivery (African Development Bank, 2019).
- iii. **Increased Public Trust:** The transparency and traceability provided by the blockchain system have increased public trust in the procurement process. Stakeholders, including suppliers and citizens, have greater confidence in the fairness and integrity of procurement activities (Federal Government of Nigeria, 2021).

Challenges and Lessons Learned

- i. **Technical and Infrastructure Issues:** Implementing blockchain technology requires significant technical expertise and robust infrastructure. Nigeria faced challenges related to the availability of technical skills and the need for continuous system maintenance and upgrades (OECD, 2019).
- ii. **Stakeholder Buy-In:** Ensuring stakeholder buy-in was crucial for the success of the project. Continuous engagement and capacity-building initiatives were necessary to familiarize procurement officials and suppliers with the new system and encourage adoption (World Bank, 2020).

Capacity Building and Professional Development

Challenges Related to Capacity and Skills Among Procurement Officials

Effective public procurement requires a skilled and knowledgeable workforce. However, many African countries face significant challenges related to the capacity and skills of their procurement officials:

- i. Insufficient Training:** Many procurement officials lack adequate training in modern procurement practices, regulations, and technologies. This knowledge gap can lead to inefficiencies, non-compliance, and increased risk of corruption (World Bank, 2020).
- ii. Outdated Skills:** Rapid advancements in procurement technology, such as e-procurement and blockchain, necessitate continuous learning. Officials often struggle to keep pace with these changes, resulting in outdated skills and practices (African Development Bank, 2019).
- iii. Limited Resources:** Many government agencies in Africa operate with limited resources, affecting their ability to provide comprehensive training and professional development programs. This scarcity impacts the overall quality of procurement activities (OECD, 2019).
- iv. High Staff Turnover:** High turnover rates among procurement staff lead to a loss of institutional knowledge and continuity. This creates a constant need for training new officials, which can be resource-intensive (Transparency International, 2021).
- v. Lack of Standardization:** Inconsistent procurement policies and practices across different regions and sectors make it difficult to establish standardized training programs. This inconsistency hampers efforts to build a cohesive and competent procurement workforce (World Bank, 2020).

Importance of Training and Professional Development

Investing in the training and professional development of procurement officials is crucial for enhancing the effectiveness and integrity of public procurement systems:

- i. Improved Efficiency and Compliance:** Well-trained officials can execute procurement processes more efficiently and in compliance with regulations. This reduces delays, errors, and the risk of legal challenges (OECD, 2019).
- ii. Enhanced Transparency and Accountability:** Training in ethical standards and transparency measures helps officials to conduct

procurement activities with greater integrity. This builds public trust and reduces opportunities for corruption (Transparency International, 2021).

- iii. **Adoption of Best Practices:** Professional development programs expose procurement officials to best practices and innovative approaches. This knowledge can be applied to improve procurement strategies and outcomes (World Bank, 2020).
- iv. **Adaptability to Technological Changes:** Continuous training ensures that officials are up-to-date with the latest technological advancements in procurement. This enables them to leverage new tools and systems effectively, enhancing overall procurement performance (African Development Bank, 2019).
- v. **Capacity for Strategic Planning:** Training programs that include components of strategic planning and analysis empower officials to contribute to broader policy and development goals. This strategic capability is essential for aligning procurement with national development objectives (OECD, 2019).

Regional Initiatives and Training Programs to Build Capacity

Several regional initiatives and training programs are aimed at building the capacity of procurement officials in Africa. These programs focus on enhancing skills, promoting best practices, and fostering collaboration among countries:

- i. **African Development Bank (AfDB) Initiatives:** The AfDB offers a range of training programs and workshops focused on public procurement. These programs cover topics such as procurement planning, contract management, and e-procurement systems. The AfDB also provides technical assistance to member countries to strengthen their procurement frameworks (African Development Bank, 2019).
- ii. **World Bank's Procurement Framework:** The World Bank's procurement framework includes comprehensive training modules designed to enhance the capacity of procurement officials in borrower countries. The framework emphasizes modern procurement practices, transparency, and accountability. It also offers online courses and certifications through the World Bank's Open Learning Campus (World Bank, 2020).
- iii. **Common Market for Eastern and Southern Africa (COMESA):** COMESA has implemented the Regional Integration Support Mechanism (RISM), which includes capacity-building components for public procurement. RISM aims to harmonize procurement policies

across member states and provides training on standardized procurement procedures (COMESA, 2021). Public Procurement and Disposal of Public Assets Authority (PPDA) – Uganda: The PPDA in Uganda offers regular training programs for procurement officials at various levels of government. These programs focus on enhancing skills in procurement planning, evaluation, and contract management. The PPDA also collaborates with international partners to incorporate global best practices into their training curriculum (PPDA Uganda, 2021).

- iv. **Africa Public Procurement Network (APPN):** The APPN is a collaborative platform that facilitates the sharing of knowledge and best practices among procurement professionals across Africa. It organizes regional conferences, workshops, and webinars to address common challenges and promote innovative solutions in public procurement (APPN, 2021).

Policy and Regulatory Frameworks

Overview of Existing Procurement Policies and Regulations

Public procurement policies and regulations play a crucial role in ensuring that government procurement activities are conducted transparently, efficiently, and ethically. These frameworks are designed to provide guidelines on procurement processes, promote fair competition, and prevent corruption. Across Africa, various countries have developed their own procurement laws and regulations, often aligned with international standards set by organizations such as the World Bank and the United Nations.

National Procurement Laws: Most African countries have established national procurement laws that outline the procedures and requirements for public procurement. These laws typically cover aspects such as tendering, bid evaluation, contract management, and dispute resolution. For example, Kenya's Public Procurement and Asset Disposal Act (2015) and Ghana's Public Procurement Act (2003) provide comprehensive legal frameworks for procurement activities (OECD, 2019).

Regulatory Authorities: To enforce these laws, many countries have established regulatory authorities responsible for overseeing public procurement. These authorities, such as Nigeria's Bureau of Public Procurement (BPP) and Uganda's Public Procurement and Disposal of Public Assets Authority (PPDA), are tasked

with ensuring compliance, providing training, and managing procurement databases (World Bank, 2020).

International Guidelines: In addition to national laws, many African countries adhere to international guidelines and standards. The World Bank's procurement framework and the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Public Procurement are widely referenced to align national practices with global best practices (African Development Bank, 2019).

Challenges of Inconsistent and Outdated Frameworks

Despite the presence of procurement laws and regulations, many African countries face significant challenges related to inconsistent and outdated frameworks:

Fragmentation and Inconsistency: Procurement regulations can vary significantly between regions and sectors within a country. This fragmentation creates confusion and inefficiencies, making it difficult for suppliers to navigate the procurement landscape and comply with varying requirements (OECD, 2019).

Outdated Regulations: Some procurement laws have not been updated to reflect modern procurement practices and technological advancements. Outdated frameworks can hinder the adoption of innovative procurement methods, such as e-procurement and blockchain technology, and fail to address contemporary challenges (World Bank, 2020).

Limited Enforcement: Weak enforcement mechanisms and limited capacity of regulatory authorities can lead to non-compliance with procurement regulations. This undermines the effectiveness of procurement policies and increases the risk of corruption and inefficiencies (Transparency International, 2021).

Bureaucratic Complexity: Overly complex and bureaucratic procurement procedures can discourage participation from potential suppliers, particularly SMEs. This reduces competition and may lead to suboptimal procurement outcomes (African Development Bank, 2019).

Opportunities for Harmonization Under the African Continental Free Trade Area (AfCFTA)

The African Continental Free Trade Area (AfCFTA) presents a significant opportunity to harmonize procurement policies and regulations across the continent, promoting a more integrated and efficient procurement landscape.

Standardization of Procurement Practices: AfCFTA aims to create a single market for goods and services, which includes the standardization of procurement practices. By harmonizing procurement laws and regulations, AfCFTA can reduce fragmentation and create a more predictable and transparent procurement environment (UNECA, 2020).

Facilitating Cross-Border Procurement: Harmonized procurement frameworks under AfCFTA can facilitate cross-border procurement activities, enabling suppliers from different countries to participate in procurement processes more easily. This can increase competition, drive down costs, and improve the quality of goods and services procured (OECD, 2019).

Capacity Building and Knowledge Sharing: AfCFTA provides a platform for member countries to share knowledge and best practices in public procurement. This can include joint training programs, technical assistance, and collaborative efforts to develop and implement modern procurement technologies (World Bank, 2020).

Reducing Corruption and Enhancing Transparency: A harmonized procurement framework can strengthen transparency and reduce opportunities for corruption by establishing clear and consistent rules across member countries. This can enhance public trust in procurement processes and ensure better use of public resources (Transparency International, 2021).

Supporting Regional Economic Integration: By promoting a more cohesive and efficient procurement system, AfCFTA can support broader regional economic integration goals. Harmonized procurement policies can help to create a more competitive and attractive market for investment, fostering economic growth and development (UNECA, 2020).

Combatting Corruption in Public Procurement

Prevalence and Impact of Corruption in Procurement Processes

Corruption in public procurement is a pervasive issue that significantly undermines economic development, particularly in Africa. It manifests in various forms, including bribery, favouritism, fraud, and collusion. The prevalence of corruption in procurement processes leads to several detrimental impacts:

- i. Economic Inefficiency:** Corruption distorts market mechanisms, leading to the selection of contractors who may not provide the best value for money. This results in higher costs for public projects and lower quality of goods and services (OECD, 2019).
- ii. Loss of Public Funds:** Significant amounts of public funds are lost to corrupt practices. These losses reduce the resources available for essential public services such as healthcare, education, and infrastructure development (Transparency International, 2021).
- iii. Erosion of Public Trust:** Corruption erodes public trust in government institutions and their ability to manage public resources effectively. This lack of trust can lead to decreased civic engagement and challenges in implementing public policies (World Bank, 2020).
- iv. Hindrance to Development Goals:** Corrupt procurement practices hinder the achievement of development goals by misallocating resources, reducing the effectiveness of public investments, and perpetuating inequality (African Development Bank, 2019).

Strategies for Reducing Corruption and Increasing Integrity

To combat corruption in public procurement, various strategies can be implemented to enhance transparency, accountability, and integrity:

- i. Strengthening Legal and Institutional Frameworks:** Establishing robust legal frameworks that clearly define procurement processes and penalties for corrupt activities is crucial. Strengthening institutions responsible for oversight and enforcement, such as anti-corruption agencies and procurement regulatory bodies, is also essential (OECD, 2019).
- ii. Promoting Transparency through E-Procurement:** Implementing e-procurement systems can significantly enhance transparency by providing an open and accessible platform for all procurement activities. E-procurement minimizes human intervention, reduces opportunities for corrupt practices, and ensures that procurement information is available to the public (World Bank, 2020).

- iii. **Implementing Whistleblower Protections:** Encouraging whistleblowing and protecting whistleblowers from retaliation can help to uncover corrupt practices. Establishing confidential reporting mechanisms and ensuring that whistleblowers are protected by law can foster a culture of accountability (Transparency International, 2021).
- iv. **Enhancing Capacity Building:** Training and capacity-building programs for procurement officials can help them to understand and adhere to ethical standards and best practices. Regular training on anti-corruption measures, legal requirements, and integrity principles is crucial (African Development Bank, 2019).
- v. **Conducting Regular Audits and Monitoring:** Regular audits and monitoring of procurement activities can identify irregularities and ensure compliance with procurement regulations. Independent audit bodies should be empowered to conduct thorough reviews and report their findings transparently (OECD, 2019).
- vi. **Fostering Civic Engagement and Public Oversight:** Engaging civil society organizations and the public in monitoring procurement processes can enhance transparency and accountability. Public participation mechanisms, such as open forums and access to procurement data, can empower citizens to hold governments accountable (Transparency International, 2021).

Case Studies of Successful Anti-Corruption Initiatives

Case Study 1: Kenya's E-Procurement System

Kenya has made significant strides in combating corruption through the implementation of an e-procurement system known as the Integrated Financial Management Information System (IFMIS).

- i. **Implementation and Features:** IFMIS automates procurement processes from tendering to payment. It provides a transparent and secure platform where all procurement activities are recorded and accessible to the public. The system includes features such as e-tendering, e-evaluation, and contract management (Government of Kenya, 2020).
- ii. **Impact and Outcomes:** The introduction of IFMIS has significantly reduced opportunities for corruption by minimizing human intervention and ensuring transparency. It has led to cost savings, improved efficiency, and increased public trust in the procurement process. Independent audits

have shown a decrease in procurement-related corruption cases since the system's implementation (World Bank, 2020).

Case Study 2: South Africa's Open Contracting Data Standard (OCDS)

South Africa has adopted the Open Contracting Data Standard (OCDS) to enhance transparency and accountability in public procurement.

- i. **Implementation and Features:** OCDS involves publishing detailed procurement data in a standardized and accessible format. It covers the entire procurement cycle, from planning and tendering to contract award and implementation. The data is made available to the public through online platforms (Open Contracting Partnership, 2021).
- ii. **Impact and Outcomes:** By adopting OCDS, South Africa has increased the transparency of its procurement processes, making it easier to detect and prevent corrupt activities. The initiative has fostered greater public and civil society engagement in monitoring procurement, leading to increased accountability and better procurement outcomes (Transparency International, 2021).

Case Study 3: Rwanda's Anti-Corruption Commission

Rwanda's Anti-Corruption Commission (ACC) plays a vital role in preventing and combating corruption in public procurement.

- i. **Implementation and Features:** The ACC is an independent body tasked with investigating corruption cases, conducting public awareness campaigns, and providing guidance on anti-corruption measures. It has established hotlines and online platforms for reporting corruption anonymously (Government of Rwanda, 2019).
- ii. **Impact and Outcomes:** The ACC's efforts have led to a significant reduction in corruption cases in Rwanda's public procurement sector. The commission's proactive approach, including regular audits and strict enforcement of anti-corruption laws, has enhanced the integrity of procurement processes and increased public confidence in the government's commitment to transparency (World Bank, 2020).

Sustainable and Inclusive Procurement

Importance of Sustainability and Inclusivity in Procurement

Sustainable and inclusive procurement is crucial for achieving long-term economic, social, and environmental goals. It ensures that procurement processes

not only meet immediate needs but also contribute to broader objectives such as environmental protection, social equity, and economic resilience.

- i. **Environmental Impact:** Public procurement has a significant impact on the environment due to the large volume of goods and services purchased. Sustainable procurement practices help to reduce negative environmental impacts by promoting the use of eco-friendly products, reducing waste, and minimizing carbon footprints (OECD, 2021).
- ii. **Social Equity:** Inclusive procurement ensures that marginalized and disadvantaged groups, including women, minorities, and small and medium-sized enterprises (SMEs), have fair access to procurement opportunities. This promotes social inclusion and economic empowerment, contributing to more equitable development (UNEP, 2020).
- iii. **Economic Resilience:** By prioritizing local suppliers and sustainable products, public procurement can support local economies, create jobs, and stimulate innovation. This enhances economic resilience and sustainability (World Bank, 2020).

Policies for Integrating Environmental and Social Criteria

To effectively integrate sustainability and inclusivity into public procurement, governments and organizations can adopt various policies and frameworks:

- i. **Green Procurement Policies:** These policies mandate the consideration of environmental criteria in procurement decisions. This includes specifying standards for energy efficiency, renewable resources, recyclability, and reduced emissions. For example, the European Union's Green Public Procurement (GPP) criteria provide clear guidelines for integrating environmental considerations into procurement processes (European Commission, 2019).
- ii. **Social Procurement Policies:** Social procurement involves incorporating social value criteria into procurement decisions. This can include requirements for fair labour practices, diversity and inclusion, community benefits, and support for SMEs. Countries like Canada and Australia have implemented social procurement frameworks that emphasize the importance of achieving social outcomes through public spending (UNEP, 2020).
- iii. **Sustainable Procurement Guidelines:** Comprehensive guidelines that encompass both environmental and social criteria can help procurement

officials to make informed and balanced decisions. These guidelines often include checklists, evaluation criteria, and case studies to demonstrate best practices. The United Nations' Sustainable Procurement Guidelines offer a robust framework for integrating sustainability into procurement processes (UN, 2018).

- iv. **Certification and Standards:** Adopting international certification standards, such as ISO 20400 (Sustainable Procurement) and Fair-Trade certifications, can help organizations to verify the sustainability and ethical sourcing of products and services. These standards provide a structured approach to assessing and improving sustainability in procurement (ISO, 2020).

Examples of Sustainable and Inclusive Procurement Practices

Example 1: Kenya's Green Procurement Initiatives

Kenya has implemented several green procurement initiatives aimed at promoting environmental sustainability:

- i. **Green Building Standards:** The Kenyan government has adopted green building standards for public construction projects. These standards require the use of eco-friendly materials, energy-efficient designs, and sustainable construction practices. This initiative has led to the development of several green buildings, reducing energy consumption and environmental impact (Government of Kenya, 2020).
- ii. **Eco-Friendly Products:** Public procurement policies in Kenya mandate the purchase of eco-friendly products, such as energy-efficient appliances, recycled paper, and non-toxic cleaning supplies. These policies help to reduce the environmental footprint of government operations and promote the market for sustainable products (World Bank, 2020).

Example 2: South Africa's Preferential Procurement Policy Framework

South Africa's Preferential Procurement Policy Framework Act (PPPFA) is a notable example of inclusive procurement:

- i. **Support for SMEs and Disadvantaged Groups:** The PPPFA includes provisions for giving preferential treatment to small enterprises, black-owned businesses, and other historically disadvantaged groups. This policy aims to redress past inequalities and promote economic inclusion by ensuring that a significant portion of public contracts are awarded to these groups (South African Government, 2021).

- ii. **Local Content Requirements:** The framework also includes local content requirements, which mandate a minimum percentage of locally produced goods and services in public procurement. This supports local industries, creates jobs, and fosters economic development within the country (OECD, 2021).

Example 3: Rwanda's Inclusive Public Procurement

Rwanda has implemented inclusive procurement practices that emphasize gender equality and support for local businesses:

- i. **Gender-Responsive Procurement:** Rwanda's public procurement policies include specific measures to ensure that women-owned businesses have access to procurement opportunities. This includes setting aside a percentage of contracts for women-owned enterprises and providing training and capacity-building support to enhance their competitiveness (Government of Rwanda, 2019).
- ii. **Local Supplier Development:** The Rwandan government actively supports local suppliers through capacity-building programs, simplified bidding processes, and access to finance. This has resulted in increased participation of local businesses in public procurement and enhanced economic resilience (World Bank, 2020).

Financing and Resource Allocation

Issues Related to Financing Public Procurement Projects

Financing public procurement projects poses several challenges, particularly in Africa, where limited resources and competing priorities often constrain governments' ability to fund essential projects:

- i. **Budget Constraints:** Many African governments face budgetary limitations, with a significant portion of their resources allocated to essential services such as healthcare, education, and infrastructure. This restricts the funds available for procurement projects, leading to delays or cancellations (World Bank, 2020).
- ii. **Dependency on External Funding:** African countries often rely on external sources of funding, such as loans, grants, and development assistance, to finance procurement projects. However, reliance on external financing can introduce uncertainties and vulnerabilities, particularly in the face of changing global economic conditions (African Development Bank, 2019).

- iii. **Debt Sustainability Concerns:** Excessive borrowing to finance procurement projects can lead to debt sustainability concerns, especially if projects do not generate sufficient returns or fail to contribute to economic growth. High debt levels can limit governments' fiscal space and hinder their ability to invest in essential services (OECD, 2021).
- iv. **Inadequate Infrastructure:** Limited infrastructure, including roads, electricity, and telecommunications, can impede procurement projects' implementation and increase costs. Poor infrastructure can also deter private investment and hinder economic development (Transparency International, 2021).

Innovative Financing Mechanisms and Partnerships

To address financing challenges in public procurement, innovative mechanisms and partnerships can be explored:

- i. **Public-Private Partnerships (PPPs):** PPPs involve collaboration between the public and private sectors to finance, develop, and operate infrastructure projects. PPPs can provide access to private sector capital, expertise, and technology while transferring some project risks to private partners. However, effective governance and risk allocation are crucial for successful PPP implementation (World Bank, 2020).
- ii. **Blended Finance:** Blended finance combines public and private capital to support projects with both commercial and social objectives. By leveraging public funds to attract private investment, blended finance can bridge financing gaps and mobilize additional resources for procurement projects, particularly those with high development impact (OECD, 2021).
- iii. **Impact Investing:** Impact investors seek to generate social or environmental impact alongside financial returns. Impact investing can provide alternative sources of funding for procurement projects that align with investors' impact objectives, such as sustainable infrastructure, renewable energy, and social housing (UNDP, 2020).
- iv. **Crowdfunding and Community Financing:** Crowdfunding platforms and community financing initiatives can engage citizens and local communities in financing small-scale procurement projects. These platforms enable individuals to contribute funds directly to projects they support, fostering a sense of ownership and participation (African Development Bank, 2019).

Best Practices for Efficient Resource Allocation

Efficient resource allocation is essential for maximizing the impact of public procurement projects and ensuring value for money:

- i. Needs Assessment and Prioritization:** Conducting thorough needs assessments and prioritizing projects based on their potential impact and alignment with strategic objectives are essential steps in efficient resource allocation. This ensures that limited resources are allocated to projects with the highest priority and greatest potential for positive outcomes (OECD, 2021).
- ii. Cost-Benefit Analysis:** Performing cost-benefit analyses helps policymakers evaluate the economic feasibility and potential returns of procurement projects. By weighing project costs against expected benefits, governments can make informed decisions about resource allocation and optimize project selection (World Bank, 2020).
- iii. Performance Monitoring and Evaluation:** Implementing robust monitoring and evaluation mechanisms enables governments to track project performance, identify inefficiencies, and make timely adjustments. Monitoring key performance indicators throughout the project lifecycle helps ensure that resources are allocated effectively and that projects deliver intended outcomes (Transparency International, 2021).
- iv. Risk Management:** Effective risk management strategies are essential for mitigating uncertainties and potential disruptions in procurement projects. Identifying and assessing risks early in the project planning phase allows governments to implement appropriate risk mitigation measures and allocate resources accordingly (UNDP, 2020).

Monitoring and Evaluation

Importance of Monitoring and Evaluation in Procurement

Monitoring and evaluation (M&E) play a critical role in ensuring the effectiveness, efficiency, and transparency of procurement processes. By systematically tracking and assessing procurement activities, M&E helps identify strengths, weaknesses, and areas for improvement:

- i. Performance Accountability:** M&E enables stakeholders to hold procurement agencies accountable for their performance and results. By monitoring key performance indicators (KPIs) and evaluating outcomes, governments can demonstrate transparency and accountability to citizens, taxpayers, and donors (OECD, 2021).

- ii. **Continuous Improvement:** Regular monitoring allows procurement agencies to identify inefficiencies, bottlenecks, and compliance issues early in the procurement cycle. Evaluation findings provide insights into the effectiveness of procurement strategies and inform adjustments to procurement policies and procedures (UNDP, 2020).
- iii. **Risk Management:** M&E helps mitigate risks by identifying potential vulnerabilities and threats in procurement processes. By monitoring risk indicators and implementing appropriate controls, governments can minimize the likelihood of fraud, corruption, and project failures (Transparency International, 2021).
- iv. **Data-Driven Decision Making:** Evidence-based decision making relies on reliable data and analysis. M&E generates valuable data on procurement performance, expenditure, and outcomes, empowering policymakers to make informed decisions about resource allocation, policy formulation, and process improvement (World Bank, 2020).

Tools and Methodologies for Effective Monitoring

Effective monitoring requires the use of appropriate tools, methodologies, and data sources to collect, analyse, and report on procurement activities:

- i. **Key Performance Indicators (KPIs):** KPIs are quantifiable measures used to assess the performance and progress of procurement activities. Common KPIs include procurement cycle time, cost savings, contract compliance, supplier performance, and stakeholder satisfaction. Establishing clear KPIs ensures that monitoring efforts focus on critical areas and objectives (OECD, 2021).
- ii. **Data Management Systems:** Robust data management systems, such as electronic procurement platforms and management information systems (MIS), facilitate data collection, storage, and analysis. These systems automate procurement processes, standardize data collection, and generate real-time reports, improving the accuracy and timeliness of monitoring efforts (UNDP, 2020).
- iii. **Risk Assessment Tools:** Risk assessment tools help identify, prioritize, and mitigate risks in procurement processes. Techniques such as risk mapping, scenario analysis, and control self-assessments enable procurement agencies to proactively manage risks and strengthen internal controls (Transparency International, 2021).

- iv. Stakeholder Engagement:** Engaging stakeholders, including government officials, procurement staff, suppliers, civil society organizations, and beneficiaries, enhances monitoring efforts. Stakeholder consultations, feedback mechanisms, and participatory approaches ensure that monitoring activities are inclusive, transparent, and responsive to stakeholders' needs and perspectives (World Bank, 2020).

Examples of Successful Monitoring and Evaluation Frameworks

Example 1: United Kingdom's Procurement Performance Dashboard

The United Kingdom's Procurement Performance Dashboard is an online platform that provides real-time data and analytics on government procurement activities:

Features: The dashboard aggregates procurement data from various government departments and agencies, including contract awards, spending, supplier performance, and compliance metrics. Users can access interactive visualizations, drill-down reports, and benchmarking tools to monitor procurement performance and identify trends (UK Government, 2021).

Benefits: The dashboard enhances transparency, accountability, and decision-making by providing stakeholders with timely and accessible information on government procurement. It enables government officials to track progress towards strategic procurement objectives, identify areas for improvement, and benchmark performance against industry standards (OECD, 2021).

Example 2: Kenya's Procurement Performance Monitoring System

Kenya's Procurement Performance Monitoring System (PPMS) is a comprehensive framework for monitoring and evaluating public procurement activities:

Components: PPMS encompasses data collection mechanisms, performance indicators, reporting templates, and evaluation criteria. It integrates with the government's e-procurement system to capture procurement transactions and generate performance reports. The system also includes capacity-building initiatives to enhance stakeholders' M&E skills (Government of Kenya, 2020).

Outcomes: PPMS has improved transparency, accountability, and efficiency in Kenya's public procurement sector. By providing stakeholders with access to reliable data and analysis, the system has facilitated evidence-based decision-making, reduced procurement delays, and enhanced public trust in government procurement processes (UNDP, 2020).

Future Directions and Recommendations

Summary of Key Insights and Lessons Learned

In reviewing the landscape of public procurement in Africa, several key insights and lessons have emerged:

- i. Role in Economic Development:** Public procurement plays a vital role in driving economic development by stimulating investment, supporting local industries, and fostering innovation and competitiveness.
- ii. Challenges and Opportunities:** While public procurement offers significant opportunities for growth, it also faces challenges such as corruption, inefficiency, and inadequate infrastructure. Addressing these challenges requires comprehensive reforms and innovative solutions.
- iii. Importance of Transparency and Accountability:** Transparency and accountability are essential for building trust, reducing corruption, and ensuring the integrity of procurement processes. Leveraging technology and strengthening institutional frameworks can enhance transparency and accountability.
- iv. Need for Capacity Building:** Investing in capacity building and professional development is critical for improving procurement practices and ensuring that procurement officials have the skills and knowledge needed to navigate complex procurement processes effectively.
- v. Integration of Sustainability and Inclusivity:** Sustainable and inclusive procurement practices are essential for promoting environmental sustainability, social equity, and economic resilience. Integrating environmental and social criteria into procurement policies and practices can drive positive social and environmental outcomes.
- vi. Innovative Financing Mechanisms:** Exploring innovative financing mechanisms, such as public-private partnerships (PPPs), blended finance, and impact investing, can help address funding gaps and mobilize resources for procurement projects with high developmental impact.

Recommendations for Policymakers, Practitioners, and Stakeholders

Based on these insights, the following recommendations are proposed

- i. Strengthen Legal and Institutional Frameworks:** Policymakers should strengthen legal and institutional frameworks governing public procurement to enhance transparency, accountability, and efficiency. This includes enacting and enforcing anti-corruption laws, establishing independent oversight bodies, and implementing procurement reforms aligned with international best practices.
- ii. Promote Technology Adoption:** Governments should prioritize the adoption of digital technologies, such as e-procurement systems, blockchain, and artificial intelligence, to streamline procurement processes, reduce paperwork, and enhance transparency. Investing in digital infrastructure and capacity building is essential to ensure the successful implementation of technology-driven solutions.
- iii. Enhance Capacity Building:** Practitioners and stakeholders should invest in continuous training and professional development to build the capacity of procurement officials and other relevant stakeholders. This includes providing training on procurement regulations, ethical standards, risk management, and emerging trends in procurement practices.
- iv. Foster Collaboration and Knowledge Sharing:** Collaboration among governments, international organizations, civil society, and the private sector is essential for sharing best practices, lessons learned, and innovative solutions. Establishing platforms for knowledge sharing, peer learning, and regional collaboration can facilitate exchange of information and expertise.
- v. Promote Sustainable and Inclusive Procurement:** Policymakers should integrate sustainability and inclusivity considerations into procurement policies and practices. This includes setting clear sustainability criteria, promoting green procurement practices, supporting local businesses and SMEs, and fostering diversity and inclusion in procurement processes.
- vi. Explore Innovative Financing Models:** Governments should explore innovative financing models, such as public-private partnerships, impact investing, and crowdfunding, to mobilize resources for procurement projects. Engaging with development partners, multilateral organizations, and private investors can help unlock new sources of funding and support sustainable development goals.

Vision for the Future of Public Procurement in Africa

Looking ahead, the vision for public procurement in Africa is one of transparency, efficiency, and sustainability. It is a future where:

- i. Procurement processes are transparent, accountable, and free from corruption, fostering trust and confidence in government institutions.
- ii. Digital technologies are seamlessly integrated into procurement processes, driving efficiency, reducing costs, and improving service delivery.
- iii. Procurement practices prioritize sustainability, social inclusion, and economic empowerment, contributing to environmental protection, poverty reduction, and inclusive growth.
- iv. Collaboration and knowledge sharing among stakeholders are commonplace, enabling continuous learning, innovation, and improvement in procurement practices.
- v. Innovative financing mechanisms and partnerships unlock new opportunities for investment in critical infrastructure, social services, and economic development, driving progress towards sustainable development goals.

Conclusion

In conclusion, this chapter has explored the critical role of public procurement in driving economic growth in Africa and the opportunities and challenges it presents. Here's a recap of the main points discussed:

- i. **Role of Public Procurement:** Public procurement serves as a catalyst for economic development by stimulating investment, supporting local industries, and fostering innovation and competitiveness.
- ii. **Challenges and Opportunities:** While public procurement offers significant opportunities for growth, it also faces challenges such as corruption, inefficiency, and inadequate infrastructure. Addressing these challenges requires comprehensive reforms and innovative solutions.
- iii. **Key Strategies for Optimization:** Strategies for optimizing public procurement include enhancing transparency and accountability, leveraging technology and innovation, promoting sustainability and inclusivity, and exploring innovative financing mechanisms.
- iv. **Importance of Monitoring and Evaluation:** Monitoring and evaluation are essential for ensuring the effectiveness, efficiency, and integrity of procurement processes. By systematically tracking and assessing

procurement activities, governments can identify strengths, weaknesses, and areas for improvement. Looking forward, optimized public procurement has the potential to drive sustainable economic growth in Africa by:

- v. **Stimulating Investment and Innovation:** By prioritizing local content, supporting SMEs, and fostering innovation, optimized public procurement can stimulate investment, create jobs, and enhance competitiveness.
- vi. **Promoting Sustainable Development:** Integrating sustainability and inclusivity considerations into procurement practices can promote environmental protection, social equity, and economic resilience.
- vii. **Building Trust and Confidence:** Transparent, accountable, and efficient procurement processes build trust and confidence in government institutions, attracting investment and fostering economic growth.
- viii. **Unlocking Potential through Collaboration:** Collaboration among governments, international organizations, civil society, and the private sector can unlock new opportunities for investment, knowledge sharing, and capacity building, driving progress towards sustainable development goals.

In conclusion, optimized public procurement has the power to transform economies, improve livelihoods, and create lasting positive impact in Africa. By embracing best practices, leveraging technology, and fostering collaboration, African countries can harness the full potential of public procurement to drive inclusive and sustainable economic growth for generations to come.

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