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Africa's Development Analysis in 50 Years: Issues, Challenges & Opportunities

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DEDICATION

Dedicated to Associates and Members of the International Institute for Policy Review and Development Strategies

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The Editorial Team Members and Contributors are acknowledged for their valuable contribution in this volume.

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Introduction: Africa's Development Analysis in 50 Years: Issues, Challenges & Opportunities

As Africa stands at the threshold of unprecedented transformation, the need for comprehensive analysis of the continent's developmental trajectory has never been more critical. This book, "Africa's Development Analysis in 50 Years: Issues, Challenges & Opportunities," emerges as a timely contribution to the scholarly discourse on African development, offering multidisciplinary insights into the complex dynamics that have shaped and continue to influence the continent's progress.

This book stems from a recognition that Africa's development story cannot be told through a single lens or confined to narrow disciplinary boundaries. Over the past five decades, the continent has witnessed remarkable transformations across multiple sectors—from the discovery and exploitation of vast natural resources to the emergence of vibrant democratic institutions, from technological leapfrogging to the rise of indigenous entrepreneurship. Yet, these advances have been accompanied by persistent challenges that demand nuanced understanding and innovative solutions.

This book brings together contributions from leading scholars, researchers, and practitioners across diverse fields, reflecting the interdisciplinary nature of development studies. The chapters span critical sectors including health, education, governance and emerging areas such as science and technology, innovation and entrepreneurship, and communication and information technology. Each contribution offers evidence-based analysis drawing from both qualitative and quantitative research methodologies, ensuring a robust foundation for understanding Africa's developmental complexities.

We extend our gratitude to all contributing authors who have shared their expertise and insights, making this comprehensive analysis possible. Their dedication to advancing knowledge about African development is reflected in the quality and depth of scholarship presented in this volume.

Bassey E. Anam
Nathaniel C. Ozigbo
Yusufu A. Zoaka

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Executive Summary

Africa's Development Analysis in 50 Years: Issues, Challenges & Opportunities

Bassey E. A., Nathaniel O. & Yusufu Z.

This comprehensive research book examines Africa's developmental trajectory over the past five decades, providing critical analysis of the continent's progress, persistent challenges, and emerging opportunities across multiple sectors. Drawing from extensive qualitative and quantitative research, this volume offers evidence-based insights into the complex dynamics shaping Africa's future.

Current Economic Landscape

Africa's economic performance in 2024-2025 reflects both resilience and vulnerability. Growth in Sub-Saharan Africa is projected to accelerate from a low of 2.6% in 2023 to 3.4 % in 2024, with further modest improvement expected. Growth is projected to edge up from 3.3% in 2024 to 3.5% in 2025, showing some resilience, despite uncertainty in the global economy and restricted fiscal space. However, recovery remains fragile due to uncertain global economic conditions, growing debt service payments, frequent climate-related disasters, and escalating conflict and violence.

The International Monetary Fund projects Sub-Saharan Africa's economic growth is projected to remain subdued at 3.6 percent in 2024, unchanged from 2023, with a modest pickup to 4.2 percent expected in 2025. Inflation has shown improvement, with the median inflation rate declined from 7.1% in 2023 to 4.5% in 2024.

Poverty and Development Challenges

Despite economic growth, poverty remains a critical challenge. In 2024, Sub-Saharan Africa accounted for 16 percent of the world's population, but 67 percent of the people living in extreme poverty. The effectiveness of growth in reducing poverty is limited, as "Per capita GDP growth of 1 percent is associated with a reduction in the extreme poverty rate of only about 1 percent in the region, compared to 2.5 percent on average in the rest of the world," said Andrew Dabalen, World Bank Chief Economist for Africa.

The continent faces interconnected crises, including geopolitical conflicts, the pandemic and commodity price shocks, have disrupted supply chains, raised trade costs and hampered investment, aggravating Africa's structural weaknesses and vulnerabilities.

Demographic Dividend and Urbanization

Africa's demographic profile presents both opportunities and challenges. The median age in Africa is 19.3 years, representing a significant youth dividend. Currently, 45% of the population of Africa is urban (698,148,943 people in 2025), reflecting rapid urbanization trends that are transforming at an unprecedented pace.

This demographic transformation positions Africa uniquely for leveraging technology, as Of Africa's exponentially growing population 70% would be below 25 years old. Exactly the demographic that most embraces advanced mobile technologies and is using the mobile web platform to build solutions to the many problems they are faced with.

Technological Advancement and Digital Connectivity
The mobile technology sector represents one of Africa's most promising development vectors. In 2024, smartphones account for about 50% of mobile phone sales, reflecting significant technological adoption. However, challenges remain in digital inclusion, as around 60% of the population does not use mobile internet despite living in an area with coverage and Smartphone affordability is a key barrier to using mobile internet in the region.

Looking forward, Over the next five years, 4G adoption in the region will more than double to 45%. 5G momentum is also growing, although the initial focus for 5G deployment is on urban areas and industrial locations, with In 2030, 5G is expected to contribute $11 billion to the regional economy.

Sectoral Analysis Framework
This book employs a multidisciplinary approach examining development across 20+ critical sectors:

Foundational Sectors:

i. Health systems and outcomes
ii. Education and human capital development
iii. Governance and institutional frameworks
iv. Infrastructure and industrialization

Economic Drivers:

i. Agriculture and food security
ii. Mining and natural resources
iii. Oil and gas sector development
iv. Investment and banking systems
v. SMEs and consumer goods markets

Social Development:

i. Gender equality and women's empowerment
ii. Sports and youth development
iii. Culture, tourism and hospitality
iv. Rural development initiatives

Strategic Sectors:

i. Science and technology advancement
ii. Innovation and entrepreneurship ecosystems
iii. Communication and information technology
iv. Transportation networks
v. Environmental sustainability
vi. Power generation and distribution

Governance and Security:

i. Public service delivery
ii. Security challenges and solutions
iii. Foreign policy and international aid

Key Findings and Implications

The research reveals several critical insights:

i. Growth-Poverty Disconnect: Economic growth has not translated proportionally into poverty reduction, requiring more inclusive development strategies.
ii. Structural Vulnerabilities: The continent faces interconnected challenges spanning political stability, economic resilience, demographic pressures, and environmental sustainability.
iii. Technological Leapfrogging: Mobile technology adoption offers pathways for accelerated development, particularly among Africa's youthful population.
iv. Urbanization Pressures: Rapid urban growth presents both opportunities for economic transformation and challenges for infrastructure development
v. Resource Paradox: Despite abundant natural resources, many African countries struggle with sustainable resource management and equitable benefit distribution.

Future Opportunities

The analysis identifies several transformative opportunities:

i. Harnessing the demographic dividend through education and skills development
ii. Leveraging technological innovation for service delivery and economic inclusion
iii. Strengthening regional integration and intra-African trade
iv. Developing sustainable financing mechanisms for infrastructure development
v. Building climate-resilient development strategies

Methodology and Scope

This research book incorporates both qualitative and quantitative methodologies, drawing from primary research, policy analysis, and comparative studies across African countries. Contributors represent leading academic institutions across the African continent, ensuring diverse geographical and disciplinary perspectives. The analysis covers the period from 1975-2025, providing historical context while projecting future trends and scenarios for sustainable development pathways.

Conclusion

Africa's development story over the past 50 years reflects remarkable progress alongside persistent challenges. As the continent stands at a critical juncture, the insights presented in this volume provide essential guidance for policymakers, development practitioners, and researchers working to unlock Africa's full potential. The path forward requires coordinated action across sectors, innovative approaches to longstanding challenges, and strategic leveraging of emerging opportunities in technology, demographics, and regional integration.

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African Development Bank: New Report Highlights Africa's Strengthening Economic Growth Amid Global Challenges

Tolu Ogunlesi
Communication and External Relations
African Development Bank

First Published, African Development Bank, 2025
https://www.afdb.org/en/news-and-events/press-releases/african-development-bank-new-report-highlights-africas-strengthening-economic-growth-amid-global-challenges-80967

Introduction

Africa's economic performance is showing signs of improvement but remains vulnerable to global shocks, according to the 2025 Macroeconomic Performance and Outlook (MEO) report released by the African Development Bank on Friday. The report, unveiled on the sidelines of the 38th Ordinary Session of the African Union Assembly in Addis Ababa, projects real GDP growth to accelerate to 4.1 percent in 2025 and 4.4 percent in 2026. The forecast is attributed to economic reforms, declining inflation, and improved fiscal and debt positions.

Despite the positive trajectory, the report highlights that Africa's growth remains below the 7 percent threshold required for substantial poverty reduction. The continent also continues to grapple with geopolitical tensions, structural weaknesses, climate-related disasters, and prolonged conflicts in regions such as the Sahel and the Horn of Africa. It estimated Africa's average real GDP growth to be 3.2 percent in 2024, slightly higher than the 3.0 percent recorded in 2023.

The report notes that while inflationary pressures persist, Africa's average inflation rate is expected to decline from 18.6 percent in 2024 to 12.6 percent in 2025-2026 due to tighter monetary policies. Fiscal deficits have widened slightly from 4.4 percent of GDP in 2023 to 4.6 percent in 2024 but are projected to narrow to 4.1 percent by 2025-2026. Public debt levels have stabilized but remain above pre-pandemic levels, with nine countries in debt distress and eleven at high risk of distress. The MEO, published by the Bank biannually in the first and fourth quarters, responds to a critical need for timely economic data amid global uncertainty. It serves policymakers, development partners, global investors, researchers, and other stakeholders.

The 2025 report identifies 24 African nations, including Djibouti, Niger, Rwanda, Senegal, and South Sudan, as poised to exceed 5 percent GDP growth in 2025. Additionally, Africa remains the world's second-fastest-growing region after Asia, with 12 of the 20 fastest-growing economies projected to be on the continent.

Ethiopia's Finance Minister, Ato Ahmed Shide, praised the report's depth of analysis. “It underscores the fragility of Africa's economic growth, which is projected to hover around 4 percent in the near term,” he said, emphasizing the need for proactive policy measures to sustain growth and stability.

He said Ethiopia has taken bold steps to restore macroeconomic stability, build resilience, and accelerate growth, with the government prioritizing economic liberalization, private sector empowerment, and fiscal discipline.

Strengthening Africa's Resilience
In her remarks at the report's launch, Nnenna Nwabufo, Vice President for Regional Development, Integration, and Business Delivery at the African Development Bank, highlighted the continent's potential for driving global economic expansion but said achieving this requires decisive and well-coordinated policies.

"As Africa navigates an increasingly complex economic landscape, policymakers must adopt a forward-looking approach to reinforce resilience and drive sustainable growth. Africa's economic resilience and growth prospects remain strong, but challenges persist," said Nwabufo, who represented the Bank Group's President, Dr. Akinwumi Adesina.

Presenting the report, Prof. Kevin Urama, the Bank Group's Chief Economist and Vice President for Economic Governance & Knowledge Management, underscored the need for stronger coordination between monetary and fiscal policies to manage inflation while fostering economic expansion. He urged countries to strengthen foreign reserves to shield economies from external shocks and currency depreciations, alongside pre-emptive debt restructuring to prevent defaults and enhance financial stability.

Medium to long-term strategies should include increasing investments in integrated infrastructure to drive economic transformation and diversification. Governments must work to enhance the business environment through regulatory reforms and long-term strategies to attract private investment, Urama said. The 2025 MEO report outlines key policy recommendations, including implementing pre-emptive debt restructuring to enhance financial stability, investing in integrated infrastructure to support economic diversification and improving the business environment through regulatory reforms and investment strategies.

Path Forward
Panel discussions following the report's launch underscored the importance of fully implementing continental development initiatives such as the African Continental Free Trade Area agreement. Discussions also focused on accelerating new initiatives like the proposed Africa Credit Rating Agency and the African Financial Stability Mechanism.

The panel, moderated by Dr Victor Oladokun, Senior Advisor (Communications and Stakeholder Engagement) to the Bank Group President, included contributions from the African Risk Capacity Group, represented by its chair, Dr. Mothae Maruping. Gambian Finance Minister Seedy Keita highlighted the African Development Bank's support in implementing the country's fiscal reforms and domestic revenue mobilization. African Union Trade Commissioner Albert Muchanga called on the private sector to do more to support the African Continental Free Trade Area, including through increased investments in logistics and manufacturing. "What I would expect [African businesses] to do is come up with logistics centers and warehouses across Africa; I would also expect the African private sector to start planning to develop an African shipping line. We are sitting on potential; the business sector has not responded," Muchanga said.

Africa's Development Dynamics 2023 Investing in Sustainable Development

Organization for Economic Co-operation and Development,
Africa's Development Dynamics Report, 2023.

Adpated from ' Africas Development Dynamics", 2023,
https://www.oecd.org/en/publications/2023/07/africa-s-development-dynamics-2023_867685ba.html

Introduction

Africa's Development Dynamics uses lessons from Central, East, North, Southern and West Africa to develop policy recommendations and share good practices across the continent. Drawing on the most recent statistics, the analysis of development dynamics aims to assist African leaders in reaching the targets of the African Union's Agenda 2063 at all levels: continental, regional, national and local. This edition explores how Africa can attract investments that offer the best balance between economic, social and environmental objectives.

Its fresh data and analysis aim to help policy makers improve risk assessments, strengthen African-led partnerships, and accelerate regional integration in ways that increase sustainable investments. Two continental chapters examine Africa's investment landscape and related policy priorities. Five regional chapters offer tailored recommendations in strategic areas including natural ecosystems, renewable energy, climate finance and agri-food value chains.

Africa's Development Dynamics feeds into a policy debate between the African Union's governments, citizens, entrepreneurs and researchers. It proposes a new collaboration between countries and regions, focusing on mutual learning and the preservation of common goods. This report results from a partnership between the African Union Commission and the OECD Development Centre.

Africa's Development Dynamics 2023

Africa's Sustainable Financing Gap Until 2030 is About USD 1.6 Trillion.

According to this report's estimates, the continent needs additional financing of about USD 194 billion annually to achieve the Sustainable Development Goals by 2030. This annual sustainable financing gap is equivalent to 7% of Africa's gross domestic product (GDP) and 34% of its investments in 2021. The annual gap equals less than 0.2% of the global and 10.5% of the African-held stock of financial assets.

African Economies Hold Unique Assets to Close the Continent's Sustainable Financing Gap.

Real GDP growth is estimated to return to the levels before COVID-19, at 3.7% in 2023, the second highest rate in the world after developing Asia (5%) and before Latin America and the Caribbean (1.6%). The growth is estimated at 4.9% in East Africa, 4.3% in Central Africa, 4% in North Africa, 3.8% in West Africa and 1.4% in Southern Africa. The proportion of African youth completing an upper-secondary or tertiary education could reach 34% by 2040, up from 23% in 2020 and 18% in 2010. Africa has the world's youngest population, with a median age of 19 years, compared to 30 for Latin America and the Caribbean, 31 for developing Asia and 42 for Europe.

Natural Resources Represent Key Assets for African Economies.
Natural capital accounts for 19% of Africa's total wealth compared to 7% for Latin America and the Caribbean and 3% for developing Asia. From 2011 to 2020, African forests increased the global carbon stock by 11.6 million kilotons of CO2-equivalent net emissions, while carbon stocks in forests outside Africa declined by 13 million kilotons.

Africa's Domestic Financial Resources Hold a Large Potential for Sustainable Development.
Domestic government revenues amounted to USD 466 billion in 2021, equivalent to 17% of GDP, and assets held by African institutional investors amounted to USD 1.8 trillion in 2020, equivalent to 73% of GDP. During the COVID-19 pandemic in 2020-21, intra-Africa foreign direct investment was three times more resilient than foreign direct investment from outside the continent, boosting growth in renewable energies and in information and communications technology.

Global Crises Are Affecting Investment in Africa More Than in Other Regions.
The average inflation rate for the continent is projected to reach 15.5% in 2023 – the highest level in 27 years – with peaks above 15% in 11 African countries. As of February 2023, 8 African countries were in debt distress (out of 9 globally), and 13 were at a high risk of debt distress (out of 27 globally). Africa's share of global greenfield foreign direct investment has been on a downward trend in recent years, dropping to 6% in 2020-21 (the lowest share in 17 years), while high-income countries in other parts of the world have recorded their highest share ever (61%), compared to 17% for developing Asia and 10% for Latin America and the Caribbean.

The Cost of Capital in Africa Has Risen Above the Levels in Other World Regions, Pricing Some African Governments Out of Bond Markets While Thwarting Investments in Transformational Sectors Such as Renewable Energy.
The spread on an average African Eurobond (a measure for the potential cost of sovereign borrowing) reached a 15-year high of about 10 percentage points in September 2022, eclipsing previous peaks. In 2021, the average cost of capital for energy projects was about seven times higher in Africa than in Europe and North America. While experienced investors attain higher average returns in Africa than in other world regions, the lack of reliable information and data is an important barrier to new investments.

To Increase Resilience to External Shocks and Improve Investor Confidence, African Policy Makers Can Work with International Partners and African Civil Society to Mobilise Investments Towards Agenda 2063 and Sustainable Development.
The international community must follow through on commitments on debt restructuring and climate finance. African governments, development partners, the private sector and civil society must work closer together to improve Africa's investment landscape. This report proposes three key policy priorities to accelerate sustainable investments on the continent

More And Better Data Will Reduce Transaction Costs, Improve Sustainability Assessments and Increase Investor Confidence.

In 2021, less than a third of African countries (30%) had a fully funded statistical plan, compared to almost half the countries in Latin America and the Caribbean (44%) and in developing Asia (47%). Improved macroeconomic data may help align risk perception with real risks. Partnerships with business associations or academic institutions can allow government agencies to share industry data that inform investors' risk assessments at lower cost. African governments can also facilitate sustainability assessments through disclosure requirements and the provision of training and incentives to smaller firms with limited capacity.

Strengthening the Capacity of Africa's Large Development Finance Network Will Improve the Allocation of Sustainable Finance.

The 102 African development finance institutions (DFIs) can act as intermediaries between international finance and local projects, in line with national development agendas. The international community can channel more resources to well-managed DFIs and deliver on existing obligations, for instance, by increasing the allocation of climate adaptation finance. African governments and DFIs can also scale up the use of innovative de-risking and financing tools, including green, social, sustainability, and sustainability-linked bonds or local currency financing solutions emerging in many countries. Developing and interconnecting capital markets and stock exchanges will contribute to the growth of African firms.

Regional Integration Policies Will Improve and Harmonise Africa's Investment Landscape.

Cross-border initiatives such as development corridors and digital infrastructures can reduce trade frictions and market fragmentation. At the same time, small and medium-sized enterprises need targeted support to seize investment opportunities along regional value chains. The African Continental Free Trade Area (AfCFTA) Investment Protocol aims to harmonise the African investment policy landscape but requires effective monitoring mechanisms and public-private alliances.

Policy recommendations to accelerate sustainable investments in African regions

Region	Case study	Policy recommendations
Southern Africa	Renewable energies	• Harmonise regulatory frameworks and accelerate regional initiatives on renewable energy infrastructures • Enhance publieprivate alliances and development finance based on national energy priorities • Adopt targetedpolicy solutions to scale up off grid renewable energy projects in rural areas
Central Africa	Natural ecosystems	• Improve natural capital accounting to better inform investors and stakeholders • Establish institutional frameworks for the monetisation of natural ecosystems • Ensure local ownership when developing innovative financing mechanisms

East Africa	Renewable energies	Enhance regulatory frameworks and energy utilities' capacity to improve investor confidence • Strengthen local financial institutions to catalyse resources for renewable energy projects • Support the growth of innovative enterprises through regional integration policies like the AfCFTA
North Africa	Climate finance	Improve assessment of financing needs based on national and multi- sectorial priorities • Adopt and implement inclusive regulatory frameworks on sustainable finance • Encourage the development of sustainable finance markets (nationally and regionally)
West Africa	Agri-food value chains	Increase smallholder farmers' access to financial products focused on productivity and sustainability • Strengthen regional agricultural policies and place based programmes like agro-industrial parks • Support food security and agricultural practices through agro-poles, incubators and technical partnerships

Chapter 1

SECTOR-BY-SECTOR REFLECTION ON AFRICA'S DEVELOPMENT OVER THE LAST 50 YEARS

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Abstract

Over the past half-century (c. 1975–2025), Africa has recorded notable gains in human development (life expectancy, schooling), infrastructure (electrification, connectivity), and macroeconomic integration (trade, FDI). Yet growth volatility, conflict, inequality, and climate shocks continue to slow poverty reduction and structural transformation. Using recent international datasets, this article reviews long-run progress and current performance across human development, economic growth and structural change, energy and infrastructure, trade and investment, governance, and poverty dynamics. It presents selected cross-country tables and synthesizes key challenges and policy priorities for accelerating inclusive, sustainable development.

Keywords: *Growth, Africa Development, Labour & Industrialization.*

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Introduction

Over the past half-century, Africa's socio-economic landscape has undergone profound transformation, shaped by a complex interplay of demographics, institutional evolution, global integration, and resource dynamics. In the mid-1970s, many African economies struggled with stagnation, high dependence on raw commodity exports, and fragile state institutions. Since then, however, the continent has charted a meaningful development trajectory—albeit one marked by considerable regional and national variation. Africa's population growth has been explosive; from approximately 1.3 billion today, the continent is projected to nearly double by 2050—accounting for about 26 percent of the global population—and potentially exceed 4billion by 2100 (United Nations, 2025). These demographic dynamics bring both opportunity and urgency: by 2050, an additional 740 million working-age individuals will enter the labour force, yet only about 3 million formal wage jobs are created each year, leaving a significant gap between labour supply and demand (World Bank, 2025a).

Life expectancy in Africa has steadily improved over the decades. In 2025, the continental average is estimated at 64.6 years, up from around 62 in the early 2020s (Macrotrends, 2025a). Sub-Saharan Africa has mirrored this trend, rising to approximately 62.7 years in 2025 (Macrotrends, 2025b). These gains reflect better disease control, expanded immunisation, and improved access to healthcare, although reversals occurred during the HIV/AIDS crisis in the 1990s–2000s and during the COVID-19 pandemic. Alongside health improvements, education enrolment rates have risen, with some countries achieving near-universal primary enrolment, yet disparities in quality and completion rates persist.

Economic growth patterns have shifted through distinct phases: the turbulence of the 1980s and 1990s gave way to a rebound in the early 2000s, driven by policy reforms, commodity price booms, and increased foreign investment. During this period, Africa's real GDP growth averaged about 5.2 percent annually—more than double the pace of the preceding decades (Kiel Institute, 2025). More recently, growth has moderated but remains resilient. Sub-Saharan Africa is projected to grow at 3.5 percent in 2025, accelerating to 4.3 percent in 2026–27 (World Bank, 2025b). The African Development Bank offers a similar forecast, projecting growth from 3.3 percent in 2024 to 3.9 percent in 2025 and 4.0 percent in 2026, supported by improved macroeconomic stability, demographic momentum, and infrastructure investments (AfDB, 2025).

Institutional reforms and regional integration have been central to Africa's recent development narrative. Initiatives such as the African Continental Free Trade Area (AfCFTA), operational since 2021, aim to boost intra-African trade, reduce commodity dependence, and drive industrialisation (UNECA, 2025). Nonetheless, major challenges persist. Extreme poverty still affects around 464 million people as of 2024, with Sub-Saharan Africa accounting for two-thirds of the world's extreme poor (World Bank, 2025a). Per-capita income remains about 2 percent below its 2015 peak, reflecting population growth outpacing GDP expansion (World Bank, 2025b). High debt burdens, inflationary pressures, unemployment, governance weaknesses, and climate change impacts continue to constrain progress (Le Monde, 2024; AfDB, 2025).

In sum, Africa's development over the last 50 years is a story of gradual but steady gains in health, education, infrastructure, and economic integration, counterbalanced by structural and institutional challenges. As the continent stands in mid-2025 at the nexus of demographic promise and economic uncertainty, the coming decades will require targeted policies to convert potential into broad-based and sustainable prosperity.

Objectives

i. Assess long-run trends in human development and welfare.
ii. Analyse economic growth, structural change, and productivity.
iii. Examine infrastructure and energy access progress.
iv. Review trade and investment integration (FDI, AfCFTA context).
v. Consider governance and institutional quality.
vi. Synthesize persistent challenges and propose policy options and recommendations.

Thematic Literature

i. Human Development and Welfare

UNDP's 2025 Statistical Annex (reporting 2023 HDI) shows continued improvement across many African countries, with Mauritius and Seychelles leading in the continent, while large economies such as Egypt, South Africa and Morocco sit in the “high” to “medium” categories, and several low-income and conflict-affected states remain in the “low” tier. The long-run rise in life expectancy and education years underpins these gains, though reversals occurred during the HIV/AIDS crisis (1990s–2000s) and COVID-19. (UNDP, 2025).

ii. Growth, Structural Change, and Productivity

The World Bank's Africa regional updates show growth recovering from 2.6% in 2023 to c. 3.3%–3.5% in 2024–2025, but with per-capita gains constrained by population growth, weak productivity, and high debt service. Manufacturing's share remains modest in many economies; services have expanded, often with limited productivity spillovers. (World Bank, 2025).

iii. Infrastructure and Energy

Electrification has accelerated, yet around half a billion people in Sub-Saharan Africa still lack reliable access. Star performers include North African countries (near-universal access) and fast improvers such as Kenya and Ethiopia via grid expansion, interconnectors, and off-grid solutions; South Africa's access is high but reliability challenges persist. (AP, 2023; World Bank country data; Trading Economics compilations).

iv. Trade and Investment (AfCFTA era)

UNCTAD's World Investment Report 2025 shows Africa's FDI inflows hit a record $97 billion in 2024 (+75% y/y), with a large project in Egypt and broad gains across sub-regions—an encouraging signal for integration and industrialization ambitions under the AfCFTA. (UNCTAD, 2025).

v. Governance and Institutions

The Ibrahim Index (IIAG) documents long-term improvements in human development and participation in some countries, but security and rule-of-law indicators have deteriorated in others, underscoring the uneven institutional landscape that conditions development outcomes. (Mo Ibrahim Foundation, 2023).

vi. Poverty Dynamics

The World Bank's latest global poverty work highlights that two-thirds of the world's extreme poor now live in Sub-Saharan Africa, reflecting demographic growth, conflict, climate vulnerability, and modest per-capita income gains since 2015. While poverty rates have fallen slowly, the absolute number of poor has risen. (World Bank, 2024; World Bank Data Blog).

Discussion of Issues (Cross-Sector Synthesis)

i. Human development: HDI and life expectancy trends point to steady but heterogeneous progress. Countries with persistent conflict or fragility lag sharply behind continental leaders, indicating the salience of peace and institutional capacity for welfare gains. (UNDP, 2025).

ii. **Growth & transformation:** Despite episodes of high growth (2000s commodity super-cycle; post-COVID rebounds), per-capita growth has been insufficient to drive rapid poverty reduction region-wide. Diversification into higher-productivity tradables remains incomplete. (World Bank, 2025).

iii. **Energy access:** Electrification success in North Africa and rapid gains in East Africa (notably Kenya's geothermal leadership; Ethiopia–Kenya HVDC interconnection) illustrate scalable pathways combining grid, regional power trade, and off-grid solar. Reliability and affordability are as critical as access rates. (Guardian, 2024; Wikipedia HVDC summary drawing on AfDB docs; AP, 2023).

iv. **Trade & investment:** Record FDI in 2024 offers momentum for value-chain integration, especially in energy, construction, and digital infrastructure, but inflows remain concentrated and sensitive to risk. Domestic reforms (investment facilitation, logistics, skills) are essential to leverage AfCFTA. (UNCTAD, 2025).

v. **Poverty & inequality:** With 67% of the global extreme poor in Sub-Saharan Africa and food insecurity episodes rising, "growth with jobs" is imperative. Social protection coverage, climate-resilient agriculture, and human capital investments must scale. (World Bank, 2024).

Table 1. Human Development Index (HDI), 2023 (selected African countries)

Country	HDI (2023)	UNDP Rank (2023)
Mauritius	0.806	73
Egypt	0.754	97
Tunisia	0.746	104
South Africa	0.741	108
Morocco	0.710	120
Ghana	0.628	143
Kenya	0.628	143
Ethiopia	0.497	180

Source: UNDP, Human Development Report 2023/24 Statistical Annex (released 2025). Values and ranks shown in the UNDP tables.

Table 2. Access to electricity (% of population), latest available (c. 2023)

Country	Access to electricity (%)	Year
Egypt	~100	2021–2023
Morocco	~100	2021–2023
Nigeria	61.2	2023
Ethiopia	55.4	2023

Notes: Egypt and Morocco have reached (or are effectively at) universal access per World Bank country data; Nigeria and Ethiopia figures are 2023 values compiled by Trading Economics from World Bank series (EG.ELC.ACCS.ZS).

Table 3. Foreign Direct Investment (FDI) into Africa

Indicator (Africa)	2023	2024
FDI inflows (US$ bn)	~55	97
Change (y/y)	—	+75%
Share of global FDI	4%	6%

Source: UNCTAD, World Investment Report 2025 and press releases (June 2025).

Key Challenges to Africa's Development (1975–2025)
Over five decades, Africa's growth narrative has oscillated between commodity booms, macroeconomic reforms, and structural headwinds. Recent scholarship and flagship reports converge on a core set of persistent—often interlinked—constraints: low structural transformation and productivity; fragility and governance deficits; human-capital gaps in health and education; infrastructure and energy bottlenecks; macro-financial vulnerabilities; climate shocks; weak trade logistics and industrial depth; a widening digital divide; and demographic–urban pressures. Below is a brief, issue-by-issue synthesis.

Structural Transformation, Productivity, And Jobs
Despite pockets of diversification, most economies remain commodity-dependent, with limited movement of labor and capital into higher-productivity manufacturing and tradable services. Africa's long-run productivity growth has been volatile and insufficient to absorb a rapidly growing labor force, leaving high underemployment and informality. Recent growth recoveries (post-pandemic) remain below what's needed for poverty reduction at scale. (World Bank, 2025; IMF, 2025).

Fragility, Conflict, And Governance
Conflict incidence and political violence have expanded in several regions (Sahel, Horn, Great Lakes), disrupting markets, deterring investment, and displacing populations. Governance measures show mixed progress; security and rule-of-law scores have deteriorated in a number of countries, undermining service delivery and private-sector confidence. (ACLED/analytical summaries; Mo Ibrahim Foundation, IIAG 2023; World Bank FCV analyses).

Human Capital: Health Burdens and Education Learning Crisis

Health: The WHO African Region still shoulders the overwhelming burden of malaria—94–95% of global cases and deaths in 2023—constraining productivity and straining health budgets, even as new tools (vaccines, vector control) expand. (WHO, 2024; CDC, 2024; Lancet Microbe, 2025).

Education

Foundational learning deficits remain severe; recent UNESCO analyses spotlight misalignment across curriculum, textbooks, and teacher support, which depresses numeracy and literacy gains and perpetuates "learning poverty." (UNESCO GEM Spotlight, 2024).

Infrastructure and Energy Access Gaps Electricity

Despite 35 million new connections in 2023, 565 million people in Sub-Saharan Africa still lacked electricity—population growth offset much of the progress—leaving firms and households reliant on costly, unreliable power. (World Bank/Tracking SDG7, 2025; IEA SDG7 updates).

Clean Cooking

Most households still cook with polluting fuels; the IEA's 2024–2025 work estimates only a handful of countries are on track for universal clean cooking under current trends, with ~$37 billion needed by 2040 to close the gap. (IEA, 2024–2025; Health Policy Watch, 2025).

Investment Mix

Energy spending (≈$110 billion in 2024) skews toward fossil supply/power; clean-energy investment levels remain below what's required to meet development and climate goals. (IEA, 2024).

Macro-Financial Vulnerabilities and Debt

Commodity swings, shallow domestic financial markets, and elevated global rates tightened financing conditions. The World Bank's International Debt Report 2024 flags rising debt service pressures across low- and middle-income countries, with several African sovereigns at high risk or in distress; the IMF's 2025 regional outlook underscores constrained fiscal space and costly borrowing. (World Bank IDR, 2024; IMF REO SSA, 2025).

Climate Change, Disasters, and Resilience Deficits

WMO reports for 2023–2024 document Africa's warmest decade, record sea-surface temperatures in 2024, and escalating extremes (droughts, floods, cyclones) that erode capital, strain budgets, and threaten food, water, and energy security. Adaptation needs are large and growing relative to available finance. (WMO, 2025; WMO/UN partners 2024).

Trade Logistics, Industrial Capabilities, and AfCFTA Execution

Logistics costs remain high and reliability low relative to global competitors (as reflected in the 2023 LPI), curbing intra-African trade and integration into value chains. While AfCFTA offers scale and market access, uneven implementation and non-tariff barriers dilute near-term gains. (World Bank LPI 2023; AU/UNECA AfCFTA updates).

Digital Divide and Diffusion of Productivity-Enhancing Technologies

Africa's internet use has risen, but the affordability gap, rural coverage deficits, and device constraints persist; ITU 2024 points to large remaining inclusion gaps, limiting the diffusion of e-government, digital finance, and online learning that could raise TFP. (ITU, 2024).

Demography, Urbanization, and Service-Delivery Pressures
Fast population growth and rapid urbanization outpace job creation and municipal service expansion, intensifying housing, transport, sanitation, and education bottlenecks—risks compounded by climate-exposed informal settlements. (IMF, 2025; WMO, 2025; UNESCO GEM, 2024).

Empirically, the binding constraints co-move: fragility raises risk premia and crowds out investment; energy and logistics bottlenecks cap firm productivity; learning poverty and health burdens shrink effective labor; climate shocks undo capital formation; and tight financing conditions impede counter-cyclical policy. The literature emphasizes complementary fixes - macro fiscal credibility and debt resolution; scaled adaptation and energy access; governance and peacebuilding; foundational learning and primary health; and region-wide trade/logistics reforms—to bend long-run growth and poverty curves. (World Bank, 2025; IMF, 2025; WMO, 2025; UNESCO/ITU/IEA, 2024–2025).

Table 4: Challenges of Africa's Development Measurable Indicators
(2023–2025 where available) and region-wide to ease comparability.

Challenges	Measurable indicator (latest figure, year)	Second indicator (latest figure, year)	Optional third indicator	Key sources
Energy & infrastructure gaps	People without electricity in Sub-Saharan Africa: ~**600 million** (2023).	People without access to clean cooking in Sub-Saharan Africa: ~**960 million** (2023).	—	IEA/World Bank **Tracking SDG7 2025** (preview pages) and World Bank "Mission 300" page.
Macroeconomic volatility & debt stress	African countries with **debt-to-GDP > 60%: 46%** (2023).	—	—	**UNCTAD** *Economic Development in Africa Report 2024*, ch. 1.
Climate vulnerability & shocks	Africa's mean temperature **+0.86 °C vs. 1991–2020** (2024) — warmest or 2nd warmest year on record.	Widespread floods & droughts documented across regions in 2024.	—	**WMO** *State of the Climate in Africa 2024* (report & summaries).
Human capital & health burdens	Global malaria deaths occurring in WHO African Region: **≈95%** (2023); **597,000 deaths worldwide**.	Global malaria cases **263 million** (2023) (majority in Africa).	—	**WHO** *World Malaria Report 2024*.
Challenges	**Measurable indicator (latest figure, year)**	**Second indicator (latest figure, year)**	**Optional third indicator**	**Key sources**
Governance, conflict & fragility	People forcibly displaced in Africa: > **45.4 million** (2025).	Sahel conflict fatalities surged in 2024 (regional evidence).	—	**NRC** (drawing on UNHCR/IDMC); **FT** using ACLED data.
Trade integration & logistics frictions	Intra-African trade share of Africa's total trade: ≈15% (2023).	Many countries remain commodity-dependent; elevated debt risks intertwined with trade exposure (2023).	—	**Afreximbank** *African Trade Report 2024* (as summarized by PACCI); **IMF** 2025 working paper; **UNCTAD** 2024.
Digital divide & affordability	Mobile internet affordability: **Africa ~14× cost of Europe** (2024) (relative price gap).	Mobile internet gender gap in Sub-Saharan Africa: ~32% (2024).	—	**ITU** *Measuring Digital Development: Facts & Figures 2024*; **GSMA** *Mobile Gender Gap Report 2024*.

Source: Emprirical review, 2025

Policy Options and Strategies

Addressing Africa's development challenges over the past five decades requires a multi-dimensional policy approach grounded in evidence-based strategies and strong institutional frameworks. The following recommendations target priority areas identified in this analysis:

Strengthen Governance and Institutional Capacity

i. Promote transparent and accountable leadership through the adoption of robust anti-corruption frameworks and independent oversight bodies.
ii. Expand digital governance systems to enhance service delivery efficiency and reduce bureaucratic bottlenecks (AfDB, 2024).

Accelerate Economic Diversification

i. Reduce overdependence on extractive industries by promoting industrialization, agribusiness, and technology sectors.
ii. Foster intra-African trade through the African Continental Free Trade Area (AfCFTA), with a focus on harmonizing customs regulations and upgrading transport infrastructure (UNECA, 2023).

Close the Infrastructure Gap

i. Mobilise blended financing from public, private, and multilateral sources to bridge the estimated USD 100 billion annual infrastructure deficit (World Bank, 2024).
ii. Prioritise renewable energy investments to ensure universal electricity access, particularly in rural communities.

Improve Human Capital Development

i. Increase public spending on education and healthcare to at least 20% and 15% of national budgets, respectively, in line with UNESCO and WHO benchmarks.
ii. Implement targeted vocational training programmes aligned with labour market demands to tackle youth unemployment (ILO, 2024).

Enhance Climate Resilience and Sustainable Resource Management

i. Mainstream climate adaptation measures into national development plans, particularly for agriculture, water resources, and coastal zones.
ii. Strengthen environmental governance to combat desertification, deforestation, and biodiversity loss.

Promote Peace and Security

i. Expand regional security cooperation under the African Union's Peace and Security Architecture (APSA) to address transnational threats such as terrorism, piracy, and illicit trade.
ii. Invest in post-conflict reconstruction and reconciliation programmes to prevent the recurrence of violence (AU, 2024).

In summary, the success of these recommendations hinges on political will, citizen participation, and strategic partnerships between African governments, the private sector, civil society, and international development partners.

Conclusion

Fifty years on, Africa's development trajectory presents a nuanced balance between notable progress and persistent structural constraints. Across the continent, there have been remarkable gains in life expectancy, literacy rates, access to clean water, and the expansion of infrastructure, particularly in transport and telecommunications. Several countries, such as Rwanda, Ethiopia, Botswana, and Mauritius, have demonstrated that sustained macroeconomic stability, coupled with strategic investment in human capital, infrastructure, and institutional reform, can produce measurable improvements in Human Development Index (HDI) rankings and poverty reduction outcomes (UNDP, 2025; World Bank, 2025).

However, despite these advances, a significant proportion of the population in many African states remains below the poverty line, and structural transformation of economies has been slow. The manufacturing share of GDP has stagnated in most sub-Saharan countries, with agriculture still employing the majority but yielding low productivity. Governance deficits, policy inconsistency, and the over-reliance on primary commodity exports have further exposed African economies to external shocks, including global commodity price volatility and climate-induced disasters (UNCTAD, 2025; African Development Bank [AfDB], 2024). Conflict and insecurity in regions such as the Sahel, Horn of Africa, and parts of the Great Lakes have also undermined development gains by disrupting livelihoods, discouraging investment, and increasing humanitarian needs (AU, 2025).

Looking ahead, the continent's ability to leverage the African Continental Free Trade Area (AfCFTA) to integrate markets, improve supply chain resilience, and boost intra-African trade will be critical. Scaling reliable and affordable energy—particularly through renewable sources—remains a linchpin for industrialization and digital transformation. Likewise, boosting agricultural productivity through mechanization, climate-smart practices, and better market access is essential for both food security and export diversification. Furthermore, institutional strengthening, enhanced rule of law, and greater transparency in public resource management will underpin sustainable development and public trust.

In summary, Africa's next 50 years must be anchored in a triple commitment: deepening economic diversification to reduce vulnerability to global shocks; fostering inclusive growth that prioritizes human development and equity; and embedding climate resilience and peacebuilding in all policy strategies. This approach will determine whether the continent can transition from incremental development gains to transformative, broad-based prosperity in the coming decades.

Recommendations

i. Power Systems for Growth: Priorities least-cost generation (including geothermal, solar, gas where appropriate), transmission interconnectors, and utility reform; leverage off-grid and mini-grid solutions where grid expansion is slow. (AP, 2023; Guardian, 2024).
ii. Jobs-Centred Industrial Policy: Target sectors with comparative advantage (agri-processing, green minerals, low-carbon manufacturing, digital services), backed by logistics corridors and skills partnerships. (World Bank, 2025; UNCTAD, 2025).
iii. Finance for Development: Expand blended finance and investment facilitation to crowd in FDI beyond a few hubs; align incentives to local linkages and technology transfer. (UNCTAD, 2025).

iv. Human Capital & Inclusion: Scale foundational learning recovery, health systems strengthening, and adaptive social protection to counter climate and conflict risks. (World Bank, 2025).
v. Governance & Peace Dividends: Support rule-of-law, anti-corruption, and conflict-prevention institutions; channel savings from debt reprofiling into growth-enhancing investment. (Mo Ibrahim Foundation, 2023; World Bank, 2025).

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Chapter 2

INDUSTRIALISATION IN AFRICA: LEADING COUNTRIES AND REASONS FOR THEIR SUCCESS

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Abstract

Africa's industrialisation has lagged behind for the past four decades, with only marginal improvements in export concentration and diversification indices, and a continued reliance on raw materials exports. South Africa remains the most industrialised country, followed by Morocco, Egypt, Tunisia, Mauritius, and Eswatini. Regional blocs such as COMESA, ECOWAS, and SADC—characterised by relatively high industrialisation indicators—highlight the potential for growth through regional cooperation. Countries making notable progress share common drivers, including strategic location, resource abundance, infrastructure development, skilled labour, robust financial systems, political stability, regional leadership, and a strong focus on innovation and technology. Germany and the European Union (EU) can play a pivotal role in accelerating Africa's industrialisation by increasing funding and technical assistance, particularly in technical and vocational education and training (TVET), as well as by encouraging inbound foreign direct investment in renewables, component manufacturing, and emerging sectors like green hydrogen. Moreover, supporting broader business environment reforms will be crucial to creating favourable conditions for sustained industrial growth.

***Keywords**: Industrialisation, Labour, Africa*

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Review of Industrialisation in Africa

Since the Industrial Revolution, industrialisation has stood for the rapid transformation of the manufacturing sector compared to other economic sectors. It lies at the heart of structural change and the accompanying economic growth and development (World Bank, 2021). The empirical evidence shows that countries whose manufacturing sectors grow the fastest among all sectors can industrialise and boost their incomes (Guy-Diby & Renard, 2015). Several explanations exist for the linkages between industrialisation and economic growth. According to conventional structural change theory, industrialisation is commonly associated with redistributing capital and labour from low to high-productivity sectors, given the right technology (Rodrik, 2013). As labour and other resources shift from agriculture to advanced industries, employment and overall productivity rise. As a result, industrialisation has unparalleled connections to other sectors (Baldwin & Venables, 2015).

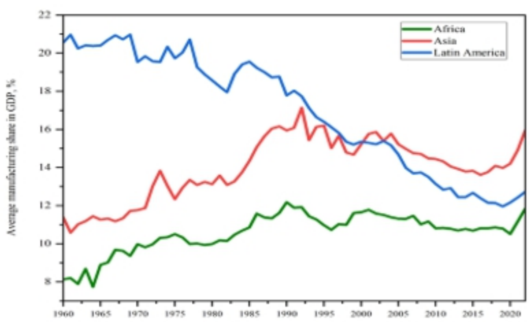
Industrialisation has always been an important aspiration for Africa, due in part to the existence of the continent's young labour force, abundant natural resources and rapidly expanding domestic markets. Africa continues to be touted as the world's 'next industrial frontier' (Mendes, 2022). Continental strategies such as the African Union Agenda 2063, the United Nations Sustainable Development Goals (SDGs) and the 2011 Action Plan for Accelerated Industrial Development emphasise that Africa's industrial development will deliver inclusive growth, decent employment creation and numerous other development outcomes. Since 2000, continental Africa, especially sub-Saharan Africa (SSA), has witnessed rapid economic growth and poverty reduction through an ever-deeper integration into the global economy. However, most SSA countries continue to rely on commodity trading as their primary source of foreign exchange, exposing them to adverse international shocks, as evidenced by the global financial crisis (2007), the end of the commodity super cycle (2014/2015), the COVID-19 pandemic and the Russian-Ukraine war. A reliance on primary commodities exports is often a catalyst for corruption and rent-seeking behaviour, exacerbating the 'paradox of plenty', also known as the 'resource curse'. Growth from such exports creates few new jobs in the domestic economy and therefore little improvement in living standards or human wellbeing.

Following independence, there was a brief period of industrial growth in Africa, driven mostly by state investment and promotion of import substitution policies. The early post-independence industrialisation policies aimed to position these new nation-states away from the exploitative colonial enterprise and were predicated on adding value to their primary commodities before exporting them. For example, under Ghana's President Kwame Nkrumah (1959-1966), the Volta River Project developed the Akosombo dam to provide cheap and reliable electricity for a newly built smelter (Acheampong & Tyce, 2023). However, this initial growth was followed by a 25-year decline in the industrial sector, beginning in the early 1970s. Reasons for the decline include successive military coups, which constrained long-term economic policymaking, external trade shocks like the 1970s oil crises, commodity price decreases, and the IMF World Bank-imposed structural adjustment programmes (SAPs) of the mid-1980s, which largely failed to support import substitution (Acheampong & Menyeh, 2023; Mendes, Bertella & Teixeira, 2014). State-led industrialisation strategies also frequently resulted in instances of corruption and mismanagement (Lopes & te Velde, 2021).

In many African countries, the manufacturing share of GDP – one of the indicators of industrialisation – has fallen since 1985, though it has recently picked up. On average, the continent has underperformed for the past four decades (10.57% manufacturing value added [MVA] as a percentage of GDP), trailing behind Asia (13.95%) and Latin America (16.93%). Evidence presented in Figure 1 suggests that despite an overall downward trend in manufacturing share in GDP for Asian and Latin American countries, Africa has been unable to keep pace with them. While Africa has almost 20% of the global population and land area, its contribution to economic output as measured by GDP is only about 3%; it has an even smaller share (2%) of world-MVA, most of which comes from relatively industrialised Northern Africa (UN, 2023).

Africa has a less complex and less diversified portfolio of exports relative to other regions. For example, Africa has only marginally improved its product export concentration and diversification indices compared to East Asian or other developing economies. The diversification index, which measures the absolute deviation of the trade structure of a country from the world structure, takes values between 0 and 1, with a value closer to 1 indicating a more significant divergence from the global pattern. The concentration index also takes values between 0 and 1, with values closer to 1 indicating that a country's exports are highly concentrated on a few products (UNCTAD, 2022). In 2022, Africa had product export concentration and diversification indices of 0.593 and 0.240 versus 0.329 and 0.121 in East Asian economies.

Figure 1: Average share of manufacturing in GDP of African, Asian and Latin American countries from 1960 to 2023



Data source: World Development Indicators, The World Bank, 2023.

Moreover, unlike in Chile or India, even the move of labour from the agriculture sector has been towards lower-value service sectors rather than manufacturing (Yeboua, 2024). The evidence supports this, showing that labour in Africa has shifted from higher-productivity to lower-productivity employment since 1990 (Mensah, Owusu, Foster-McGregor & Szirmai (2023). The current pace of growth is unlikely to promote radical or fast structural change. If Africa is to become a player in the global market for manufactured goods and tradable services, it will have to improve industrial agglomeration and firm capabilities, and deploy other clever trade and industrial policies to its advantage.

Following the 2008-09 financial crises, African countries, with support from new trade partners such as China, sought to diversify the economy through the development of manufacturing, technology and services. The focus was on prioritising infrastructure development and fostering entrepreneurship and innovation. Despite obstacles such as inadequate infrastructure, limited financing, political instability and external disruptions like the COVID-19 pandemic, there is an increasing acknowledgement among African governments and development partners of the importance of sustainable and inclusive industrialisation for Africa's long-term prosperity (Yeboua, 2024).

Who are the leading industrial countries in Africa?

To answer this question, we use the inaugural Africa Industrialisation Index (AII) published by the African Development Bank (AfDB) in 2022. The AII is based on comprehensive, relevant and comparable data from multiple institutional providers. It comprises three sub-indices shown in Table In sum, these are:

i. Performance on manufacturing output and exports
ii. Direct determinants: direction of endowments (capital and labour) towards industrial development
iii. Indirect determinants: creating an enabling environment for industrialisation, including macroeconomic stability, sound institutions and infrastructure

Other comparative benchmarks or indicators that have been used in the past reports:

i. MVA added as a proportion of GDP and per capita
ii. The Global Competitiveness Index (GCI) by the World Economic Forum (WEF)
iii. The World Competitiveness Scoreboard (WCS) by the Institute for Management Development (IMD)
iv. The Doing Business Index (DBI) by the World Bank, and
v. The Competitive Industrial Performance index (CIP) by UNIDO. These all-report similar outcomes.

For example, the CIP index is similar to the AII, although the latter covers all African countries and has 19 indicators (versus CIP'S 8).

South Africa has maintained the dominant position in the AII and CIP indices for the past ten years, with Morocco, Egypt, Tunisia, Mauritius and Eswatini following closely behind (Table 2 and Figure 3). Northern and Southern African economies continue to focus on developing competitive industrial performance. Egypt, Morocco and Tunisia are among the top-ranked economies in the SDG 9 Industry index.

Nevertheless, there is some notable progress in countries like Côte d'Ivoire and Senegal, which climbed 11 positions between 2015 and 2020. Only eleven (11) African countries have more than 15% share of manufacturing in GDP in 2022, among them Algeria (34%), Eswatini (28%), Gabon (23%) and Zimbabwe (21%). Others include Congo DR (17%), Senegal (15%), Egypt (15%), and Morocco (15%) (World Bank, 2023).

Table 1: Africa Industrialisation Index (AII) components

South Africa	Other resource intensive	Middle-income	0.8937 (1)	0.8669 (1)	0.8404 (1)	
Morocco	Oil exporters	Middle-income	0.7996 (2)	0.8201 (2)	0.8327 (2)	
Egypt	Oil exporters	Middle-income	0.7525 (4)	0.7813 (4)	0.7877 (3)	
Tunisia	Non-resource intensive	Middle-income	0.7991 (3)	0.7914 (3)	0.7714 (4)	
Mauritius	Non-resource intensive	Middle-income	0.6909 (5)	0.7061 (5)	0.6685 (5)	
Eswatini	Non-resource intensive	Middle-income	0.6439 (6)	0.6247 (7)	0.6423 (6)	Top
Senegal	Non-resource intensive	Middle-income	0.5772 (11)	0.5880 (11)	0.6147 (7)	
Nigeria	Oil exporters	Middle-income	0.5792 (10)	0.5635 (17)	0.6046 (8)	
Kenya	Non-resource intensive	Middle-income	0.5837 (9)	0.5983 (10)	0.6029 (9)	
Namibia	Other resource intensive	Middle-income	0.6133 (7)	0.6009 (8)	0.6014 (10)	
Algeria	Oil exporters	Middle-income	0.5678 (12)	0.6001 (9)	0.5978 (11)	
Gabon	Oil exporters	Middle-income	0.5379 (19)	0.5822 (13)	0.5834 (12)	
Côte d'Ivoire	Non-resource intensive	Middle-income	0.5321 (21)	0.5776 (14)	0.5830 (13)	
Ghana	Other resource intensive	Middle-income	0.5495 (16)	0.5850 (12)	0.5799 (14)	
Equatorial Guinea	Oil exporters	Middle-income	0.6124 (8)	0.5645 (16)	0.5666 (15)	
Congo DR	Other resource intensive	Low-income	0.4797 (30)	0.5387 (23)	0.5646 (16)	Upper-middle
Botswana	Other resource intensive	Middle-income	0.5524 (14)	0.5672 (15)	0.5587 (17)	
Benin	Non-resource intensive	Middle-income	0.4777 (31)	0.4942 (33)	0.5497 (18)	
Zambia	Other resource intensive	Middle-income	0.5343 (20)	0.5527 (18)	0.5423 (19)	
Uganda	Non-resource intensive	Low-income	0.5293 (22)	0.5506 (19)	0.5418 (20)	
Tanzania	Other resource intensive	Low-income	0.5073 (26)	0.5190 (26)	0.5389 (21)	
Lesotho	Non-resource intensive	Middle-income	0.5382 (18)	0.5495 (20)	0.5372 (22)	
Congo	Oil exporters	Middle-income	0.5645 (13)	0.6512 (6)	0.5322 (23)	
Cameroon	Oil exporters	Middle-income	0.5522 (15)	0.5419 (21)	0.5300 (24)	
Ethiopia	Non-resource intensive	Low-income	0.4582 (36)	0.5134 (28)	0.5242 (25)	
Togo	Non-resource intensive	Low-income	0.4940 (28)	0.5300 (25)	0.5191 (26)	
Seychelles	Non-resource intensive	Middle-income	0.5490 (17)	0.5178 (27)	0.5097 (27)	Middle
Madagascar	Non-resource intensive	Low-income	0.4887 (29)	0.5075 (31)	0.5040 (28)	
Libya	Oil exporters	Middle-income	0.5216 (23)	0.5021 (32)	0.5036 (29)	
Mozambique	Non-resource intensive	Low-income	0.4614 (35)	0.5115 (30)	0.5027 (30)	
Cabo Verde	Non-resource intensive	Middle-income	0.5176 (24)	0.5331 (24)	0.5007 (31)	
Zimbabwe	Other resource intensive	Low-income	0.5044 (27)	0.5120 (29)	0.4974 (32)	
Djibouti	Non-resource intensive	Middle-income	0.3869 (48)	0.4701 (36)	0.4936 (33)	

Angola	Oil exporters	Middle-income	0.5158 (25)	0.5391 (22)	0.4865 (34)	Lower-middle
Rwanda	Non-resource intensive	Low-income	0.4177 (41)	0.4385 (41)	0.4754 (35)	
Burkina Faso	Other resource intensive	Low-income	0.4469 (38)	0.4640 (37)	0.4699 (36)	
Mauritania	Non-resource intensive	Middle-income	0.4376 (40)	0.4512 (39)	0.4632 (37)	
Mali	Other resource intensive	Low-income	0.4696 (32)	0.4623 (38)	0.4612 (38)	
Niger	Other resource intensive	Low-income	0.4678 (33)	0.4747 (35)	0.4606 (39)	
Guinea	Other resource intensive	Middle-income	0.3941 (47)	0.4197 (44)	0.4562 (40)	
Sudan	Oil exporters	Low-income	0.4648 (34)	0.4853 (34)	0.4522 (41)	
Liberia	Other resource intensive	Low-income	0.4413 (39)	0.4448 (40)	0.4409 (42)	Bottom
Malawi	Non-resource intensive	Low-income	0.4552 (37)	0.4380 (42)	0.4229 (43)	
São Tomé & Príncipe	Non-resource intensive	Middle-income	0.4165 (42)	0.3997 (47)	0.4198 (44)	
Chad	Oil exporters	Low-income	0.4097 (43)	0.4275 (43)	0.4178 (45)	
Comoros	Non-resource intensive	Middle-income	0.3968 (46)	0.3933 (48)	0.4078 (46)	
Eritrea	Non-resource intensive	Low-income	0.4083 (44)	0.4021 (46)	0.4041 (47)	
Central African Republic	Other resource intensive	Low-income	0.3863 (49)	0.4071 (45)	0.4018 (48)	
Sierra Leone	Other resource intensive	Low-income	0.4012 (45)	0.3771 (49)	0.3777 (49)	
Guinea-Bissau	Non-resource intensive	Low-income	0.3429 (51)	0.3524 (51)	0.3663 (50)	
Burundi	Non-resource intensive	Low-income	0.3281 (52)	0.3702 (50)	0.3483 (51)	
Gambia	Non-resource intensive	Low-income	0.3794 (50)	0.3433 (52)	0.3455 (52)	

An expanding number of African nations have tried to promote industrialisation and diversify their economies in recent years. Ethiopia, renowned for its burgeoning leather industry, and Ghana and Kenya, both situated in the pharmaceutical sector, have promising emerging industries. Several countries are developing networks of special economic zones (SEZs) and industrial parks (MEZs) as part of their efforts to foster the expansion of small and medium-sized enterprises (SMEs). These investments have yielded substantial returns. From 2010 to 2019, MVA in Ethiopia experienced a fourfold growth, reaching just below USD 5 billion (African Development Bank, 2022). Ethiopia's textile and garment industry is experiencing rapid growth, with domestic and multinational firms producing textiles for domestic and global markets. The government launched Plan 2020 to generate USD 1 billion in export earnings and over 300,000 employment opportunities. Over the past six years, the textile and apparel industry expanded by an average of 51%, and foreign investors were granted licences for over 65 international textile investment projects. The textile industry's expansion directly results from the government's industrial development strategy (Alliance Experts, 2024).

In Rwanda, the government has set up technology hubs and incubators as part of a digitalisation strategy to boost economic growth and generate employment opportunities. With a projected GDP contribution of 3% in 2020, the ICT sector has made a substantial contribution to Rwanda's economy. Thousands of people are employed throughout the supply chain, as well as in additional indirect jobs. Within ten years, the government hopes to triple the sector's contribution to at least 10%. A thriving startup ecosystem has also been created in Rwanda due to the country's growing entrepreneurial culture, which has encouraged many young people to launch their own ICT companies. The workforce's increased skill, especially those with STEM degrees, has also helped transform the economy. In addition to promoting regional integration, Rwanda's membership in the East African Community (EAC) has opened up new prospects for the ICT industry.

Ghana's automotive industry is another nascent sector with great transformation and job creation potential. An estimated 100,000 vehicles are imported annually by the country, of which 90% are pre-owned or used (second-hand). To reduce reliance on pre-owned vehicles, in 2019 the government passed the Ghana Automotive Development Policy to attract investments from renowned Original Equipment Manufacturers (OEMs) to establish a fully integrated and competitive industrial hub for automotive assembly. Since then, over 11 OEMS have set up assembly plants in the country for the local market and sub-regional exports (The Business & Financial Times, 2023). These include Suzuki and Toyota (Toyota Tsusho Corporation), Volkswagen Group, Nissan (Nissan Motors Corporation) and Renault (Stallion Group). The entry of these OEMs bodes well for creating significant positive spillovers into local manufacturing and the metals sector in the medium to long term. However, these must be catalysed by deliberate policies to move from basic semi-knocked-down (SKDs) assembly to fully-built units (FBUs) where vehicles are largely manufactured, assembled and completed at an in-country production facility. The Ghanaian automobile market is anticipated to reach USD 2.07 billion by 2029 from USD 1.93 billion in 2024. Meanwhile, the government has devised a strategy to procure 1,000 electric buses for intercity (60%) and intracity (40%) transportation, in addition to charging and maintenance infrastructure. Ghana aspires to operate 12,027 electric public buses nationwide by 2050, accounting for 32% of the overall fleet.

Regional Trends

Table 2 shows how the different economic regions compare on the various benchmarks. Overall, the COMESA, ECOWAS and SADC regions have the highest industrialisation indicators and, by extension, industrialisation potential.

Table 2: Economic Regional Analysis of the Comparative Benchmarks

Region	MVA per capita 2022 (2015 US$)	MVA growth rate 2022 (%)	MVA share in GDP 2022 (%)	MHT share in MVA 2020 (%)	Industry value added share in GDP 2022 (%)	Manufacturing share in exports 2022 (%)	MHT share in manufacturing exports 2022 (%)	Manufacturing share in employment in 2021 (%)
ECOWAS	195	2.6	10.3	28.8	15.9	16.9	20.4	8.5
SADC	197	2.9	10.4	18.1	20.8	42.0	32.2	5.3
COMSEA	182	5.3	11.0	19.4	21.8	43.6	31.1	7.0
IGAD	70	5.0	6.8	14.2	10.3	44.5	25.2	5.8
EAC	101	5.6	10.8	10.3	21.1	42.0	17.9	5.2

Note: MVA refers to manufacturing value added. MHT refers to the medium-high and high-tech industry. Source: UNIDO

ECOWAS

The Economic Community of West African States (ECOWAS) has revised its Industrial Agenda (WACIP) to focus on four industries: agro-industries, textiles and garments, pharmaceuticals, and automobile and automotive components. The primary focus on these industries stems from their potential to drive sustainable industrialisation, employment generation, economic competitiveness and regional integration. The revised WACIP demonstrates ECOWAS' willingness to adapt and integrate lessons learned, highlighting the iterative nature of regional industrialisation processes. However, given the large number of unemployed youth, questions have been raised about the appropriateness of regional-level industrial policy (ECDPM, 2016).

SADC/COMESA

Due to the region's capital and technology-intensive hydrocarbon and mineral production, as well as its lack of forward and backward linkages with the rest of the economy, employment growth has been constrained. Nevertheless, the region is experiencing notable enhancements in its generation capacity due to the anticipated launch of major power generation projects in Ethiopia, Kenya, Uganda and Zambia. Establishing the Zambia-Tanzania-Kenya and Ethiopia-Kenya interconnectors will enable the exchange of electricity between the southern and northern power grids. This is a potential enabler of rapid industrialisation. The Lobito Corridor, which connects the southern DRC and north-western Zambia to regional and global trade markets via the port of Lobito in Angola, is another potential industrialisation driver, especially for critical minerals value chains, including battery manufacturing (Acheampong, 2024).

IGAD

While Intergovernmental Authority on Development (IGAD) nations have experienced robust economic growth recently, detailed analysis shows that this growth has yet to result in significant structural transformation. Given the region's 255 million inhabitants, of whom more than half are under 25 years old, unemployment is a significant issue. Primary commodities comprise the majority of IGAD member states' exports and are susceptible to global price fluctuations. Due to the region's weak manufacturing sector, it continues to grapple with substantial poverty and unemployment.

EAC

Industrialisation in the East African Community (EAC) is hampered by low electricity penetration, high costs, poor transport infrastructure, low human capital and protectionist policies.

What Have Been the Reasons for African Countries' Success in Industrialisation?

Africa's most industrialised nation, South Africa, has a varied economy and highly developed industrial sectors. Its strategic location at the southern tip of Africa, wealth of natural resources, infrastructure development, skilled labour force, strong financial system, political stability, economic diversification, regional leadership, and dedication to innovation and technology are important factors in its success. South Africa also has well-established vocational training programmes and education systems, while the nation's robust financial system encourages entrepreneurship and makes investments in industrial projects easier. Furthermore, due to its advantageous geographical location, South Africa is able to access both domestic and global markets, which attracts foreign direct investment (FDI). Consequently, the nation contributes significantly to regional cooperation and economic integration.

The small Southern African nation of Eswatini has also made strides in certain industrial sectors (e.g. its robust textile and apparel industry), taking advantage of its strategic location, investment incentives, political stability, trade agreements, skills development, infrastructure development and diversification initiatives (World Bank, 2022). The government provides tax incentives, logistical backing and efficient regulatory systems to incentivise foreign direct investment. Political stability reduces the risks associated with conducting business in the nation and inspires investor confidence. Furthermore, Eswatini has undertaken infrastructure initiatives to foster economic diversification beyond conventional sectors such as agriculture. Industrial development policies have been enacted by the government, fostering an environment conducive to the flourishing of businesses and their contribution to the expansion of the economy.

Gabon has also achieved notable progress in industrialisation owing to its vast natural resource reserves, most notably timber, manganese and oil (Arise, n.d.). Foreign investment and employment opportunities are generated by the oil industry, which is a pillar of the Gabonese economy. To support industrial activities, the nation has invested in infrastructure projects encompassing energy infrastructure, transport networks and telecommunications. Additionally, in an effort to develop other sectors, including mining, forestry, agriculture and manufacturing, Gabon is implementing diversification strategies. Political stability has also played a role in the nation's achievements. The government encourages foreign investment by providing tax breaks and customs exemptions, among other measures (U.S. Department of State, 2023). In addition to investing in education and skill-development initiatives, Gabon has a qualified labour force. The nation has also fostered strategic alliances with foreign governments and international organisations to further industrial development.

Algeria, situated in North Africa, has emerged as a significant participant in industrial development owing to its formidable oil and gas sector, ample natural resources and diversified economic foundation (World Bank, 2024). Investments have been made in infrastructure projects, including water supply systems, transportation, energy and telecommunications, to support industrial activities and economic expansion. A skilled, knowledgeable, educated labour force contributes to the country's success. To encourage investment, the government provides a range of incentives, such as preferential treatment, tax breaks, subsidies and access to land and infrastructure (BMZ, 2024). Benefitting from political stability, Algeria has established trade relations with regional and international partners and takes advantage of a strategic location in North Africa that grants access to regional and global markets. In an effort to foster industrialisation, bolster domestic industries and increase competitiveness, the Algerian government has enacted industrial policies. Nonetheless, socioeconomic disparities, bureaucratic obstacles, regulatory restrictions and infrastructure deficiencies persist.

Egypt is a leading industrialised nation in Africa, with a robust manufacturing sector and a diverse industrial base (U.S. Department of State, 2023). Due to its advantageous geographical position at the intersection of Africa, the Middle East and Europe, the country attracts foreign investment and trade. Egypt's expansive domestic market presents industrial producers with prospects to expand their production capacities. Infrastructure investment, encompassing energy and transportation, facilitates industrial operations and encourages investment. Diverse manufacturing substantially contributes to the gross domestic product and employment. Egypt has ratified multiple free trade agreements, which have promoted export-oriented industrialisation and facilitated trade integration. Its proficient labour force, governmental backing, technological advancements and innovation, tourism and services sector, political stability, and reform initiatives contribute to its success. Egypt's ongoing endeavours to confront obstacles and exploit prospects have the potential to propel industrial expansion and economic progress even further.

What are the Learnings for Other African Countries?

Policymakers should contemplate implementing structuralist industrial policies that prioritise the development of labour-intensive and knowledge-intensive sectors. Such policy directions are outlined below:

i. Improved regional infrastructure, particularly transport, energy and communications, would attract increased investment in industry across the continent.
ii. Special Economic Zones with incentives and reliable energy and ICT infrastructure would also encourage private sector investment. However, public sector investments in infrastructure and human capital development are needed to attract private sector-led industrialisation.
iii. Despite recent sovereign debt issues in several African countries, there is still a significant demand for infrastructure and human capital development. Concessional financing for infrastructure is needed to reduce economic harm from rising debt burdens. Political coordination and the erosion of protectionist policies could attract more inward financing.
iv. Processing and beneficiation of mineral resources in-country, especially green minerals like nickel, lithium and cobalt. This will create green industrialisation opportunities for endowed countries, new avenues for green growth and sustainable job creation. Several African countries including Zimbabwe, Uganda, Tanzania, Namibia and Botswana, are considering this option to mitigate the energy deficit through green energy and industrialisation solutions, e.g. solar energy, e-batteries and wind energy turbines. This will further minimise GHG emissions, wean agriculture production from its weather dependency though green energy-powered irrigation innovations, expand the reach of electricity access, which is currently very low in Africa compared to other developing regions, and help to boost manufacturing value added to GDP.

By investing in education and infrastructure development, diversifying their economies, promoting good governance and political stability, encouraging innovation and entrepreneurship, fostering regional integration, and advancing sustainable development, the least industrialised African countries can gain insights from leading industrialised nations. The aforementioned insights may be implemented in African nations with the intention of formulating context-specific strategies that promote sustainable industrialisation and economic well-being. The least industrialised African nations can foster a culture of entrepreneurship, promote good governance, invest in education and infrastructure, diversify their economies and develop strategies that contribute to their economic growth and prosperity.

What role can Germany and the European Union (EU) play in this?

Germany and the EU can support African countries to industrialised faster through deepening the provision of funding and technical assistance. This can be done by helping to develop complementary technical and vocational skills training (TVET), as done so by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ); encouraging inbound FDI by European companies into renewables, component manufacturing and nascent industries such as green hydrogen; and supporting broader regulatory and business environment reforms. For example, through the GIZ the German Federal Ministry for Economic Cooperation and Development (BMZ) has been supporting the Ghana Skills Development Initiative which seeks to support the Ghanaian Government's strategy to improve TVET systems to better meet the requirements for sustainable development (GIZ, 2023). One of the major areas of focus has been ensuring the availability of vocational schools offering training courses in the green sector. Such education and capacity building support initiatives can be expanded and rolled out to other countries on the continent to ensure that skilled mid-level manpower is developed with the capacity for industrial management, technology and innovation.

Additionally, the EU should expand its technical assistance provision to cover regional institutions involved in policymaking and regulatory frameworks that support industrial growth. In the context of increasing intra-African trade, such assistance can help African countries implement reforms that create favourable business environments via special economic zones, trade facilitation and proactive industrial policies.

As mentioned above, European companies should invest in African renewable energy and component manufacturing as well as nascent industries such as green hydrogen, as is already happening in Namibia. Meeting the 1.5°C target of the Paris Agreement calls for rapid decarbonisation, which means drastically reducing greenhouse gas (GHG) emissions from all sources. The opportunities for cooperation in this context are significant: While EU-Africa relations are steeped in colonial history, relations have evolved in recent years, underpinned by the 2007 Joint Africa-EU Strategy and the Joint Vision 2030. The Global Gateway, which is one of the pillars of the Joint Vision 2023, focuses on sustainable investments in infrastructure – digital, energy and transport, among others (European Commission, 2024). Within the green space, the emphasis is on sustainable energy, biodiversity, agri-food systems, climate resilience and disaster risk reduction. The EU must walk the talk to fulfil its pledge to help mobilise EUR 150 billion in public and private investments by 2027 for Africa (European Commission, 2021).

Lastly, the EU must advocate for rechannelling the International Monetary Fund's (IMF's) Special Drawing Rights (SDRs) into financing climate action in Africa. While Africa's contribution to global GHGs remains under 4%, the continent is among the most vulnerable to the impact of extreme weather events. Compounding this is the fact that many countries in the region face persistent debt-sustainability challenges, limiting their ability to finance the investments needed to address climate change. Under the Paris Agreement, Africa needs USD 2.8 trillion by 2030 (USD 280 billion annually) to implement its nationally determined contributions. This is almost equivalent to the continent's entire GDP of USD 3 trillion in 2022 (Climate Policy Initiative, 2022; Statista, 2024). Actual climate finance flows to Africa amounted to just USD 30 billion in 2020, a mere 11% of the annual target and 3% of global climate finance (Adesina, 2023). Rechannelling of these new funds through multilateral development banks such as the African Development Bank (AfDB) would finance climate action and new green industries. These funds would catalyse renewable energy and climate-resilient investments across the continent.

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Chapter 3

PREBENDAL POLITICS, THE HIGH COST OF GOVERNANCE AND UNDERDEVELOPMENT IN NIGERIA

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Abstract

This study examines the interplay between prebendal politics, the high cost of governance, and underdevelopment in Nigeria. Prebendal politics, characterized by the prioritization of personal and group interests over public welfare, has permeated Nigeria's political landscape, perpetuating corruption and inefficiency. This research identifies how these practices exacerbate the financial burden on the state, leading to an inflated cost of governance that diverts resources away from critical development initiatives. The study utilized analytical approach, to assess the impacts of prebendalism on economic growth, service delivery, and infrastructure development in Nigeria. The findings reveal a strong correlation between prebendal practices and the stagnation of socio-economic progress, highlighting the urgent need for reforms aimed at fostering accountability and transparency in governance. Ultimately, this study underscores the necessity of addressing the roots of prebendal politics to unlock Nigeria's developmental potential and reduce the high costs associated with governance. Recommendations for policy interventions are provided to aid in promoting good governance and sustainable development in Nigeria.

Keywords: *Prebendalism, Prebendal Politics, Democracy, Corruption, Cost of Governance, Underdevelopment.*

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Introduction

Nigeria, as one of Africa's largest economies and most populous nations, faces significant challenges that hinder its development. Among these challenges are prebendal politics, the high cost of governance, and pervasive underdevelopment. These interrelated issues have been critical to understanding Nigeria's political landscape and socio-economic conditions. Prebendal politics refers to a form of political behaviour where state resources are used primarily to benefit personal or ethno-regional interests rather than the public good. As noted by Joseph (1991), this system allows politicians to view public office as a means of accessing state resources for personal gain, thus perpetuating a culture of patronage and corruption. The implications of prebendalism are profound, as it undermines democratic institutions and stifles accountability. Political elites often prioritize their narrow interests, leading to the neglect of essential services and infrastructure needed for national development (Suberu, 2001).

The high cost of governance in Nigeria is another significant challenge that exacerbates the country's underdevelopment. According to the National Bureau of Statistics (2023), public administration costs have grown disproportionately relative to economic output, diverting resources away from critical sectors such as health, education, and infrastructure. This inefficiency is rooted government bureaucracy, and the private sector (Akinremi, 2016). The result is a governance framework that prioritizes expenditures over impactful investments, further entrenching the cycle of poverty and underdevelopment.

Under development in Nigeria is multifaceted, encompassing economic stagnation, inadequate infrastructure, poor health outcomes, and low educational attainment. Despite being rich in natural resources, including oil, the country has not translated this wealth into broad-based economic development. As reported by Oni & Odebiyi (2019), a significant portion of the population lives in poverty, largely due to ineffective allocation of resources driven by prebendal politics. The lack of strategic investment aimed at improving human capital and infrastructure continues to hinder Nigeria's progress toward sustainable development. To address the topics of prebendal politics, high cost of governance, and underdevelopment in Nigeria, the study examined the Impact of prebendal politics on governance structures. This involved analyzing how prebendalism where public office is treated as an opportunity for personal gain affects the efficiency and accountability of governance in Nigeria. The study explored how such practices led to the misallocation of resources and undermine democratic processes. Secondly, the study assessed the financial Implications of high cost of governance.

This is aimed to investigate the financial burden of the current governance structure on Nigeria's economy. It would include an analysis of government expenditures, the inefficiency of public spending, and how these factors contribute to the overall economic challenges faced by the country, including the implications for service delivery and infrastructure development. Finally, it Identified Strategies for Combating Underdevelopment. In this regard, the study would focus on proposing actionable strategies to mitigate the issues stemming from prebendal politics and high governance costs. Therefore, the interplay between prebendal politics, the high cost of governance, and persistent underdevelopment reveals a systemic crisis within Nigeria's political and economic structures. Addressing these issues requires a fundamental shift towards governance that prioritizes transparency; accountability reforms that can break Nigeria free from these constraints and pave the way for meaningful development.

Objectives of the Study
To address the topics of prebendal politics, high cost of governance, and underdevelopment in Nigeria, three potential objectives were considered:

i. To examine the impact of prebendal politics on governance structures.
ii. Assess the financial implications of high cost of governance.
iii. To identify strategies for combating underdevelopment.

These objectives can help frame a comprehensive analysis of how these three interrelated issues contribute to Nigeria's ongoing challenges and inform potential solutions.

Theoretical Framework
Studies concerning the linkage between democracy and the rising cost of governance in Nigeria centered on arguments on the economic cause and implications. Thus, they employ economic theories and models to provide explanations for the causes as well as economic solutions to the problem. Such studies include those of Adewole and Osabuohien (2007) and Ejuvbekpokpo (2012). In both studies, they adopted the economic theory of comparative cost advantage (CCA). The comparative cost advantage theory suggests that Nigeria's economic underdevelopment is due to a lack of investment in the productive sector, with rising governance costs leading to decreased production and public services. This decrease in opportunity cost is the decreasing finances available for productive activities (Adewole & Osabuohien, 2007; Ejuvbekpokpo, 2012). However, this study adopts the functionalist theory of corruption to examine its social functions and impacts on society, as economic theories often only explain the economic cause and implications of problems, not the internal dynamics of Nigerian politics.

The functionalist theory of corruption offers a useful explanation to the relationship between high cost of governance and underdevelopment in Nigeria. Prebendalism refers to a system where political leaders use state resources to serve their personal and group interests than the public good (Odey et:al, 2015; Adeyemi, 2021). The functionalist perspective is to analyze how these practices are rooted in Nigeria's social and political structures. It suggests that corruption can be seen as a function of the political system, where leaders feel compelled to provide benefits to their supporters in return for loyalty, thus perpetuating a cycle of corruption. Thus, functionalists argue that all social practices serve certain functions. In the context of Nigeria, they believe that corruption may facilitate access to resources and power, allowing individuals to navigate a bureaucratic system that is often inefficient. Therefore, in a prebendal system, corruption is believed to foster loyalty among supporters (Nwankwo & Mba (2018). By redistributing resources (often through corrupt means), Nigerian political leaders maintain a base of support, and thus stabilizing their rule despite inefficiencies.

Corruption significantly contributes to the high costs of governance in Nigeria. Functionalist theory helps in analyzing these dynamics. The functionalist exponents believe that when societal resources are controlled by a small number of individuals, the resultant effect is suboptimal allocation of resources. This misallocation can lead to underfunded public services, exacerbating poverty and inequality (Oloyede, 2019). In the context of Nigeria, high costs of governance can be understood as a byproduct of systemic corruption where funds meant for public services are siphoned off. This inefficiency leads to inflated budgets, misallocation of resources, and ultimately a greater financial burden on the state and taxpayers, reflecting the dysfunctional aspect of governance under prebendalism. Similarly, the reliance on corrupt practices can create layers of bureaucracy where officials expect bribes to expedite processes. This inefficiency increases the cost of governance, as more resources are spent on navigating corruption rather than on delivering services.

Finally, the functionalist perspective also sheds light on the relationship between corruption and underdevelopment in Nigeria. According to them corruption can create a dependency on informal networks for services and resources (Ocheje, 2008; Wahab, 2015). This erodes trust in government and can stymie economic growth by discouraging foreign investment, stifling innovation and reform, particularly when corrupt practices are entrenched, attempts at innovation or institutional improvement may be met with resistance from those who benefit from the existing corrupt system (Wahab, 2015). Corruption often exacerbates inequality, as only those with connections can access resources. This stratification can lead to hindering development efforts. In summary, the functionalist theory of corruption is useful in understanding the high cost of governance, and underdevelopment in Nigeria. It provides a framework to analyze how corruption serves specific functions within the political system, perpetuates inefficiencies, and contributes to broader socio-economic challenges.

The Concept of Corruption

Corruption lacks a universally accepted definition (Oluwole, 2017; Izibili & Aiya 2007; Abada & Onyia, 2020) and it is “importantly a moral, political and legal issue” (Ogundiya, 2009), with blurred definitions and conflicting interpretations. This is because corruption is subjective to social, political and legal dimensions in its perception and reality. Any attempt to make meaningful definition of the term has either included too many acts that are illegal but socially and politically accepted or excluded too many acts that are legal but are socially and politically reprehensible depending on time and jurisdictions (Oluwole, 2017). Thus, the term corruption is ubiquitous (Ogundiya, 2009) but because of centrality of public policy and management to national social, economic and political outcomes, most academic discourses on corruption focus on political corruption, that is corruption in government sector while only little attention is giving to corruption in the private sector. This study is not different and the definitions and perspectives briefly discussed here are targeted at political corruption.

Corruption can be understood in various ways depending on cultural, political, and social contexts. Svensson (2005) provided a few different conceptions of corruption. According to him, in legal terms and in many jurisdictions, corruption is defined by specific laws that outline illegal activities such as bribery, embezzlement, and fraud. This legalistic view focuses on actions that violate statutes. From the cultural sense of the term, he stated that corruption means such practices that might be labeled or seen as acceptable or even necessary for navigating bureaucratic systems. For example, gift-giving might be viewed as a form of respect rather than bribery in certain societies. However, its institutional meaning expands the concept beyond individual actions to include systemic issues within institutions where the structures themselves enable or encourage corrupt behaviour, regardless of legal definitions. Political definition of corruption often focused on elected officials, this conception revolves around how power is abused for personal or political gain, affecting public trust and governance (Svensson, 2012; Nwankwo, 2020). In the business context, corruption may manifest as unethical practices like insider trading, kickbacks, or collusion, which can distort markets and harm competition. While the social context of corruption views it from a broader perspective. According to this view, corruption includes how societal values, lead to a general erosion of trust in institutions and diminish civic engagement (Bako, 2019; Obasanjo, 2000). Understanding these different conceptions of corruption can help in developing targeted strategies to combat it and promote transparency and accountability across various sectors. Generally, corruption refers to the abuse of power for personal gain, often resulting in the violation of laws or ethical standards. It can manifest in various forms, including bribery, embezzlement, nepotism, and fraud (Olken, 2012).

Corruption undermines trust in institutions, distorts markets, and hampers economic development by reallocating resources from public good to private interests (Aiyede, 2014). In governance, corruption can lead to inefficient allocation of resources, lack of accountability, and erosion of public confidence in government officials and systems. Combating corruption is crucial for promoting transparency, ensuring fair competition, and fostering an environment conducive to sustainable growth and social equity. Corruption in Nigeria is a long-standing issue that has significantly impacted the country's governance, economy, and social fabric. Historically, corruption has been prevalent since Nigeria's independence in 1960, exacerbated by military rule and weak democratic institutions (Umar, 2018; Bako, 2019, Nwankwo, 2020). Various governments have struggled to address corrupt practices effectively. Corruption in Nigeria has included Political corruption which involves bribery, embezzlement, and election fraud, while public sector corruption involves officials demanding bribes or charging fees, and private sector corruption involves businesses colluding with government officials for unfair advantages. At present, a culture of impunity spreads throughout the political class. Corruption has worsened in Nigeria's Fourth Republic.

Corruption through embezzlement, payments of jobs not done, over-invoicing, double-debiting, inflation of contract values, etc. are all intended to pacify or reward groups and supporters of those in power position. It can therefore be understood why nothing works in Nigeria in spite of the huge sum of money expended in such sectors as the downstream petroleum sector, the power sector, the railway, roads, the health sector, and the housing sector, to mention but a few. (Wenibowei, 2012). The over $214 million National Identity Card, the over $400 million repairs and maintenance of refineries, and the over $6 million power sector corruption scandals still remain fresh in the minds of Nigerians (Tell, 2008; Adeleye, 2003). Despite investigations by the National Assembly through its committees, not much has been in this direction, though ulprit has been brought to light, even with facts and evidence. This is coupled with the numerous high-profit bribery cases clearly involving legislators, ministers, governors, and other high-level captains of private establishments and government officials, there has been concrete achievements in the fight against corruption in Nigeria. Only a few high-profile convictions have been made by anti-graft law agencies. The truth of the matter is that many who are involved in one form of corruption or the other are persons who are related to some privileged elites either as members of the same ethnic or religious group, or members of the same political class, who protect them from being prosecuted. This is one reason why, even if there is clearly established case of corrupt practices in government establishments, it is usually very difficult to bring the culprits to book because they are protected by some powerful and influential people in society (Adeleye, 2003). Thus, in Nigeria, those in power position use it to empower their loyalists and protect them from prosecution when they are found wanting in corruption allegations.

Corruption can lead to various negative consequences, including erosion of public trust, exacerbated inequality and poverty, increased crime and violence, and social cohesion (Oluede, 2019). It can lead to mismanagement of health and education funds, resulting in poor health outcomes and lower educational attainment as well as the displacement of legitimate businesses, stagnation of development, and psychological impact and make citizens feel helpless and frustrated, leading to disenfranchisement and lower morale (Lambsdorff, 2006). Additionally, migration pressure from corrupt nations can result in brain drain and weakening local economies. Corruption leads to the erosion of trust in institutions, undermining the rule of law, weakening democratic processes, contributing to social unrest, and concentrating power among small elites and has also contributed to the deterioration of public services like education and healthcare, ultimately resulting to dissatisfaction and potential civil disobedience by citizens (Bako, 2019). On the other hand, Bello (2019) finding reveals that corruption can strain a nation's international reputation, making it harder to establish diplomatic relations and attract foreign investment. In response, some governments may resort to authoritarianism to maintain control and limit freedoms. In Nigeria's political landscape, corruption has affected the conduct of credible elections and over the years elections have been characterized by pervasive and intense fraud and violence (Bello, 2019).

Ezeani (2015) investigations on the causes and effects of corruption in Nigeria indicates that corruption can lead to reduced foreign investment, misallocation of resources, increased costs of doing business, stunt economic growth, perpetuated poverty, and weakened institutions and capable of causing social unrest, dissatisfaction, and destabilization of economies and societies. Additionally, corruption can hinder the effectiveness of foreign aid and development assistance, as funds may be mismanaged or misappropriated, reducing their intended impact on poverty alleviation and infrastructure development. (Ezeani, 2015). Although, the Nigerian government has implemented anti-corruption agencies and transparency initiatives, but challenges persist in enforcing laws and fostering integrity. Civil society organizations promote accountability and transparency, while international factors like foreign aid and multinational corporations influence corruption dynamics. Cultural perspectives also complicate efforts to combat corruption, as some see it as a survival mechanism. Addressing corruption in Nigeria requires a comprehensive approach that includes legal reforms, public engagement, and a commitment to fostering a culture of accountability and transparency across all sectors.

Prebendalism and Prebendal Politics as a form of Corruption in Nigeria

The term "prebendal" was popularized by Richard Joseph in his 1987 work on Nigerian politics, where he described it as a system that inextricably ties the state and its resources to the patronage networks within society (Joseph, 1987). In this system, individuals and groups seek to capture state resources for their own benefit, creating a system of governance that prioritizes personal or group gain over collective welfare.

Richard Joseph created the notion of prebendalism and explicitly applied it to the political environment of Nigeria. According to Joseph's (1987, 1996 and 2013) theory of prebendalism, governmental offices are seen as prebendals that officeholders might take in order to produce financial gains for themselves, their constituency, and their family groupings (Joseph, 1987). He said the way the idea of prebendalism was applied to politics in Nigeria and other peripheral capitalist countries reflected how the people in these countries saw and felt about holding public office. According to him, the term "prebendals" refers to political behavior patterns that, justify the idea that state offices are open to competition and that their use is for the advantage of those holding them as well as their support or reference groups. Thus, the theory of prebendalism conceived of a "state" as a congery of offices and that these offices are susceptible to individual and communal manipulations and influence for their appropriation.

The theory of prebendalism is different from terms usually employed as explanatory and analytical framework of political issues and actions, particularly issues revolving around the emergence of political and socioeconomic consequences of corruption in Nigeria. Similar terms like patrimonialism, clientelism, patronage systems etc., used interchangeably by scholars when analyzing corruption and other political issues. Joseph (1987) made clear the differences between clientele politics and prebendal politics by defining clientelism as "the nature of individual and group relationships within the wider socio-political sphere, while prebendalism is primarily a function of the competition for and appropriation of state offices".

Flowing from above, there are three very important factors in the theory of prebendalism. The first relates to the competition for state offices by political elites. This phenomenon places the state in a central position and playing key role in providing access to material wealth and power, thus becoming attractive for struggle among political competitors over the control and appropriation of state offices. Therefore, the state is used as a resource in itself (Oluwole, 2017). The second relates to the legitimization of this practice in Nigeria by a set of political norms (Oluwole, 2017). According to Joseph (1996):

> *A prebendal system will be seen not only as one in which the offices of the state are allocated and then exploited as benefits for the officeholders but also as one where such a practice is legitimated by a set of political norms according which the appropriation of such offices is not just an act of individual greed or ambition but concurrently the satisfaction of the short-term objectives of a subset of the general population.*

What this implies is that, prebendal politics, particularly in Nigeria is reinforced by some cultural norms making corruption appeared to be normal and generally acceptable. Thus, formally making illegality legal and this seems to enjoy the consensus of Nigerian citizenry (Obada & Onyia, 2020). This form of politics, as manifested in Nigeria, perpetrates corruption, nepotism, and mediocrity. The third factor is that prebendalism advances individualism and encourages ethnic and religious sentiments in the distribution and redistribution of resources of the state. It forms a system of corruption where each individual holding state office sees it as a privilege to reward himself and his network of loyalists. This system of nepotism and patrimonialism has been sustained in Nigeria over the years and in all systems of government (Obada & Onyia, 2020).

The single explanation to the enduring nature of prebendal politics in Nigeria is the belief among political elites and most Nigerians that corruption play functional roles in a social system. Beneficiaries of corrupt activities believe that corruption promotes social cohesion and networks, system maintenance, resource allocation, adaptation to dysfunctional systems, and maintain a moral economy. They argued that corruption can reinforce existing social networks and strengthen ties among individuals who engage in corrupt practices (Adeyemi, 2021). This according them can create a sense of community or loyalty among those involved, though at the expense of broader societal fairness. Some also think that corruption can help maintain stability especially, in systems that are otherwise rigid or unresponsive especially, when bureaucratic processes are sluggish, they believe that corruption can provide a way to expedite services by creating a form of "grease" for the wheels of administration (Ottong, 2006). In the same vein, some views have argued that corruption can reflect local cultural norms and practices, where it is normalized within certain contexts. In these cases, corrupt activities might be perceived as part of the social fabric rather than inherently wrong according to Ottong (2006). Yet, other functionalists believe that corruption can lead to the reallocation of resources in ways that might appear to benefit certain groups or interests, addressing immediate needs or facilitating access to goods and services in the absence of legitimate channels (Folarin, 2009). This can temporarily satisfy demands that the formal system fails to meet. In underdeveloped or dysfunctional political systems, like Nigeria, functionalist theorists argue that corruption may emerge as a coping mechanism that allows individuals to navigate systemic inadequacies. For example, it can enable people to achieve their goals in environments where official processes are ineffective or unavailable. Thus, the functionalist approach helps to explain why corruption persists in some societies like Nigeria.

Prebendal Politics and High Cost of Governance in Nigeria

The concept of costs refers to the expenses incurred in the production of goods and services or in the provision of programmes and services by governments, businesses, or individuals. Cost in economics simply means the value of money that has been used up, either for the production of goods and services or for the purchase of goods and services and that such expended funds are usually not available for use in the future (Ejuvbekpokpo, 2012). In the context of governance and social programmes, costs can also relate to the trade-offs involved in allocating resources. Governments must balance their budgets while providing essential services, which may lead to difficult decisions about funding priorities. Understanding costs helps in evaluating the sustainability and effectiveness of various programmes and policies. In the context of this study, cost encompasses the total value of money as earmarked for spending in a fiscal year, as reflected in the country's Annual Appropriation Acts. On the other hand, governance presupposes the principle of effective and efficient management and distribution of the scarce resources available to attain the broad objectives of the state. Thus, and as Ogundiya (2010) noted, the cost of governance is the sum total of all monies expended by a government in a fiscal year, as clearly stated in the annual budget of that year.

Fluvian (2007) defined the cost of governance as any expenditure in maintaining government administrative structures and equates the cost of governance to total administrative expenditure and argued that

> *The justification for using total administrative expenditure as the cost of governance stems from the fact that administrative expenditures are incurred in governing processes.*

Drucker (2007) while assessing the cost of governance based his finding on government financial allocations to the two divides (capital and recurrent expenditures) in the government budget. According to him,

> *The cost of governance is the government budget allocated to both capital and recurrent expenditures on maintaining government*

> *administrative structures. Therefore, the cost of governance thus encompasses the sum total of all monies spent on maintaining all aspects of government business, which includes the salaries, wages, and allocations of public sector workers, political office holders, and their aids, as well as all monies spent on providing essential goods and infrastructure in society (Drucker, 2007)*

Thus, government entities incur administrative expenses, regulatory compliance costs, public services, political processes, social programmes, and security and defense costs. These expenses include salaries, office supplies, utilities, communications, and overhead. According to Abrahim (2023), regulatory compliance can be costly, as public services like healthcare and education requires huge investment to be functional and effective to meet the desired expectations. Political processes and social welfare and security can also be costly, though essential for societal stability. And they form and contribute to the high cost of governance in Nigerian political administrative system.

Every modern government incurs costs in course of running the administration of the state. This is true of all nations, regions, states, empires, and kingdoms. The emerging trend in the world today is that there is an upward movement in the expenditure of government in both the developed nations and the developing nations. The tremendous growth of government expenditures here in Nigeria and other countries have been one of the striking economic developments of recent decades (Abrahim 2023). It shows that the high cost of governance is a general phenomenon, and as such, it is not a contentious issue among policymakers and public policy analysts. However, what generates debate among development scholars is the area where the most cost to the government occurs. For example, is it in recurrent expenditures that the government commits more financial resources to, or is it capital expenditures?

Most governments in the developed world commit more financial resources to capital projects and lately security and defense to ensure further development and provide better security of their societies. The reason is not far-fetched, as they understand the simple economic implications of their actions. Economically, as a country continues to invest in science and technology and infrastructural development, it helps to expand the economy and creates the necessary economic forces of capital accumulation and reinvestment, create job opportunities, accessibility to essential goods at an affordable cost etc., and the outcome is that poverty and unemployment are reduced while productivity is increased (Adewole and Osabuohien, 2007).

On the contrary, developing nations like Nigeria commit more financial resources to the recurrent sector of her economy. The recurrent expenditures are government spending on salaries, wages, and allowances of public sector workers, political office holders, and their aid, as well as monies expended on the maintenance of vehicles, houses, and so on. The resultant effects are poor infrastructure, insecurity, high unemployment rate, poor health care system, high illiteracy rate, poor investment in education, high rate of poverty, low foreign investments, high mortality rate, etc, as evidence in the Nigerian context.

The prevailing poor economic conditions in the country placed serious question marks on the capability and competency of the Nigerian State concerning the management of the abundant economic resources and the State's ability to improve the living standards of the people. It should be noted that the power vested in the Nigerian state to raise and spend money through a well-defined and structured tax stem is as a result of accompanied responsibilities saddled on it. Adam Smith made this clear when he provided three essential responsibilities of the modern state, including Nigeria (Adam Smith, as cited in Ajayi, 1997). Smith sees these responsibilities as essential and fundamental to the continuous existence of a state. According to him the state,

i. Has the duty of protecting society from violence and invasion by other independent societies (e.g., internal and external security and defense).
ii. Has the duty of protecting every member of society from injustice, and
iii. It has the duty also to erect and maintain certain public works and public institutions for the general interest of the public.

In contemporary discourse, Smith's rationale of the state represents today's welfare state, particularly focusing on the role of government in ensuring the well-being of its citizens through various social programmes and services including healthcare, education, unemployment benefits, pensions, etc (Peter, 1986, William, 1998; Allison & Leah, 2015). Ajayi (1997:148) argued that;

> *The modern state has become a powerful engine for the modernization and facilitation of the development of society often characterized by a strong, interventionist government that actively promotes economic growth and development through calculated strategic investment policies, and social and political programmes.*

Thus, the modern state creates conveniences, which include security, administration of justice, the provision of public goods (roads, water, healthcare, power, shelter, and essential infrastructure) as well as the maintenance of public institutions. This should form the cradle and cardinal focus of the Nigerian state. It should be noted that the cost of governance, defined in monetary terms, that is what the government can raise in terms of taxes and spend (expenditure) emanates from the believe that the modern state is expected to carry out key functions geared towards the improvement of lives and advancement of society. It can therefore be argued that the extent to which the state fulfills this obligation determines citizens' allegiance, loyalty, and obedience, which the state sought and advance. On the contrary, when the state fails to act as expected in relation to these responsibilities, the result is bad governance, in which the cost, in monetary terms, security of the society, and the resultant decay in infrastructures, weak institutions, and low productivity leading to economic downturn, is usually very costly and devastating to society.

Methodology of the Study

This research is exploratory and descriptive in nature. The research relied on secondary data collection technique in the collection of relevant information related to the issues of corruption, high cost of governance and underdevelopment in Nigeria. The study adopted the content analytical method in analyzing data derived from journals, text books, newspapers and other publications regarding issues raised in the study. The analysis focused mainly on prebendal politics as a form of corruption perpetrated by the governing elites and how this phenomenon contributes to high cost of democratic governance and underdevelopment of the Nigerian State since 1999.

Analysis of Prebendal Politics, High Cost of Governance and Underdevelopment in Nigeria

The Impact of Prebendal Politics on Governing Structures

Prebendal politics refers to a political system where state resources and offices are allocated based on ethnic, regional, or personal loyalty rather than merit or public interest. This concept is particularly significant in analyzing governance in many developing democracies, especially in Africa. The impact of prebendal politics on governing structures can be profound, influencing everything from public policy to politics. Prebendal politics poses significant challenges to effective governance by fostering corruption, weakening institutional integrity, eroding accountability, exacerbating social divisions, and undermining democratic processes.

i. Corruption and Mismanagement of Resources: One of the most significant impacts of prebendal politics is the maintenance of corruption in societies where it is well established and practiced. When leaders prioritize personal loyalty over accountability, there is often a lack of transparency in how resources are managed. According to Adebanwi and Obadare (2010), this leads to a governance environment where public officials siphon off state resources for personal enrichment, resulting in widespread mismanagement and inefficiency in public service delivery.

In prebendal form of politics the official who occupies an office usually engaged in sharp practices and provide or create avenues to reward his supporters, kinsmen, and members of his political class. Some of the ways and techniques government officials create to reward their supporters is the appointment of large number of political aides and the duplication of political offices. It also includes the use of security vote for self-enrichment and the award of fictitious contracts to cronies.

Nigerian governments both at the federal, state and local levels are known to appoint large number of officials as aid immediately they get into office. The appointment of a hundred special advisers and senior special assistants by the president, vice president, ministers, governors, deputy governors, commissioners, and other heads of ministries, departments, and agencies (MDAs) are all measures employed by office holders to reward loyal and obedient supporters and their kin groups. Amidst worries related to the excessive expense of government, yet, President Bola Tinubu sent the names of 48 ministerial nominees to the Senate for approval. Nigeria's President Tinubu has set a new record by nominating 48 potential ministers, surpassing previous presidents Muhammadu Buhari, Goodluck Jonathan, Yar'Adua, and Buhari, who had previously nominated 36 and 42 ministers respectively (Olatunji, Ayantoye, George, & Hamid, 2023). Additionally, there are approximately 560 commissioner-designates in 27 states of the federation, whose elections in May 2023 could cost the nation N23.4 billion in salaries (Tolu-Kolawale, 2023).

Economists and financial experts have criticized President Tinubu's government decision to increase the number of ministers in Nigeria, arguing it is unnecessary and could increase governance costs (Olatunji et: al., 2023). They suggest that a leaner but effective government could be achieved by merging ministries and delivering functions, rather than having 48 ministers. The current system of having ministers from each state is unnecessary due to the heavy cost involved in maintaining them. To reduce the cost of governance, there should be a reduction in the number of government offices and personnel at all levels of governance. The government security vote is another potential source for Nigerian political officeholders to reward their supporters, cronies, and patrimonial associates. This is a potent financial source for the President, Governors, and

Local government Chairmen in Nigeria. However, the usefulness of security votes in enhancing public safety and national security remains a topic of continuous discussion due to issues with accountability and misuse potentials. In Nigeria, security votes are used as a conduit for corruption since they are not properly supervised. Transacted mostly in cash, "security votes spending is not subject to legislative oversight or independent audit due to its secretive nature" (Obada & Onyia, 2020:12). Monies are embezzled or siphoned for private gain and not used for the intended purpose. Transparency International TI, 2023) noted that the President, 36 state governors, and 774 local government chairmen spend $670m or N241bn yearly on security votes, which are opaque and corruption-prone. This funding mechanism is widely used across Nigeria's three tiers of government, constituting a significant percentage of the country's overall security spending. Local government Chairmen, State governors, and the Presidency sees security vote as unearned income and use it to pacify supporters and loyalists.

Fictitious contracts in Nigeria are agreements that are never executed or fabricated for financial gain. They often inflate costs of services or goods delivered, siphoning off public funds and inflating government spending efficiency. The Nigeria Extractive Industries Transparency Initiative (NEITI) investigated these contracts, which are awarded to political class members as tools to reward allies and cronies, divert state resources, and engage in corrupt practices (SERAP, 2023). This highlights the systematic exploitation of governance structures by the political elite to maintain power and wealth through corrupt practices.

Fictitious contracts often arise from established networks of political patronage. Politicians award contracts to their associates or family members without regard for the legitimacy or necessity of the work to be done. This system ensures that financial resources get back to the politicians in the form of kickbacks or campaign contributions. Research conducted by the Socio-Economic Rights and Accountability Project (SERAP) highlights how these practices have become entrenched in Nigeria's governance, with many contracts awarded based on relationships rather than merit (SERAP, 2023). For instance, political leaders award contracts to businesses owned by friends, family, or loyalists, regardless of their capacity to deliver on those contracts. As highlighted in a report by Transparency International, this form of cronyism results in subpar service delivery, as these entities may lack the necessary experience or capability (TI, 2023). Several high-profile cases exemplify this misuse of contracts. The Niger Delta Development Commission (NDDC) has been criticized for awarding numerous contracts to firms with questionable operational histories, many of which were linked to political elites. A report by The Nation discussed how contracts worth billions of naira were awarded to firms that had little or no capability to execute the projects, thereby raising questions about motives and accountability.

The prevalence of fictitious contracts in Nigeria is largely due to the lack of a robust regulatory framework for public procurements (TI, 2023). Current laws are not enforced effectively, leading to widespread corruption. This issue extends to multiple levels of government, with local officials often creating fictitious contracts to extort funds from state and federal governments. This decentralized corruption complicates reform efforts and requires simultaneous action at various governance levels. The consequences of awarding fictitious contracts extend beyond financial loss, causing societal impacts such as socio-economic instability and disenfranchisement among citizens, as noted by Oluwo (2024). The Nigerian Economist (2024) highlights the need for a culture of cynicism towards governance and public institutions. The use of fictitious contracts by

Nigeria's political class is a significant barrier to governance and economic development. The combination of political patronage, lack of oversight, and public complacency creates an environment conducive to such practices.

ii. Weak Institutional Frameworks: Prebendal politics in Nigeria undermines the development of strong institutions, leading to nepotism and favoritism in governance structures. This erodes the legitimacy of institutions, making them more susceptible to collapse and less effective in responding to public needs, according to Omotola (2010). Corruption is visible at all levels of governance, including bureaucracy, Police, political parties, state and national legislative assemblies, public institutions, agencies, and the private sector (Adeyemi, 2009). Amuchi (2010) identified corruption at all levels of governance in Nigeria. He posts that:

> *Corruption is visible everywhere and at all levels of government: in the bureaucracy, in the Police, in the political parties, in the State and National Legislative Assemblies, and in other public institutions and agencies as well as the private sector (Amuch, 2010: 5-6)*

A 2003 study rated the Nigerian Police, political parties, national and state assemblies, local governments, federal and state executive councils, traffic police, and the Power Holding Company of Nigeria (PHCN) as the most corrupt public institutions in the country. Corruption in Nigeria dates back to the colonial era and became more prominent during the civilian administration of Alhaji Shehu Shagari and the military regimes of General Ibrahim Badamasi Babangida and General Sani Abacha. During their reign in office billions of oil dollars disappeared from the nation's treasure (Lambsdoff, 2006)

iii. Erosion of Accountability: In a prebendal system, accountability mechanisms are often compromised. Public officials may feel less compelled to answer to their constituents because their loyalty lies with their patronage networks rather than the electorates. As explained by Osei-Tutu (2014), this diminishes the responsiveness of government to citizens' needs, which can lead to public disillusionment and disengagement from civic processes. A very good example is the lukewarm attitude of voters during elections. Voters in Nigeria have come to develop a nonchalant and cynical behaviour towards elections (Akin, 2010). This attitude of most voters is as a result of lack of accountability of their political representatives in various offices. Many electorates in Nigeria are convince that the rise to political power and the utilization of offices by politicians has neither serve their interest non advance the socioeconomic wellbeing of the people. This lack of interest in the political process has robbed off the vitality and dynamism usually associated with democratic elections often generated by massive and active participation by the citizenry (Akin, 2010).

iv. Political Instability: Political instability is a major contributor to underdevelopment in Africa, particularly in Nigeria. Political instability in Nigeria has been a persistent issue influenced by various factors, including ethnic tensions, corruption, security challenges, and economic difficulties. The country has experienced periods of military rule, civil unrest, and conflicts, particularly in regions like the Niger Delta and the northeastern part of the country, where insurgent groups such as Boko Haram operate. Since the country returned to democratic rule in 1999, the political landscape has been volatile, with elections often surrounded by controversies regarding electoral integrity and violence in different parts of the country. Additionally, the central government's inability to address security concerns and economic inequality have significantly impacted on the stability of the nation Political instability has deterred investment and disrupt economic activities, leading to economic stagnation and trade restrictions. It has resulted in civil war, ethnic conflicts, and violence, which disrupt daily life and economic activities. Social unrest, policy inconsistency, marginalization of certain groups, brain drain, inhibited social cohesion, and infrastructure neglect can further exacerbate underdevelopment. These factors can lead to a loss of human capital, displaced populations, and a weakened government, ultimately hindering economic growth and social welfare.

v. Social cleavages and Inequality: Prebendal politics has exacerbated social divisions and inequality in Nigeria. By favouring certain ethnic or regional groups in the distribution of resources, it nurtures grievances among marginalized communities. According to Adebayo (2016), this can lead not only to social fragmentation but also to violent conflicts, as groups vie for access to state resources. Such tensions undermine national unity and can destabilize governing structures. In the same vein, inequality in Nigeria is a significant issue that affects living conditions of Nigerians.

vi. Impediments to Democratic Processes: Democracies that operate under prebendal politics often experience electoral malpractices, such as vote-buying and manipulation, as political actors seek to maintain power through patronage rather than through genuine democratic engagement. As noted by Nnoli (2003), this abuse of democratic processes stifles political competition and reduces the quality of governance, leading to a cycle where prebendal behavior perpetuates itself. The Nations newspaper (2003) put this succinctly when it stated that acquisition of political offices in Nigeria is perceived more as a means for personal aggrandizement than for public service. Prebendal politics has resulted in low democratic and political culture in Nigeria. Existing realities indicate that elections have been marred with fraud and violence, lacking the basic standards and qualities often associated with democratic practice in other climes.

Prebendal politics has equally instituted a 'sit tight' syndrome among incumbent officeholders who usually manipulate state institutions to their own advantage and has created political platforms for the emergence of clueless, visionless leaders and political parties without any form of ideology (Abonyi, 2015). This lack of a clearly defined form of ideological foundation among the over sixty (60) political parties in the country tends to explain to a large extent the emergence of individuals who govern without any guided principle and ideas. Such leadership has been found to lack focus, discipline, wisdom and vision needed to direct the affairs of the State to attain the expected progress and advancement. In a nutshell, Nigeria's political landscape is influenced by immense corruption and has weakened governance structures. Nigeria despite being rich in resources, the nation has faced chronic issues such as poverty and poor infrastructure, largely attributed to the diversion of public funds into private hands (Bello-Imam, 2003).

vii. Insecurity in Nigeria: Insecurity in Nigeria is a significant concern for both citizens and the government, arising from economic challenges, ethnic tensions, political instability, high unemployment rates, high governance costs, poverty, and lack of access to basic services. The Nigerian government has deployed military and police forces to combat these issues, but concerns remain about human rights abuses and effectiveness. Citizens believe the government lacks a concrete strategy to address the root causes of insecurity, particularly the inability to check official corruption. International attention has been drawn to counter-terrorism efforts and humanitarian aid. Community-led initiatives also aim to promote peace and conflict resolution, but often face challenges. Pervasive insecurity affects governance, development, investments, and the country's long-term stability.

The Boko Haram insurgency in Nigeria, which began in 2009, has caused widespread violence, displacement, and humanitarian crises in rural areas. The group has carried out numerous attacks on civilians, military forces, and government institutions, resulting in thousands of deaths and displacement. Banditry has become a major security concern, particularly in northern states, with armed groups engaging in mass kidnappings for ransom. The diverse ethnic and religious groups in Nigeria also contribute to tensions, particularly between farmers and herders over land and resources. Militant groups in the Niger Delta continue to spark unrest due to issues like oil theft and environmental degradation.

Analysis of the Financial Implications of High Cost of Governance in Nigeria
The cost of governance in Nigeria has become a critical issue, drawing attention from economists, policymakers, and citizens alike. This analysis seeks to explore the financial implications of high governance costs in Nigeria, focusing on its impact on public expenditure, economic growth, and social services. High cost of governance refers to the substantial resources allocated to government operations, public officials, administrative expenses, and capital projects. In Nigeria, this cost is exacerbated by factors such as bureaucracy, corruption, and inefficiencies in public service delivery.

i. Diversion of funds from critical sectors of the Economy: The Nigerian government allocates a significant portion of its budget to governance-related expenses, particularly, in sustaining its bureaucratic institutions and personnel According to the National Bureau of Statistics (NBS), personnel costs constituted about 30% of the total federal budget in recent years (NBS, 2023). This high expenditure on salaries and allowances for political office holders and bureaucrats diverts funds from crucial sectors such as education, healthcare, and infrastructure development, leading to suboptimal public service delivery (Adeb2). Similarly, high cost of governance inhibits economic growth by reducing the amount of financial resources available for investment in key sectors. A study by Ogunleye (2023) indicates that a direct correlation exists between high governance costs and stagnant economic growth rates in Nigeria. When substantial government resources are consumed by administrative functions instead of productive investments, economic development is hampered, perpetuating cycles of poverty and underdevelopment in the populace (Ibrahim, 2023).

ii. High Rate of Unemployment: One area government huge investment on personnel has impacted significantly is in the area of job creation in the country. For example, Nigeria's unemployment rate is estimated to be around 33% as of mid-2023, this includes both open unemployment and underemployment (NBS, 2023). The 33% unemployment rate is one of the highest in the world. However, these figures may fluctuate due to economic conditions and government policies and may also defer from region to region with urban areas often having different dynamics than rural areas as noted by Adebayo (2022). According to a study by Nwankwo and Shade (2020), revealed that Northern Nigeria, in particular, tends to have higher unemployment rates compared to the south. The Nigerian government has introduced various programmes aimed at reducing unemployment, including skill acquisition programmes and support for small and medium-sized enterprises (SMEs). However, it should note that the effectiveness of these initiatives varies. Nonetheless, the most recent data on unemployment in Nigeria by NBS indicating a challenging labour market with estimates showing that over 40% of young Nigerians (aged 15-34) are unemployed (NBS, 2023) This demographic indicates that youths are confronted with significant barriers to entering the job market. In addition to the various challenges, including economic downturns, inflation, and the impact of global events like the COVID-19 pandemic, have contributed to job losses in Nigeria.

iii. Increased Poverty and Mortality Rate: Nigeria's mortality rates, particularly in maternal and infant health, are a significant concern. The under-five mortality rate is around 100 deaths per birth, while the maternal mortality ratio is approximately 512 deaths per 100,000 live births according to World Bank, (2023). These figures highlight ongoing challenges in healthcare access and quality. Nigerian Bureau of Statistics report in 2023 revealed that Nigeria has one of the highest infant mortality rates globally, with estimates around 70-90 deaths per 1,000 live births and disease burdens such as malaria, tuberculosis, HIV/AIDS, and non-communicable diseases like heart disease and diabetes and they pose severe health threats to Nigerians (NBS, 2023). Besides, Nigeria has one of the highest levels of income inequality in the world, with a skewed wealth distribution and stark differences in economic development across regions. According to Okonjo-Iweala (2020), the Northern regions (Northwest, Northeast, and North-Central) experience higher poverty rates, lower access to education, and fewer job opportunities compared to southern regions (Southwest, Southeast, and South/South), contributing to a cycle of inequality. Thus, urban areas tend to have better infrastructure, job opportunities, and access to services compared to rural areas. This urban-rural divide exacerbates income inequality and limits social mobility for those in rural communities. Children from poorer families often have limited access to quality education, perpetuating the cycle of poverty and inequality. Also, gender inequality is another important measurement parameter in Nigeria, with women facing significant barriers to economic participation, education, and healthcare. Gender-based violence and cultural norms often restrict women's rights and opportunities.

iv. Increased Illiteracy Level: Apart from these challenges mentioned above, literacy rates are also high in Nigeria. For instance, literacy rates in Nigeria are estimated to be around 62% to 65% for adults, with youth literacy typically higher than the overall adult rate (Adebayo, 2020). According to Adebayo, challenges affecting literacy rates include poverty, inadequate educational infrastructure, cultural factors, and insecurity in certain regions that disrupt schooling. Despite the Nigerian government's efforts to reduce poverty, promote economic development, and inclusivity, challenges such as corruption, mismanagement, and lack of infrastructure hinder their effectiveness.

v. Reduction in Social Services and Infrastructure Development: The high cost of governance often provides fertile ground for corruption and mismanagement resources. Transparency Internationals Corruption Perceptions Index consistently ranks Nigeria among the most corrupt countries globally, which is largely attributed to the opaque processes in public finance management (TI, 2024). Corruption not financial losses, estimated at over $400 billion since independence due to theft and misallocation of public funds (Okonjo-Iweala, 2022).

The diversion of funds to cover governance costs leads to inadequate funding for essential services. For instance, the health sector in Nigeria suffers from chronic underfunding, with the World Health Organization recommending that countries allocate at least 15% of their budgets to health (WHO, 2023). In Nigeria, this figure often falls short, primarily due to high expenditure on governance. As a result, health outcomes deteriorate, exacerbating public health crises and contributing to premature mortality (Adelaja & Fatima, 2023).

v. Investment Climate and Foreign Direct Investment (FDI): Nigeria has faced challenges in attracting foreign direct investment despite being one of the largest economies in Africa. These challenges are not unconnected with such factors as security, regulatory environment, infrastructure deficiencies, political instability, corruption and market access issues. The high cost of governance negatively affects Nigeria's investment climate. Investors by their perception of high level of corruption, inefficiency, and the unpredictability of the regulatory environment have affected foreign investment in the country (UNCTAD, 2023). This perception restricts foreign direct investment, which is crucial for economic growth and job creation. The United Nations Conference on Trade and Development (UNCTAD) reports that Nigeria's FDI inflows have declined significantly in the past decade, partly due to governance issues (UNCTAD, 2023). The high cost of governance in Nigeria presents significant financial implications that hinder economic growth, sap public resources, and exacerbate social service delivery. Addressing these challenges requires comprehensive reforms aimed at enhancing efficiency and accountability in governance. By reducing the cost of governance, Nigeria can redirect its financial resources toward critical areas such as health, education, and infrastructure, ultimately fostering economic development and improving the quality of life for its citizens.

Analysis of Strategies for Combating Underdevelopment Challenges in Nigeria

In Nigeria there are multitude of challenges that contribute to its underdevelopment, including poverty, inadequate infrastructure, corruption, poor education, and health care issues Addressing these challenges requires a multifaceted approach that utilizes effective strategies tailored to the unique contexts within the country. This analysis identifies key strategies to combat these challenges.

i. **Improving Infrastructures:** First, improving Infrastructure remains **o**ne of the most pressing issues. In Nigeria, inadequate infrastructure, affects transportation, energy supply, and communication networks. The World Bank (2021) report indicates that Nigeria has one of the lowest levels of infrastructure development in Sub-Saharan Africa, hampering economic growth and social development. To combat this challenge, the Nigerian state needs to engage in collaborative approach, creating relationship with the private sector. Engaging private sector investment through PPPs can mobilize necessary funds and expertise for infrastructure development. For instance, successful models in other countries, such as Brazil and India, could be adapted in Nigeria to improve roads, electricity, and water supply systems (Ogunleye,).

ii. **Investing in Renewable Energy Sources:** Secondly, Investing in Renewable Energy will possibly address the frequent power failure in the country. With frequent power outages, investing in renewable energy sources, such as solar and wind, can provide sustainable and accessible energy solutions, particularly in rural areas. A decentralized energy system can enhance local economies and social services (Renewable Energy Association of Nigeria, 2022).

iii. **Enhancing Education and Skill Development:** Enhancing education and skills development is also very vital to overcoming underdevelopment issues in Nigeria. The educational system in Nigeria faces significant challenges, with high dropout rates and poor-quality education leads to a workforce, ill-equipped for modern economic demands. According to UNESCO (2020), over 10 million children are out of school in Nigeria, exacerbating unemployment and underemployment.
iv. **Economic Diversification:** Fostering economic diversification remains a critical measure for rapid economic expansion and advancement. Nigeria's economy is heavily reliant economic development. To counter this dependency, there is a need for economic diversification. Given Nigeria's rich agricultural resources, bolstering the agricultural sector through modern farming techniques, access to markets, and financial support can stimulate rural economies and create jobs. The Nigerian government's Anchor Borrowers' Programme is an example of an initiative aimed at achieving this (Federal Ministry of Agriculture and Rural Development, 2022).
v. **Promoting SMEs:** Supporting small and medium-sized enterprises (SMEs) can drive innovation and job creation. Policies that provide access to financing and reduce regulatory burdens for SMEs can enhance their growth potential. The European Union's support for SMEs in Nigeria has shown positive impacts on local economies (European Commission, 2021).

Recommendations

i. **Curriculum Reform:** Revamping the educational curriculum to focus on skills development, vocational training, and STEM (Science, Technology, Engineering, and Mathematics) education is crucial. This aligns education with market needs and equips students with practical skills. Successful interventions in countries like Singapore could serve as benchmarks for reform (Adetunji, 2021). Investment in Teacher Training: Improving the quality of education also requires investing in teacher training programs. Enhancing teachers' skills. Collaborative programs with international educational organizations can facilitate this process (Nigerian Educational Research and Development Council, 2019).
ii. **Enhancing Transparency:** Implementing stronger transparency measures and using technology to promote accountability in government spending can deter corrupt practices. Platforms that allow citizens to track public expenditures can empower communities to demand accountability (Open Government Partnership, 2021).
iii. **Judicial Reforms:** Strengthening the judiciary and law enforcement to handle corruption cases effectively is essential. Establishing specialized anti-corruption courts can expedite cases and ensure justice is served (Ugorji, 2021).
iv. **Improving Health Care Access:** Health care challenges, particularly in maternal and child health, significantly impact Nigeria's human development indices. The World Health Organization (2021) emphasizes that is critical for boosting productivity.
v. **Universal Health Coverage (UHC):** Implementing UHC can expand access to essential health services for all Nigerians, reducing disparities in health care access. Examples from countries like Thailand demonstrate the effectiveness of UHC in improving health outcomes while being cost-effective (World Health Organization, 2021).
vi. **Community Health Initiatives:** Focusing on community health programs, such as maternal health services and immunization campaigns, can address immediate health

needs. Involving community health workers has been proven effective in reaching underserved populations (Harvey et al., 2018). Combating the challenges of underdevelopment in Nigeria necessitates a comprehensive strategy that addresses infrastructure, education, economic diversification, governance

vii. Understanding these dynamics is crucial for policymakers seeking to enhance governance structures in contexts affected by such practices. Efforts to combat prebendal politics must focus promoting transparency, and fostering an inclusive political culture that transcends ethnic and personal loyalties.

Conclusion

In conclusion, the study on prebendal politics, high cost of governance, and underdevelopment in Nigeria highlights several interrelated issues that critically impact the country's socio-economic landscape. The analysis included the evaluation of the impact of prebendal politics on governance structures, the assessment of the financial implications of high cost of governance, and the identification of strategies for combating underdevelopment in Nigeria. The study revealed that prebendalism, where political officials prioritize personal and ethnic benefits over public good has led to widespread corruption, misallocation of resources, and a significant erosion of public trust in governance. The high cost of governance in Nigeria is exacerbated by the inefficiencies associated with this prebendal political culture. Bloated bureaucracies, and unnecessary expenditures, has placed heavy financial burden on the state. These factors divert funds away from essential services, infrastructure development, and social programmes, exacerbating the challenges of poverty and underdevelopment. Ultimately, the interplay between prebendal politics and the high cost of governance creates a cycle that perpetuates underdevelopment in Nigeria. To break this cycle, it is crucial for policymakers to implement reforms that promote transparency, accountability, and citizen engagement. This includes enhancing institutional capacity, reducing the size and cost of government, and fostering a political culture that prioritizes national development over personal gain.

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Chapter 4

MONETARY INCENTIVES AND PERFORMANCE OF CASUAL WORKERS

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Abstract

This study examines monetary incentives and performance of casual workers. The study drew participant from De united Nigeria plc, Cway beverage Nigeria Limited and Nigeria Bottling. The research instrument used in collection of data was a structured questionnaire. The study selected a sample size of two-hundred (200) respondents through convenience sampling technique. Data obtained was analyzed using Pearson product moment correlation coefficient (r) with the use of Statistical Package for Social Science (SPSS, version 23). The result showed that there is a significant relationship between salaries and wages and turnover intention. More so, there is a significant relationship between employee benefit scheme and commitment to work. The study recommends that Effective and good employee financial incentives schemes should be designed to include a mix of both financial and non-financial incentives. Also, Efforts must also be intensified to ensure that employees are giving what is due to them without any delay. Employers of labour should use career development incentives from time to time to motivate their employees.

Keywords: *Monetary Incentives, Performance, Salaries and Wages, Turnover Intention.*

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Introduction

Organizations are created to pursue predefined visions and stated objectives. The attainment of set objectives however rests on effective and efficient performance of roles and tasks. Thus, organizations institute reward systems to spur workers to perform optimally. The management of reward systems is a critical concern to firms, since astute management of this all-important function determine employee productivity and performance differential for organization. Okochi and Ateke (2021) affirms that "human elements" constitute strategic resource that determine efficient effectiveness that drive organizational success. Payne and Webber (2006, as cited in Ateke & Nwulu, 2018) suggest that investment in employees is essential to organizational improvement and resilience. Employees constitute the most potent tool a firm can utilize to deliver customer satisfaction and navigate the unstable and highly disruptive business environment. Achieving improved organizational performance and resilience is possible, if the firm has the right set of talents, and develops and rewards them adequately, for their job performance (Ateke & Nwulu, 2018). Reward management is concerned with the strategies, policies and processes required to ensure that the value of people and the contribution they make to achieving organizational goals is recognized and rewarded. It is about the design, implementation and maintenance of reward systems that aim to satisfy the needs of both the organization and its stakeholders and to operate fairly, equitable and consistently. Reward management is not just about pay and employee benefits. It is equally concerned with non-financial rewards such as recognition, learning and development opportunities and increased job responsibility. Organizational performance is a complex phenomenon that is mostly driven by ability and motivation of employees. A major problem facing employers in public and private sectors is how to motivate employees in order to improve performance. Economics is largely based on the assumption that monetary incentives improve performance (Igbaekemem, 2014).

Employees have motives and inner desires that are expressed in the form of actions and efforts towards job roles. Employee motivation is the level of energy, commitment, and creativity that workers apply to their job (Ebrurajolo, 2004). The most important thing for an organization is the devotion and loyalty of its employees; and this is elicited if employees are better rewarded. Rewards overcome dissatisfaction and increase employee performance (Mehta, 2014). There debate on the impact of monetary incentives on worker performance has not been settled yet. It is believed that poor incentive packages are an important factor in employee disengagement and low productivity. Employees' low morale and motivation prevents them from increasing their performance. In many cases staff believe that their contributions are not recognized by the organizations and the administration does not have the necessary skills this could help in the formulation of a good policy of monetary incentives. The survival and prosperity of any company is determined through the manner the workers are rewarded and rewarded (Kurose, 2013). The reward system and motivating incentives will determine the level of commitment of employees and their attitude towards work. According to Roberson and Stewart (2016), incentives are praise for doing properly in an employee's process within the shape of economic and non-financial incentive. However, for an organization to achieve its goal in any competitive society, employers need to have a thorough understanding of what drives employees to perform efficiently and reward them accordingly. The success and the survival of any organization are determined by the way the employees are remunerated and rewarded (Lawler, 2003). The reward system and motivating incentives will determine the level of employees' commitment and their attitude to work. Poor incentive packages have been a major factor affecting employees' commitment, performance and performance especially in higher institutions (Bateman and Snell 2016).

However, for any organization to achieve its objective in any competitive society, employers of labour must have a thorough understanding of what drives the employees to perform efficiently and reward them accordingly. Besides, employees must be motivated through adequate incentives plans and reward systems, and this will invariably encourage them to be proactive and have right attitude to work, thereby promote organizational performance (Armstrong, 2016). In addition, the absence of the suitable incentives may negatively affect the hardworking employee's; it may also weaken their performance at work which, and this decrease the chances of attaining the promising goals of the institution (Palmer, 2019). Basically, it is stated that if people receive payments for certain behaviors, the expectation is that they are likely to engage in these desired behaviors (Bettinger 2008). Akerele, (1991) blamed the performance of employees on several factors. Among them is the type of incentives, employers' failure to provide adequate compensation for hard work and the indiscipline of the privileged class that arrogantly displays their wealth, which is very demoralizing to working class. This consequently reduces their performance. Markova and Ford (2011) mentions that the real success of companies originate from employees' willingness to use their creativity, abilities and know-how in favour of the company and it is organization's task to encourage and nourish these positive employee inputs by putting effective reward practices in place. A lot of studies have dwelt on the effects of incentives on employees' performance in Nigerian organizations. But none of these studies have examined the effect of incentives on performance employees in Manufacturing industries in Ogun State.

Objectives of the Study

The general objective of the study is to assess monetary incentives and performance of casual workers.

The specific objectives are to:

i. To determine the relationship between salaries and wages and turnover intention
ii. To determine the relationship between employee benefit scheme and commitment to work.

Research Questions

i. Is there any relationship between salaries and wages and turnover intention?
ii. Does employee benefit scheme has any relationship between and commitment to work?

Research Hypotheses

To guide the study, the following hypotheses were formulated:

i. Ho1: There is no significant relationship between salaries and wages and turnover intention
ii. Ho2: There is no significant relationship between employee benefit scheme and commitment to work.

Conceptual Review

Monetary Incentives

Monetary incentives are financial benefits used by employers to motivate employees towards meeting their targets. It is a reward given to employees as a result of good performance. It could be job-based pay or person-based pay. Job-based pay provides pay related to the value of the job done by an employee, while person-based pay provides rewards that recognizes individuals' contributions, competences or skills. There is rising need for organizations to develop incentive systems that motivate staff to work effectively and efficiently. Effective incentive systems funnel employees' efforts towards the achievement of organizational goals (Mujtaba et al., 2010). It is believed that prospects of incentive payment "triggers" desired behaviours in employees. Whereas there have been a number of interventions to ensure enhanced organizational performance, such as improved reward management systems, improved communication systems, capacity building programmes, among others, these have had meticulous success in other settings like in manufacturing (Ong & Teh, 2019; Niki et al., 2019). Incentives should be aligned with behaviours that help achieve organizational goals. Incentives may be individual or group-based. Further, monetary rewards in and of themselves are often valued as a symbol of one's social status and acknowledgment of one's personal accomplishment (Trank et al., 2017). In sum, monetary rewards improve employees' motivation and performance because they satisfy a wide range of low- and high-level needs (Long & Shields, 2010).

When creating reward programmes to motivate employees, decision makers need to understand that incentive neither guarantees quality output nor loyalty but just a bonus that encourages workers to meet their goals without compromising on quality. Guerrero et al. (2016) identified piece Rates, pay raise, bonuses, profit sharing, contests, pay and allowances, co-partnership/stock option, retirement benefits and fringe benefits as common examples of monetary incentives. Piece rates are mostly used in manufacturing firms where employees are given a certain amount of money on each produced piece. Piece rates motivate employees to work harder and quickly to produce more pieces as each has a monetary incentive attached to it. However, when issuing piece rates, production supervisors must ensure that quality is not compromised. Pay raise is mostly offered to employees who have worked in a company for a considerably longer period of time. Some companies also give pay raises to employees who have reached a certain level of production or those who have completed required training programmes. Some offer annual salary increments to loyal workers.

Salary and Wages

Different definitions have been advanced on salaries and wages usually to show the differences that exist between both terms. (Surbhi, 2015) basic salary is a fixed periodical payment for non-manual employees usually expressed in annual terms, paid per month with generally no additions for productivity. Wage refers to payment to manual workers, always calculated on hourly or piece rates. Surbhi (2015) also defined salary as a fixed amount paid to the employees at regular intervals for their performance and productivity whereas wages are the hourly- based payment given to the labor for the amount of work finished in a day. He further argued that while Salaried persons are generally said to be doing "white collar office jobs" which implies that an individual is well educated, skilled and is employed with some firm and holds a good position in the society, whereas the waged person are said to be doing "blue collar labour job" which implies that an individual is engaged in the unskilled or semi-skilled job and is drawing wages on a daily basis.

One purpose of a person as an employee of a company is to earn income in the form of wages or compensation. Received wages to meet basic needs such as food, clothing and housing. Every company in determining the amount of wages paid to the employee must be feasible, so that the lowest wage that is given to meet the needs of their life (Kanzunnudin, 2016). Agburu (2019) argued for the importance of salaries and wages in Nigeria, he stated that wages should not only be adequate but they must also show some element of equity, this is particularly true from the point of the employees. Anything short of a fair and equitable wage or reward can quickly at tract the wrath of employees in an economy such as Nigeria. For many Nigerian employees, wages or salaries are highly critical issues. They are decisive because without them in sufficient quantities, life becomes extremely precarious for the worker and members of his/her family. As direct financial rewards, wages and salaries are the most emphasized by the employees, thus they sort of take a centre stage in the scheme of things as far as rewards for work is concerned.

Evidence from the literature indicates that generally allocating payment to specific performance is essential for increase employee morale and overall organisational productivity (Pratheepkanth, 2011). However, according to Hellriegel, Slocum and Woodman (2001), the secret lies on the strategic implementation of the wage programs as they use that actualizing this could be very difficult. They therefore suggested four salary-based reward systems for instigating high performance in work environments and these include: gain-sharing/profit sharing, flexibility benefits, banking time-off and skill-based pay. All of which involve the strategic administration of cash incentives at various times in order to increase the performance rate.

Employee Benefit Scheme

Employee benefits and (especially in British English) benefits in kind (also called fringe benefits, perquisites, or perks) include various types of non-wage compensation provided to employees in addition to their normal wages or salaries. Instances where an employee exchanges (cash) wages for some other form of benefit is generally referred to as a "a salary packaging" or "salary exchange" arrangement. In most countries, most kinds of employee benefits are taxable to at least some degree. Examples of these benefits include: housing (employer-provided or employer-paid) furnished or not, with or without free utilities; group insurance (health, dental life, etv.) disability income protection; retirement benefits; daycare; tuition reimbursement; sick leave vacation (paid and unpaid); social security; profit sharing; employer student loan contributions; conveyancing; domestic help (servants); and other specialized benefits (Chan, Gee, and Steiner, 2013). The purpose of employee benefits is to increase the economic security of staff members, and in doing so, improve worker retention across the organization. As such, it is one component of reward management.

Turnover Intention

Turnover refers to a kind of behavior which explains the procedures of leaving or replacing employees in an organization (Currivan, 2016). In management, turnover is not new but an important issue in human resource management which attracts the interest of public administration and industrial relations management practitioners all over the world. As the competition increases, the organizations must develop strategies to retain the employees (Ongori, 2019). Bothma and Roodt (2013) stated that turnover intention is very much studied and validate but there is need to validate the turnover intention scale (TIS). Turnover is a planned behavior to leave the organization. It is also noted that turnover is a deliberate intention or a part of an employee's strategy to escape from the current situation. There is an indirect relationship between turnover and job demands. When there are a lot of job demands, the stress arises and leads to turnover intentions. The job resource also stimulates the turnover intentions. Turnover is dependent on many personal and impersonal reasons and a person leaves the job when he finds another job easily or he has other opportunities. The quitting intention has always a high cost and negative outcomes.

Kumar and Govindarajo (2014) stated that there are a few instruments available in literature to measure some of the concepts such as absenteeism, turnover, and retention. There are some factors that make the decision easy to say whether the employees will stay or leave such as rewards, fairness at workplace, bullying and harassment, poor management relationships, management support, supervisor, safety and security, coworker relationship and others as well. The researcher used qualitative techniques to identify those factors which enforce the employees to stay or leave. Following this, the factor analysis is also used.

According to Varshney (2014), turnover can be defined as the members who quit the organization for those opportunities which they considered more suitable than their current jobs. Employees who leave the organization by their own choice or by the requests of others, both creates troubles for the organization. The organization bears a loss of investment which they do in training and selection of such employees. The turnover is the outcome of the attitudes and behaviors of coworkers and supervisors on job and in every state of affairs the intention of quitting becomes dependent on different factors, and turnover becomes an opposite dependent variable to predict the actual intentions of quitting. As the intention to quit is increased, the turnover also increases.

Commitment to Work

Employee Commitment is the bond employees experience with their organization. Broadly speaking, employees who are committed to their organization generally feel a connection with their organization, feel that they fit in and, feel they understand the goals of the organization. In the competitive environment, most of the organizations have successfully developed, executed, evaluated, refined and perused employee empowerment and improvement as a prime human resource practice with business value (Kandula, 2010).

Rashid, Sambasivan & Johari, (2015) would therefore be fully committed in achieving the organizational goals. Hashim and Mahmood (2011) argued that committed employees put in efforts that go beyond normal expectation in the delivery of high service quality because they feel strongly about improving service quality and personal accomplishments in providing service quality. They further asserted that it seems that such employees are not only dedicated in ensuring the continuous improvement of service quality but may also have derived personal satisfaction in terms of delivering service quality.

Herscovitch and Meyer, (2013) argued that commitment can be in form of affective, normative and continuance. Commitment comes with job related behaviours such as reduced absenteeism and this leads to effective quality service. Affective commitment is related to emotional attachment to the organization based on positive feelings of job characteristics. This type of commitment is associated with age and organizational tenure (Rowden, 2015). Continuance commitment emerges when the employee perceives the costs of leaving being high and decides to remain with the organization. Normative commitment refers to an employee's obligation to stay working with the organization due to clear understanding of organizational values and goals.

Hashim and Mahmood (2011) perceived higher commitment level to contribute towards increased or higher performance. Joolideh and Yeshodhara (2011) noted that "organizational commitment is critical to retain and attract well-qualified personnel". This was also reinforced by Malhotra and Mukherjee (2010) that Service quality in banks suffers when employees are unwilling or unable to perform a service at the level required.

Commitment according to Jaw and Liu (2010) is not only a human relation concept but also involves generating human energy and activating human mind. Without commitment, the implementation of new ideas and initiatives will be compromised (Jaw & Liu, 2010).

Performance of Casual Workers

Employee performance is a core concept within work and organizational psychology (Sonnentag & Frese, 2017). Despite the great importance of the individual employee performances and the widespread investigation into the correlation between job performance and organizational outcomes, very little effort has been put into developing a comprehensive definition for the construct and providing clarification on the metrics for its measurements. Elger (2016) for instance, defined the term performance as "the undertaking of complex series of actions that integrate skills and knowledge to produce a valuable result; and a performer as an individual or a group of people engaging in a collaborative effort". From this definition, employee performance can therefore be defined as an activity engaged by the employee to produce a viable or valuable outcome. Shahzadi, Javed, Pirzada, Nasreen and Khanam (2014) describe employee performance to involve the quality and quantity of output, present at work, accommodative and helpful nature and timeliness of output.

Sonnentag and Frese (2017) reviewing the definitions of employee performance conceptualized two distinctive but interrelated dimensions to it: action (or behavioural aspect) and an outcome aspect. The action or behavioural pertains to what the individual does at work that is relevant towards achieving the organizational goals, while the outcome aspect relates to the consequences of result pertaining to active behaviour or action. The implication therefore is that Organizations are in need of employees possessing both attributes which involves the capacity to meet up with the job demands and tailoring their efforts towards in such a way as to deliver products and services that enables the organization to actualise its objectives as well as gaining competitive advantage. Performance is also important for the individual. In turn accomplishing the job tasks and performing at a high level can be a source of satisfaction to the employee, prompting the feelings of mastery and pride. On the other hand, low performing employees will generally feel a sense of dissatisfaction which inevitably leads to low performance.

According to Ahmad, Wasay and Malik, (2019) most organisation pursuing the satisfaction of their customers tend to pay less attention to the level of satisfaction of their workforce, forgetting that without the employees being satisfied, performance level will be generally low which will ultimately result in customers dissatisfaction. Azar and Shafighi (2013) reiterated the importance of rewarding employee performance with the argument that when employees are less motivated fail at their job biddings as they tend to put in less effort at work. Bhattia and Qureshi (2016) describe employee performance as a measure encompassing both efficiency and effectiveness. They further stressed that one straightforward means of measuring employee performance is through the unit output of the worker per unit time.

Theoretical Review

Equity theory

The Equity theory postulated by Adams (1965) attempted to measure the relationships amongst employees in workplace. The theory makes four propositions: (i) that employees appraise their relationship with their co-workers by evaluating the ratio of what they input to their job task to what they derive from it (outcome) and then make a comparison with the input-output ration of their fellow employees, (ii) inequity exist if the employee perceives that input/outcome ratio compared to co-worker is unequal, (iii) the higher the perceived inequality (either in form of under-reward or over-reward) the more disappointed the person feels and, (iv) the higher the level of disappointment the more difficult it is for the employee to reestablish equity. The equity theory has been extensively tested empirically and it has been found that employee fairness perceptions in terms of job supervision, pay and promotion are major predicting factors for employee workplace behaviour and job performance, (Bettencourt & Brown, 1997; Dusterhoff, Cunningham &MacGregor, 2014; Lazaroiu, 2015). As suggested by theory, there are three forms of equity: distributive; procedural and interactional equity (Dusterhoff et al. 2014).

Distributive equity is concerned with the fairness of rewards relative to the work expended and comparison to other, and has been consistently found to be an important factor in appraisal reactions. Procedural equity or justice, which is concerned with the perceptions employees have about the fairness of the procedures used in conducting evaluations and is enhanced through due process criteria, including lack of bias, consistency and accuracy, and the level of voice – the degree of input an employee has into the evaluation process to be an aspect procedural equity. Lastly, interactional equity is concerned with the context of the performance appraisal which is enhanced when an employee is treated with consideration and respect during the appraisal process. Interactional equity was further divided into two dimensions: (i) informational equity – concerned with issues relating to the adequacy of explanation and (ii) interpersonal equity – stressing issues of politeness and respect.

Expectancy Theory

The Expectancy Theory was first advanced by Victor Vroom to explain employee motivation at work and later expanded and refined by the works of other scholars such as Porter and Lawler (1968) & Pinder (1987). The expectancy theory has three key elements: expectancy, instrumentality, and valence (Vroom, 1964). A person is motivated to the degree that he or she believes that (a) effort will lead to acceptable performance (expectancy), (b) performance will be rewarded (instrumentality), and (c) the value of the rewards is highly positive (valence). Expectancy is a person's estimate of the probability that job-related effort will result in a given level of performance. Generally, estimates of expectancy by employees lie between two extremes. Expectancy, ranging from 0 to 1, is based on probabilities. If an employee sees no chance that effort will lead to the desired performance level, the expectancy is 0. On the other hand, if the employee is completely certain that the task will be completed, the expectancy has value 1.

Instrumentality is an individual's estimate of the probability that a given level of achieved task performance will lead to various work outcomes. As with expectancy, instrumentality ranges from 0 to 1. For example, if an employee sees that a good performance rating will always result in a promotion increase, the instrumentality has a value 1. If there is no perceived relationship between a good performance rating and a promotion, the instrumentality is 0. Valence is the strength of an employee's preference for a particular reward. Theoretically, a reward has a valence because it is related to an employee's needs. Valence provides a link to the need theories of motivation proposed by Herzberg, Maslow, and co. The reward such as promotion, peer acceptance, recognition by supervisors, might have more or less value to individual employees. Unlike expectancy and instrumentality, valence can be either positive or negative. If an employee has a strong preference for attaining a reward, valence is positive. At the other extreme, valence is negative. And if an employee is indifferent to a reward, valence is 0. The total range is from -1 to +1. Vroom suggests that motivation, expectancy, instrumentality, and valence are related to one another by the equation:

M = E * I * V (Motivation = Expectancy * Instrumentality * Valence).

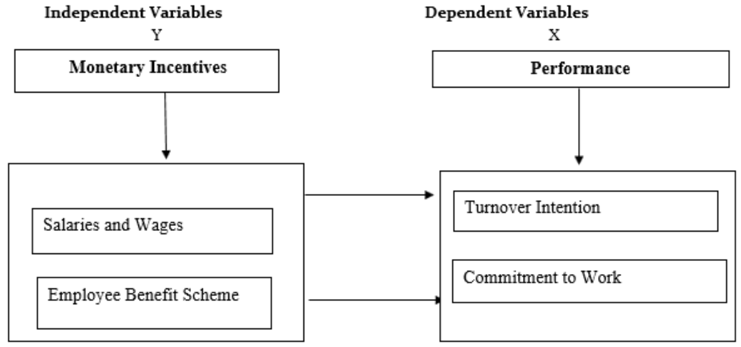
The multiplier effect in the equation is significant. It means that higher levels of motivation will result when expectancy, instrumentality, and valence are all high than when they are all low. If any one of the three factors is zero, the overall level of motivation is zero. Therefore, even if an employee believes that his effort will result in performance, which will result in reward, motivation will be zero if the valence of the reward he expects to receive is zero, i.e. if he believes that the reward he will receive for his effort has no value for him (Lunenburg, 2011). and skills; predictors of satisfaction, related to extrinsic and intrinsic rewards of the performance situations.

Empirical Review

Nsour (2019) studied the impact of financial and non-economic incentives at the consequences of commercial enterprise units through the years. Unlike previous behavior management research, this study used a quasi-experimental control group mission to examine the impact of financial and non-financial incentives on the results of business units. He studied 21 stores in a food franchise company. The variables studied include earnings, customer support and employee turnover through the study period. The outcomes showed that both varieties of incentives had a significant effect on all measured consequences. To start with, the financial incentive had a greater impact on the 3 results, but over time financial and non-financial incentives had an equally big effect, except in terms of workforce turnover. Eriksson and Villeval (2019) studied the issues of organizational performance in Christian hospitals. In this examine, the Quality of Working Life (QOWL), which harmonizes individual and organizational dreams, was used as an indicator of organizational overall performance from the point of view of open systems. To discover the behavioral elements influencing QOWL in hospitals, self-administered questionnaires were disbursed to at least 926 employees who were randomly selected from 15 Christian hospitals from august 1 to august 30, 1986. Several effects were observed among the variables.

Kuznetsova (2015) examined the impact of a financial incentive Program on the employee performance. The research is implemented through analyzing the sales reports of 2 months before and after the introduction of the incentive program and, the HRC staff survey conducted by the author. The monetary data obtained from the sales reports allows the author to examine the employee performance during the incentive program, compare it with the performance before the program and indicate a change in the key areas. Conduction of the HRC staff survey provides the research with the overall attitude of the personnel towards the experimental financial incentive program, and the level of their motivation. The outcome of the Financial Incentive program shows contradicting results after 2 months of analysis in terms of sales and employee performance. The results help to indicate important failures in the design of the program and its ways of assessing the actual employee performance.

Conceptual Model



Sources: The Researcher's, 2025

Methodology

The research design that was used for the study is quantitative, cross-sectional survey research design. The survey method was used for this study because it is not possible to study the entire population, thus, large size was selected from the whole population. The finding was generalized for the whole population. The survey design employed the use of research instrument of questionnaire. The population was made up of one hundred and fifty (100) causal workers from Alumax Industries Limited, one hundred and fifty (150) employees from DrugField Pharmaceuticals Ltd and one hundred (150) from Avon Crowncaps & Containers summing up to (400) causal worker of the manufacturing industries.

A sample size of 200 employees was selected from the population using Taro Yamanie Formula. Based on the information made available from the research:

$$n = \frac{N}{1+N\,(e^2)}$$

Where n = sample size

N = Population

E = Limit of error = 0.05

Applying the formula above to a population of 400 employees

n =?

N = 400

e = 0.05

$$N = \frac{400}{1+400\,(0.5^2)}$$

$$n = \frac{400}{1+400\,(0.0025)} = \frac{400}{2.0} = 200.$$

= 200 respondents

Similarly, convenience sampling technique was used to select respondents for the study from Alumax Industries Limited, DrugField Pharmaceuticals and Avon Crowncaps & Containers. The instrument that is used in this study is a questionnaire form, which consists of questions intended to generate information relating to the variables of the study. The questionnaire form is divided in to two (2) sections (A and B). Sections A contain questions about the personal characteristics of the respondents while Sections B contains questions relating to finding answers to the research questions and the validation of hypotheses. The key variables in this study are monetary incentives, performance of casual workers, salaries and wages, attitude to work, employee benefit scheme, commitment to work, remuneration system and employee effectiveness. All the above variables were measured on a five likert scale of strongly disagree, disagree, agree and strongly agree. The method used in presentation of data was the simple percentage method with tabular presentation. The data collected were analyzed using the Pearson Product Moment Correlation calculated automatically through the use of Statistical Package for Social Sciences (SPSS) version 23.0.

Data Presentation, Analysis and Interpretation

The data obtained from the field were presented and analyzed with descriptive statistics to provide answers for the research questions while the corresponding hypotheses were tested with Pearson chi square at 0.01 alpha level.

Analysis of Hypotheses Testing

Hypothesis 1:

Test of Hypotheses

For the purpose of testing the hypotheses, statistical tool such as Pearson correlation coefficient was used.

Hypothesis One

H_{01}: There is no significant relationship between salaries and wages and turnover intention

Table 1: Correlations

		Salaries and Wages	Turnover Intention
Salaries and Wages	Pearson Correlation	1	.960**
	Sig. (2-tailed)		.000
	N	150	150
Turnover Intention	Pearson Correlation	.960**	1
	Sig. (2-tailed)	.000	
	N	150	150

Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher's Field Survey, (2025)

The results of correlation analysis from table above indicate that Pearson correlation coefficient between salaries and wages and turnover intention was r=0.960 indicating there is strong positive correlations between the two variables. The prob. Values (0.000) is lesser than significance value (0.01). Then the null hypothesis one which states that there is no significant relationship between salaries and wages and turnover intention was rejected and conclusion is that there is a significant relationship between salaries and wages and turnover intention at 1% level of significance.

Hypothesis Two

H_{02}: There is no significant relationship between employee benefit scheme and commitment to work.

Table 2: Correlation

		Employee Benefit Scheme	Commitment To Work
Employee Benefit Scheme	Pearson Correlation	1	.987**
	Sig. (2-tailed)		.000
	N	150	150
Commitment To Work	Pearson Correlation	.987**	1
	Sig. (2-tailed)	.000	
	N	150	150

Source: Researcher's Field Survey, (2025)

The results of correlation analysis from table above indicate that Pearson correlation coefficient between employee benefit scheme and commitment to work was r=0.987 indicating there is strong positive correlations between the two variables. The prob. Values (0.000) is lesser than significance value (0.01). Then the null hypothesis two which states that there is no significant relationship between employee benefit scheme and commitment to work was rejected and conclusion is that there is a significant relationship between employee benefit scheme and commitment to work at 1% level of significance.

Having subjected the data collected from the respondents to statistical package for social science (SPSS), the following emerged as the summary of the study.

I. There is a significant relationship between salaries and wages and turnover intention. This is in line with the findings of Duberg and Mollen (2017) which focused on reward systems within the health and geriatric care sector found that salary is an important aspect in the reward system. However, other incentives like bonuses and shares were seen to generate an enjoyable work place and happy workers than motivate employees to be more efficient. Results showed that conditions for working with reward systems in the public sector are limited due to the lack of resources and complex large organization structures with old traditions.

ii. There is a significant relationship between employee benefit scheme and commitment to work. This is in line with findings by Falola et al. (2014) examined incentives packages and employees' attitudes to work in selected government parastatals in Ogun State, Nigeria. The summary of the findings indicates that there is strong correlation between incentive packages and employees' attitudes to work.

Conclusion

Employee benefits are crucial to attracting and retaining quality employees. Providing Special benefits improves workers performance. Bonus pay improves employee morale, motivation, and productivity. Monetary incentive is one of the most important strategies in the human resource management function as it influences the performance and growth of an organization. Hence, modern corporate organizations have deemed it imperative to incorporate effective monetary incentive schemes for workers as part of their corporate goals and objectives. This is believed to shape a workforce focused on, and capable of achieving set performance goals. All the variables in the research were tested and it was found out that strong relationship exists among the variables having subjected the collected data to empirical analysis with the use of multiple regression analysis. Based on the research results, this research concludes that incentives have positive significant influence on employees' performance in Nigerian organizations.

Recommendations

Based on the study findings, the following recommendations are proposed:

i. Effective and good employee financial incentives schemes should be designed to include a mix of both financial and non-financial incentives.
ii. Organization should strive to improve on non- monetary package giving to their employees in order to get the best out of them.
iii. Efforts must also be intensified to ensure that employees are giving what is due to them without any delay. Employers of labour should use career development incentives from time to time to motivate their employees.

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Chapter 5

EFFECT OF EXTERNAL DEBT AND GOVERNMENT EXPENDITURE ON EXCHANGE RATE

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Abstract

Nigeria has recently experienced significant exchange rate volatility, with the Naira depreciating substantially against major foreign currencies. This study therefore employed Autoregressive Distributed lag (ARDL) to examine the effect of government expenditure and external debt on exchange rate in Nigeria and data from 1981 to 2023. The result showed that in the long run, capital expenditure and money supply have negative effect on exchange rate while recurrent expenditure, gross fixed capital formation (GFCF) and external debt have positive effect on exchange rate. In the short run external debt and money supply have positive effect on exchange rate while GFCF has negative effect. Capital and recurrent expenditure have no significant effect on exchange rate. It is recommended that policies which reduce external debt and ensure investment on productive sectors of the economy should be put in place. This will help in appreciating the exchange rate.

Keywords: *ARDL, Exchange rate, Government expenditure, External debt, Nigeria.*

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Introduction

Exchange rate is a critical component of a nation's economy, influencing trade competitiveness, investment, and economic growth. It is a major instrument employed by monetary policy in achieving macroeconomic objectives. However, exchange rate instability can have far-reaching consequences, including reduced confidence of investors and decreased economic competitiveness. Nigeria, in particular, has experienced significant exchange rate volatility, with the Naira depreciating substantially against the US dollar. From the beginning of 1986 to 1994 Nigeria operated flexible regime, between1994 to 1995 it operated a parallel market or dual exchange rate. From 2006 to 2016 it operated a floating exchange rate determined by forces of demand and supply and controlled by banks. The present exchange rate is mixed (Egwaikhide & Orekoya, 2018; CBN, 2020).

Data from the World Bank Statistics (2023) indicated drastic rise in the Naira exchange rate between 1981 and 2023. For instance, as at 1981, the rate of exchange of the Naira to the U.S. dollar stood at 0.62 and increased drastically to 17.30 in 1992, 101.70 in 2001, 148.90 in 2009, 192.44 in 2015 and 253.49 in 2016. It rose to 435, 460, 897 in 2021, 2022, 2023. It increased drastically to above N1000 per dollar in first quarter of 2024 and presently above 1500 per dollar. Despite the existing works on the determinants of exchange rates, there is absence of consensus on the exact effect of government spending and external debt on exchange rate volatility in Nigeria. While some scholars attributed it to wrong policies implementation others believe that, macroeconomic performance and movement in the external sector constitute the major causes. Chowdhury (1999) believed that technological improvement and degree of openness determine exchange rate of a country, Cuiobano and Divino (2010) suggested that factors responsible for movements in exchange rate are monetary instruments. Hassan and Simione (2013) stated that, inflation, interest, gross domestic product and money supply are factors leading to fluctuation in exchange rate. Rahman (2016) assumes that there are five determinants of exchange rate: infrastructure, parity conditions, political risks, speculation and cross and portfolio investment. Accordingly, empirical evidence provided to validate the above assertion by past studies has generated several arguments, which makes literature to be inconclusive about this subject matter. See Patrawimolporn (2007), Ijeoma (2013), Saheed, Sani and Idakwoji (2015), Kouladoum (2018), Aderemi (2019) and Aderemi et al. (2019).

Developing countries economic growth like Nigeria is often affected by insufficient funds which makes them rely on foreign debt to meet the spending of government. These countries can therefore borrow money both domestically and internationally to augment their domestic resources to stimulate economic growth (IMF, 2019). The country's increasing government expenditure and external debt have raised concerns about their potential impact on the exchange rate and overall economic development. Between 1981 and 2023, Nigeria's public debt figure rose steadily, reaching N97.34tn (US$108.23b) as of December 2023. Similarly, government expenditure increased from N4.8 billion in 1981 to N21.827 trillion in the last quarter of 2023.While these tools are crucial for stimulating economic activity, their excessive accumulation can destabilize the exchange rate and hinder development. It is expected that with this huge debt and expenditure, the real sectors of the economy should be heavily invested in to meet the needs of increasing population but the increasing exchange rate led to rise in cost of production and inflation and reduction in foreign investment. This further affected the standard of living of consumers. Funds are used to inance recurrent government expenditures instead of productive projects in the country. This resulted in massive infrastructural gap and impediment of economic growth in the country. This resulted into serious socioeconomic implications like worsening unfavorable exchange rate occurrences. Hence, borrowed fund must be employed for productive purposes such as the provision of infrastructural facilities; industrialization, investment in human capital, etc., and it must not be affected by macroeconomic instability, policy shocks, or other adverse shocks (Jibir et al., 2018). This study therefore intends to examine the effect of both expenditure and external debt on exchange rate.

Conceptual

According to Chen (2020), the value of one nation's currency versus the currency of another nation or economic zone refers to exchange rate. It is a major instrument used by monetary policy in achieving macroeconomic objective. In Nigeria, government has been searching for a different strategy that will determine the most suitable exchange rate for the naira and prevent its continuous depreciation.

Ogbeifin (2017) defined external debt as the amount owed by the public and private sectors of the Nigerian economy to non-residents and citizens and is payable in the form of goods, services foreign currency. it occurs as a result of the gap between investment and domestic savings. This results to debt accumulation. Government debt or national debt is money owed by government or total debt of all governmental units at all levels (Saungweme & Odhiambo, 2019).

Capital expenditure is the quantity expended to acquire or improve the capacity or Capabilities of a long-term asset such as equipment or buildings (Cuong, Phu, Amélie & Duc, 2018). Recurrent expenditure refers to government spendings on administration such as interest on loans maintenance, wages and salaries. Whereas expenses on capital project like airports, education, road, telecommunication and electricity generation etc., are referred to as capital expenditures (CBN, 2022).

Theoretical Review

Mundell-Fleming model was proposed by Robert Mundell and Marcus Fleming (1962), and they made significant contributions to the analysis of fiscal and monetary policies in an open economy with rates of flexible exchange. The model provides a theoretical framework to explain the link between exchange rate fluctuations and economic growth. It examines the interaction between the goods market, the money market and the foreign exchange market in an open economy by extending the IS LM curve to include balance of payments and exchange rate. The model suggests that changes in exchange rates can have multiple effects on economic growth. It can affect a nation's trade balance and, in turn, its rate of economic expansion (Mussa, 1986). A reduction in the domestic currency's rate can boost export volumes by increasing exports' competitiveness in global markets. This will boost economic growth through stimulating production and employment in export-oriented industries. Equally, an appreciation of the domestic currency may make exports more expensive and reduce their competitiveness, potentially slowing down economic growth. Additionally, exchange rate fluctuations can affect capital flows and investment decisions.

There is therefore the need to observe the effect of external debt and expenditure on fluctuation of this important variable that affects economic growth. According to the model, rise in government spending causes shift in IS curve this raises both domestic interest rate, and level of national income. if interest rate is higher, compared to global interest rate, there will be increase in capial inflow into the economy. This will lead to appreciation in exchange rate of domestic currency and vice versa. It further explains that if increased government spending is financed by debt, pressure will be put on interest rate leading to a higher currency appreciation in the short run. As prices rise overtime due to increased demand, the real exchange rate depreciates back toward its long run equilibrium. It believes that under a floating exchange rate.

This model was chosen because it explains the important of exchange rate on economic growth and how other variables affect it. Whenever there is increase in government expenditure there is increase in national income leading to increase in demand and appreciation of the domestic currency. When there is increase in external debt and government spending without increase in infrastructure and production in reals sectors of the economy, there will be rise in inflation depreciation in the value of exchange rate. The model therefore highlights the importance of considering the following factors that an increase in government expenditure can lead to an appreciation of the exchange rate. An increase in external debt can put pressure on interest rates and exchange rates. Changes in exchange rates can have significant effects on economic growth.

Empirical Review

Numerous studies have examined the effect of public debt and public expenditure on exchange rate in different economies. However, the result of the studies are diverse with studies illustrating the positive effect of debt or expenditure on the one hand, and those that found negative or no effect of debt or government expenditure on the other hand.

Saheed (2012) studied the impact of capital expenditure on exchange rate during the Second and Fourth Republic in Nigeria. data from 1981 to 2010 and OLS regression were employed. The finding indicated that capital expenditure on community and social services statistically impact on exchange rate in Nigeria, while capital expenditures on administration, economic services and transfer have insignificant impact on exchange rate.

Sharma & Setia (2015) investigated the macroeconomic factors determining exchange rate in India. Results of Fully Modified OLS test indicates that there exists an inverse relationship between price levels and exchange rates while increase in money supply decreases exchange rates and trade balance. Oaikhenan, and Aigheyisi (2015) studied factors causing real exchange rate volatility in Nigeria. Data from 1970-2013 and EGARCH model was employed. The results showed that government expenses, lagged exchange rate and interest rate movements are the major significant variables influencing real exchange rate volatility.

Miyamoto, Nguyen, Sheremirov (2016) examined the effects of government spending on real exchange rates using evidence from military spending and panel data from 125 countries with data from 1983 to 2013. Findings shows that while increase in government consumption appreciates real exchange rates and increases consumption significantly in developing countries, it depreciates real exchange rates and decreases consumption in advanced countries

Odior and Arinze (2017) applied Exploratory Data Analysis (EDA) and non-parametric approach, vector error correction model, and Granger-Causality technique to investigate the relationship between inflation, public debt, and exchange rate in Nigeria for the period 1980 and 2016. Results shows that there is a positive relationship between external debt and exchange rate in the short run, and insignificant effect in the long run.

Ezeanyeji, Okeke, and Usifoh (2018) employed Error Correction model (ECM) estimation to examine the effect of external debt management on the exchange rate in Nigeria from 1981 to 2016. The outcomes of the research showed that external debt stock does not affect the exchange rate in Nigeria. However, Nigeria's external service payment negatively affected the average official exchange rate in Nigeria.

Kilicarslan (2018) studied the determinants of exchange rate volatility in turkey. The study employed data from 1974 to 2016 and fully modified ordinary least square. The result showed that gross fixed capital formatoin, money supply and trade positively affect exchange rate significantly, while foreign direct investment, gross domestic product, log of government expenditure affect it.

Yusuf, Ebunoluwa, Gylych, Haruna (2019) examined causes of exchange rate fluctuation in Nigeria. Quarterly data from 1986 to 2017 and ARDL were employed. The result revealed that inflation, interest rates, GDP non- oil exports, oil exports and reserves are the major determinants of official exchange rates in Nigeria, while GDP, inflation, non-oil and exports are the major determinants of alternate or parallel exchange rates.

Jibril (2019) studied the determinants of exchange rate fluctuation in Nigeria. Quarterly data from 2016Q1 to 2017Q1 and Autoregressive Integrated Moving Average (ARIMA) regression technique were employed. The result shows that levels of inflation and interest rate have significant and positive impact on exchange rate fluctuations in Nigeria. While money supply insignificantly and negatively affects fluctuations of exchange rate. productivity has an insignificant positive effect on the exchange rate fluctuation.

Aigbedion, Iyakwari, & Mairana, (2020) studied the impact of external debt on exchange rate in Nigeria. Error Correction Model (ECM) was employed and in the short run all independent variables significantly explains variation in Exchange Rate in Nigeria except Foreign Reserve in Nigeria (FRN). While in the long run the external debt in Nigeria, debt service payment in Nigeria and foreign reserve in Nigeria were statistically significant in explaining the variation in exchange rate in Nigeria.

Rauff (2022) carried out a study on the determinants of exchange rate in Nigeria using data from 1980-2020 and ARDL model. The result of the short run shows that GDP growth rate has significant negative relation with depend end variable while Inflation rate has positive and relationship with real exchange rate. In the short run, interest rate has a significant positive relation while trade openness has an insignificant but negative relationship with real exchange. Furthermore, the findings in the long run there is negative and significant relationship between real exchange rate and GDP growth rate. Otekunrin, et al (2022) examined the impact of government spending on exchange rate in Nigeria employing data from 1986 to 2019 and Vector Auto regression model. The study revealed that government spending has insignificant and positive effect on exchange rate.

Imoagwu, Ezenekwe, & Nwogwugwu, (2023) examined the impact of rising freign debt on exchange rate in Nigeria with annual data from 1980 to 2021 and Autoregressive Distributed Lag (ARDL) technique. The result showed that external debt has insignificant and negative effect on exchange rate in Nigeria. All the reviews above show effect of debt on exchange rate or effect of government expenditure on exchange rate none studied the effect of recurrent expenditure, capital expenditure and debt on exchange rate which this study intends to cover.

Methodology and Model Estimation Procedures

The model employed by Yusuf. et. al (2019) was adopted and modified Their model is given as OER= f (, INFR, IMP, INTR, GDP, NOEXP, OILEXP, RES), where OER= Official exchange rate. CPI= Proxy for inflation rate. INTR= Interest rate. IMP= Imports. GDP = Gross domestic product. NOE= Non-Oil Export. OE= Oil Export. RES= Reserves. The model for this study is EXG =F (GCEXP, REXP MS, GFCF, and EXD where GCEXP- government capital expenditure, REXP is recurrent expenditure, MS is supply of money, GFCF gross fixed capital formation and EXD is external debt.

The methodological approaches employed are in three steps. The first one involves conducting unit root tests to establish the stationarity property of the data. Augmented Dickey-Fuller (ADF), and the Phillips-Perron (PP) unit root tests were ran. The test for existence of cointegration (long run) relationship among the variables using Autoregressive Distributed Lag (ARDL) bound test approach by Pesaran et al. (2001) was conducted as the second step. This model is preferred over other methods of cointegration because no restriction is imposed on the order of integration of the variables and there is flexibility of changing lag lengths (Pesaran et al., 2001). The problems of autocorrelation, endogeneity and omitted variables as well as providing efficient and unbiased estimates and valid t-statistics even with small sample size are also addressed by the model (Abubakar & Kassim 2016).

The ARDL model to be estimated is specified as follows

$$\begin{aligned} \Delta EXG_t &= \beta_0 + \sum_{i=1}^{n} \beta_{1i}\, \Delta EXG + \sum_{i=0}^{n} \beta_{2i}\, \Delta CEXP_{t-i} + \sum_{i=0}^{n} \beta_{3i}\, \Delta REXP + \sum_{i=0}^{n} \beta_{4i}\, \Delta EXD_{t-i} + \sum_{i=0}^{n} \beta_{5i}\, \Delta GFCF_{t-i} \\ &+ \sum_{i=0}^{n} \beta_{6i}\, \Delta MS_{t-i} + \phi_1 CEXP_{t-1} + \phi_2 REXP_{t-1} + \phi_3 EXD_{t-1} \\ &+ \phi_4 GFCF_{t-1} + \Phi_5 \mathrm{MS}_{t-1} \\ &+ \varepsilon_{1t} \qquad (3) \end{aligned}$$

Thirdly is the estimation of the short-run coefficients of the model. The short-run coefficients were obtained by estimating an error correction model (ECM) and presented in Equation (4) below:

$$\begin{aligned} \Delta EXG_t = \beta_0 &+ \sum_{i=1}^{n} \beta_{1i}\, \Delta EXG + \sum_{i=0}^{n} \beta_{2i}\, \Delta LEXD + \sum_{i=0}^{n} \beta_{3i}\, \Delta LMS_{t-i} + \sum_{i=0}^{n} \beta_{4i}\, \Delta LCEXP_{t-i} \\ &+ \sum_{i=0}^{n} \beta_{5i}\, \Delta LREXP_{t-i} + \sum_{i=0}^{n} \beta_{6i}\, \Delta LGFCF_{t-i} \\ &+ \theta_1 ECT_{t-1} \qquad (4) \end{aligned}$$

Results of Unit Root Tests

Table 1 revealed that two of the variables have unit root at their levels while four are not stationary at level after conducting ADF and PP unit root test. After taking the first difference of the four non stationary varibles, they became stationary, hence, they are integrated of order one [*I (1)*]

Table 1: Results of Unit Root Tests

	ADF		PP		
Variables	Level	First difference	Level	First difference	Stationarity Status
EXG	-2.149	-7.155*	-2.153	-7.179*	I (1)
GFCF	-5.323*	6.024	-7.194*	-5.375	I (1)
CEXP	-1.826**	-6.776*	-1.833	-6.785**	I (0)
REXP	-1.703*	-5.852	-1.831	-5.852*	I (0)
LMS	-1.409	-3.956	-2.165	-4.245**	I (1)
EXD	-2.554	-4.964**	-0.972	-3.976**	I (1)

Notes: ***' ** and * denote significance at 1%, 5% and 10% respectively. L denotes logarithm and lag length are selected based on AIC

Source: Author's computation (2024)

Results of ARDL bounds tests

Table 2 indicates that the computed F-statistics (4.379) is higher than the upper bound at 1% significant level after conducting ARDL bound test. This implies that there is a cointegration among the variables. The decision rule states that, if the computed F-statistic is greater than the upper bound [I (1)], the null hypothesis of no cointegration among the variables is rejected. If otherwise the null hypothesis of no cointegration among the variables cannot be rejected.

Table 2 Results of ARDL bounds tests

Dependent Variable		Function				F-Statistic	
EXG		F (GFCF, CEXP, REXP, EXD, MS)				4.379***	
Critical Values Bounds							
10%		5%		2.5%		1%	
I (0)	I (1)	I (0)	I (1)	I (0)	I (1)	I (0)	I (1)
2.08	3.00	2.39	3.38	2.70	3.73	3.06	4.15

Source Authors' computation (2024). *** denotes statistical significance at 1% level.

The bounds testing results reported in Table 2 indicates that the computed F-statistic (15.80) is greater than the I (1) at 1% level. This implies that there is cointegration or long run relationship between the variables. The optimal lag-length of (1,1,0,0,1,3) suggested by Akaike Information Criterion (AIC) was used. After confirming cointegration between the variable, the short run and long run relationship was estimated and presented below.

Results of the Long-run and Short-run Estimates

The results of the long-run and short-run of the study are presented in panel A and panel B respectively in Table 3. Table 3 below shows the result of ARDL model. In the long run all the variables have significant effect on exchange rate. External debt, recurrent expenditure and gross fixed capital formation have positive effect while money supply and capital expenditure have negative effect on exchange rate. A 1% change in external debt, recurrent expenditure and gross fixed capital formation leads to 0.133, 0.839 and 2.926 increase in exchange rate. This implies that the higher the external debt, the higher the exchange rate, because higher levels of debt lead to increase in debt servicing.

This reduces the ability of government to invest in productive sectors of the economy, demand for more foreign loan to service debt and depreciation of exchange rate. Increase in recurrent expenditure leads to increase in exchange rate due increase trade deficit resulting from reduced savings and increase in import. A 1% change in money supply and capital expenditure leads to 0.61% and 0.23% decrease in exchange rate. This implies that in the longrun if increasing money supply is accompanied with increase in productivity there will be decrease in exchange rate and vice versa.

While increase in capital expenditure leads to increase in productivity, economic growth and appreciation of exchange rate. In the short run, external debt, money supply and gross fixed capital formation all have significant effect on exchange rate while government expenditure does not have any effect on exchange rate. A 1% increase in capital expenditure and money supply leads to 0.29% and 1.36% increase in exchange rate.

Table 3: Long-run and Short-run Estimates

Panel A: Long-run Coefficients - Dependent variable is EXG				
Independent Variable	Coefficient	Standard Error	t-Statistic	Prob.
C	-1.926	0.189	-2.439	0.022**
EXD	0.133	0.077	1.728	0.095*
CEXP	-0.229	0.107	-2.137	0.042
REXP	0.839	0.266	3.155	0.003**
GFCF	2.926	1.137	2.574	0.016**
MS	-0.605	0.296	2.045	0.051*
Panel B: Short-run Coefficients - Dependent variable is ΔEXG				
EXG	-0.214	0.110	-1.948	0.069 *
Δ (EXD)	0.286	0.054	5.275	0.000 ***
Δ (MS)	1.360	0.351	3.871	0.000 ***
Δ(GFCF)	-7.033	2.157	-3.260	0.003 ***
Δ (GFCF(-1))	1.359	1.157	1.175	0.250
Δ (GFCF(-2))	-4.296	1.058	-4.062	0.000 ***
ECT_{t-1}	-0.634	0.104	-6.121	0.000 ***
F-stat	319.65			0.000
D.W	1.91	R^2= 0.73 Adj R^2= 0.7		

Note: Δ is the first difference operator. ***' ** and * denote significance at 1%, 5% and 10% respectively Source: Author's computation (2024)

The coefficient of the error correction term (ECT) was found to be negative and significant at 1% level. This shows evidence of long-run relationship among the variables at -0.634. The magnitude of the error correction coefficient implies a low speed of convergence of output to as about 63.4% of disequilibrium is corrected within a year.

Results of Residual Diagnostic Tests

The results of residual diagnostic tests reported in Table 4 shows that the model passes all tests. Fulfilling the classical assumption of a linear regression model. They are serial correlation, heteroscedasticity and normal distribution test.

Hence, the estimated relationship is free from the problems of serial correlation and heteroscedasticity.

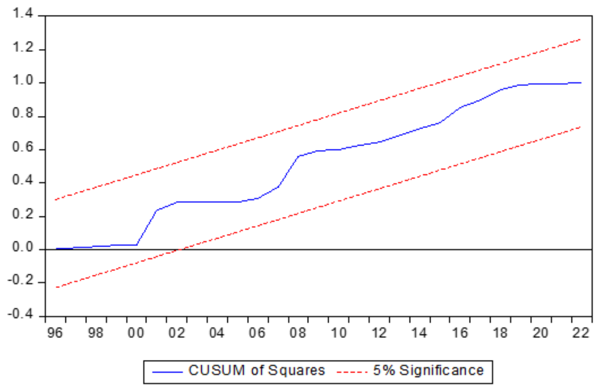
Table 4: ARDL-ECM model diagnostic test result

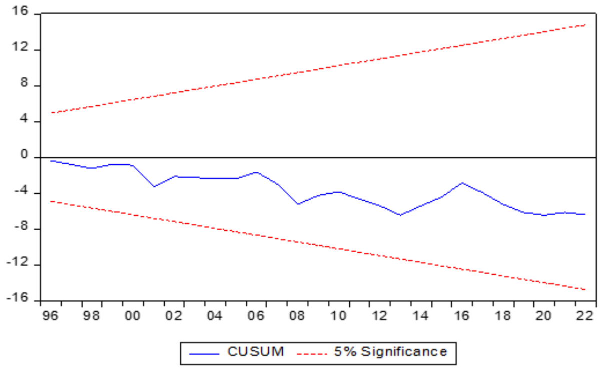
Test Statistic	Results
Serial Correlation: Breush-Godfrey	1.469[0.249]
Ramsey Reset	0.937[0.357]
Heteroscedasticity:Breush-Pagan-Godfrey	0.989[0.520]
Normality	1.803[0.394]

Source: Author's Computation (2024)

Results of Model Stability Tests

The figures below clearly shows that the plot of CUSSUM and CUSSUMQ statistics moves between the critical bounds at 5% levels of significance. This implies that the estimated coefficients employed are stable and well specified. The straight lines in the figure represent critical bounds at 5% significance level. A deviation from this region of stability means an error in model specification. Hence this report could be relied on up for further reference.





Conclusion and Recommendation

This study assesses the effect of external debt and expenditure on exchange rate in Nigeria during the 1981–2023 period. It employed ARDL bounds testing approach and the cointegration test result shows the presence of a long-term relationship between the variables. The estimation results confirmed the effect of government expenditure, external debt and money supply on exchange rate. The results indicate that recurrent expenditure, external debt and money supply have positive effect on exchange rate in the long run while capital expenditure and gross fixed capital formation have negative effect on exchange rate. In the short run, government expenditure does not have any effect on exchange rate while external debt and money supply have positive effect on exchange rate. In the light of these findings, the study therefore recommends that the Nigerian government should control the excessive debt, use it to develop real sectors of the economy and avoid unnecessary increase in recurrent expenditure.

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Chapter 6

NAVIGATING CONTEMPORARY GENDER ISSUES IN AFRICA: CHALLENGES, PROGRESS, AND POLICY IMPLICATIONS

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Abstract

Gender inequality remains a significant challenge in Africa, affecting various aspects of society, including political participation, economic opportunities, education, and human rights. This paper examines contemporary gender issues in Africa, focusing on gender-based violence (GBV), economic and political participation, cultural and legal barriers to gender equality, and LGBTQ+ rights. Using a qualitative approach and secondary data analysis, the study explores how traditional norms, religious beliefs, and weak legal enforcement continue to hinder gender equity despite international commitments such as CEDAW, the SDGs, and the AU Gender Agenda. The study highlights the barriers that women face in leadership and governance, as well as gender disparities in employment and entrepreneurship. It also examines the social and legal struggles of LGBTQ+ communities, emphasizing the colonial legacies and religious influences that shape discriminatory laws and societal attitudes. Furthermore, the paper discusses policy responses and grassroots movements that have contributed to gender advocacy and empowerment in Africa, showcasing best practices and success stories from various countries. Despite these efforts, cultural resistance, weak political will, and socioeconomic barriers continue to hinder progress. The study offers policy recommendations, strategies for grassroots engagement, and the role of education and media in promoting gender equity. Future research should explore the intersection of gender and climate change, digital technology, and the role of male allies in gender advocacy. Addressing gender inequality in Africa is crucial for achieving sustainable development, economic growth, and social justice.

Keywords: *Gender inequality, gender-based violence, women's political participation, LGBTQ+ rights, gender policies.*

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Introduction

Gender inequality remains a pressing issue across Africa, deeply rooted in historical, cultural, and socio-economic structures. Traditional patriarchal norms, coupled with legal and institutional biases, continue to limit the rights and opportunities of women, girls, and marginalized gender identities (Akinola, 2018). While some progress has been made through legal reforms and advocacy, gender disparities persist in key areas such as political participation, education, economic empowerment, and protection from gender-based violence (UN Women, 2021). Africa's gender landscape is further complicated by intersecting factors such as poverty, conflict, and religious influences, which exacerbate inequalities (Tamale, 2020). Women remain underrepresented in decision-making positions, with only 24% of parliamentary seats occupied by women in sub-Saharan Africa as of 2022 (Inter-Parliamentary Union, 2022). Gender-based violence (GBV) remains widespread, with over 35% of African women experiencing intimate partner violence in their lifetime (WHO, 2021). The recognition and protection of LGBTQ+ rights also vary significantly across the continent, with many countries maintaining punitive laws against same-sex relationships (Amnesty International, 2022). These challenges highlight the urgent need for research-driven policies and interventions to promote gender equality in Africa.

Despite global and regional commitments to gender equality—such as the United Nations' Sustainable Development Goals (SDGs) and the African Union's Agenda 2063—gender disparities remain entrenched in Africa. Structural inequalities in education, healthcare, employment, and leadership opportunities hinder the full participation of women and marginalized gender groups in societal development (UNDP, 2020). Additionally, discriminatory legal frameworks and weak enforcement mechanisms further impede progress toward gender justice. The persistence of GBV, harmful traditional practices such as female genital mutilation (FGM), and early marriages indicate that gender inequality is not just a developmental issue but also a human rights concern (Moyo & Ayeni, 2019). Moreover, the growing feminist and LGBTQ+ rights movements face strong resistance from cultural and religious institutions, creating a complex socio-political environment that requires nuanced policy responses. This study seeks to explore the contemporary gender issues in Africa, their underlying causes, and potential solutions for achieving gender equity.

This study aims to analyze the contemporary gender issues in Africa, assess policy responses, and provide recommendations for fostering gender equality. Specifically, the research will address the following objectives:

i. To examine the evolution of gender roles in contemporary African societies.
ii. To identify the key barriers to gender equality in Africa.
iii. To evaluate the effectiveness of existing policies and legal frameworks in addressing gender disparities.
iv. To explore the role of grassroots movements and feminist activism in shaping gender discourse.
v. To propose strategies for enhancing gender inclusivity across African societies.

Based on these objectives, the study seeks to answer the following research questions:

i. How have traditional gender roles evolved in contemporary African societies?
ii. What are the major barriers to gender equality in Africa today?
iii. How effective are current policies in addressing gender-based violence and discrimination?

iv. What role do grassroots and feminist movements play in shaping gender discourse?
v. How can governments and international organizations collaborate to advance gender inclusivity?

This chapter focuses on contemporary gender issues in Africa, examining various dimensions, including gender-based violence, political and economic participation, and cultural barriers, and LGBTQ+ rights. The study primarily analyzed sub-Saharan Africa while also considering relevant examples from North Africa to provide a holistic view. However, the chapter has some limitations. First, given the diversity of African societies, the findings may not be generalizable to all countries. Additionally, data availability on certain gender-related topics, especially LGBTQ+ rights, is limited due to restrictive laws and social stigma in many African nations (HRW, 2021). Finally, while the study aims to provide policy recommendations, their implementation will depend on political will and socio-cultural contexts, which vary significantly across the continent.

Methodology Overview

This research employs a qualitative approach to analyze contemporary gender issues in Africa. It relies on secondary data sources, including academic journals, reports from international organizations (e.g., UN Women, African Union, Human Rights Watch), government policy documents, and media articles.

A thematic analysis will be conducted to identify key trends and challenges in gender inequality. The study will also adopt a comparative approach, analyzing gender policies and their impact across different African countries. By synthesizing insights from various sources, the research aims to provide an in-depth understanding of gender dynamics in Africa and offer evidence-based recommendations for promoting gender equity.

Conceptual and Theoretical Framework

This section defines key concepts related to gender studies, explores relevant theoretical frameworks, and discusses African perspectives on gender. Understanding these concepts and theories is crucial in analyzing contemporary gender issues in Africa.

Definition of Key Concepts

Gender: Gender refers to the socially constructed roles, behaviors, expressions, and identities that societies consider appropriate for men, women, and other gender identities (Butler, 1990). Unlike sex, which is biologically determined, gender is shaped by cultural, political, and historical contexts (Connell, 2005).

Gender Equality: Gender equality is the state in which individuals of all genders have equal access to resources, opportunities, and rights, regardless of their gender identity (UN Women, 2021). It entails eliminating discrimination and structural barriers that limit gender equity in areas such as education, employment, and political representation.

Patriarchy: Patriarchy is a social system in which men hold primary power in political leadership, moral authority, social privilege, and property ownership (Walby, 1990). In many African societies, patriarchal structures continue to influence gender relations, reinforcing male dominance and female subordination (Tamale, 2020).

Feminism: Feminism is a movement and ideology advocating for the political, economic, and social equality of the sexes (hooks, 2000). Feminist movements in Africa, such as *African feminism* and *womanism*, emphasize the intersection of gender, race, and colonial legacies in shaping African women's experiences (Nnaemeka, 2004).

Intersectionality: Coined by Kimberlé Crenshaw (1989), intersectionality refers to how different social identities such as gender, race, class, and sexuality—intersect to create unique experiences of oppression or privilege. This concept is particularly relevant in Africa, where gender inequality is influenced by multiple factors, including colonial histories and economic disparities (Tamale, 2020).

Gender-Based Violence (GBV): GBV refers to harmful acts directed at individuals based on their gender identity. These include domestic violence, sexual harassment, female genital mutilation (FGM), and early/forced marriages (WHO, 2021). GBV remains a critical issue in Africa, often perpetuated by legal loopholes and cultural justifications (Moyo & Ayeni, 2019).

Relevant Gender Theories

Feminist Theory

Feminist theory examines gender inequalities and the ways societies perpetuate male dominance (Tong, 2009). Different strands of feminism exist, including liberal feminism (which advocates for legal reforms), radical feminism (which challenges patriarchal power structures), and African feminism (which integrates indigenous perspectives on gender justice) (Nnaemeka, 2004).

Intersectionality Theory

Intersectionality highlights how multiple social categories (e.g., gender, ethnicity, class) interact to create overlapping systems of discrimination or privilege (Crenshaw, 1989). In Africa, intersectionality is crucial in understanding how rural women, disabled women, and LGBTQ+ individuals experience compounded marginalization (Tamale, 2020).

Gender and Development (GAD) Theory

The Gender and Development (GAD) approach emphasizes the role of social structures in reinforcing gender inequality (Razavi & Miller, 1995). It advocates for integrating gender considerations into development policies and programs, recognizing that economic development alone does not automatically lead to gender equality (Cornwall, 2007).

African Feminist Theory

African feminism differs from Western feminism by incorporating indigenous knowledge, colonial history, and community-based approaches to gender equality (Akin-Aina, 2011). It acknowledges that African women face unique challenges, including those stemming from both patriarchy and neocolonialism (Nnaemeka, 2004).

African Perspectives on Gender

Gender Roles in African Societies

Historically, many African societies had gender-complementary roles rather than strict hierarchies, with women playing significant roles in trade, agriculture, and spiritual leadership (Amadiume, 1997). However, colonialism imposed European patriarchal norms, reinforcing male dominance and limiting women's roles to domestic spheres (Oyěwùmí, 1997).

Feminist and Women's Movements in Africa

African feminist movements challenge both patriarchy and the lingering effects of colonial rule. Organizations such as the African Feminist Forum (AFF) and the Federation of African Women's Peace Networks (FERFAP) advocate for gender justice, policy reforms, and increased political participation for women (Tamale, 2020).

LGBTQ+ Rights and Gender Identity in Africa

While many African cultures historically recognized non-binary and gender-fluid identities (Epprecht, 2008), colonial-era laws criminalized same-sex relationships and reinforced rigid gender norms. Today, LGBTQ+ activists in Africa face legal and social resistance, yet movements advocating for sexual and gender diversity are gaining ground (Amnesty International, 2022).

Legal and Policy Frameworks on Gender in Africa

The African Union's Maputo Protocol (2003) is a landmark legal instrument promoting women's rights, addressing issues such as GBV, economic rights, and reproductive health (African Commission on Human and Peoples' Rights, 2003). However, implementation remains inconsistent across countries due to cultural and political resistance (Moyo & Ayeni, 2019).

Contemporary Gender Issues in Africa

Gender issues in Africa remain a critical concern, affecting various aspects of life, including personal safety, economic empowerment, political participation, and legal rights. This section explores key gender-related challenges, focusing on gender-based violence (GBV), economic and political disparities, cultural and legal barriers, and the status of LGBTQ+ rights.

Gender-Based Violence (GBV)

Prevalence and Types of GBV

Gender-based violence is one of the most pervasive human rights violations in Africa, affecting millions of women and girls. The World Health Organization (WHO, 2021) estimates that one in three African women experiences physical or sexual violence in her lifetime. GBV manifests in various forms, including:

i. **Domestic Violence**: Studies show that over 40% of women in sub-Saharan Africa experience intimate partner violence (UN Women, 2021). Domestic abuse often goes unreported due to societal stigma and weak legal enforcement.
ii. **Sexual Violence**: Sexual harassment and rape are rampant, particularly in conflict-affected regions such as the Democratic Republic of the Congo, South Sudan, and Nigeria (Amnesty International, 2022).
iii. **Female Genital Mutilation (FGM)**: According to UNICEF (2021), more than 200 million women and girls have undergone FGM globally, with high prevalence in countries such as Somalia (98%), Guinea (97%), and Mali (89%).
iv. **Child and Forced Marriages**: Africa has the highest prevalence of child marriages, with one in three girls married before age 18 (Girls Not Brides, 2020).

Cultural and Legal Challenges in Addressing GBV

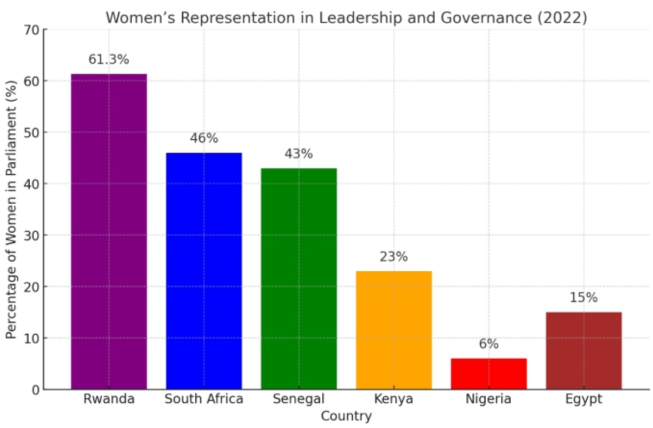
Addressing GBV in Africa is hindered by deep-seated cultural norms and inadequate legal frameworks. Many African societies view GBV as a private matter rather than a criminal offense, discouraging victims from seeking justice (Moyo & Ayeni, 2019).

i. **Cultural Justifications**: Practices such as bride price, polygamy, and honor-based violence reinforce gender inequalities and normalize abuse (Tamale, 2020).
ii. **Legal Gaps and Weak Enforcement**: While some African countries have laws against domestic violence and FGM (e.g., Nigeria's Violence Against Persons Prohibition Act), enforcement remains weak due to corruption, inadequate police training, and victim-blaming attitudes (Human Rights Watch, 2021).

Economic and Political Participation

Women's Representation in Leadership and Governance

Women remain underrepresented in African politics, despite efforts to increase their participation. As of **2022, women held only 24% of parliamentary seats in sub-Saharan Africa** (Inter-Parliamentary Union, 2022). However, some countries have made progress: Rwanda leads globally with 61.3% female representation in parliament due to strong gender quotas (IPU, 2022). South Africa (46%) and Senegal (43%) also have relatively high female political representation. Countries like Nigeria (6%) and Egypt (15%) lag significantly due to patriarchal political structures (UNDP, 2020).



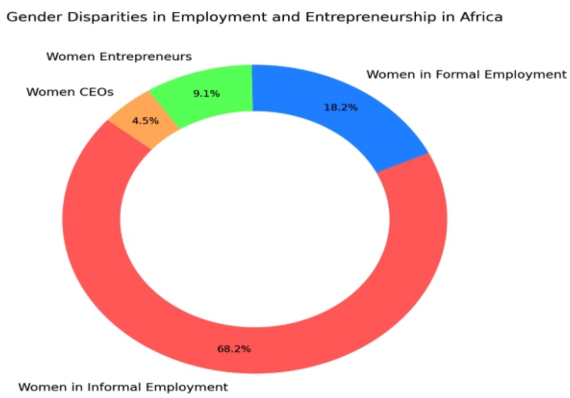
Source: The Authors

Gender Disparities in Employment and Entrepreneurship

Economic inequality remains a challenge, as African women **earn 30% less than men** and are more likely to work in informal, low-paying jobs (World Bank, 2021). Access to Finance: Women in Africa face difficulties securing loans and credit due to discriminatory banking policies and lack of collateral (OECD, 2020).

Workplace Discrimination: Women are often excluded from leadership positions, with only 5% of CEOs in Africa's corporate sector being female (McKinsey & Company, 2021).

Informal Economy: Over 75% of women in Africa work in the informal sector, limiting their access to social security and labor protections (ILO, 2020).



Source: The Authors

Cultural and Legal Barriers to Gender Equality

i. Role of Traditions and Customs in Shaping Gender Norms: African cultures historically assigned gender roles that often-placed women in subordinate positions. Practices such as bride price, widow inheritance, and male primogeniture limit women's autonomy and economic independence (Oyěwùmí, 1997). Religious Influence: Conservative religious interpretations often reinforce male authority and restrict women's rights, particularly in marriage, inheritance, and decision-making (Tamale, 2020).

ii. **Impact on Education:** Gender norms contribute to school dropout rates, as millions of girls are pulled out of school due to early marriage, pregnancy, or household responsibilities (UNESCO, 2021).

Analysis of Existing Gender Laws and Their Enforcement

Despite the adoption of gender equality laws, many African countries struggle with enforcement.

i. **The Maputo Protocol (2003):** A key legal instrument promoting women's rights, ratified by 42 African Union member states. However, compliance varies, with some countries failing to integrate it into domestic law (African Commission on Human and Peoples' Rights, 2022).

ii. **Inheritance Laws:** Some countries, such as Kenya and South Africa, have legal provisions ensuring equal inheritance rights, but enforcement remains weak in rural areas where customary laws prevail (Moyo & Ayeni, 2019). Reproductive Rights: Access to contraception and safe abortion remains restricted in many African nations, with laws criminalizing abortion even in cases of rape or incest (Guttmacher Institute, 2021).

LGBTQ+ Rights in Africa

Social and Legal Status of LGBTQ+ Individuals

LGBTQ+ individuals in Africa face widespread discrimination, legal persecution, and violence. More than 30 African countries criminalize same-sex relationships, with penalties ranging from imprisonment to the death penalty (Human Rights Watch, 2021).

Hostile Legal Environments: Uganda's 2023 Anti-Homosexuality Act introduced harsh penalties, including life imprisonment for same-sex acts (Amnesty International, 2023). Nigeria's Same-Sex Marriage Prohibition Act (2014) criminalizes LGBTQ+ advocacy and same-sex unions.

State-Sanctioned Violence: Reports indicate that LGBTQ+ individuals face arbitrary arrests, police brutality, and **mob violence** in countries such as Ghana, Kenya, and Tanzania (HRW, 2021).

The Impact of Colonial Legacies and Religious Influences

The criminalization of LGBTQ+ identities in Africa is largely a colonial legacy. Pre-colonial African societies had more fluid understandings of gender and sexuality, with examples of same-sex relationships recorded in indigenous cultures (Epprecht, 2008). However, colonial laws introduced rigid anti-LGBTQ+ statutes, many of which remain in force today (Tamale, 2020).

i. **Religious Influence**: Conservative Christian and Islamic teachings have fueled anti-LGBTQ+ sentiment, with many religious leaders condemning homosexuality as "un-African" (Amadiume, 1997).
ii. **Resistance and Activism**: Despite repression, LGBTQ+ rights movements are emerging in Africa, with activists advocating for decriminalization and equal rights in countries such as South Africa, Botswana, and Angola (Mendos, 2021).

Policy Responses and Grassroots Movements

Addressing gender inequalities in Africa requires a multi-faceted approach that combines government policies, international commitments, and grassroots activism. This section examines government policies, the role of NGOs and feminist movements, and highlights success stories in gender advocacy.

Government Policies and International Commitments

Governments across Africa have introduced policies and legal frameworks to promote gender equality, often in line with international commitments. Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) CEDAW, adopted by the United Nations in 1979, is a key international treaty aimed at eliminating gender-based discrimination. 54 out of 55 African Union (AU) member states have ratified CEDAW, with some integrating its provisions into national laws (UN Women, 2022). However, enforcement remains inconsistent, as cultural and religious norms sometimes conflict with legal commitments (Mukhopadhyay, 2020).

Sustainable Development Goals (SDGs)

The UN's 2030 Agenda for Sustainable Development includes Goal 5: Achieve gender equality and empower all women and girls. African governments have adopted SDG-aligned policies, such as: Ghana's Affirmative Action Bill, which seeks to increase women's participation in decision-making (UNDP, 2021). Kenya's Constitution (2010), which mandates that no more than two-thirds of elective public bodies be of the same gender (Government of Kenya, 2010).

The African Union Gender Agenda

The African Union (AU) Gender Policy aims to mainstream gender in continental development. Key frameworks include:

i. **The Maputo Protocol (2003):** A landmark treaty promoting women's rights, ratified by 42 African countries (African Commission on Human and Peoples' Rights, 2022).
ii. **Agenda 2063:** The AU's long-term plan for gender equality, emphasizing economic empowerment and political inclusion (AU, 2021). Despite these commitments, challenges persist in implementation due to weak enforcement mechanisms, inadequate funding, and resistance from conservative groups (Tamale, 2020).

Role of NGOs, Feminist Movements, and Community Initiatives

Non-governmental organizations (NGOs), feminist movements, and grassroots initiatives play a crucial role in advocating for gender rights, providing support services, and challenging harmful gender norms.

Major NGOs and Their Impact

Equality Now: Advocates for legal reforms to combat gender-based violence and discrimination across Africa (Equality Now, 2022).

i. **African Women's Development Fund (AWDF):** Provides funding and capacity-building for women's organizations (AWDF, 2021).
ii. **Girls Not Brides:** Works to end child marriage through community education and policy advocacy (Girls Not Brides, 2020).

Feminist and Grassroots Movements

Feminist activism has gained momentum in Africa, challenging patriarchy and advocating for policy reforms. Notable movements include: The #MeToo and #EndRapeCulture movements in South Africa, which have exposed widespread sexual violence and called for stronger legal action (Msimang, 2020). The #BringBackOurGirls campaign in Nigeria, which highlighted the abduction of schoolgirls by Boko Haram and pressured the government to take action (Makinde et al., 2017). The She Leads campaign in Uganda, which focuses on increasing young women's participation in politics and leadership (Plan International, 2021).

Community-Based Initiatives

At the grassroots level, community-led projects are challenging harmful gender norms and providing support to women and marginalized groups. Examples include:

i. Tostan's Community Empowerment Program in West Africa, which uses education to end female genital mutilation (Tostan, 2020).
ii. Kenya's Safe Spaces Initiative, which provides training and mentorship for women entrepreneurs in informal settlements (OECD, 2021).

Success Stories and Best Practices in Gender Advocacy

Despite challenges, several African countries and organizations have made significant progress in gender advocacy.

Rwanda's Gender Parity Model

i. Rwanda is a global leader in gender equality, particularly in political representation.
ii. Following the 1994 genocide, the government prioritized women's empowerment through: Gender quotas that led to 61.3% of parliamentary seats being held by women, the highest in the world (Inter-Parliamentary Union, 2022).
iii. The Rwanda Gender Monitoring Office, which ensures government policies align with gender equality goals (Government of Rwanda, 2021).

South Africa's Legal Reforms on Gender-Based Violence

South Africa has enacted some of the strongest GBV laws on the continent, including: The Domestic Violence Act (1998) and Sexual Offences Act (2007), which criminalize various forms of abuse (South African Government, 2022). The 2021 GBV Amendment Laws, which expanded protection measures for survivors (Amnesty International, 2021). In 2019, Botswana's High Court ruled in favor of decriminalizing same-sex relationships, marking a milestone for LGBTQ+ rights in Africa (Human Rights Watch, 2021). The ruling was upheld in 2021, signaling a shift towards greater inclusion.

Women's Economic Empowerment in Ethiopia

Ethiopia has implemented gender-inclusive economic policies, such as: The Women's Development and Change Package, which provides business training and financial support for female entrepreneurs (World Bank, 2021). Legal reforms ensuring equal land ownership rights, benefiting over 30 million women (FAO, 2021). Policy responses and grassroots movements continue to shape the fight for gender equality in Africa. While international commitments provide a framework for progress, local advocacy and feminist movements are crucial in driving meaningful change. However, sustained political will, proper law enforcement, and cultural shifts are necessary to achieve lasting gender equality across the continent.

Challenges and Gaps in Gender Equality Efforts

Despite significant progress in promoting gender equality across Africa, numerous challenges and gaps hinder the full realization of gender rights. These challenges include resistance from cultural and religious institutions, weak legal enforcement and political will, and socioeconomic barriers such as poverty, education disparities, and limited access to resources.

Resistance from Cultural and Religious Institutions

Cultural and religious beliefs continue to shape gender roles in many African societies, often reinforcing patriarchal structures and limiting gender equality efforts. Traditional norms and religious doctrines sometimes conflict with gender-inclusive policies, creating significant resistance to change.

Traditional Gender Norms and Patriarchy

Many African societies operate within deeply entrenched patriarchal systems that define gender roles, with women expected to prioritize domestic responsibilities over public or professional life (Tamale, 2020). In some communities, harmful practices such as female genital mutilation (FGM) and child marriage persist due to cultural perceptions of morality, purity, and honor (UNICEF, 2021). For example: In Somalia and Sudan, over 80% of women aged 15–49 have undergone FGM, despite legal bans (WHO, 2022). In Niger, 76% of girls are married before the age of 18, often due to cultural traditions that prioritize early marriage over education (UNICEF, 2020).

Religious Influence on Gender Norms

Religious institutions hold significant social and political influence in many African countries. While some religious leaders advocate for gender equality, others resist reforms by interpreting religious texts in ways that reinforce gender discrimination (Karam, 2020). In Northern Nigeria, some religious leaders have opposed the Child Rights Act, arguing that it contradicts Islamic principles on marriage and family structure (Makinde et al., 2017). In South Africa, religious groups have historically opposed LGBTQ+ rights, influencing laws and policies that criminalize same-sex relationships in other African nations (HRW, 2021). Overcoming cultural and religious resistance requires community engagement, education, and collaboration with progressive religious leaders who advocate for gender-inclusive interpretations of religious teachings (Kandiyoti, 2019).

Weak Legal Enforcement and Political Will

While many African nations have ratified international gender equality frameworks (such as CEDAW and the Maputo Protocol), weak legal enforcement and lack of political commitment undermine these efforts.

- **i.** Inadequate Implementation of Gender Laws: Despite existing laws, enforcement remains weak due to corruption, lack of resources, and political indifference (OECD, 2021). In Kenya, the two-thirds gender rule, which mandates that no more than two-thirds of elective public offices be held by one gender, has not been fully implemented, with repeated failures to pass laws enforcing it (Government of Kenya, 2021). In Democratic Republic of Congo, although sexual violence laws exist, impunity remains high, with only 10% of reported cases leading to convictions (UN Women, 2022).
- **ii.** Political Resistance and Gender Quotas: Many African governments have introduced gender quotas to increase women's political representation. However, male-dominated political structures often resist these reforms, limiting their effectiveness (Tripp, 2020). In Nigeria, women hold only 6% of parliamentary seats, one of the lowest rates globally, despite advocacy for increased female representation (Inter-Parliamentary Union, 2022). In Uganda, where a 30% gender quota exists, women are often given less influential political roles, limiting their impact on decision-making (Tamale, 2020).

Socioeconomic Barriers (Poverty, Education, and Access to Resources)

Economic and educational inequalities create significant barriers to gender equality, particularly for women in rural and marginalized communities.

- **i.** Poverty and Economic Dependence: Women in Africa are disproportionately affected by poverty and economic exclusion, limiting their ability to access education, employment, and financial independence (World Bank, 2021). Over 70% of women in Sub-Saharan Africa work in the informal sector, where wages are low, job security is weak, and legal protections are minimal (ILO, 2022). Women own only 20% of land in Africa, despite legal provisions allowing them to inherit and purchase property (FAO, 2021).
- **ii.** Education Disparities: Limited access to quality education further exacerbates gender inequalities. While girls' enrollment in schools has improved, dropout rates remain high due to poverty, child marriage, and cultural beliefs (UNESCO, 2021). In Mali, Burkina Faso, and Chad, fewer than 60% of girls complete primary school, and even fewer transition to secondary education (UNESCO, 2022). In Uganda, studies show that teenage pregnancy is a leading cause of school dropout among girls, especially in rural areas (Plan International, 2021).

Limited Access to Healthcare and Reproductive Rights

Women's health, particularly maternal health and reproductive rights, is a key gender equality issue. Many African women lack access to contraceptives, safe abortion services, and quality maternal care (WHO, 2022). In Sub-Saharan Africa, 200,000 women die annually due to pregnancy-related complications, many of which are preventable (World Bank, 2021). Restrictive abortion laws in countries like Uganda and Nigeria force women to seek unsafe procedures, increasing maternal mortality rates (Center for Reproductive Rights, 2021).

Investing in education, expanding economic opportunities, and improving access to healthcare are essential to breaking these barriers. The struggle for gender equality in Africa is complex and multifaceted, with **c**ultural resistance, weak legal enforcement, and socioeconomic barriers posing significant challenges. While policy frameworks exist, implementation gaps and political resistance limit progress. Addressing these issues requires stronger legal enforcement, community-driven initiatives, and increased investment in education and economic opportunities for women. Collaborative efforts between governments, civil society, and international organizations will be key to achieving meaningful gender equality across the continent.

Recommendations and the way forward

Addressing gender inequality in Africa requires multi-faceted and sustainable approaches that involve governments, civil society, grassroots movements, and international organizations. The following recommendations provide policy solutions, community engagement strategies, and future research directions to advance gender equality on the continent. Governments and key stakeholders must implement stronger policies and legal frameworks to address gender disparities in leadership, employment, education, and social rights.

Strengthening Legal Protections and Enforcement: Full implementation of gender laws: Many African nations have ratified CEDAW, the Maputo Protocol, and the SDGs, but weak enforcement remains a barrier. Governments should increase funding for gender equality initiatives and strengthen legal institutions to ensure accountability (UN Women, 2022). Addressing gender-based violence (GBV): Stricter anti-GBV laws should be enforced with specialized courts, survivor support systems, and gender-sensitive training for law enforcement (Amnesty International, 2021). Economic policies for gender equity: Policies should increase women's access to credit, land ownership, and formal employment to close economic disparities (World Bank, 2021).

Promoting Women's Political and Economic Participation: Gender quotas and affirmative action: Governments should implement and enforce minimum representation quotas for women in parliament, local government, and corporate leadership (Inter-Parliamentary Union, 2022). Support for women entrepreneurs: Financial institutions should be required to offer low-interest loans, grants, and business development training for women (ILO, 2022).

Engaging Traditional and Religious Leaders: Collaborate with progressive cultural and religious leaders to promote gender-equitable interpretations of religious texts and challenge harmful traditions like child marriage and female genital mutilation (FGM) (Kandiyoti, 2019). Support community dialogues and participatory approaches that involve local stakeholders in gender policy discussions.

Empowering Women and Girls Through Local Programs: Women's cooperatives and self-help groups: Encourage local income-generating initiatives that provide financial independence and entrepreneurship opportunities for women (FAO, 2021). Legal literacy programs: Train women and marginalized groups on their legal rights, access to justice, and how to report gender-based violence (UNDP, 2021).

Strengthening Civil Society and Advocacy Groups: Governments should partner with NGOs and feminist movements to create community-based initiatives that promote gender equity. Increase funding for grassroots organizations working in rural and marginalized communities where gender disparities are more pronounced (Plan International, 2021).

Education as a Tool for Gender Empowerment: Compulsory and free education for girls: Governments should ensure universal access to quality primary and secondary education for girls (UNESCO, 2021). STEM programs for girls: Introduce affirmative action policies to increase women's participation in science, technology, engineering, and mathematics (STEM) (African Union, 2021).

Media's Role in Shaping Gender Narratives: Gender-sensitive journalism and content creation: Governments and media houses should promote positive representation of women and LGBTQ+ individuals in mainstream media (UNESCO, 2021). Campaigns against GBV and harmful stereotypes: Media should launch awareness programs on gender-based violence, reproductive rights, and economic empowerment (UN Women, 2022). Use of social media for advocacy: Digital platforms should be leveraged to challenge gender stereotypes, expose discrimination, and amplify feminist voices (Tripp, 2020).

Conclusion

Gender equality remains a critical issue in Africa, with significant progress made in legal frameworks, political participation, and economic empowerment. However, persistent challenges—such as cultural resistance, weak legal enforcement, and socioeconomic barriers continue to hinder full gender equity. Issues such as gender-based violence, economic disparities, limited access to education, and the marginalization of LGBTQ+ communities highlight the urgent need for comprehensive, multi-sectoral approaches to gender justice. To advance gender equality, governments must strengthen the implementation of existing gender laws, promote women's political and economic participation, and ensure access to education and healthcare. Grassroots movements and civil society organizations play a key role in challenging harmful gender norms and advocating for policy change. Additionally, education and media must be leveraged to shift social attitudes, promote inclusive narratives, and empower marginalized communities.

Despite these challenges, Africa has demonstrated resilience and progress through various policy reforms, feminist movements, and international collaborations. The way forward requires sustained political commitment, increased funding for gender programs, and the inclusion of all voices. Ultimately, achieving gender equality in Africa is not only a moral and human rights imperative but also a strategic necessity for sustainable development, economic growth, and social stability. With continued efforts, Africa can build a more inclusive and equitable future for all its citizens.

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Chapter 7

IMPACT OF INVESTMENT ON ECONOMIC GROWTH IN SOME SUB-SAHARA AFRICAN COUNTRIES

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Abstract

This study investigated the impact of investment on economic growth in Africa. We investigated this phenomenon using 40 countries in Sub-Saharan Africa using panel data for the years 1986-2022. We applied a dynamic panel autoregressive distributed lag (ARDL) method using the System Generalized Method of Moment and the Pooled Mean Group (PMG) analytical methods. We found that a percentage growth of domestic investment jointly yields a 0.014 percentage increase in short-run growth, and a 0.334% increase in long-run growth for all the countries. The study therefore concludes that increasing the stock of domestic investment and attracting more foreign direct investment will help countries on the African continent to achieve their common desired goal of economic development. The governments of African countries should make the growth of capital formation of their economies a matter of policy by introducing policies that encourage household savings and business investment while spearheading infrastructural development.

Keywords: *Investment, Economic growth, Capital formation and Sub-Sahara African Countries*

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Introduction

Economic growth constitutes one of the fundamental macroeconomic objectives which most nations especially the developing economies world over strive to achieve. This is because of its centrality in improving the standards of living, optimizing resource utilization and sustainability, and ensuring overall development (Odishika, 2017). Economic growth is described as the sustained increase in the real per capita income caused by a sustained growth in the country's gross national income or output for a given period of time, usually a year. It is conceptualized as an improvement in the inflation-adjusted market value of goods and services produced by an economy over time. Statisticians conventionally measure such growth as the percent increase in the real gross domestic product (Ogunjinmi, 2022). This of course indicates that when the real per capita income of a country increases over time, economic growth is said to have taken place. Ranaweera (2013) argues that growth depends on four economic agents or sectors: the central government through government spending, the monetary system through exchange rate and other monetary policies, the private sector which drives domestic investment, and the foreign sector through foreign direct investment inflows and trade.

Generally, investment entails making a current sacrifice in exchange for a future benefit or higher returns. It involves the purchase or acquisition of new capital equipment such as machines, buildings, and other means of production that boost the economy's productive capacity. It plays a critical role in a country's economic growth by allowing for the use of modern production methods, stimulating innovation, technology transfer and expanding countries' production efficiency. Countries see investment as a major element in increasing productivity by advancing technological progress and reducing unemployment as they advance toward economic growth (Bidemi et al., 2018). Investment comprises both domestic and foreign components. Real domestic investment is an expenditure made to increase the total capital stock in the economy. This is done by acquiring further capital-producing assets and assets that can generate income within the domestic economy. Physical assets particularly add to the total capital stock. Domestic investment is classified into the private domestic investment (private investment) and public domestic investment (government investment). Private investment refers to a fundamental economic tenet in a market-based economy where physical and financial resources are frequently owned privately and production decisions are driven by the desire for profit maximization. By making wise investment decisions and utilizing resources, private investment has the potential to boost the economy's productivity and efficiency (Babu et al., 2020).

Private investment is a critical prerequisite for economic growth because it enables entrepreneurs to start businesses by efficiently allocating resources to produce goods and services. Domestic public investment involves the government and public corporations buying properties, investing in real estate and purchasing tangible assets (Victor & Dickson, 2013). According to Hussain and Haque (2017), public investment is necessary to build the social capital and infrastructure required for private sector investments in the economy's sectors that offer the highest returns on capital. Public investment in infrastructures such as roads, communications networks and energy sources, by raising the productivity of the private sector and creating new business opportunities serve as essential building blocks for the expansion of private investment. These infrastructures guarantee the accessibility of public services and goods like telecommunications, water supply, and sewage systems, all of which support the growth of commercial activity. Public investment therefore, boosts productivity, attracts private capital, and lowers unemployment (Kinyanjui et al., 2022).

Foreign Investment is the investment that is made to acquire a lasting management interest (usually at least 10% of voting stock) and acquiring at least 10% of equity share in an enterprise operating in a country other than the home country of the investor. It is classified into foreign direct investment (FDI) and foreign portfolio investment (FPI). Foreign direct investment involves establishing a business enterprise and acquisition of business assets in a country other than the home country of the investor. Foreign portfolio investment involves investing in stocks and securities of an existing country's company. Foreign direct investment (FDI) is seen as a way of filling the gap between domestic available supplies of saving, government revenue, human capital skills and the desired level of resources needed to achieve growth and development targets. For there to be adequate investment needed for economic growth and development, every economy needs to accumulate high level of capital for investors to borrow. This is because, borrowing from outside is not a proper strategy for growth and development since it does not only have adverse effect on the balance of payment as these loans will be serviced in the future with the use of their domestic resources, but it equally carries a foreign exchange risk such as devaluation of their currency which is one of the specific conditional ties for borrowing from International Monetary Fund (IMF). Hence, domestic and foreign direct investment through capital formation are not just paramount, but serve as prerequisite for the geometric acceleration of growth and development of every economy as it provides resources that could be used to fund the investment effort of the economy (Atuma, 2017).

Capital formation is the net accumulation of capital goods such as equipment, tools, transportation asset and electricity, during an accounting period for a particular country. It is analogous to an increase in physical capital stock of a nation with investment in social and economic infrastructures. To accumulate additional capital, a country needs to generate savings and investments from household savings or based on government policy. Gross fixed capital formation can be classified into gross private domestic investment and gross public domestic investment. The gross public investment includes investment by government and/or public enterprises. Gross domestic investment is equivalent to gross fixed capital formation plus net changes in the level of inventories (Jhingan in Atuma, 2017). Capital formation perhaps leads to production of tangible goods (i.e., plants, tools & machinery, etc) and intangible goods (i.e., qualitative & high standard of education, health, scientific tradition and research) in a country. Countries need capital goods to replace the older ones that are used to produce goods and services. If a country cannot replace capital goods as they reach the end of their useful lives, production declines. Generally, the higher the capital formation of an economy, the faster an economy can grow its aggregate income.

A lot of economies depend on investments to resolve several economic problems, crisis and challenges. Less developed countries in Africa, such as Nigeria, are introducing various economic policies that will attract as well as keep hold of private investors. This is due to the fact that investments in certain sectors of the economy can rapidly transform the numerous economic challenges we are facing as a nation (Atuma, 2017). Therefore, the government of African countries seem to be so much interested in attracting investment locally and across the border into various sectors of the economy. The motive for this is not far-fetched. Investment both private and public comes with a lot of benefits such as job creation, increase in per capita income, reduction in the level of poverty, increase in standard of living, increase in GDP, etc. Real investment in the economy as an acceptable way of increasing capital formation in the economy has been known to increase productivity and output generally (Atuma, 2017). Investment of this type can be undertaken by the public or private sectors, with the government being involved mainly with autonomous investments which act as the main drivers of other investment in the economy. Autonomous investment had dwindled drastically while the expenditure being made by the public sector are not delivering value where rightly conceived.

Statistics from World Bank (2022) shows that the nominal investment in capital formation averaged 21 per cent of GDP between the period 1986-2022. Investment could be social or soft in outlook (housing, health and education), while others are infrastructural or hard (transport, power and water), and yet others are purely economic, which the private sector undertakes for private capital accumulation. While financial investment is an avenue to increase wealth, real investment should be more emphasized to increase productivity and growth in the economy (Atuma, 2017).

In the early 1960s and up to 1985, Nigerian government was involved in direct productive activities while encouraging private sector investment. During that period, government took control of the commanding height of the economy with the hope of hastening the growth process. The windfall from petroleum in the middle of 1970s brought in the needed financial resources. Government, therefore, went beyond the role of providing an enabling environment by establishing and owning companies in all sectors of the economy (Akpokodije, 2019). In 1986, the Structural Adjustment Programme (SAP) was put in place, with the objective among others of facilitating the development of the private sector, whose role could determine the level of economic growth of the Nigerian economy. However, the expected investment boom after the Structural Adjustment Programme was not feasible and not much was recorded in terms of domestic investment. The DPI share of the gross domestic product (GDP) is still below 10 percent and the ratio has since been declining (Akpokodije, 2019). Government's policy response in form of trade reforms and other macroeconomic reforms with the hope of promoting and encouraging domestic private investment still remains disappointing.

Since 1986 some of the African countries, like Nigeria, have undergone structural adjustment. The respective governments of the various African countries have embraced the need for improvement in capital formation and pursued an economic reform that shifted emphasis on private sector. The public sector reforms were expected to ensure that interest rates were reduced (or positive) in real terms and/or to encourage savings, thereby ensuring that. investible funds would be readily available to the real sectors. Besides, the reforms were expected to lead to efficiency and productivity of labour; efficient utilization of economic resources, increase aggregate supply, reduces unemployment and generate single digit inflation rate. For example, during 1980s till date, the percentage of gross fixed capital formation had dwindled or fluctuated in Nigeria, in spite of SAP programme. The fluctuations in capital formation from 1980 to 2013 resulted from macroeconomic imbalances such as deteriorating foreign exchange rate, increase in general price level, high real interest rate, double digit inflation, and high rate of corruption in public sector. In addition, inadequacy in economic infrastructures such as epileptic power generation, deplorable road networks as well as poor health and educational facilities were equally responsible for the decline in capital formation (Bakare, 2021).

Over the years, emphasis has been placed on foreign direct investment (FDI) for economic sustainability, particularly in developing countries of Africa, Asia and Latin America. In Africa for example, inflows of FDI surged to a record level of $38bn, mainly as a result of large investments in oil-rich economies (Financial Times, 2017). The main factors that contribute to FDI flows into African continent in recent times seem to be the availability of natural resources in the host countries and to a lesser extent, the size of the domestic economy, thereby improving the productivity and growth of the host country. But the broad issue is that most increases in the economic growth of the host countries by FDI always affect the size of the host country's domestic investment. This concern emanates from the fact that foreign direct investment reduces the output and employment, and as well worsen the balance of payment of those countries concerned (Agosin & Mayer, 2000).

British capital, in particular, and western capital, in general, have found the African economies to be a hospitable clime (Edeogu, 2019). Take Nigeria as an example. The country was exposed to the ideology of free enterprise during the colonial era and it adopted same in the post-independence period. This approach played a critical role in integrating the economy into global capitalism, making it possible for further inflow of foreign capital into the country. The country played host to couple of foreign companies like the United Africa Company (UAC), Leventis, etc., which were involved in the purchase and export of cash crops. However, the country's independence in 1960 was to change a lot of things politically, socially and economically. Nigeria took her future in her hands, and so various policies were adopted to ensure the young country's survival. The first twelve (12) years of independence saw the country's economy being sustained by export earnings from agriculture, with a vast array of cash and food crops. Then, in the mid-seventies (70s) came the discovery of oil, which marked a trend reversal and the beginning of a structural shift and the attendant sectorial imbalance of the Nigerian economy in favor of the oil sector (Edeogu, 2009).

Like in fellow Sub-Saharan African countries, major investments started coming into the country in order to tap from the huge oil deposits. There were influx of oil and construction multinationals from Britain, France, USA, Italy, Germany, etc. By 1972, this reversal in trend was evident with the share of foreign investments in the oil sector rising to 66% while that of non-oil sector declined to 34% (Odusola, 2012). By 1974, the crucial role of the oil sectors as the main stay of the Nigerian economy had been thoroughly established. In that year, the oil sector cornered a share of 97.5% of total FDI while that of the non-oil sector stood at 2.50% (Odusola, 2012). The upward swing is traced to the astronomical increase in crude oil prices in the aftermath of the Arab-Israeli war in 1973. This sectoral imbalance has made the country a monoculture economy. The adoption of imports substitution policy, carefully dictated under private sector-led growth, compelled the multinational corporation to establish manufacturing plants in the country; however, this policy didn't go down well. The economic crisis in the early 1980's and the realization of the fact that the erstwhile import substitution strategy was a failure coupled with the positive impact of FDI in some countries, especially the South-East Asia countries, forced the government to revert back to the pre-1970 industrial policies which gave considerable attention to attracting FDI (Odusola, 2012).

In mid-1986, the Structural Adjustment Programme (SAP) in Nigeria was designed to address the gross distortions and imbalance in the economy. Unfortunately, the implementation of the laudable SAP policy served to encourage trading and speculative activities rather than diversifying the economy from a monoculture economy, thus encouraging FDI inflows to other sectors. The inauguration of a democratic government in May 1999 raised hopes of redressing the ecological, social, and economic damages of the military rule. The country began a gradual progression towards creating a political and social environment, supportive of corporate social responsibility and ultimately sustainable development (Okomoh, 2014). As a matter of fact, Nigeria witnessed greater FDI inflow between 1999 and 2001.

Another factor responsible for the phenomenal increase in foreign direct investment apart from economic policies is the legal regime and its related institutions required for the creation of a market economy and suitable investment clime were priority public policy agenda of the new civilian regime in the country (Okomoh, 2014). In 2001, cumulative foreign private investment in Nigeria was 160,882.2 billion Naira, representing an increase of 2.1% over the level in the preceding year. Companies from Western Europe (excluding UK) maintained their lead in terms of shares, which, however, declined slightly to 52.9% in 2001, from 54.2% and 53.6% in 1999 and 2000, respectively. The shares of companies from UK increased slightly from 20.8%, 22.0%, 22.1%, 23.4%, in 2000, 2001, 2002, and 2003, respectively, fell to 19.7% in 2004 and regained its strength subsequently. Also, the shares of companies from United States and other unspecified counties increased from 13.0% and 11.3 in 1999 to 14.2% and 12.6% in 2003, respectively. However, in 2008, FDI from USA fell to 12.8% due to the financial crisis (CBN, in Okomoh, 2014).

Like the other Sub-Saharan African countries, inward FDI (IFDI) to Nigeria have been marked with fluctuations in the past four decades. Statistically, the ratio of FDI to gross domestic product (GDP) which was as high as 28 percent during the 1986-95 period but it fell to 18 percent in the 1990s. Altogether, IFDI averaged 3.2 percent of GDP in the period 1986-2022 (World Bank, 2022). Within this period, countries like Cabo Verde, Equatorial Guinea, Cote D'Ivoire, Gabon, South Africa, and Zambia being the most beneficiaries of IFDI relative to the size of their GDP. On the other hand, the Congos, Comoros, Uganda, Kenya, and Malawi had poorer records, with IFDI accounting for less than 1 per cent of GDP in those countries (World Bank, 2022). The gradual decline in the inflow from the 1980s seem to confirm the position of developing countries' economists that the flow of capital in general to developing countries has been skewed in favour of the middle-income developing countries and against the poor developing countries of which Sub-Saharan Africa is key (Adegbite, 2013).

African countries have not fared any better too regarding outward FDI (OFDI). On average, the 40 countries considered in this study had a combined OFDI average to GDP of 0.32 per cent over the period 1986-2022. This is nowhere near the 3.2 per cent for inward FDI. At country level, Angola recorded OFDI of 0.44 per cent of GDP within the period, Benin -0.97, Botswana 0.43, Burkina Faso 0.00, Burundi -0.01, Cabo Verde 0.2, Gambia 2.0, Ghana 0.03, Nigeria 0.4, Seychelles 1.4, and South Africa 0.6. to mention a few (World Bank, 2022). Clearly, the economic policies of the developing countries in Africa seems to be skewed in favour of inward FDI rather than outward FDI. The data therefore appears to suggest that firms in developing countries are weak when it comes to pursuing outward FDI. Recognizing the importance of investment for economic growth, this study therefore examines the impact of various investment components on economic growth of selected 40 Sub-Saharan African (SSA) countries so as to establish the relationship and formally determine the extent to which domestic investment, inward FDI, outward FDI, and gross capital formation, affect economic growth in the SSA countries

Capital Formation

Capital formation which is also known as capital accumulation is the gross domestic capital formation for that specified economy when there is a net increase in a country's physical asset due to the improvisation of household, state, and public savings. Domestic capital accumulation sources include government taxation, borrowing, voluntary saving, and deficit financing. Besides physical stock formation, capital accumulation also considers human capital formation (Bakare, 2021). Capital accumulation also leads to an increase in the ratio of capital per labor. Firstly, production increases as countries with higher capital accumulation experience higher labour productivity, directly affecting the economy's growth through output enhancement. Secondly, it creates effective demand as an increase in per capita income raises the purchasing power (Bakare, 2021). Capital formation is the growth in the stock of actual capital in the economy over a particular financial period. In other terms, it means the creation of things that enhance more production. This term is mostly used in the study of macroeconomics. It shares similar meaning with the term capital accumulation (Uremadu, 2018). Financial capital, capital goods and human capital all combined lead to Capital formation. The build-up of human capital, financial capital and capital goods all refer to the accumulation of capital (Uremadu, 2018).

Capital formation is referred to as the accumulation of the net capital over an accounting period for a specific nation. The term also refers to the addition of capital goods, such as tools, equipment, electricity, and transportation assets (Akujuobi, 2018). Countries require capital goods to substitute the older ones that are utilised to produce a given product or service. Usually, the higher the capital formation in the economy, the faster it grows to generate income (Akujuobi, Keynesian Theory of Investment (1936). One of the founders of investment theories was Keynes (1936).

In this theory, Keynes regarded investment as a function of the prospective marginal utility of capital in relation to a given level of interest rate representing the opportunity cost of the invested capital. He claimed that an investment is worthwhile if the present value of the future income stream produced by a given amount of capital investment is equal to or greater than the initial capital cost. He also stated that private investment has inherent volatility as a result of the underlying uncertainty associated with expected returns on investment. Keynes in this theory maintained that, while savings and investment must be similar, ex-post savings and investment decisions are generally made by different decision-makers, and there is no explanation why ex-ante savings should match ex-ante investment is a central feature of the Keynesian study. Keynesian theory of investment is related to this study in that it explains the condition under which investment is profitable and could be encouraged. He specifically noted investment depends greatly on the marginal utility of capital in relation to a given level of interest rate representing the opportunity cost of the invested capital hence, it is profitable if the present value of the future income stream produced by a given amount of capital investment is equal to or greater than the initial capital cost. This is what the present study tries to establish in order to enhance economic growth. This means that by determining the effect of FDI and domestic investment on economic growth, the study identifies how such investments could be enhanced to to promote economic growth in

Gross Capital Formation and Economic Growth in Africa

Capital formation refers to the process of increasing a nation's capital stock through investments in profitable machinery and plants (Gbenga & Adeleke, 2013). It simply has to do with increasing capital assets through the effective use of the nation's human and material resources. In this study, we defined gross capital formation as proportional to the GDP rather than in nominal terms. This relative measure, rather than the absolute, or monetary measure, helps us to determine the worth of a country's capital formation compared to the overall size of the economy.

For all the 40 developing countries in Africa used in this study, gross capital formation averaged 21% of GDP for the period 1986-2022. This implies that overall, the countries' gross capital formation is as much as 25% of their GDP combined. While this figure may look impressive on the surface, it is well-reported that developing countries have low GDP compared to advanced economies (Organization for Economic Cooperation and Development, 2022; World Bank, 2022). For instance, Africa's GDP in 2022 is ranked 5th in the world behind Asia (1st), North America (2nd), Europe (3rd), and South America (4th), bettering only Oceania (6th) (International Monetary Fund, 2023). Even worse, the continent is ranked 6th in the world in terms of GDP per capita, behind Oceania (1st), North America (2nd), Europe (3rd), South America (4th), and Asia and Pacific (5th), only bettering Antarctica in 6th position (World Bank, 2023). Low capital formation in developing countries is caused by low savings, which, in turn, is caused by low income.

At the country level, the study found that all the 40 countries included in the study do not have uniform responses to changes in gross capital formation (GCF) in the short run. We found that a percentage increase in GCF stimulated economic growth in the short run in Cote d'Ivoire, Gabon, and South Africa, whereas it caused economic deterioration in Guinea, Madagascar, and Malawi, contrary to expectation. On the other hand, it produced no significant short-run changes to the economy in 85% of the sampled countries, namely, Angola, Benin, Botswana, Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, Comoros, Congo, Congo DR, Equitorial Guinea, Ethiopia, Gambia, Ghana, G-Bissau, Kenya, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Seychelles, Sierra Leone, Tanzania, Togo, Uganda, Zambia, and Zimbabwe.

Many of the individual countries sampled have very low rates of GCF as a percentage of the GDP. The raw data from World Bank (2022) revealed that GCF, as a percentage of the GDP, ranged from 11.7% (Seychelles) to 39.3% (Mali), on average, between 1986 and 2022. Specifically, Angola had 25.9%, Benin 18.3%, Botswana 27%, Burkina Faso 19.3%, Burundi 11.9%, Cabo Verde 28.3%, Cameroon 18.6%, Central African Republic 12.7%, Chad 20.5%, Comoros 16.2%, Congo 31.9%, Congo DR 13.6%, Cote D'Ivoire 16.6%, Equitorial Guinea 27.1%, Ethiopia 29.4%, Gabon 25.8%, Gambia 15.4%, Ghana 19.2%, Guinea 20.1%, Guinea Bissau 18.5%, Kenya 18.9%, Madagascar 22.0%, Malawi 19.1%, Mauritania 22.9%, Mauritius 18.8%, Mozambique 19.8%, Namibia 18.9%, Niger 30.8%, Nigeria 17.8%, Rwanda 20.1%, Senegal 34.0%, Siera Leonne 16.9%, South Africa 28.4%, Tanzania 15.0%, Togo 20.0%, Uganda 32.4%, Zambia, 12.8%, and Zimbabwe 13.7%. as a matter of fact, 55% of the sampled countries have annual average GCF ratio to GDP below 20% within the investigative period.

Summary of Findings

This study investigated the impact of investment on economic growth in Africa. The study was motivated by the fact that no African country is regarded as economically developed whereas investment is regarded as the key to unlocking the growth potential of an economy. We investigated this phenomenon using 40 countries of the Sub-Saharan African sub-region using panel data for the years 1986-2022. We applied a dynamic panel auto-regressive distributed lag (ARDL) method using the System Generalized Method of Moment (s_GMM) and the Pooled Mean Group (PMG) analytical methods and found that,

i. A percentage growth of domestic investment jointly yields a 0.014 percentage increase in short-run growth, and a 0.334 percentage increase in long-run growth for the 40 economies studied. Results from the PMG model support this finding. Thus, domestic investment has a positive and significant impact on economic growth in the African countries.
ii. Inward foreign direct investment (IFDI) has a significant positive impact on economic growth in the 40 African countries studied. Specifically, the study finds that a percentage increase in IFDI yields a 0.012 percentage increase in short-run GDP growth and a 0.03 percentage growth in the long-run for all the countries taken together.
iii. Foreign direct investment outflow, or outward FDI (OFDI), has a significant negative impact on economic growth in the long run for the 40 African countries studied. We found that long-run growth of the African countries is set back by -0.034 per cent for every 1 percentage increase in OFDI, which implies that the African countries are not benefiting from their local firms investing abroad.
iv. Gross capital formation (GCF) has a significant positive impact on economic growth both in the short run and long run in the 40 African countries studied. The regression results revealed that economic growth is enhanced by 0.04% in the short run, and 0.03% in the long run, as a result of a percentage increase in GCF relative to the GDP.

Recommendation

i. The respective governments of sub-Saharan African countries should employ policies that encourage local firms to invest more in their economies, such as granting tax relief and addressing the impediments to domestic investment such as insecurity to enhance the positive impact of domestic investment on economic growth.
ii. African country governments should incorporate inward FDI (IFDI) in their national development strategies because FDI inflow into sub-Saharan countries stimulate economic growth in them.
iii. The governments of African countries should strengthen the capacity of local firms so as to gain the positive home effects of FDI outflow. This they can do by boosting the absorptive capacity of local firms such as through training programs, infrastructure provision, and network formation.
iv. The governments of African countries should make the growth of capital formation a matter of policy by introducing policies that encourage household savings and business investment while spearheading infrastructural development because infrastructural growth drives economic growth in the countries studied.

Conclusion

This study investigated the impact of investment on economic growth in the Sub-Saharan African (SSA) region within the period 1986-2022. We employed panel data for the empirical study using robust econometrics and statistical techniques to analyse the data. Based on the findings summarized in the opening section of this chapter, the study concludes that increasing the stock of domestic investment and attracting more foreign direct investment will help countries on the Sub-Saharan African region to achieve their common objective of economic growth.

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APPENDIX I
COUNTRIES USED IN THE STUDY

1. Angola	11. Congo	21. Kenya	31. Rwanda
2. Benin	12. Congo DR	22. Madagascar	32. Senegal
3. Botswana	13. Cote d'Ivoire	23. Malawi	33. Seychelles
4. Burkina Faso	14. Equatorial Guinea	24. Mali	34. Sierra Leone
5. Burundi	15. Ethiopia	25. Mauritania	35. South Africa
6. Cabo Verde	16. Gabon	26. Mauritius	36. Tanzania
7. Cameroon	17. Gambia	27. Mozambique	37. Togo
8. Central African Republic	18. Ghana	28. Namibia	38. Uganda
9. Chad	19. Guinea	29. Niger	39. Zambia
10. Comoros	20. Guinea-Bissau	30. Nigeria	40. Zimbabwe

Chapter 8

THE NIGERIAN EDUCATION POLICIES AND THE OSCILLATING STATUS OF HISTORY AND THE EFFECT TO NATION BUILDING

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Abstract
The education policy of any nation is both significant and relevant in determining the standard and quality of knowledge and skills acquired by the learners. This study examines the weight exerted by the changing educational policies on the status of History. The work argues that the changing education policies has an adverse effect on History and the nation building. The work traces the origin of History in Nigeria Education. It equally examines the changing status of History and some of the effects. The study adopts the historical-cum-library method of research and make use of the secondary data sources. Findings revealed that the oscillating status of History was due to the changes in the government education policy. The study concludes that this situation had adverse effect on the nation building and recommends that the teaching of History, should be compulsory for its significant role in nation building.

Keywords: *History, Nigeria, education policy, and nation building.*

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Introduction

The teaching of History in Nigeria education used to be at all level. But the situation changed over time and the status of History began nose-diving. This was due to the change in the education policy which ushered in the introduction of the 6-3-3-4 system. Unfortunately, the policy brought about the removal of History from the Primary and Junior Secondary Schools. Notwithstanding, the current policy under the 9-3-4 system reinstated back the teaching of History in the primary and junior secondary schools, but it was still yet to take full effect. This changes in the education policies invariably affect the status of History both positively and adversely. This development has some implications towards nation building. The study is divided into the following:

i. The origin of the teaching of History in Nigeria education,
ii. The changing status of History in the Nigerian education system, causes of the changing status of History,
iii. The current education policy under the 9-3-4 system and the effect of the oscillating status of History to nation building and conclusion.

The Origin of the Teaching of History in Nigeria Education

The inception of the teaching of History, in the Nigeria educational system can be traced to the colonial period. It took effect with the establishment of the colonial government ordinance of 1877 (National Teachers Institute PDE 101). The ordinance made important contributions some of which included: provision for grants, increased in the number of schools and the diversification of the curriculum. In addition, the ordinance brought about the transformation of the administrative management of the then mission schools.

Therefore, the diversification of the curriculum ushered in the following subjects: Geography, History, Yoruba language, Drawing and sewing for girls. Similarly, the colonial government continued with the innovation by introducing more subjects such as: Latin, Greek, Mathematics, French, Physiology, National History and others.

Furthermore, Adeyinka (2009) commenting on the result of the ordinance of 1877, pointed out that "History was studied to the Cambridge senior level or certificate level by very high proportion of Nigerian secondary students." This implied that the inclusion of History in the curriculum attracted a high proportion of Nigerian schools, to study History to the certificate level. This suggests that the value derived from the study of History might have benefitted a high proportion of Nigerians. It also entails that the colonial government ordinance was a good blue print for the future benefit of the Nigerian education policy. It can be clearly seen from the above, that the inception of the teaching of History in Nigeria education was as a result of the colonial government ordinance of 1877. The ordinance lay the foundation for the transformation of missionary education and the diversification of the curriculum which introduced a number of school subjects including the teaching of History.

The Genesis of the Changing Status of History in the Nigerian Education System

The teaching of History in Nigeria over the years has witnessed changes in its status. This has been due to the changes in the education policies. For instance, after the colonial government ordinance of 1877 introduced the teaching of History, the change in the education policy after the independent of Nigeria in 1960, indicated a different development. For proper understanding of the issues that informed the changes, we shall examine the following:

The Remote and Immediate Causes of the Change in the Status of History.

It is important to note, that the introduction of grammar schools was very attractive to the Nigerian public than the grade II system. Ukoh (2010) stated that during the celebration of the centenary of secondary education in 1959, in Nigeria, about 700 secondary grammar schools participated with a student population of 120,000. This indicates that the impact created by the introduction of grammar schools was significant. It is equally clear that this might have created competition between grammar schools and the grade II system. The remote cause for the change in the status of History, emanated from the increased competition among the subjects in grammar schools. Adeyinka (2009) observed that the increased in competition among the grammar school subjects became the initial cause of the unpopularity of History. This entails that the process of introducing new subjects particularly in secondary grammar schools created competition between History and other subjects. This might have resulted in the exodus of students from History. It is also perhaps possible that the exodus of students from History might not be unconnected with the usual fear exhibited by students. For example, some of the students often complain about some activities associated with the teaching of History such as: voluminous notes, too many dates, difficult names, the broad nature of History and so on.

Furthermore, the attitude of students towards certain subjects which they consider as hard to comprehend might have been another reason for the change. Joseph (2011) stated that students tend to exhibit this attitude towards subjects which share some similarities. Such subjects include: Literature in English and English Language, Mathematics and Further Mathematics, Government and History etc. The result is that such students will normally choose the other subjects which they think is simple. Given such a scenario, this might likely have affected History. The immediate cause for the change in the education policy was the outcome of the 1969 curriculum conference. Okonkwo (2010) stated that the findings of the conference revealed that Nigerian education at all level was bookish in orientation and that the 7-5-2-4 system of education was not responding to the needs of the nation. According to Okonkwo, the outcome of the conference was the National Policy on Education (NPE). Under the NPE, a new system of education the 6-3-3-4 system was conceived. The 6-3-3-4 system seem to have been ill conceived on the premise that Nigerian education was bookish in orientation. For this reason, the system expunged the teaching of History from primary and junior secondary schools. In effect, the 7-5-2-4 system was replaced by the NPE which is the 6-3-3-4 policy.

The 6-3-3-4 policy of education removed the teaching of History based on the myopic findings of the curriculum conference of 1969 (Joseph 2011). The finding that education at all level was bookish might have been misconstrued or exaggerated. This perception suggest that the conference was blind to the fact that most subjects under the arts or humanities dealt more with the cognitive domain than the psychomotor and affective domains. Therefore, to remove the teaching of History and replaced it with Social Studies, was not a solution to the misguided findings by the conference. In other words, what is the conference psychomotor and affective domains justification of Social Studies over History? Another flaw observed in the curriculum conference of 1969 was its recommendation of the 6-3-3-4 policy. This is because the policy could not produce a significant transformation in the nation's education. This also indicate that the wrong findings by the conference were accompanied by wrong recommendations. Okoh (2010) pointed out that the 6-3-3-4 system of education was more or less carrying a dead body from one grave to another. This shows the ineffectiveness of the policy to give the Nigerian education the desired improvement required. Therefore, it is evidence from the above that, the change in the education policy had effect on the teaching of History. The 7-5-2-4 system permitted the teaching of History at all level of education. However, the system was replaced by the 6-3-3-4 system based on the recommendations of the curriculum conference of 1969. The effect of the policy was the removal of History from primary and junior secondary schools.

General Causes of the Changing Status of History in Nigerian Education

The changing status of History in Nigerian education is cause by some other factors.
They comprised of the following:

i. The negative effect of some government policies towards History,
ii. Unguided quest by some curriculum expert,
iii. Ignorance,
iv. Value system and lack of trained adequate History teachers.

The negative effect of some government policies towards History is one of the major causes responsible for the changing status of History. Bozimo (1991) rightly observed that the attitude of some policy makers towards History needed to be reconsidered because these have de-emphasized the role of History in the society. This suggest that some government policies tend to have adverse effect towards History and this was done by the policy makers. The effect was that it undermines the importance of History due to the ill-conceived policies. For example, the National Policy on Education (NPE) indicated such negative effect by introducing the 6-3-3-4 system. This situation by policy makers was more or less a display of some naivety and policy summersault. The tempering with History in primary and junior secondary schools is tantamount to uprooting the foundation of a building and yet expecting the building to stand, what an impossibility? Another issue militating against the status of History is the unguided quest by some curriculum experts. The desire to experiment the broad field curriculum might have been unguided among the curriculum experts. The broad field curriculum which was first introduced in USA, and emphasized the synthesis of core areas in different subjects to come up with a new or single subject. Okonkwo (2010) disclosed that in the Nigerian educational system subjects such as Civic, History and Geography were brought together to form Social Studies in primary school. It could be inferred that, ignorance of the epistemology and ontology of History, may have resulted in wrong conclusions that affected History negatively.

The status of History in the nation's education is also confronted by the ignorance exhibited among many educated Nigerians. Joseph (2011) noted that the ignorance of History by some educated Nigerians was invariably bequeathed to the students through their attitude toward History. According to him, the ignominy syndrome against History, was unconsciously propagated and peddled by a group of historical ignoramus persons belonging to different disciplines, some in government circles and social perceptions. Bozimo (1991) also pointed out that "due to the massiveness of knowledge supplied by science to the world and the newness of such knowledge, there is the tendency to neglect other forms of knowledge like history. It was reasoning that history deals with the past and this knowledge is not new and cannot be useful to modern knowledge." Nwanze (2010) further capture an instance of a historical ignoramus by stating that "I listened with a bit of disbelief as a friend of mine told me that she had no idea of what Herbert

Macauly was. What was shocking to me then was that she was a first-class degree holder from a Nigerian University and had grown up in my generation." Therefore, the attitude of historical ignoramus exhibited by some educated Nigerians create a serious setback for History in the nation's education.

The value system also contributes to the changing status of History. However, some parents tend to assume that when their wards read History and not a professional or marketable course, that child may not be successful or become rich in the future. Such a perception is anti-History, as it often results in the competition and rush, for professional or marketable courses, during admission into universities or tertiary institutions. Joseph et al (2013) narrated a scenario when a student was offered admission to read History and the mother of the student came to Prof. Abdullahi Mahdi, the then Vice Chancellor of A.B.U and pleaded that she wanted a change of course for her ward. Unknown to her, the Vice Chancellor, she brought her case to was a historian.

Lack of trained adequate History teachers is another obstacle affecting History. Bozimo (1991) captured it vividly that "effort be made to reappraise the level of preparation of teachers of History, as it is observed that most of them did not possess much sensible understanding of epistemological and ontological demands of both the content and method of history." It is evident from the statement above that the problem of untrained History teachers had effect on the pedagogical skills to impart knowledge to students. It implies that, this may cause despair for the subject among students. In addition, lack of History teachers makes the situation worse, by resulting in the absence of History from the school time's table.

The Current Education Policy under the 9-3-4 System

The current education policy came to limelight in 1999 with the introduction of the Universal Basic Education (UBE). This was in the attempt to fulfilled, the Millennium Development Goals, (MDG) on education set by the World Bank. The UBE programme is aimed at providing free and compulsory education, for all the children from primary to junior secondary school (Okeke and Chuckwudebelu 2024). This development brought into existence the 9-3-4 system. The emphasis of the system among other things, is to equipped the students with entrepreneurial skills and make them to be self-reliable as well as contribute to the nation's economic development. According to the National Education Policy (2013), the goals of the UBE comprised of the following:

i. Provide the child with diverse basic knowledge and skills for entrepreneurial, wealth creation, and education advancement;
ii. develop patriotic young people equipped to contribute to social development and in the performance of their civic responsibilities;
iii. inculcate values and raise morally upright individuals capable of independent thinking, and who appreciate the dignity of labour;
iv. inspire national consciousness and harmonious co-existence irrespective of differences in endowment, religion, colour, ethnic and socio-economic background; and
v. provide the opportunities for the child to develop manipulative skills that will enable the child function effectively in the society within the limits of the child's capacity.

There is no doubt that, the above goals clearly indicate, the imperativeness for History in the UBE programme. Yet it was not reintroduced immediately. But the decline in the level of patriotism of

Nigerians paved way for the reintroduction of History. Mahadi stated that the poor attitude of Nigerians particularly, the low level of patriotism became a matter of concern to President Olusegun Obasanjo (Joseph etal 2013). He was made to know that the problem was on the increased because History was not taught in our schools. According to Mahadi the situation made President Obasanjo to make a pronouncement for History to be reintroduced into the primary and junior secondary schools. Despite the pronouncement made by the President, we are yet to effectively witness the reintroduction of History in primary and junior secondary schools, since the second tenure of President Obasanjo. Even though, four different administrations have been in power, since then, it has remained a mere hope rather than reality.

The Effects of Oscillating Status of History to Nation-Building

It is quite clear, that the UBE programme goals provide a window of opportunity for History to contribute prominently, to the development of Nigeria. However, if the government fails to learn from other countries to make History compulsory, the benefit may be a mirage thereby affecting the process of nation building. In other words, the fluctuating status of History could deprive our country from the maximum benefit towards nation building. Some of the effects highlighted below are: The oscillating status of History may contribute to lingering national goals. The expectation to see Nigeria develop like other countries may not quickly be realized. This is because the leaders and policy makers from most developed countries and emerging economies prioritized their history, in the quest to advance technologically (Kochhar 2015). In other words, History provides the necessary ingredients which are integrated into the development agenda of a country. According to Joseph et al (2013) a Chinese representative once advised a Nigerian delegation led by Prof. Jibril Aminu, the former Minister of education, that if you want to develop take care of your history. Also, closely related to the above, is the possibility for Nigerian education to be rated as being weak by countries that value and derive inspiration from History. Kochhar (2015) states that education and our rich cultural heritage provides an avenue for bilateral ties with other countries. In addition, History is a mirror which provide a meaningful and comprehensive account of virtually all the past events. Where the status of History is fluctuating, it implies that there is a limit in the areas and maximum contributions that History stands to make towards our national development.

Another effect is that the students would not benefit from History as a body of knowledge which enable us to appreciate how the various peoples of Nigeria evolved and how they relate (Koroma 1991). This suggest that knowledge of the common bond of unity in the country is fading away, instead of being handed over to upcoming generations of Nigerians, who are also the leaders of tomorrow. The danger this pose is that such generation of Nigerians would not actively be engaged in evolving and promoting policies and opportunities that should unite the country. Unfortunately, this is not a good omen for our beloved country.

Furthermore, the fluctuating status of History deprived students the opportunity of recognising that differences of culture are a product of History and also develop a deeper understanding of the differing cultures (Akombo 2015). Since this goal of History is neglected in our education, the students are naïve in properly trained to harnessed the huge benefits from our rich cultural heritage for national development. In the same vein, the right attitude and mindset towards developing our tourism potentials for maximum benefit is lacking. It equally implies that the mantra of "Unity in Diversity" is not practically being implemented as expected in the country.

Moreover, the oscillating status of History incapacitates the students of the ability to possess a sympathetic understanding of the difficulties involved in the effort at building a united nation out of Nigeria's many ethnic groups and also the zeal to contribute their quota to the achievement of the nation's goals (Joseph 2013). This suggest that students are not properly expose to comprehend the puzzles involved in nation building as well as instructed on the need to contribute their quota to the national development. In other words, the fluctuating status of History breeds students (who are the future labour of our country), with haphazard orientation and patriotism that may not be duty bound to effectively move the country towards the path of development and industralisation.

Another effect is the absence of self-understanding and poor capacity development among students. Brown (1966) points out that the purpose of History among other goals was for enlarging the capacity of students to understand the difference people and cultures in Nigeria. The present oscillating status of History only weakens rather than enlarge self-understanding and capacity of students. This caliber of students may not likely, contribute to nation building due to the weak capacity development.

Conclusion

Conclusively, the study has examined the Nigerian education policies and the oscillating status of History and its effect to nation building. The work has revealed when History began to be taught by tracing the origin of the teaching of History in Nigeria education. It has also look at the genesis of the oscillating status of History, the general causes, the current education policy 9-3-4 system and the effect of oscillating status of History towards nation building. Its major finding indicates that the above had adverse effect on both History and the nation building.

Recommendations

In order to resolve this situation, considered above the study made the following recommendations:

i. Because of the pre-eminent role of History in nation building, History should be compulsory in the Nigerian education since all the graduates must contribute to nation building.
ii. History syllabus should be tailored towards promoting national consciousness and orientation to evolve a united and prosperous Nigeria, rather than division along regional, religious, ethnic and sectional differences.
iii. Trained History teachers must be groom with the mindset of the digital Age, possessing effective instructional materials and relevant methods of teaching and exploring History.
iv. Motivation to produce more research works in local History should be encourage by Historical Society of Nigeria (HSN) and Non-Governmental Organizations (NGOs).
v. Policy makers are also called upon to correct the impression that graduate of History are made to only become teachers.

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Chapter 9

PARADIGM SHIFT IN CURRICULUM AND PEDAGOGY OF ENTREPRENEURSHIP PROGRAMS IN NIGERIAN HIGHER INSTITUTIONS OF LEARNING

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Abstract

The most effective pedagogy for entrepreneurship programs in Nigerian higher education involves a blend of theoretical knowledge and practical application. This includes incorporating case studies, simulations, and real-world business experiences into the curriculum. Universities should also consider creating platforms for networking and collaboration between students and external actors. Entrepreneurship education pedagogy is paramount towards achieving an impactful entrepreneurship development programme that can reduce graduate unemployment in Nigeria. Entrepreneurship education has been proved to be one of the courses that can help students to be career ready and focused. Entrepreneurial education is the communication of the skills, knowledge and motivation required to start and grow business successfully to students. This study examined the pedagogies used in teaching undergraduate's entrepreneurship development to find out the one or combination that can reduce graduate unemployment in Nigeria. The findings showed that there is explicitly a pedagogy or combination of pedagogies that work as a system to bring about impactful entrepreneurship development programme. The importance of entrepreneurship in enhancing human lives in terms of poverty alleviation, employment generation, wealth creation and economic vitality has given entrepreneurship worldwide recognition. To ensure teaching effectiveness, there is need to encourage and motivate students through entrepreneurship curriculum.

Keywords: *Entrepreneurship, Entrepreneurship Curriculum, Entrepreneurial Education and Pedagogy Methods.*

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Introduction

Education is the facilitator of every nation's socio-economic growth and development (Iyortsuun, Goyit, and Dakung (2020). The inability of graduates to contribute meaningfully to the nation's economic development by being self-employed informs entrepreneurship education in schools. The introduction of entrepreneurship education in higher institutions indicates its importance in economic empowerment and job creation in particular (Ediagbonya, 2013). Entrepreneurship development has been seen to stimulate job creation and growth, which results in more significant employment. Entrepreneurship development courses are necessary to encourage self-employment, job creation and new venture start-ups in the country. Entrepreneurship development course is learning and training; it is an instrument for change and development. The support from higher institutions to facilitate entrepreneurship development courses is at an alarming rate at all levels. Despite this support, the rate of unemployment among university graduates continues to increase daily. Inculcating entrepreneurship education in the university curriculum is perceived to be one of the strategies for improving graduates' entrepreneurial mindsets and skills (Iyortsuun, Goyit & Dakung, 2020). The rate of graduate unemployment in Nigeria has persistently been increasing despite the vast endowment of the country with human and natural resources. However, graduate unemployment is not peculiar to Nigeria or developing nations; it is indeed a long-standing global phenomenon; hence, it has been common in many countries to find universities unable to secure jobs several years after graduation. The significant increase in the unemployment rate, particularly among young graduates and youths in Nigeria, constitutes one of the most critical problems.

According to the National Bureau of Statistics (2021), in the last quarter of 2020, Nigeria records 33.3%, 22.8%, and 42.5% for unemployment, underemployment, and youth unemployment/underemployment. This sees Nigeria unemployment surged to the second-highest on a global list of countries. European Commission (2016) stated that course content, teaching and learning methods need to be appropriate if entrepreneurship education is to be delivered effectively. Effective entrepreneurship courses/programmes should encourage students in problems solving skills. Thus, entrepreneurship education should include some team-based activities, project or exercise.

Faloye and Olatunji (2018) researched entrepreneurship education and self-employment intentions among fresh graduates. The study's primary objective is to examine the critical determinants of entrepreneurship intentions and the link between entrepreneurship attitude orientations and business ownership intentions among Nigeria's fresh graduates. This study utilized a survey research design. Data used for this study were collected using a questionnaire from 230 randomly selected National Youth Service Corps (NYSC) members serving in Ondo State. Appropriate descriptive and inferential statistical techniques were employed to analyze the data collected. This study showed that entrepreneurship education, ability to take the risk and the influence of family, friends and mentor were the significant determinants of entrepreneurial intentions. The study revealed that entrepreneurship education positively and significantly influences fresh graduates' business start-up intention. It was concluded that the establishment of more skills acquisition and innovation centers across Nigeria to equip the young graduates with the skills, knowledge and attitudes required to be self-reliant would assist in making them job creators rather than job seekers, and in the long-term effect, graduates' unemployment and criminal activities among Nigerian youths will be reduced.

Ogan (2015) asserted that as far as the formal sector is concern, the average Nigerian graduate is not employable as he/she does not possess skills needed by the employer of labour. This leads to insecurity, crime, prostitution and civil unrest and terrorism especially by the unemployed youth, this scenario has eaten deep into the fabric of the Nigerian society, hence, the need to curb this menace. It is on this note that this paper examines the Paradigm Shift in Curriculum and Pedagogy of Entrepreneurship Programs in Nigerian Higher Institutions of Learning.

Concept of Entrepreneurship Education

According to (Aina, n-d) entrepreneurial course contents should include; Options, openings and possibilities for self-employment, employment creation; requirement for establishing and managing enterprises; business plan project; introduction to small business start-up; identifying information business opportunities; lobbying, advocacy and fund raising for development of libraries and information centers: branding and marketing for changing the image of libraries. Entrepreneurship education is an integral part of general education aimed at preparing individuals for self-employment, occupational fields, and effective participation in the world of work (Ejiogu & Nwajiuba, 2012). Entrepreneurship education seeks to provide students with the knowledge, skills and motivation to encourage entrepreneurial success in a variety of settings (Ismail, *et al,* 2011). They view it as a new approach in imparting knowledge and know-how to students.

Entrepreneurship education is believed to provide students with understanding of concepts of entrepreneurship, train and motivate them to indulge into entrepreneurial activities in future (Mukta 2015)., which is designed to inculcate in the learners entrepreneurship knowledge, skills, attitudes and competencies; that would not only make them possess saleable skills and be marketable in the world of work but also be employable and be self-reliant, create their own job, become employers of labour and wealth creators rather than being perpetual job seekers. Okiridu, Azuma and Godpower (2017) sees entrepreneurship as the key to employment generation, critical to poverty reduction, and environmental sustainability which has a multifaceted nature and linkages with other areas such as education, skills development, technological innovation, finance and capacity building. Entrepreneurship skill training programmes carried out in schools aid students to gain insights to business planning.

Concept of Pedagogy

Pedagogy or teaching method is of paramount importance in the learning process. It involved effective method and approach; Teachers use different teaching methods to convey entrepreneurship education to students. Generally, pedagogy can be said to have the following components,

i. Content analysis of the unit/topic/single concept being taught by the teacher in the subject.
ii. Set of the teaching or instructional objectives of the content material of the topic in hand by writing them in specific behavioral terms.
iii. Suggestions on methods, techniques, teaching learning activities, aids and equipment's helpful for teaching and learning of the topic at hand quite in tune with the realization of the set instructional objectives.
iv. Suggestion on the appropriate evaluation devices in the form of oral, written or practical activities and test questions etc. for evaluating the outcomes of the teaching learning process carried in relation to the teaching of the topic at hand.

The Concept of Learning

Learning, broadly defined, is the process of acquiring new knowledge, skills, behaviors, and values through experience or practice. It can be a conscious or unconscious process, and often involves changes in behavior, knowledge, or potential. Learning can be immediate, like being burned by a hot stove, or accumulate over time through repeated experiences.

Definitions of Learning

i. General Definition: Learning is the process of acquiring new or modifying existing knowledge, behaviors, skills, values, or preferences.
ii. Change in Behavior: Traditionally, learning is viewed as a change in behavior resulting from experience, emphasizing observable outcomes.
iii. Cognitive Process: Learning involves cognitive processes that include perception, memory, and reasoning, highlighting the mental activities that underpin knowledge acquisition.
iv. Social Construct: Learning can also be understood as a social activity, where knowledge is constructed through interactions with others and within specific cultural contexts.
v. Learning is a relatively lasting change in behavior resulting from observation and experience. It is the acquisition of information, knowledge, and problem-solving skills. When you think of learning, it's easy to focus on formal education that takes place during childhood and early adulthood. However, learning is an ongoing process that takes place throughout life and isn't confined to the classroom (Kendra, 2025).

Concept of Innovation and Skill Acquisition in Leather and Leather Goods

Innovation and skill acquisition are crucial for the success of the leather and leather goods industry, encompassing advancements in materials, manufacturing techniques, and designs, as well as the development of expertise in crafting and processing leather. This requires a continuous pursuit of new knowledge, collaboration between different stakeholders, and a focus on both traditional techniques and emerging technologies. Innovation drives the development of new products, processes, and technologies, while skill acquisition ensures a skilled workforce to implement these innovations and meet evolving market demands. Skill acquisition refers to as a form of training by individuals which leads to the acquisition of knowledge solely for self-reliance. Specifically, it has to with the training of people in different aspects of trade which is binding by legal agreement between the trainers and the trainees for certain duration and under certain conditions (Abdulrauf, & Suleiman, 2023).

However, it is observed that most graduates lack entrepreneurial skills and remain idle in the absence of white-collar jobs after graduation (Ukata, Wechie, & Nmehielle, 2017). It is now certain that demonstration and group project pedagogical strategies adopted in Entrepreneurship Education teaching enhance entrepreneurship skills acquisition in tertiary institutions in Nigeria.

Theories of Entrepreneurship

Economic Theory of Entrepreneurship

In the economists' perspective, entrepreneurial ability in a man is a product of his desire to acquire wealth and the fear of destitution or poverty (Virtanem, 2001). The desire for wealth the fear of poverty is positively related. A higher fear of poverty in a man may likely translate into a higher entrepreneurial ability. The level of entrepreneurship development in any society will largely depend on the extent of which entrepreneurs are able to face the challenges. The industrial revolution in Europe and the ongoing rapid economic development in Asia can be attributed to confrontation of challenges facing entrepreneurs.

The Economic Theory of Entrepreneurship is relevant to the paper titled "Paradigm Shift in Curriculum and Pedagogy of Entrepreneurship Programs in Nigerian Higher Institutions of Learning" as it underscores the foundational motivation behind entrepreneurial behavior — the pursuit of wealth and the avoidance of poverty. This theory suggests that fostering entrepreneurial ability is not solely about imparting skills but also about creating an environment that heightens individuals' awareness of economic opportunities and challenges.

Psychological Theory of Entrepreneurship Development

In the views of psychologists, the entrepreneurial ability of an individual is determined by his or her levels of need for achievement, autonomy and problem solving, (Usman et al, 2006). The traits involve desires for recognition, materialism, creativity, leadership and similar other desires. The individual will be pressed to take risk so as to create or to do something unique and this will mal such an individual to become an entrepreneur.

The psychological theory of entrepreneurship is relevant to the paper titled "Paradigm Shift in Curriculum and Pedagogy of Entrepreneurship Programs in Nigerian Higher Institutions of Learning" as it emphasizes the role of individual traits—such as the need for achievement, autonomy, creativity, and problem-solving—in shaping entrepreneurial behavior. This perspective underscores the importance of designing curricula and pedagogical approaches that not only impart business knowledge but also nurture these intrinsic psychological attributes among students.

Sociological Theory of Entrepreneurship Development

The thrust of the sociological theory of entrepreneurship is that entrepreneurial ability is largely determined by the environment (Byers, Kist, and Sutton, 2004). The theory viewed entrepreneurship from the social rather than individual context in the case of psychological theory. The sociological theory of entrepreneurship is a product of contributions of many sociologists.

The sociological theory of entrepreneurship is highly relevant to the paper titled "Paradigm Shift in Curriculum and Pedagogy of Entrepreneurship Programs in Nigerian Higher Institutions of Learning" as it emphasizes the role of social environment, cultural norms, institutional frameworks, and collective values in shaping entrepreneurial behavior.

Entrepreneurship Curriculum Table

Table 1: Curriculum Table

Introduction to Entrepreneurship I

Progrramme: ND 1			
Course: INTRODUCTION TO ENTREPRENEURSHIP I	Code: ENT126	Credit Hours:3	Contact hours:45
Year: ONE **Semester: Two**	Pre-requisite:	Theoretical: Practical:	2hours/weeks 60% 1hour/week 40%
Course main Aim/Goal This course is designed to create general entrepreneurship awareness in the student with a view to inculcating the spirit of self- reliance. **General Objective:** 1.0 Understand enterprises, entrepreneurship, entrepreneur, and related concepts. 2.0 Know the history and challenges of entrepreneurship in Nigeria and strategies for overcoming them. 3.0 Know the nature, function, roles, personal rewards of entrepreneurs, value creation. 4.0 Understand the psychology of entrepreneurship; entrepreneurs' mindset, attitudes and behavior. 5.0 Understand entrepreneurship as a process, a type of ability, and a way of thinking and behaving. 6.0 Know the social and economic importance of entrepreneurship in Nigeria. 7.0 Know the sociology of entrepreneurship; the interdependence between the society and entrepreneurship.			

Source: NBTE, 2024

Table 2: Introduction to Entrepreneurship II

PROGRRAMME: ND 2			
Course: INTRODUCTION TO ENTREPRENEURSHIP II	Code: ENT216	Credit Hours:3	Contact hours:45
Year: Two **Semester: ONE**	Pre-requisite:	Theoretical: Practical:	2hours/weeks 60% 1hour/week 40%
Course main Aim/Goal This course is designed to equip the student with necessary entrepreneurial skills for self -employment **General Objective**: On completion of the course, the student should be able to: 1.0 Understand the business environment, sources and method of generating new venture ideas. 2.0 Know how to organize the new venture resources, activities and relationships. 3.0 Understand entrepreneurial team and work groups, and the success or failure of a new venture. 4.0 Understand business ownership structures. 5.0 Know creative problem -solving techniques, creativity and innovation. 6.0 Understand product planning and development process. 7.0 Know entrepreneurial leadership.			

Source: NBTE 2024

Table 3: Practice of Entrepreneurship 1

PROGRAMME: HND 1			
Course: PRATICE OF ENTREPRENEURSHIP I	Code: ENT326	Credit Hours:2	Contact hours:60
Year: One **Semester: Two**	Pre-requisite:	Theoretical: Practical:	2hours/week 50% 2hour/week 50%
Course main Aim/Goal This course is designed to prepare the student for self -employment based on the knowledge and skills previously acquired, intimate them with activities involved in starting an enterprise **General Objective**: 1.0 Understand the nature of Nigerian business environment, and compare with some other countries in relation to entrepreneurship. 2.0 Understand the process of new venture capital needs estimation, evaluation and selection of finance sources. 3.0 Understand business name and location selection, and registration requirements and procedure. 4.0 Understand decisions regarding business strategies for growth and recovery. 5.0 Know business risks. 6.0 Understand the method of managing entrepreneurial time and stress.			

Source: NBTE, 2024

Table 4: Practice of Entrepreneurship II

PROGRRAMME: HND 2			
Course: PRATICE OF ENTREPRENEURSHIP II	Code: ENT 416	Credit Hours:4	Contact hours:4
Year: TWO **Semester: ONE**	Pre-requisite:	Theoretical: Practical:	2hrs/week 50% 2hour/week 50%
Course main Aim/Goal This course is designed to prepare students for successful management of businesses with a view to inculcating the spirit of self- reliance. **General Objective**: 1.0 Know the generation and evaluation of opportunities, feasibility studies and business plan development. 2.0 Understand marketing activities for Enterprise. 3.0 Know how to manage relationships with stakeholder through obedience to laws, ethics, insurance and social responsibility. 4.0 Understand the management function in an organization. 5.0 Explain Book keeping and financial for Business.			

Source: NBTE, 2024

Table 5: Typical of a B.Sc. Entrepreneurship Curriculum
100 Level: First Semester

Course code	Course Title	Status	Credit Unit
ENT 111	Introduction to Entrepreneurship 1	Core	3
ENT 112	Basic Business Mathematics	Core	2
ENT 113	Element of Book-keeping	Core	2
ENT 114	Elements of Economics 1	Core	3
GST 111	Communication in English	Core	2
GST 112	Logic Philosophy and Human Existence	Core	2
GST 113	Nigerian People and Culture	Core	2
BUS 111	Introduction to Business	Core	2
ENT 110	Introduction to Socio-Psychology	Elective	2
ENT 115	Industrial Skills Development	Core	3
Total			23

Source: NSUK

100 Level: Second Semester

Course code	Course Title	Status	Credit Unit
ENT 121	Introduction to Entrepreneurship II	Core	3
ENT 122	Business Statistics	Core	2
ENT 123	Element of Book-keeping II	Core	2
ENT 124	Elements of Economics II	Core	2
ENT 125	Nigerian Entrepreneurial Environment	Core	2
GST 121	Use of library, study Skills &Information Technology (ICT)	Core	2
GST 122	Communication in English II	Core	2
GST 123	Alternative (French or Arabic)	Core	2
PAD 121	Introduction to Public Administration II	Elective	2
ENT 126	Industrial Skills Development	Core	2
Total			21

Source: NSUK

200 Level: First Semester

Course code	Course Title	Status	Credit Unit
ENT 211	Theories of Entrepreneurship	Core	2
ENT 212	Entrepreneurial Marketing	Core	2
ENT 213	Introduction to Entrepreneurial Finance	Core	2
ENT 214	Business Communication Skills Elements of Economics II	Core	2
ENT 215	Basic Financial Literacy	Core	2
ENT 216	Management Information System	Core	3
ENT 217	The Practice of Management	Core	2
ENT 218	Export Import Procedures and Documentation	Elective	2
ENT 219	Industrial Learning and Tour	Core 2	2
GST 211	History and Philosophy of Science	Core 2	2
Total			21

Source: NSUK

200 Level: Second Semester

Course code	Course Title	Status	Credit Unit
ENT 221	Introduction to Entrepreneurial Venture	Core	2
ENT 222	Start-up Funding	Core	2
ENT 223	Entrepreneurship and Change Management	Core	2
ENT 224	Consumer Behaviour	Core	2
ENT 225	Structure of the Nigerian Economy	Core	2
ENT 226	Consumer Relationship Management	Core	3
ENT 227	Biographical Studies of Entrepreneurship	Core	2
ESP 221	Entrepreneurship process and Skills Development	Core	3
GST 222	Peace Studies and Conflict Resolution	Core	2
ENT 228	Introduction to Cost and Management Accounting	Elective	2
Total			22

Source: NSUK

300 Level: First Semester

Course code	Course Title	Status	Credit Unit
ENT 311	Psyco-socio of Entrepreneurship	Core	2
ENT 312	Business Opportunity Evaluation	Core	2
ENT 313	Small Scale Business Management	Core	2
ENT 314	Human and Natural Resources Management	Core	2
ENT 315	Introduction to Commercial Law	Core	2
ENT 316	Events Management	Core	3
ENT 317	Purchasing and Material Management	Core	3
ESP 311	Entrepreneurial Venture Creating and Growth	Core	2
Total			22

Source: NSUK

300 Level: Second Semester

Course code	Course Title	Status	Credit Unit
ENT 321	Feasibilities and Business Planning	Core	2
ENT 322	Cultural Change, Leadership and Corporate Governance	Core	2
ENT 323	Family Business and Succession Planning	Core	2
ENT 324	Measuring Organizational Success	Core	2
ENT 325	Research Methodology	Core	3
ENT 326	Sales and Distribution Management	Core	2
ENT 327	Industrial Skills Development	Core	2
ENT328	Climate Action and Entrepreneurship (Climate ActionPreneurship)	Core	2
Total			17

Source: NSUK

400 Level: First Semester

Course code	Course Title	Status	Credit Unit
ENT 410	Entrepreneurship Practicum	Core	2
ENT 411	Social Entrepreneurship and Community Development	Core	2
ENT 412	Project Management	Core	2
ENT 413	E-Business and Entrepreneurship	Core	2
ENT 414	Organizational Behaviour	Core	
ENT 415	Entrepreneurial Policy and Strategy	Core	2
ENT 416	Financial Management	Core	2
ENT417	Industrial Marketing	Core	2
Total			16

Source: NSUK

400 Level: Second Semester

Course code	Course Title	Status	Credit Unit
ENT 420	Industrial Attachment	Core	2
ENT 421	International Entrepreneurship	Core	2
ENT 422	Venture Creation and Growth	Core	2
ENT 423	Corporate Development	Core	2
ENT 424	Risk Management and Insurance	Core	
ENT 425	Entrepreneurship Development Programme	Core	2
ENT 426	Climate Action and Entrepreneurship (ClimateActionPreneneurship)II	Core	2
ENT499	Research for Enterprise (Project)	Core	6
Total			16

Source: NSUK

Teaching Methods of Entrepreneurship

Different opinions on the teaching of entrepreneurship have been observed in literature. Some researchers suggested that entrepreneurship education should stress theories and principles of entrepreneurship because these are useful to develop cognitive skills of students. However, other commentators argued that practically focused and action-based approaches are more valid.

Traditional Methods

Traditionally, entrepreneurship has been taught in classrooms using a didactic approach; well-known as ―teacher centered‖ ~ the student's gain knowledge as the teacher is teaching. The use of didactic methods helps students to become accustomed to using immediate data, analysis and interpretation of these data. The examples of didactic methods include lectures, provision of selected readings, text books, seminars and assignments.

Non-Traditional Methods

The non-traditional methods of teaching are what can be considered as student-centered approach to teaching and learning. The students learning ingenuity, creativity, initiatives and innovativeness potential comes to play as the central focus.

Experiential Learning (EL)

Experiential learning is formulated based on the student and not the facilitator. The student is involved in carrying out activities, formulating questions, conducting experiments, solving problems, being creative and creating meaning from the acquired experience. Experiential learning is a learner-centered approach that caters to individual learning styles.

Problem-Based Learning (PBL)

Recently there has been great interest in the potential of problem-based learning (PBL) for management education. It is used to develop creative and problem-solving students (Klofsten, 2000 cited in Ismail, 2010). It is particularly useful for entrepreneurship, which is not distinguished as a specific subject but permeates all the activities of the university, including courses, research, and external activities.

Conclusion

The paper examined the Paradigm Shift in Curriculum and Pedagogy of Entrepreneurship Programs in Nigerian Higher Institutions of Learning. The pedagogy of entrepreneurship programs in Nigerian universities encompasses various teaching methods and approaches, aiming to cultivate entrepreneurial skills and mindset in students. These programs often incorporate industrial attachments, vocational skills training, workshops, group projects, and business plan competitions to enhance learning and practical application. The effectiveness of these pedagogies is influenced by factors such as the curriculum, teaching strategies, and available resources. Teaching pedagogy helps to make a range of instructional strategies and resources to match the variety of student skills and to provide each student several ways of exploring important ideas, skills, and concepts to be self-reliance and create job.

Recommendations

Based on the findings of the study and the conclusion, the following recommendations are made:

i. Teachers need opportunities to build confidence, knowledge and capacity to develop effective entrepreneurship education learning experiences that are relevant to today's students' future life challenges.
ii. That entrepreneurial education was found to be effective in enhancing the entrepreneurial intention of the students and in facilitating their subsequent business start-ups, financial aid should be advanced to the graduates of schools to enable them kick start their businesses.
iii. Entrepreneurship programmes and modules for higher institutions must be designed towards developing students' entrepreneurial ability to identify and exploit opportunities in their environment.

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Chapter 10

THE ROLE OF GREEN SKILLS TRAINING FOR WOMEN IN ENHANCING EMPLOYABILITY AND PROMOTING SUSTAINABLE URBAN DEVELOPMENT: A CASE STUDY OF MAJOR NIGERIAN CITIES

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Abstract

This study investigated the role of green skills training for women in enhancing their employability and promoting sustainable urban development in major Nigerian cities. Amidst growing concerns about climate change and urban degradation, coupled with high rates of female unemployment, the transition to a green economy presents a unique opportunity for inclusive and sustainable growth. This research adopted a mixed-methods approach, utilizing a convergent parallel design. A multi-stage sampling technique was employed to select 400 women (200 with green skills training and 200 without) from Lagos, Abuja, and Port Harcourt. Data were collected through a structured questionnaire and semi-structured interviews. The questionnaire data were analyzed using descriptive statistics (frequencies, percentages, mean, and standard deviation) and inferential statistics (Chi-square test of independence and Independent Samples t-test) with SPSS version 25. Thematic analysis was used for the qualitative data from 30 in-depth interviews. The findings revealed a statistically significant positive association between green skills training and women's employability ((2) = 85.14, p<0.001). Women with green skills training were significantly more likely to be employed or self-employed in green or green-related sectors. Furthermore, the study found that women equipped with green skills demonstrated a significantly higher level of engagement in practices that promote sustainable urban development compared to their untrained counterparts (t (398)

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=15.27, p<0.001). Key themes emerging from the qualitative data highlighted empowerment, enhanced income, environmental stewardship, and overcoming socio-cultural barriers as critical aspects of the women's experiences. The study concludes that green skills training is a potent strategy for concurrently addressing female unemployment and advancing the sustainable development agenda in urban Nigeria. It is recommended that government agencies, non-governmental organizations, and the private sector collaborate to scale up and institutionalize gender-responsive green skills training programs, create supportive policy frameworks, and facilitate access to green jobs and entrepreneurship opportunities for women.

***Keywords**: Green Skills, Women's Employability, Sustainable Urban Development, Green Economy, Female Empowerment, Equity, Nigeria.*

Introduction

The 21st century is characterized by the twin challenges of rapid urbanization and climate change, which demand a fundamental shift in development paradigms.[2] For developing nations like Nigeria, these challenges are particularly acute. Nigerian cities are expanding at an unprecedented rate, with an urban population growth rate of over 4% annually (World Bank, 2022). This rapid, often unplanned, urbanization exerts immense pressure on infrastructure, services, and the environment, leading to issues such as increased pollution, waste management crises, inadequate housing, and depletion of natural resources (Ogunbode & Ojoye, 2021). Concurrently, Nigeria remains highly vulnerable to the adverse effects of climate change, including increased flooding, desertification, and resource scarcity, which disproportionately affect urban populations (Ebele & Emodi, 2019). In response to these global and local pressures, the concept of sustainable urban development has gained significant traction. It advocates for a model of urban growth that meets the needs of the present without compromising the ability of future generations to meet their own needs. A critical component of this transition is the development of a 'green economy'—an economy that is low-carbon, resource-efficient, and socially inclusive.[4] The green economy necessitates a workforce equipped with 'green skills,' which are the knowledge, abilities, values, and attitudes needed to live in, develop, and support a sustainable and resource-efficient society (ILO, 2018). These skills range from technical competencies in renewable energy, waste management, and sustainable agriculture to transversal skills like environmental awareness, innovation, and resource management.

In the Nigerian context, the transition to a greener economy offers a dual opportunity: to mitigate environmental degradation and to create new avenues for employment, thereby addressing the country's high unemployment rate, which stood at 33.3% in the last official national survey, with youth and women being the most affected demographics (National Bureau of Statistics, 2021). Women, in particular, face systemic disadvantages in the labor market, including occupational segregation, wage gaps, and limited access to education and training opportunities (Adebayo & Olanrewaju, 2020). This study focuses on the intersection of these critical issues: green skills, women's empowerment, and sustainable urban development. Empowering women through targeted skills development is not merely a matter of social equity but a strategic imperative for sustainable development. Research has shown that when women are economically empowered, they tend to invest more in their families' health and education and are often more inclined towards sustainable practices at the household and community levels (Kabeer, 2019). Therefore, equipping women with green skills could be a transformative strategy, enhancing their employability in emerging green sectors while simultaneously harnessing their potential as agents of sustainable change in their communities. Despite the compelling logic, there is a significant gap in empirical research, particularly within the Nigerian context. While international discourse increasingly emphasizes the importance of a 'just transition' that includes women, there is limited evidence on the specific outcomes of green skills training programs for women in African cities. Existing studies often focus on a macro level or on specific sectors like agriculture, with less attention paid to the urban context where the challenges of unemployment and environmental decay are most concentrated. This study seeks to fill this gap by providing a detailed empirical analysis of the role of green skills training in enhancing women's employability and their contribution to sustainable urban development in major Nigerian cities.

Statement of the Problem

Major Nigerian cities like Lagos, Abuja, and Port Harcourt are engines of economic growth, yet they are beset by significant environmental and social problems.[8] The urban labor market is characterized by high levels of unemployment and underemployment, particularly among women, who are often relegated to the informal sector with precarious incomes and poor working conditions (Oseni & Oyelaran-Oyeyinka, 2020). Simultaneously, the 'business-as-usual' model of urban development has proven to be unsustainable, leading to severe environmental pollution and reduced quality of life. The emerging green economy holds the promise of new, decent jobs. However, there is a risk that women may be excluded from these opportunities due to a lack of relevant skills and persistent gender-based barriers. Without targeted interventions, the green transition could inadvertently perpetuate or even exacerbate existing gender inequalities in the labor market (UNDP, 2022). While several non-governmental organizations (NGOs) and some government initiatives have begun to offer green skills training—in areas like solar panel installation, waste-to-wealth enterprises, and sustainable fashion—the effectiveness and broader impact of these programs remain under-researched. It is unclear to what extent this training translates into tangible employment outcomes for women. Furthermore, the link between women's acquisition of green skills and their active participation in promoting sustainable urban development practices has not been systematically investigated. Are women with these skills more likely to adopt and champion sustainable practices? Do they act as catalysts for change within their communities? This lack of empirical evidence hinders the formulation of effective, evidence-based policies to promote a gender-inclusive and sustainable urban future for Nigeria. This study, therefore, investigates the nexus between green skills training for women, their subsequent employability, and their role in fostering sustainable practices in key Nigerian urban centers.

Specific Objectives

The study is guided by the following specific objectives:

i. To determine the relationship between green skills training and the employability of women in major Nigerian cities.
ii. To assess the contribution of women with green skills training to the promotion of sustainable urban development practices.

Research Questions

The following research questions are posed to achieve the study's objectives:

i. What is the relationship between the acquisition of green skills through training and the employability status of women in major Nigerian cities?
ii. To what extent do women with green skills training contribute to the promotion of sustainable urban development practices?

Null Hypotheses

The following null hypotheses were formulated and tested at a 0.05 level of significance:

i. H_{01}: There is no statistically significant relationship between green skills training and the employability of women in major Nigerian cities.
ii. H_{02}: There is no statistically significant difference in the level of contribution to sustainable urban development practices between women who have received green skills training and those who have not.

Literature Review

Conceptual Framework

Green Skills

The International Labour Organization (ILO, 2018) defines green skills as "the knowledge, abilities, values and attitudes needed to live in, develop and support a sustainable and resource-efficient society." This definition is broad, encompassing not only technical skills for specific 'green jobs' (e.g., renewable energy engineer, recycling plant operator) but also transversal skills that enable individuals to adapt to greening economies (example, environmental awareness, systems thinking, sustainable resource management). Okoro and Ige (2022) argue that in the Nigerian context, green skills must also include entrepreneurial competencies, as self-employment in micro and small enterprises (MSEs) is a primary pathway to economic empowerment, especially for women.

Women's Employability

Employability goes beyond simply being employed; it refers to an individual's capacity to gain initial employment, maintain employment, and obtain new employment if required (Hillage & Pollard, 1998). For this study, employability is operationalized through three key indicators: employment status (employed, self-employed, or unemployed), relevance of employment to the green sector, and income level. Adebayo and Olanrewaju (2020) note that for Nigerian women, employability is often constrained by socio-cultural norms, care responsibilities, and limited access to finance and networks.

Sustainable Urban Development

This concept is rooted in the 1987 Brundtland Commission report and is central to the UN's Sustainable Development Goal 11: "Make cities and human settlements inclusive, safe, resilient and sustainable." Key pillars include environmental protection, social equity, and economic viability. In this study, contribution to sustainable urban development is measured through women's engagement in specific practices such as household waste sorting and recycling, adoption of energy-efficient technologies, participation in community greening initiatives, and advocacy for sustainable practices (Eke and Eke, 2021).

Theoretical Framework
Equity Theory
This study is underpinned by the Equity Theory postulated by Eke and Eke, (2021). Equity theory is a framework that examines how individuals perceive fairness in their relationships, particularly in organizational contexts. It suggests that the people compare their inputs (effort, skills, experience) and outputs (rewards, recognition) in a relationship to those of others. If individuals perceive an imbalance in this ratio, they may experience dissatisfaction, demotivation, and attempt to restore equity. While the core concept of equity theory was developed by John Stacey Adams, researchgate.net suggests Eke and Eke, focused on providing a more quantitative perspective to understanding equity perception within organizations. Their work likely explored how to measure and analyze the degree of equity perceived by individuals, potentially using tools like Data Envelopment Analysis (DEA), to understand how different personalities might influence these perceptions. In essence, equity theory highlights the importance of perceived fairness in maintaining motivation and positive relationships in various settings, including the workplace. The theory is crucial for organizations aiming to foster a positive work environment, improve productivity, and reduce turnover. As well as providing a framework for understanding how perceptions of fairness impact employee motivation and behavior, making it a valuable tool for organizations seeking to optimize their workforce management and performance.

Empirical Review
International studies have consistently shown a positive correlation between vocational training and employment outcomes.[15] For instance, a study by the World Bank (2021) across several developing countries found that sector-specific skills training significantly increased the likelihood of formal employment. Specifically on green skills, research by the European Centre for the Development of Vocational Training (Cedefop, 2020) highlighted the growing demand for green skills across all sectors of the European economy, linking them to innovation and competitiveness. In the context of developing countries, research is emerging. A study in Bangladesh by Karim and Chowdhury (2024) found that women trained in solar home system installation and maintenance had significantly higher incomes and social status compared to their untrained peers. In Kenya, a program providing women with skills in producing and selling clean cookstoves not only created employment but also reduced indoor air pollution and deforestation (UN Women, 2019).

In Nigeria, the literature is sparser. Oseni and Oyelaran-Oyeyinka (2020) explored the potential for green job creation but did not focus specifically on the gender dimension or the role of training. A report by the Heinrich Böll Foundation (2021) highlighted the success of several small-scale, NGO-led 'waste-to-wealth' initiatives in Lagos that primarily engaged women, but it was largely anecdotal and did not provide a systematic impact assessment. Ogunbode and Ojoye (2021) discussed the challenges of sustainable urbanism in Nigeria but did not link them to skills development or gender. This review reveals a clear gap: while the conceptual links are strong, there is a lack of rigorous, large-scale empirical research in Nigeria that quantitatively assesses the impact of green skills training on women's employability and their subsequent role in promoting sustainable urban practices. This study is designed to address this critical evidence gap.

Methodology

This study adopted a mixed-methods research design, specifically a convergent parallel design. This approach was chosen because it allows for the simultaneous collection of quantitative and qualitative data, providing a more comprehensive understanding of the research problem than either method alone (Creswell & Plano Clark, 2018). The quantitative component aimed to measure the relationship between variables and test hypotheses, while the qualitative component sought to explore the lived experiences, perceptions, and underlying reasons behind the quantitative results. The findings from both strands were integrated during the interpretation phase to provide a richer, more nuanced analysis. The study was conducted in three major Nigerian cities: Lagos (South-West), Abuja (North-Central), and Port Harcourt (South-South). These cities were selected because they represent Nigeria's largest urban agglomerations, are key economic hubs, and face significant, albeit different, sustainable development challenges. Lagos is a megacity grappling with waste management and coastal vulnerability; Abuja is a rapidly expanding administrative capital dealing with pressures on infrastructure; and Port Harcourt is the hub of the oil and gas industry, facing severe environmental pollution. Furthermore, these cities host a variety of governmental and non-governmental initiatives related to green skills and sustainable development, making them suitable sites for this investigation.

The target population for this study comprised all women of working age (18-50 years) residing in Lagos, Abuja, and Port Harcourt. The population was further stratified into two main groups: (1) women who have participated in a formal or informal green skills training program within the last three years, and (2) women who have not participated in any such program.
A total sample of 400 women was selected for the quantitative survey. A multi-stage sampling technique was employed:

i. **Stage 1 (Purposive Sampling):** In each of the three cities, two Local Government Areas (LGAs) known for having a high concentration of both environmental challenges and women-focused NGOs were purposively selected.
ii. **Stage 2 (Snowball and Purposive Sampling for Trained Group):** The researchers collaborated with three prominent NGOs and two vocational centers in each city that offer green skills training (example, in recycling, upcycling, renewable energy, urban farming). A list of past participants was obtained where possible. Snowball sampling was also used, where initial contacts were asked to refer other women who had received similar training. From this pool, 200 participants (the "Trained Group") were selected based on their willingness to participate.
iii. **Stage 3 (Systematic Random Sampling for Untrained Group):** To select the comparison group of 200 women (the "Untrained Group"), a systematic random sampling technique was used in the same selected LGAs. Researchers approached every 10th household in designated enumeration areas and surveyed an eligible woman who met the age criteria and had not received any green skills training. This ensured a comparable socio-demographic profile for the comparison group.

For the qualitative component, a sub-sample of 30 women was purposively selected from the 'Trained Group' for in-depth interviews, ensuring diversity in terms of age, type of skill acquired, and employment outcome.

Two main instruments were used for data collection:
Structured Questionnaire: A four-section questionnaire titled "Green Skills, Employability and Sustainable Development Questionnaire (GSESDQ)" was developed.
Section A: Demographic Information (age, education, marital status, etc.).
Section B: Green Skills Training Details (for the trained group only: type of skill, duration, provider).
Section C: Employability Status (current employment, sector, monthly income).
Section D: Contribution to Sustainable Urban Development (a 10-item Likert-scale measuring engagement in practices like recycling, energy conservation, water-saving, etc., with options from 'Never' to 'Always').

Semi-Structured Interview Guide: This guide was used for the qualitative interviews. It contained open-ended questions designed to elicit detailed narratives about the women's motivations for training, the challenges they faced, how the skills translated into employment, and their perceptions of their role in promoting environmental sustainability.

The questionnaire was face-validated by two experts in vocational education and one in environmental science from the University of Lagos. A pilot study was conducted with 30 women in Ibadan (a city not included in the main study) to test for reliability. The Cronbach's Alpha coefficient for the 10-item Sustainable Urban Development scale was 0.88, indicating high internal consistency. Data from the questionnaires were coded and analyzed using the Statistical Package for the Social Sciences (SPSS) version 25.0. Descriptive statistics (frequencies, percentages, mean, standard deviation) were used to summarize the demographic data and answer the research questions.

Hypothesis 1 (H_{01}) was tested using the Chi-Square ($\chi 2$) test of independence to determine the association between the categorical variables of 'Training Status' (Trained/Untrained) and 'Employability Status' (Employed in green sector/Self-employed in green sector/Other/Unemployed).

Hypothesis 2 (H_{02}) was tested using an Independent Samples t-test. This was used to compare the mean scores on the 'Contribution to Sustainable Urban Development Scale' between the 'Trained Group' and the 'Untrained Group'.

The transcribed interviews were analyzed using thematic analysis. This involved a process of familiarization with the data, generating initial codes, searching for themes, reviewing themes, defining and naming themes, and producing the final report with illustrative quotes.[19]

Results and Findings

Table 2: Cross-Tabulation of Training Status and Employability Status

Employability Status	Trained Group (N=200)	Untrained Group (N=200)	Total
	Freq (%)	Freq (%)	
Unemployed	35 (17.5%)	112 (56.0%)	147
Employed/Self-Employed (Non-Green Sector)	60 (30.0%)	78 (39.0%)	138
Employed/Self-Employed (Green Sector)	105 (52.5%)	10 (5.0%)	115
Total	**200 (100%)**	**200 (100%)**	**400**

The results in Table 2 show a marked difference between the two groups. A significant majority of women in the trained group (52.5%) were employed or self-employed in a green sector (e.g., waste recycling business, solar sales agent, sustainable fashion designer). In contrast, only 5.0% of the untrained women found employment in such sectors. Furthermore, the unemployment rate in the untrained group (56.0%) was more than three times higher than in the trained group (17.5%).

Hypothesis Testing 1

H_{01}: There is no statistically significant relationship between green skills training and the employability of women in major Nigerian cities.

A Chi-Square test of independence was performed to examine the relationship between training status and employability status.

Table 3: Chi-Square Test for Training and Employability

Value	df	Asymptotic Significance (2-sided)
85.143	2	.000
N of Valid Cases		400

The result shows a Chi-Square value of $\chi2=85.143$ with 2 degrees of freedom and a p-value of .000. Since the p-value ($p < 0.001$) is less than the alpha level of 0.05, the null hypothesis is rejected.

Finding 1: There is a statistically significant relationship between receiving green skills training and the employability status of women in major Nigerian cities. Women who received the training are significantly more likely to be employed, particularly in the green sector.

Research Question 2: Contribution to Sustainable Urban Development

To what extent do women with green skills training contribute to the promotion of sustainable urban development practices?

The mean scores on the "Contribution to Sustainable Urban Development Scale" were calculated for both groups. The scale had 10 items, each rated from 1 ('Never') to 4 ('Always'), making the minimum possible score 10 and the maximum 40.

Table 4: Descriptive Statistics for Sustainable Urban Development Contribution Score

Group	N	Mean Score	Std. Deviation
Trained Group	200	31.52	4.88
Untrained Group	200	22.84	5.12

As shown in Table 4, the trained group had a substantially higher mean score (M = 31.52) on pro-environmental and sustainable behaviors compared to the untrained group (M = 22.84).

Hypothesis Testing 2

H_{02}: There is no statistically significant difference in the level of contribution to sustainable urban development practices between women who have received green skills training and those who have not.

An Independent Samples t-test was conducted to compare the mean scores of the two groups.

Table 5: Independent Samples t-test for Sustainable Urban Development Contribution

	t-value	df	Sig. (2-tailed)	Mean Difference
Equal variances assumed	15.271	398	.000	8.68

The results of the t-test show a t-value of 15.271 with a p-value of .000. As the p-value is less than 0.05, the null hypothesis is rejected.

Finding 2: There is a statistically significant difference in the level of contribution to sustainable urban development practices between women with green skills training and those without. Women who received training engage in significantly more sustainable practices.

Summary of Qualitative Findings

The thematic analysis of the 30 in-depth interviews revealed three major themes that complement and explain the quantitative findings:

Theme 1: Economic Empowerment and Agency. The interviews overwhelmingly confirmed that green skills led to tangible economic benefits. Women spoke of starting their own small businesses, gaining steady employment, and increasing their household income. This newfound economic independence was frequently linked to a greater sense of agency and decision-making power within the family.

> *"Before, I was just sitting at home. After the training in making bags from plastic waste, I started my own small business. Now I contribute to the family upkeep, and my husband even respects my opinion more on financial matters."* (Interviewee #14, Lagos, Upcycling training)

Theme 2: From Skill to Stewardship. The training did more than just provide technical skills; it instilled a sense of environmental consciousness and responsibility. Women described how their understanding of issues like pollution and climate change had deepened, motivating them to become advocates for sustainability in their communities.

> *"The solar installation training wasn't just about connecting wires. They taught us why renewable energy is important for Nigeria and for our health. Now, when I see my neighbors burning refuse, I go to them and explain the dangers. I feel it is my duty."* (Interviewee #21, Abuja, Solar installation training)

Theme 3: Overcoming Barriers and Building Networks. The participants highlighted numerous challenges, including initial skepticism from family members, difficulty accessing start-up capital, and a market that is still nascent for green products. However, the training programs often provided a crucial support network of peers and mentors, which helped them navigate these obstacles.

> *"At first, people laughed that I was collecting 'dirty'. But in our training group, we encouraged each other. We even started a cooperative to save money and buy a shredding machine together. We are stronger together."* (Interviewee #7, Port Harcourt, Waste-to-wealth training)

Discussion of Findings

This study's findings provide strong empirical support for the proposition that green skills training is a critical enabler of both women's economic empowerment and sustainable urban development in Nigeria. The first major finding—a significant positive relationship between green skills training and employability—aligns with the Human Capital Theory. The training acted as an investment that enhanced the women's skills, making them more valuable in the labor market.

The result (Finding 1) is consistent with international studies in Bangladesh (Karim & Chowdhury, 2024) and Kenya (UN Women, 2019), confirming that targeted vocational training in green sectors can yield impressive employment outcomes. The particularly high rate of self-employment (part of the 52.5% in the green sector) supports the assertion by Okoro and Ige (2022) that entrepreneurial skills are a vital component of green skills training in the Nigerian context. The qualitative findings further illuminate this, showing that employment was not just a job but a pathway to economic agency and improved social standing, reflecting the tenets of the Capabilities Approach.

The second major finding—that trained women contribute significantly more to sustainable urban practices—is a crucial contribution to the literature. It empirically validates the link between individual skill acquisition and broader community-level environmental outcomes. The training appears to foster a shift in mindset, transforming participants into active environmental stewards (Finding 2). This finding resonates with the qualitative theme of 'From Skill to Stewardship', where women explicitly linked their pro-environmental actions to the knowledge gained during training. This suggests that the impact of these programs extends beyond individual economic benefits and contributes directly to the public good, a key component of sustainable urban development as conceptualized by Eke and Eke (2021).

The qualitative data also brought to light the importance of the social capital built during training. The networks and cooperatives formed (Theme 3) were instrumental in overcoming systemic barriers like access to finance and social acceptance, an issue frequently cited as a major constraint for female entrepreneurs in Nigeria (Adebayo & Olanrewaju, 2020). This highlights that the process and environment of the training are as important as the content itself. In essence, the study demonstrates a synergistic relationship: green skills enhance employability, and the resulting economic empowerment and environmental awareness lead to actions that promote sustainable urban development. This creates a virtuous cycle where empowered women become key agents in the green transition of Nigeria's cities.

Conclusion

This study set out to investigate the role of green skills training for women in enhancing employability and promoting sustainable urban development in major Nigerian cities. The evidence gathered is unequivocal. Green skills training significantly boosts women's chances of securing employment, particularly in the emerging green economy, thereby addressing critical issues of female unemployment and underemployment. Beyond the individual economic benefits, women equipped with these skills and the accompanying knowledge become powerful catalysts for sustainable practices within their households and communities. They are more likely to engage in recycling, energy conservation, and other activities that are vital for the long-term health and resilience of Nigeria's urban centers. Therefore, investing in green skills for women is not a niche issue but a high-impact, strategic intervention that simultaneously advances economic, social, and environmental goals.

Recommendations

Based on the findings of this study, the following recommendations are made:

i. The National Policy on Women and the National Employment Policy should be updated to explicitly include strategies for gender-responsive green skills development.
ii. Increase budgetary allocations to vocational training centers and partner with credible NGOs to scale up the provision of quality, certified green skills training for women across all urban areas.
iii. Create enabling policies, such as tax incentives for companies hiring skilled women in green roles and public procurement policies that favor products and services from women-led green enterprises.
iv. Training programs should go beyond technical skills to include modules on financial literacy, entrepreneurship, marketing, and environmental advocacy to fully empower participants.

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Chapter 11

THE CONCERN FOR RURAL DEVELOPMENT IN NIGERIA

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Abstract

The concern for rural development is about the Nigerian state's developmental relationship with its rural areas as these constitute over two thirds of her national landscape (Agoziem, 2018). The work explores the paradigm shifts in economic development from growth to broadly defined "development", the concept of rural development has begun to be used in a boarder sense. The concept now encompasses "concerns that go well beyond improvements in growth, income and output. The concerns include an assessment of changes in the quality of life broadly defined to include improvements in health and nutrition, education, environmentally safe living conditions, and reduction in gender and income inequalities. The objective of this study include: to explore some concepts of development and rural development, and the very nee for a change in the old narratives to a better and more realistic definition of rural development; to examine what can be systematically inculcated into the planning of rural development in order to synergise it to the broad concept of development, and to produce a work that justifies the need for the transition to a better understanding of rural development planning in Nigeria. This study employed the methodology of multi- disciplinary approach in its analysis. Information was based on diverse written materials (secondary sources) which included published texts and other official publications. Findings from the work reveal among other things that there has been a misconception in the past four decades about rural development which this work seems to revisit and address. From all these, it is recommended that governments and scholars should adopt a new paradigm of inclusive rural development as more specific concept than the concept of rural development.

Keywords: *development, rural, inequalities, concern, conditions*

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Introduction

The concern for rural development in Nigeria is a very genuine one since rural Nigeria is considered to constitute more than two thirds of the entire landscape of Nigeria (Agoziem, 2018). But this consideration is by no measure the only reason for rural development in Nigeria in the midst of a plethora of considerations to justify the investigation. Rural development can be said to be an offshoot of development i.e. an aspect of the broad concept of development that captures the geographical space called rural areas. Thus, any discourse of rural development must take into adequate cognisance the broader spectrum of development.

Development itself has been mired in a great controversy or contention of conceptualisation. Indeed, it has generated a great deal of controversy among development theorists. While some talk or discuss development with reference to the amount of infrastructural facilities that have been put in place which people enjoy, others see development beyond this superficial level and argue that it means a change or transformation into a better state in the areas of political, economic, social and cultural life of a people. For instance, there is development where there is more than increase in gross domestic products of a country (Akintoye and Awosika, 2000; p. 1).

Conceptualising Development

Development entails so many things. It is not just about consuming, it is about producing. But it is concerned with the creation by the people themselves, of technology needed for development as well as the improvement by the people of the capacity to manage their own affairs. That is, development entails knowledge and understanding; information statistical and non-statistical; technological creativity; and the right kind of organisation and skill. As a matter of fact, the combination of these four factors ensures the capacity of people to achieve sustainable growth (Akintoye and Awosika, 2000; p. 2).

Seers (1972; p. 21) pleaded for a definition of development based on human well-being. He asked: "Why do we confuse development with the economic growth"? Development means creating the condition for the realization of human personality. Its evaluation must therefore take into account three economic criteria: whether there has been a reduction in (i) poverty; (ii) unemployment; (iii) inequality.

A related view of development goals is expressed by Goulet (1971). He echoed Seers' concern: "There may be considerable merit... in asking whether higher living standards, self- sustained growth and modern institutions are good in themselves or necessarily constitute the highest priorities".

Goulet (1971, 1971; p. 87) reasoned: "That development, at its deepest level, is not a matter of self-sustained growth or modernization of social systems, but primarily a crisis in norms and meanings. Indicators formulated in economic, political, educational and demographic terms are no doubt valuable. Nevertheless, they are but partial measures of a single comprehensive phenomenon diversely termed "poverty", "traditionalism", "backwardness", or under-development". Consequently, development can be properly assessed only in terms of the total human needs, values, and standards of the good life and the good society perceived by the very societies undergoing change. Although development implies economic, political and cultural transformations, these are not ends in themselves but indispensable means for enriching the quality of human life. Therefore, development must be judged good or bad in the light of normative values operative in the societies affected or, possibly, of some more universal values"

The concept of rural development, like that of rural settlements, has also been loosely defined. In a policy statement published in 1975, the World Bank (1992; pp. 2-3) argued that: "Since rural development is intended to reduce poverty, it must be clearly designed to increase production and raise productivity. Rural development recognises that improved food supplies and nutrition together with basic services, such as health and education not only directly improve the physical well-being and quality of life of the rural poor, but can also indirectly enhance their productivity and their ability to contribute to the national economy. It is concerned with the modernisation of rural society, and with its transition from its traditional isolation to integration with the national economy"

According to this World Bank policy paper, rural development is a strategy designed to improve the economic and social life of a specific group of people: the rural poor. It involves extending the benefits of development to the poorest among those who seek a livelihood in the rural areas (World Bank; 1992).

S.K. Williams (1978) defines rural development as: A concerted effort to increase production, create and spread employment, eradicating fundamental causes of poverty, disease and ignorance. It has to embrace such modernisation which would not only increase the productive capacity but also change attitudes, replacing the sense of dependence on the natural environment by the desire and ability to manipulate it. It is a situation in which an economic base is established which has capacity to generate higher levels of production and living. This includes generation of new employment, more equitable access to arable land, equitable distribution of income; widespread improvements in health, nutrition, housing, and maintenance of law and order. It involves the creation of incentives and opportunities for saving, credits, and investment as well as the creation of wider opportunities for individuals to realise their full potential through education and sharing in the decisions and actions which affect their lives.

These definitions emphasise improvement in the living standard of the rural dwellers. Based upon the above definitions, rural development efforts should, therefore, aim at minimising rural poverty. Until recently, 'rural development' and 'agricultural output' were considered synonymous. But agriculture is by no means the only possible occupation for people living in rural areas, and accordingly a new and broader view has emerged that distinguishes rural development from merely agricultural development. Different definitions of rural development within this broader framework exist in this literature.

One important element in this view, however, is increased opportunity. It equates rural development with changes in social and economic structures, institutions, relationships and process. It conceives of rural development not as mere agricultural and economic growth alone, but as the creation and fair sharing of social and economic benefits resulting from this growth. By this view is implied a massive effort to increase production, create and spread employment, root out fundamental causes of poverty, disease, and ignorance (Philips & Manzoor, 1974; p. 13). This view implies a modernization, which could not only increase the productive capacity but also exchange attitude, replacing the sense of dependence on the natural environment by the desire and ability to manipulate it. An economic base is to be established which would generate progressively higher levels of production and living (Philips and Manzoor, 1974; p. 17).

The concept of rural development embraced by most countries connotes "a process through which rural poverty is alleviated by sustained increases in the productivity and incomes of low income rural workers and households" (World Bank, 1995; p. 139). The stress is on increasing output and incomes instead of redistributing current income and assets (World Bank, 1995; p. 140). This has been described as a process of not only increasing the level of per capita income in the rural areas but also of the standard of living of the rural population where the standard of living depends on such factors as food and nutrition level, health, education, housing, recreation, and security (Djejomaoh, 1973, pp. 33-35). Rural development is also seen in terms of the condition and percentage of the labour force in the agricultural sector, although a programme of rural development should normally go beyond agriculture to include the country's total economic development in the rural areas (Philips, 1972; p. 25).

Why the Concern for Rural Development in Nigeria?

Having x-rayed the dimensions of development and the requirements of rural development, it is only worthy to see the converse side of development and also see its relationship with the concept of rural development and why it became very necessary to embark on the development of rural Nigeria. Indeed, the reason for rural development in Nigeria and elsewhere has been traced to poverty and under-development which is occasioned in most cases by neglect, corruption and maladministration, and in some other cases by lack of adequate knowledge by the inhabitants of the areas on the right steps to take to address their challenges.

At a very basic level, poverty can be seen as living below a certain minimum level that is necessary in attaining the basic necessities of life. Such minimum level is often referred to as the 'poverty line.' Given that what is necessary to satisfy basic human needs varies from country to country or place to place and over time, countries often set standard that is appropriate to their development level and social values. But whatever minimum level or poverty line that is adopted does not detract from our basic ideas of poverty as related to 'hunger', 'lack', 'inability to access basic necessities of life' (Akpan, 2012; pp. 12-13).

Poverty has been widely considered a multidimensional problem at global, national or local levels. It can be viewed in absolute or relative terms. Absolute poverty gives indication of human subsistence that is rated as generally below minimum, socially acceptable living conditions. Basic nutritional requirements and other essential goods are sometimes useful in understanding the depth of absolute poverty. Relative poverty compares the lowest segments of a population with upper segments, usually measured in income quintiles or deciles (Boltivinik, n.d.). It is also important to note that Poverty can equally be understood from objective or subjective perspectives. While the objective perspective (sometimes seen from the welfarist point of view) involves normative judgments as to what constitutes poverty and what is required to move people out of the impoverished state, the subjective approach places a premium on people's preferences, on how much they value goods and services. The objective approach has always been useful to economists probably due to the obstacles encountered when trying to aggregate multiple individual utilities across a population. As already stated, understanding poverty depends on a number of variables bordering on the diverse judgments of individuals, societies and professional disciplines (Akpan, 2012; p. 16).

Rural areas in developing countries such as Nigeria are often associated with poverty due largely to neglect and corruption. For instance, rural infrastructure in Nigeria has long been neglected. Investments in health, education and water supply have been focused largely on the cities. As a result, the rural population has extremely limited access to services such as schools and health centres, and about half of the population lacks access to safe drinking water. Neglect of rural infrastructure affects the profitability of agricultural production. The lack of rural roads impedes the marketing of agricultural commodities, prevents farmers from selling their produce at reasonable prices, and leads to spoilage. Limited accessibility cuts small-scale farmers off from sources of inputs, equipment and new technology and this keeps yields low. As the population swells and puts pressure on diminishing resources, escalating environmental problems further threaten food production. Land degradation as a result of extensive agriculture, deforestation and overgrazing is already severe in many parts of the country. Drought has become common in the north, and erosion provoked by heavy rains, floods and oil pollution is a major problem in the south-south and south-east. Poverty and violence are often closely interconnected. Religious and ethnic tensions continue to brew in different parts of Nigeria, erupting into outbreaks of violence and leading in turn to a situation of escalating poverty and malnutrition most especially in the rural areas ((Akpan, 2012; pp. 77-78).

In Nigeria a great majority of her population resides in the rural areas. For instance, the 1963 Census recorded 80.7% of the national population as rural residents. By 1985, the proportion had slightly gone down to 70.13% and was estimated that a further drop to 69% in the proportion was expected in the 1990s (Muoghalu, 2012; p. 55). In 2005, it was estimated that 53% of the Nigerian populace resides in the rural areas and in 2011 the World Bank reports recorded 51.6% as Nigeria's rural population (World Bank, 2001). The general consensus seems to be that the rural areas in Nigeria are very heavily populated. Agriculture is the mainstay of the economy, contributing about 45 per cent of GDP. The agriculture sector employs about two-thirds of the country's total labour force and provides a livelihood for about 90 per cent of the rural population. Nigeria is the world's largest producer of cassava, yam and cowpea – all staple foods in sub-Saharan Africa. It is also a major producer of fish. Yet it is a food-deficit nation and imports large amounts of grain, livestock products and fish. Apart from serving as the agricultural base for the country, the rural areas constitute the major sources of capital formation as well as huge market areas for domestic manufactures (Olatunbosun, 1975; pp. 91-96). Indeed, the rural areas are involved in a whole lot of primary economic activities that are important in sustaining the entire Nigerian economy. The predominance of farmers in the rural areas, their use of the local inputs and the small level of their operation result in a relatively low level of economic activity and productivity, hence to low standard of living of the rural dwellers. This explains why Nigeria's neglected rural areas have variously been described as “Nigeria's neglected rural majority, (Olatunbosun, 1975; pp. 7-8) the “stagnant sector in the Nigerian economy, (Anthonio, n.d.) and the “other Nigeria” with poverty-linked characteristics, lacking enough purchasing power and surrounded by the government reserved area (GRA), their better-off neighbours (Ijere, 1992; p. 2).

The rural poor are Fanon's wretched of the earth (Fanon, 1965). An index of the poverty of this sector is the low per capital output. Thus, according to Olayide (1972; p. 61), 'a peasant farmer hardly produces enough food to feed two families of about eight people. Another measure of significance is the technical inefficiency of agriculture. By this is meant low yield per hectare for the nation's crops. In fact, great potential remains to be tapped if production methods are improved. Other limiting factors are poor storage, processing and transportation facilities which lead to more than 40% post-harvest losses. Compared to more than 4% increase in food output yearly by Niger, Ivory Coast, Rwanda and Switzerland, Nigeria in 1988 had a negative food output (Ijere, 1992; p. 3).

Another yardstick is the low nutritive value per hectare of food produced. As a result of the use of primitive production methods, the nutritive values per hectare of the various farm crops with particular reference to energy, crude protein, calcium, iron, vitamin C, theamine and others are low (Idusogie, 1969). Despite Nigeria's rich agricultural resources and oil wealth, poverty is widespread in the country and has increased since the late 1990s. Over 70 per cent of Nigerians are now classified as poor, and 35 per cent of them live in absolute poverty (IFAD, 2011). Poverty is especially severe in rural areas, where up to 80 per cent of the population live below the poverty line and social services and infrastructure are limited. The country's poor rural women and men depend on agriculture for food and income. About 90 per cent of Nigeria's food is produced by small-scale farmers who cultivate small plots of land and depend on rainfall rather than irrigation systems. Surveys show that 44 per cent of male farmers and 72 per cent of female farmers across the country cultivate less than I hectare of land per household (IFAD, 2011). This implies that women play a major role in the production, processing and marketing of food crops. The poorest groups eke out a subsistence living but often go short of food, particularly during the pre-harvest period. The productivity of the rural population is also hindered by ill health, particularly HIV/AIDS, tuberculosis and malaria. Women and households headed solely by women are often the most chronically poor groups within rural communities. Men have higher social status and as a result have more access to schooling and training. But women play significant roles in rural economic activities. Over recent decades the number of men migrating from rural areas in search of employment has increased, and the number of households headed solely by women has grown substantially (Akpan, 2012; p. 78).

It is very instructive to add here that rural Nigeria presents with perhaps the best classical example of underdevelopment and poverty, indeed akin to a 'vicious circle', and it remains worthy to note that 'poverty breeds poverty' – that a community, a region or an economy is 'poor because it is poor'. The individual is trapped in a vicious circle; being poor, he lacks the basic means/livelihood to break out of poverty, thus he remains poor. Like the individual, the economy at large can be trapped in a vicious circle. Such an economy has a low per capita income due to low productivity of resources which in turn, results in low per capita income (Iniodu, 1997; p. 295). One of the simplest variants of the vicious circle of poverty as it pertains to rural Nigeria is a reflection of an economy of deprivation in which a group of citizens lack access to 'a good life' which is their right. The issue, therefore, is that these are the root causes of rural poverty, especially in developing countries like Nigeria? (Iniodu, 1997; p. 296).

In fact, until recently, systematic planning in rural areas to deal with the potential negative consequences of change has never been an issue worthy of serious consideration. The consequences of modernisation, urbanisation, technological changes affecting the rural areas, and numerous other impacts in the rural environment have been left largely to chance. Consequently, the rural population of Nigeria has been suffering many deprivations; the quality of services for many rural people is considerably lower than for urban areas, there is exhaustion or over-exploitation of the rural natural resources; pollution of the rural environment in many ramifications is evident. In spite of these problems, formalised planning as appropriate mechanism to counteract such a state of decline and solve most of the rural problems has not been properly perceived by many governments and development planners especially in Nigeria. But the importance of rural development planning cannot be gainsaid since much of the urban problems in most developing countries can be traced to rural inadequacies. Poor and uncared for rural people who cannot survive in their rural environment tend to move in large numbers to inhabit the cities, especially their slum areas and draw on the social services of the cities. Although agriculture continues to serve as the principal use of rural land, urban sprawl, industries and resources exploitation often leave the rural areas in a bad shape as a symbol of change (Onokerhoraye and Okafor, 1994: p. 57). Rural planning, therefore, involves a systematic application of the knowledge of the complexities of rural change, through a well-conceived planning and decision process so as to realise new opportunities and avoid a destructive misuse of rural land and people. In this vein, rural planning is a systematic application of knowledge to establishing and achieving the needs of the rural population. Rural planning is also a linking mechanism and the series of processes which help to assure that the information about the potentials and limitations of any rural environment will be fully applied to action (Onokerhoraye and Okafor, 1994: p. 57).

From the definition of rural development provided in the preceding section, certain goals of rural planning are therefore apparent. Some of them are discussed below:

(i) Need for an improved knowledge base

An improved understanding of rural and regional planning is important if we are to help policy makers marshal the tools to deal systematically and rationally with the issues confronting the rural environment and rural people. Literature is also needed for instruction of student and even the general public who have become conscious of the rural planning problems but who cannot find adequate materials which spell out the methods of rural planning. Professional practitioners need conceptual guidelines and tested knowledge on which to base their planning and action programmes. Government officials must have sufficient knowledge of rural planning to design and administer the rules by which it is undertaken. Finally, the general public needs to understand and partake in the practice of rural planning in order to fully benefit from the result of various rural planning endeavours (Onokerhoraye and Okafor, 1994: p. 59).

(ii) Reservation of Ecological Integrity so as to provide a Continuing Supply of Life-Supporting Resources

Many countries are in danger of seriously damaging or destroying the live-giving processes on which people depend for survival. These processes occur primarily on rural land and involve complementary resources: vegetation, water, and air. It is the goal of rural planning to discover what must be done to assure continuing renewal of the essential ecological processes and to proceed systematically and vigorously to undertake the necessary preserving or enhancing actions. Rural planning should aim at development within the context of the ecological capacity of the area being planned. This s what is commonly known as eco- development. The rural environment has its ecological capacity within which any form of development will be forged. The aim is to avoid the impairment of the rural area in the course of development. Thus, a major goal of rural development is to observe the ecological rules and eliminate environmental stress in any form of rural development efforts being pursued (Glikson, 1971).

(iii) Efficient and Appropriate Land Use

The seeming abundance of rural land often leads to its misuse. Also, the tenancy pattern of rural land especially in Nigeria where customary tenancy confers ownership of land on individuals and communities without a central control makes land to be used according to the individual interests and tastes of its owners, even though it might be much better suited for some other use. As rural land and associated resources become increasingly scarce, the larger society has a greater stake in assuring that land is not misused for private gain to the disadvantage of present and future general surface water, soil conditions, vegetation and other factors have much to do with best potential uses of land, they should be studied as a basis for developing the basic rules to circumscribe what should and should not be done with certain kinds of land. Efficient and appropriate land use, if achieved, will ensure that the maximum potentials of a rural environment are achieved. Quite often, the resources of a rural environment are not maximally utilised because of non-evaluation of the potentials or poor diagnosis (Okafor, 1986; pp. 117-126).

(iv) Healthy Living Conditions

The state of health of a rural population is obviously very much related to its ecological integrity. This is because a constructed physical environment is required to minimise the dangers of physiological and mental disease and maximise the potentials for comfort and security of home and family. One of the achievements of rural planning is to attain a stage where rural wastes are disposed in such a manner as to preserve health and sanitation in the rural environment. Healthy living conditions in the broadest sense must embrace all attempts to make the rural environment a worthy place to live without the danger of endangering the health of the occupants (Onokerhoraye and Okafor, 1994: p. 59).

(v) Aesthetically Pleasing Environment

Aesthetic tastes of individuals vary widely. Yet most of us can differentiate degree of beauty in natural or built-up physical environments. We can define differences in purity of air, levels of noise, and in general, attractiveness of the landscape. Given a choice between the noise of urban bustle and rustle and the quiet of a deep forest, a fair proportion of the population would probably opt for at least occasional opportunities for the latter. Also given a choice between an urban-infringe littered with refuse and characterised by dysfunctional land use types and a rolling countryside with occasional farmlands, a fair proportion of people would probably prefer the open countryside. The general tendency in a technologically advancing society is to put up with noise and dysfunctional land use, as well as other aesthetically displeasing actions in the interest of economic gain. Such values must be profoundly re- examined in the process of rural planning if our tastes for an aesthetically pleasing environment is to be fulfilled (Gilg, 1985; pp.139-141).

(vi) Effective Social, Economic and Governmental Institutions

If census statistics and studies of rural areas especially in Nigeria are anything to go by, it is obvious that the created institutions which serve our rural areas are often inadequate or obsolete. For example, health and welfare services are of substantially lower quality and more scarce in many rural areas than in urban places. Local government machinery is not as efficient as expected in handling rural development matters. Similarly, the supportive institutions for rural development planning are not fully developed. Most people would probably prefer improved functioning of the institutions responsible for guiding social, economic and governmental activity (Onokerhoraye and Okafor, 1994: p. 61).

(vii) Improved Human Welfare

The concept of improved human welfare as currently interpreted in both the developed and the developing countries suggests that there should be some minimal economic and social level below which no human being would be allowed to live. Recent policy statements by the federal and state governments in Nigeria indicate that the country is searching for a standard which provides a minimal right to the basic needs of life, particularly health care, food and housing. Thus, an essential goal on rural development planning is to provide the rural population with the means of achieving these needs (Onokerhoraye and Okafor, 1994: p. 62).

(viii) Comprehensiveness

In concluding the goals of rural development planning, it is apt to point out that the totality of the goals has to be seen from a comprehensive or holistic viewpoint. Comprehensiveness of rural planning needs to include the full range of physical, biological and human factors in rural regions (Onokerhoraye and Okafor, 1994: p. 62). It is therefore incontestable that the goal of rural planning is 'development' as all the indices above point to the summation of the components of development.

Conclusion

The need for rural development in Nigeria can therefore not be overemphasised if the actual meaning of development can be put into consideration. From the above discourse it is crystal clear that the presence of infrastructures or the presence of amenities is therefore not a yardstick for the determination of rural development. Against the foregoing background, if the meaning of rural development is anything to go by, it is fair to admit that Nigeria is not on her path to development. For instance, there is still absolute poverty among the majority of rural and urban population, unemployment is increasing daily, the gap between the rich and the poor has continued to widen as a result of inequality in the distribution of the national commonwealth (public resources). Furthermore, in contemporary Nigeria, there is still absolute food, shelter, and cloth insecurity among the urban and rural poor; Nigeria does not command respect among the comity of nations. She has remained inferior to Western nations. Moreso, her relationship with the West has remained that of the master-servant type. From the foregoing, and with respect to our investigation, it is very clear that the index of development in our definition is the rate of poverty, unemployment and inequality in Nigeria's rural landscape which must be tackled to ameliorate the concern for rural development in Nigeria.

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Chapter 12

Entrepreneurship Education: Concepts, Insights and Strategies for Developing Economies

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Abstract

Entrepreneurship is a multifaceted concept encompassing innovation, risk-taking, and business creation. It involves individuals or teams who identify opportunities, mobilise resources, and take calculated risks to establish and grow new ventures. In today's global economy, entrepreneurship has become a driving force for innovation, economic growth, and job creation. Consequently, the importance of entrepreneurship education has gained increasing recognition worldwide. This chapter, titled Entrepreneurship Education: Concepts, Insights and Strategies for Developing Economies, draws primarily on secondary data from existing literature, policy documents, and empirical studies to examine the significance of entrepreneurship education. It explores its key components, evaluates its impact on individuals and society, and highlights the role of educational institutions in nurturing entrepreneurial skills and mindsets. By relying on secondary sources, the chapter provides a comprehensive and evidence-based understanding of how entrepreneurship education can serve as a catalyst for employment generation, innovation, and economic development in developing economies.

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Concept of an Entrepreneur?

Different Scholars have given different definitions of the concept of entrepreneur, for instance, Jones, George, and Hill (2000) and Pinchot (1985) agree in their definitions of an entrepreneur. They described an entrepreneur as an individual who operates within an established organization, taking on the roles of a manager, scientist, or researcher. This individual possesses the ability to identify opportunities for product enhancements and is responsible for overseeing the entire product development process. Additionally, Pinchot's terminology introduces the concept of innovation within an existing business entity, where the entrepreneur identifies and capitalizes on new market prospects, secures necessary resources, and initiates the realization of these opportunities. This role distinctly differs from traditional roles within a large organization, as its primary objective is to enhance the organization's competitiveness and profitability through entrepreneurial endeavours.

An entrepreneur is an individual who initiates and manages a business venture, assuming the associated financial, operational, and strategic risks in order to achieve a profit or other desired goals. Entrepreneurs are often characterized by their willingness to innovate, take intended risks, and identify opportunities in the market (Wikipedia, 2010).

Schumpeter (1934) defined an entrepreneur as someone who engages in "creative destruction," a process by which they introduce new products, services, or methods that disrupt and replace existing ones. This innovation-driven perspective emphasizes the role of entrepreneurs in driving economic growth and change. Schumpeter's work, particularly his book "Capitalism, Socialism, and Democracy" published in 1942, highlighted the central role of entrepreneurs in the dynamic evolution of economies. He argued that entrepreneurs are the driving force behind economic progress through their ability to bring about technological advancements and create new markets. In another way, an entrepreneur, is a proactive individual who accumulates capital by taking calculated risks and demonstrating initiative. This term originated from French and was initially defined by the Irish-French economist Richard Cantillon. In English, an entrepreneur is someone who is eager to spearhead a new venture or enterprise and assumes full responsibility for its outcomes. The word "entrepreneur" was derived from the French word 'entrepredre,' which originally referred to a person who willingly led military expeditions and was first used in the context of French military history in the seventeenth century. Ojeifo (2010) in his book, "A Handbook on Entrepreneurial Development in Nigeria," defines an entrepreneur as the owner or manager of a business enterprise who, through risk-taking and initiative, endeavours to achieve profitability.

In summary, one can say, an entrepreneur is an individual who creates, organizes, and manages a business or venture with the aim of achieving financial success and growth. Entrepreneurs are often characterized by their willingness to take deliberate risks, their ability to identify and capitalize on business opportunities, and their innovative approach to solving problems.

Essential Qualities of an Entrepreneur in a Start-up

1. Vision and Creativity

A start-up begins with an idea, but that idea must be clear, inspiring, and innovative. Vision is the ability to imagine a future that others cannot yet see, while creativity involves finding unique ways to solve problems or create value. Entrepreneurs must see opportunities where others see only obstacles.

Globally, *Elon Musk* envisioned a future of electric cars and reusable rockets when most thought it unrealistic. His vision, despite skepticism, drove the success of *Tesla and SpaceX,* companies that have reshaped the automotive and aerospace industries. Similarly, *Steve Jobs'* vision of combining design and technology gave birth to revolutionary products such as the iPhone, which transformed global communication and consumer technology.

In Nigeria, *Mitchell Elegbe,* the founder of Interswitch, saw the inefficiencies in Nigeria's payment system in the early 2000s when electronic transactions were still rare. His vision of a cashless Nigeria drove the creation of a payment infrastructure that is now central to financial services in West Africa. Another example is *Iyinoluwa Aboyeji,* co-founder of *Flutterwave and Andela,* who envisioned Africa's future as a hub for digital talent and fintech innovation. His creativity in building solutions that connect African businesses with global markets positioned Nigeria as a leading player in technology entrepreneurship.

Start-up tip: Write down your long-term vision, then break it into achievable short-term goals. For instance, if your vision is to revolutionize agriculture with technology, start by building a small prototype app for farmers before scaling to a full agritech platform.

2. Risk-Taking and Resilience

Start-ups are inherently uncertain; entrepreneurs must take calculated risks while preparing for setbacks. Risk-taking involves leaving comfort zones, investing time and resources in uncertain ventures, and experimenting with untested ideas. Resilience means bouncing back stronger when plans fail, learning from mistakes, and adapting quickly to challenges.

Globally, *Airbnb's* founders were rejected by investors multiple times, even resorting to selling cereal boxes *("Obama O's" and "Cap'n McCain's")* to fund their company. Yet, their persistence built a billion-dollar global hospitality brand. Similarly, *Jack Ma, founder of Alibaba,* faced rejection from over 30 job applications and early failures in business. His resilience ultimately led him to build one of the world's largest e-commerce platforms.

In Nigeria, *Sim Shagaya, founder of Konga.com,* took the risk of launching an e-commerce company in a country with infrastructural and payment challenges. Despite setbacks and eventual struggles with profitability, his resilience helped lay the foundation for Nigeria's e-commerce ecosystem, inspiring other start-ups. Another example is *Tayo Oviosu, founder of Paga,* who risked entering a market dominated by cash transactions. He faced skepticism but persisted, and today, Paga has processed billions of dollars in mobile money transactions, expanding financial inclusion in Nigeria.

Start-up tip: Don't fear failure; treat it as data for learning. If your first product fails, analyze customer feedback, adjust your strategy, and try again with improved features or a new market approach.

3. Adaptability and Flexibility

Adaptability and flexibility are central to the survival of start-ups. Entrepreneurship thrives in uncertain environments where customer preferences, technological trends, and regulatory landscapes are constantly shifting. Entrepreneurs who rigidly cling to their initial ideas often face failure, while those who remain open to feedback and willing to pivot increase their chances of success.

Globally, many start-ups have succeeded because they embraced adaptability. A striking case is *Netflix,* which began in 1997 as a DVD-rental-by-mail service. As internet technology evolved, the company pivoted into online streaming and later into original content production. Today, *Netflix* is one of the world's leading entertainment companies, largely because of its flexibility in adjusting to consumer behavior and technological advancement.

In Nigeria, a powerful example is *Paystack,* founded in 2015 by *Shola Akinlade and Ezra Olubi.* Initially, their goal was to make online payments easier for small businesses. As they learned more about customer pain points, they adapted their model to serve larger enterprises, fintech integrations, and even international merchants. This adaptability made *Paystack* so competitive that in 2020, it was acquired by Stripe for $200 million, one of Africa's biggest tech acquisitions. Similarly, *Farmcrowdy,* Nigeria's first digital agriculture platform, adjusted its model from simple crowdfunding for farms to offering complete agricultural value-chain solutions (input supply, production management, and market access) when it discovered that farmers needed more holistic support than just financing.

Adaptability is not merely changing for survival; it is the capacity to align a business with customer needs, market realities, and future possibilities. Entrepreneurs must continuously engage in *market scanning, rapid experimentation, and customer feedback loops* to remain relevant.

Start-up tip: Be willing to adapt your product to what customers really want, not what you think they want.

4. Leadership and Team-Building

Leadership in entrepreneurship goes beyond giving orders, it involves vision, empathy, and the ability to unify diverse individuals toward a common mission. In a start-up, resources are often scarce, and uncertainty is high. Strong leaders motivate their teams to stay resilient during setbacks and create a culture of trust and innovation.

One of the most cited examples in the world is *Elon Musk,* who has built high-performing teams at *Tesla, SpaceX,* and other ventures by instilling a shared belief in solving seemingly impossible problems. His leadership style, though demanding, has attracted top talent willing to push boundaries. Similarly, *Satya Nadella* at Microsoft transformed the company by fostering a culture of collaboration, empathy, and growth mindset, proving that leadership style can reshape organizational performance.

In Nigeria, the case of *Flutterwave,* co-founded by *Iyinoluwa Aboyeji and Olugbenga Agboola,* illustrates leadership and team-building in action. The founders recognized early that building a Pan-African payments company required more than technical expertise, it needed teams with deep knowledge of local markets, regulatory landscapes, and cross-border business operations. Their leadership in hiring diverse talent across countries enabled Flutterwave to scale into over 30 African markets and secure partnerships with global firms like *PayPal*.

Another Nigerian example is *Andela, co-founded by Jeremy Johnson* and supported by Nigerian entrepreneurs such as *Iyinoluwa Aboyeji*. The company's leadership focused on talent development by identifying, training, and deploying African software engineers to global companies. This approach not only built a strong internal team but also created a broader ecosystem of African tech professionals, redefining the global narrative of talent outsourcing.

Effective entrepreneurial leadership involves a combination of *transformational leadership* (inspiring vision and innovation) and *servant leadership* (supporting and empowering team members). For start-ups, team-building requires *diversity of skills, trust-based collaboration, and the alignment of values with vision*. Without strong leadership and committed teams, even the most innovative ideas risk collapse.

Start-up tip: Build a team with diverse skills, technical, financial, marketing, and align them to the same mission.

5. Financial Discipline

Cash flow is the lifeblood of start-ups. Entrepreneurs need strong money management and resourcefulness to survive the uncertain early stages. Poor financial control is one of the leading causes of start-up failure globally. Founders must therefore learn to distinguish between "needs" and "wants," ensuring that every expense contributes directly to growth, market validation, or product improvement.

WhatsApp's founders, *Jan Koum* was born in Ukraine (then part of the Soviet Union), *and Brian Acton,* the co-founder, is from the United States, maintained strict financial discipline during their early years. They worked in modest offices, avoided lavish spending, and kept their team small until the company was acquired by Facebook for $19 billion. Similarly, *Jeff Bezos* in the early days of Amazon famously used a *door as his office desk* to save costs, a symbol of frugality that shaped the company's culture of lean spending.

Paystack in Nigeria (*founded by Shola Akinlade and Ezra Olubi*) demonstrated financial discipline in its early stages by focusing on building a reliable and scalable payment solution rather than spending heavily on advertising. Instead of hiring a large workforce prematurely, they reinvested their revenues into product development and security, which made them attractive to investors *like Stripe,* which later acquired them for $200 million. Another Nigerian case is *Flutterwave,* which initially operated lean before scaling operations strategically with investor funds.

Start-up Tip: Always track income versus burn rate. Use simple tools like Excel or digital dashboards (e.g., QuickBooks, Wave, or Paystack business tools) to monitor spending. Bootstrap, self-fund or rely on customer revenue, where possible before chasing investors. Nigerian entrepreneurs often rely on personal savings, cooperative societies, or family contributions before seeking venture capital. This builds credibility and demonstrates resilience to future investors.

6. Networking and Communication Skills

Start-up success depends heavily on relationships with investors, mentors, customers, and partners. Networking is not just about exchanging business cards, it involves building trust, creating opportunities for collaboration, and gaining access to resources that would otherwise be unavailable. Equally, effective communication, whether in pitching, negotiating, or inspiring teams, helps entrepreneurs win support and sustain growth.

Oprah Winfrey, who is from the United States of America (USA), while not a tech founder, epitomizes the power of networking and communication. She leveraged her ability to connect with audiences and industry players to build a billion-dollar multimedia empire. In the tech start-up space, *Elon Musk* is originally from South Africa, though he later became a citizen of the United States and Canada. Elon Musk has consistently used powerful communication (through public talks, interviews, and even Twitter) to rally investors, attract top talent, and build communities around Tesla and SpaceX.

In Nigeria, *Iyinoluwa Aboyeji,* co-founder of *Andela and Flutterwave,* is a strong example of the role of networking and communication in Nigeria's start-up ecosystem. Through his relationships with international investors like the *Chan Zuckerberg Initiative*, he secured funding that accelerated *Andela's mission to train African software engineers for global companies.* Likewise, the founders of *Kuda Bank, Babs Ogundeyi and Musty Mustapha,* leveraged strong networks and persuasive communication to attract global funding, including investment from *Valar Ventures (co-founded by Peter Thiel).*

Start-up Tip: Attend industry events, join incubators (e.g., *the Tony Elumelu Foundation, Lagos-based CcHub, Y Combinator),* and constantly refine your ability to pitch clearly and persuasively. Nigerian start-ups that have succeeded globally often began by leveraging local incubators before moving into international networks. Entrepreneurs should master the art of the elevator pitch, summarizing their idea compellingly in under two minutes, to attract interest from busy investors.

Financial Discipline aligns with the principles of resource-based theory, which emphasizes efficient resource allocation for competitive advantage. Networking and Communication Skills connect to social capital theory, which posits that networks and relationships provide access to knowledge, funding, and opportunities that significantly influence entrepreneurial success.

7. Customer-Centric Mindset

Successful entrepreneurs don't merely fall in love with their product or service; they obsess over solving customer problems. Their goal is not just to sell but to understand customer pain points and create lasting value.

Jeff Bezos is from the United States of America. He was born in Albuquerque, New Mexico, USA, in 1964. *Jeff Bezos built Amazon around the philosophy of "customer obsession."* From one-click ordering to fast delivery and easy returns, every innovation aimed at convenience, reliability, and trust. This focus transformed Amazon from a small online bookstore into one of the world's most valuable companies.

Sim Shagaya from Nigeria, founder of Konga.com, built his e-commerce platform by tailoring it to Nigerian realities such as unreliable internet and payment issues. He introduced "Pay on Delivery" at a time when Nigerians distrusted online payments. This customer-first innovation built trust and expanded online shopping adoption in the country.

Start-up Tip*:* Entrepreneurs should implement continuous customer feedback loops, using surveys, focus groups, product reviews, and digital analytics to refine their offerings. In markets like Nigeria, where consumer trust is still developing, mechanisms like in-person customer support or community engagement can be powerful trust-builders.

8. Patience and Long-Term Thinking

Entrepreneurship is rarely about overnight success. Most start-ups go through cycles of struggle, iteration, and growth before achieving sustainability. Entrepreneurs who succeed are those who take a long-term perspective, understanding that building a scalable and profitable venture takes years.

Netflix was co-founded in 1997 by Wilmot Reed Hastings Jr. and Marc Randolph. Originally launched in California as a DVD rental-by-mail service, it later pivoted to online streaming and became a global entertainment giant. Both co-founders are from the United States.

Reed Hastings earned a Bachelor's degree in Mathematics from Bowdoin College (1983) and a Master's degree in Computer Science from Stanford University (1988). After briefly working at Adaptive Technology, he founded Pure Software in 1991, which specialized in debugging tools for engineers. The company grew quickly and was acquired by Rational Software in 1997.

The idea for Netflix was inspired by Hastings' frustration over a $40 late fee for the movie *Apollo 13*. He envisioned a subscription model that allowed customers to rent DVDs by mail without late fees. Though Netflix initially struggled with profitability, Hastings maintained a long-term vision for digital streaming. By 2007, the company transitioned into online streaming, revolutionizing the entertainment industry. It later expanded into producing original content such as *House of Cards* and *Stranger Things*, cementing its dominance in digital entertainment. Today, Reed Hastings is regarded as a visionary entrepreneur who reshaped home entertainment through Netflix's innovative model.

Flutterwave, founded by Iyinoluwa Aboyeji and Olugbenga Agboola, did not become a unicorn overnight. The company faced regulatory challenges, infrastructure hurdles, and slow adoption in its early years. However, its persistence in building reliable payment solutions for African businesses eventually attracted global partnerships (e.g., PayPal integration), proving that patient, long-term focus pays off.

Start-up Tip: Prepare for a marathon, not a sprint**.** Entrepreneurs should avoid the temptation of chasing only short-term profits and instead invest in building scalable business models. Nigerian founders, in particular, must prepare for infrastructural and policy uncertainties—building resilience and patience into their growth strategy.

How Entrepreneurs Behave in Successful Start-ups

1. **They experiment constantly**
   i. Entrepreneurs adopt the lean start-up methodology, treating every idea as a hypothesis to be tested. For instance, Instagram's pivot from "Burbn" to a photo-sharing app is a global example.
   ii. In Nigeria, *Paystack* (acquired by Stripe in 2020) constantly iterated its payment solutions until it cracked the code for seamless online payments.
2. **They learn fast from failures**
   i. Elon Musk's early failures with SpaceX (rockets exploding on launch) became stepping stones to later breakthroughs.
   ii. In Nigeria, *Gokada* initially struggled with regulatory bans on bike-hailing but pivoted into last-mile delivery, turning a near-death experience into a sustainable business model.
3. **They inspire confidence in others**
   i. Globally, Steve Jobs inspired Apple employees, investors, and customers through his passion and bold vision.
   ii. Locally, *Jason Njoku of iROKOtv* attracted global investors by pitching his commitment to digitizing Nollywood content, which built confidence despite the skepticism around African media markets.
4. **They balance humility and boldness**
   i. Successful entrepreneurs remain humble enough to learn from others but bold enough to take risks.
   ii. Aliko Dangote exemplifies this in Nigeria: while being bold in building Africa's largest conglomerate, he also adapts to local market realities (e.g., backward integration in cement production to reduce import dependence).

What is a Business Plan

"Business Model Generation" by Alexander Osterwalder and Yves Pigneur (2010) is indeed a valuable resource for entrepreneurs and business professionals looking to develop and document their business model. The book introduces the Business Model Canvas, which is a visual framework that helps you create a solid business plan for your entrepreneurial venture. The canvas consists of nine key building blocks that together form a comprehensive overview of your business model. Here is an overview of these building blocks.

i. Customer Segments: Identify the different groups of customers or market segments that your business aims to serve.

ii. Value Propositions: Define the unique value that your product or service offers to each customer segment. What problem are you solving, or what need are you fulfilling for your customers?

iii. Channels: Specify the various channels through which you will reach and interact with your customers. This could include physical stores, websites, social media, etc.

iv. Customer Relationships: Describe the type of relationship you intend to establish and maintain with each customer segment. Are you providing personal assistance, self-service, automated service, or a community forum?

v. Revenue Streams: Outline how your business generates revenue from each customer segment. Identify your pricing strategy, such as one-time sales, subscription models, or premium.

vi. **Key Resources:** List the critical assets and resources your business needs to create, deliver, and capture value. This could include physical assets, intellectual property, human resources, and technology.
vii. **Key Activities:** Specify the crucial activities your business must undertake to deliver its value proposition. This encompasses product development, marketing, sales, and customer support.
viii. **Key Partnerships:** Identify strategic alliances, partnerships, or external resources that your business relies on. Consider suppliers, distributors, and other key players in your industry.
ix. **Cost Structure:** Enumerate the costs associated with operating your business. This includes both fixed and variable costs, as well as economies of scale.

Using the Business Model Canvas, you can systematically analyze and design your business model, making it easier to understand, communicate, and iterate upon. It encourages a holistic view of your venture, helps you identify potential risks and opportunities, and enables you to align all aspects of your business towards creating value for your customers.

Secure Funding:

The following are various methods for securing funding for your start-up:

i. **Bootstrapping:** Bootstrapping involves using your own resources to fund your start-up, such as personal savings, credit cards, or revenue generated by the business itself. This method allows you to maintain full control of your company but may limit your growth potential at the beginning of the business.
ii. **Friends and Family:** You can seek financial support from friends and family members who believe in your business idea. This can be an accessible source of early-stage funding, but it is essential to formalize agreements and consider the potential personal relationships.
iii. **Angel Investors:** Angel investors are individuals who provide capital to start-ups in exchange for equity or convertible debt. They often bring not only financial support but also valuable expertise, contacts, and mentorship.
iv. **Venture Capital:** Venture capital firms invest in start-ups with high growth potential in exchange for equity. They typically provide larger amounts of capital compared to angel investors but also require start-ups to meet specific growth and scaling milestones.
v. **Crowdfunding:** Crowdfunding platforms like Kickstarter and Indiegogo allow start-ups to raise funds from a large number of people, often in exchange for rewards, pre-orders, or equity. It is a way to gauge interest in your product or idea and secure funding simultaneously.
vi. **Grants and Competitions:** Many organizations and government agencies offer grants, prizes, and competitions for start-ups with innovative ideas. These awards can provide non-dilutive funding and recognition.
vii. **Corporate Partnerships:** Partnering with established companies can provide funding, resources, and access to customers and markets. Corporate investors may also offer strategic support.
viii. **Small Business Loans and Lines of Credit:** Traditional financial institutions and government programs may offer loans or lines of credit tailored to small businesses. These typically require repayment with interest.

ix. **Accelerators and Incubators:** Joining start-up accelerators and incubators can provide funding, mentorship, office space, and networking opportunities. In return, they often take equity in the start-up.

x. **Strategic Investors:** Some companies or individuals may invest in start-ups strategically, aiming to gain access to new technologies, markets, or capabilities. These investments are often tied to specific business objectives.

xi. **Initial Coin Offerings (ICOs) and Token Sales:** For blockchain and cryptocurrency-related start-ups, ICOs and token sales can be a means of raising capital by issuing and selling digital tokens or cryptocurrencies.

xii. **Revenue Financing:** This model involves securing financing based on future revenue streams. Start-ups repay investors a percentage of their revenue until a predetermined amount is reached.

The choice of funding method depends on your start-up's stage, industry, growth potential, and specific financial needs. Often, start-ups use a combination of these methods as they progress and seek additional funding rounds. It is crucial to understand the pros and cons of each method and consider how they align with your long-term goals and vision for your business.

Build a Strong Network:

According to Keith Ferrazzi (2005) in her book "Never Eat Alone" emphasizes the importance of networking. Building meaningful relationships in both personal life and professional life can open doors to opportunities, partnerships, and resources.

i. **Opportunities:** Networking is a powerful tool for creating opportunities. When you build and maintain a network of contacts, you increase your chances of hearing about job openings, projects, or other opportunities that you might not have otherwise known about. People within your network can refer you for jobs, introduce you to potential clients, or suggest collaborations. By expanding your network, you expand your access to opportunities.

ii. **Partnerships:** Networking helps in forming partnerships and collaborations. Many successful businesses and projects are the result of partnerships between individuals or organizations with complementary skills, resources, or expertise. Through networking, you can identify potential partners who can bring value to your projects or vice versa. Building strong relationships with these partners can lead to successful, long-term collaborations that benefit all parties involved.

iii. **Resources:** Networking provides access to valuable resources. Whether it is knowledge, information, funding, or support, your network can be a source of resources that can help you achieve your goals. For instance, you might learn about industry trends or gain insights into a new market through your connections. You could also secure funding or investment from individuals in your network who believe in your vision.

iv. **Learning and Growth:** Networking allows you to learn from others and grow both personally and professionally. By connecting with people who have different backgrounds, experiences, and perspectives, you can gain new insights and ideas. Mentors and advisors in your network can provide guidance and help you develop your skills and knowledge.

v. **Visibility and Credibility:** Building a strong network can enhance your visibility and credibility in your field. When you have a robust network, your name and reputation are more likely to be known and respected by others in your industry. This can lead to increased trust and credibility, making it easier to secure opportunities and partnerships.

vi. **Problem Solving:** Networking can be a valuable resource for solving problems. When you encounter challenges or obstacles, you can turn to your network for advice, support, and potential solutions. The diverse perspectives within your network can provide fresh ideas and different approaches to addressing issues.

vii. **Long-Term Success:** Meaningful relationships formed through networking can lead to long-term success. People are more likely to do business with or support those they know and trust. Building strong, authentic connections over time can result in a solid foundation for sustained success.

In summary, networking and creating meaningful relationships are essential for unlocking a wide range of opportunities, forming valuable partnerships, accessing critical resources, and achieving both personal and professional growth.

Develop Necessary Skills:

Acquire skills relevant to your business, such as marketing, finance, leadership, and negotiation, through online courses and resources.

Embrace Failure and Learn from It:

According to Maxwell (2000) that failure is a part of entrepreneurship. The entrepreneur needs to develop a resilient mindset and see failures as opportunities for growth. Maxwell emphasises further that failure is not the end but rather a stepping stone toward success. He argues that failure is an inevitable part of life, especially for entrepreneurs, and that how we respond to failure can make a significant difference in our personal and professional growth. Here are some key principles that explain how to accept failure as an opportunity for growth:

i. **Change Your Perspective:** Entrepreneurs are encouraged to change their perspective on failure. Instead of seeing it as something negative, view failure as a valuable learning experience. Each failure can provide insights and lessons that can help you improve and make better decisions in the future.

ii. **Embrace Risk:** To achieve success, entrepreneurs must be willing to take calculated risks. With risk comes the possibility of failure, but it is essential to understand that failure is a natural consequence of pushing boundaries and trying new things. By embracing risk, you open yourself up to the potential for growth and innovation.

iii. **Learn from Mistakes:** You must learn from your mistakes. Rather than dwelling on your failures, take the time to analyze what went wrong and why. This reflection can lead to valuable insights that can guide your future endeavors.

iv. **Perseverance:** Resilience and perseverance are key traits for entrepreneurs. They are encouraged to keep moving forward even in the face of failure. It is not the number of times you fail that matters; it is your ability to bounce back and keep trying that ultimately leads to success.

v. **Develop a Growth Mindset:** A growth mindset is the belief that abilities and intelligence can be developed through effort and learning. Embracing this mindset can help you see failure as a temporary setback rather than a reflection of your capabilities. It fosters a positive attitude toward challenges and encourages continuous improvement.

vi. **Surround Yourself with Support:** It is very important to surround yourself with a supportive network of mentors, peers, and advisors who can offer guidance and encouragement during challenging times. Having a support system can make it easier to see failure as an opportunity for growth, as they can provide valuable insights and perspective.

In summary, failure is an inherent part of entrepreneurship and life in general. By changing your perspective on failure, embracing risk, learning from mistakes, persevering, developing a growth mindset, and seeking support, you can accept failure as an opportunity for growth and ultimately move closer to achieving your goals.

Scale Your Business:
Once your business is established, scale it effectively, including processes, team building, and strategy.

Stay Informed:
Continuously educate yourself about industry trends, market changes, and emerging technologies to stay competitive.

Seek Mentors and Advisors:
Entrepreneurs must seek mentorship and guidance in entrepreneurship. Seek experienced individuals who can provide valuable advice.

Stay Persistent and Adapt:
Entrepreneurship requires perseverance and adaptability. Remember that entrepreneurship is a journey filled with challenges and uncertainties. Continuous learning and a growth mindset are key to success.

What is Entrepreneurship
Schumpeter (1934) opined that entrepreneurship is the process of creative destruction, where entrepreneurs innovate by introducing new products, services, or processes into the market, thereby disrupting existing economic structures and generating economic growth.

According to Drucker (1985), an entrepreneurship is the systematic and purposeful search for opportunities to create new value by combining resources in new ways, often with an emphasis on innovation, to meet unmet needs or solve existing problems in the market." Stevenson (1990) contends with this view and opined that entrepreneurship is the pursuit of opportunity without regard to resources currently controlled, with the view of creating value for others and capturing some of that value for oneself. It involves risk-taking, innovation, and the ability to adapt to changing circumstances. Entrepreneurship can be regarded as the ability and readiness to develop, organize and run a business enterprise, along with any of its uncertainties in order to make a profit. The most prominent example of entrepreneurship is the starting of new businesses.

These definitions provide different perspectives on entrepreneurship, emphasizing elements such as innovation, value creation, risk-taking, and resource allocation, as articulated by various prominent authors in the field.

Oriigin and Evolution of Entrepreneurship

The concept of entrepreneurship has a long and evolving history, with its roots tracing back to various historical periods and economic contexts. Here is a brief overview of the origin and evolution of entrepreneurship.

Ancient and Medieval Times (Pre-18th Century): Entrepreneurship has ancient roots, with traders and merchants playing a pivotal role in early civilizations. Historical texts like the "Code of Hammurabi" from ancient Babylon (c. 1754 BC) contain regulations and contracts related to trade and commerce. In medieval Europe, guilds and craft-based businesses were early forms of entrepreneurship, where skilled craftsmen and traders organized themselves for economic activities.

18th and 19th Century: The Industrial Revolution in the 18th and 19th centuries marked a significant shift in entrepreneurship. Innovations in manufacturing and technology led to the rise of industrial entrepreneurs like James Watt and Eli Whitney. Adam Smith's seminal work "The Wealth of Nations" (1776) discussed the role of self-interest and entrepreneurship in economic development.

20th Century: The 20th century saw the emergence of entrepreneurial ecosystems and business theories. Joseph Schumpeter introduced the concept of "creative destruction" in his book "Capitalism, Socialism, and Democracy" (1942), emphasizing the role of entrepreneurs in introducing innovations that disrupt existing markets. During this period, entrepreneurship began to be formally studied in academic settings.

Late 20th Century and Beyond: The late 20th century and early 21st century saw a surge in entrepreneurial activity. Silicon Valley became synonymous with tech entrepreneurship, with figures like Steve Jobs and Bill Gates exemplifying the spirit of innovation and risk-taking. Researchers like Peter Drucker emphasized the importance of entrepreneurship in modern organizations in books like "Innovation and Entrepreneurship" (1985).

Contemporary Entrepreneurship: In recent decades, entrepreneurship has evolved further, with a focus on social entrepreneurship, sustainable business practices, and technology-driven start-ups. Concepts such as the Lean Start-up methodology (popularized by Eric Ries in "The Lean Start-up," 2011) and the business model canvas (introduced by Alexander Osterwalder and Yves Pigneur) have become essential tools for modern entrepreneurs.

Globalization and Digital Era: The advent of the internet and globalization have facilitated the rise of global entrepreneurship. E-commerce, the sharing economy, and digital platforms have created new opportunities for entrepreneurs worldwide.

Academic Research and Literature: Entrepreneurship research has grown substantially, with journals like the "Journal of Business Venturing" and "Entrepreneurship Theory and Practice" dedicated to the study of entrepreneurship. Scholars like Shane, Sarasvathy, and Stevenson have contributed extensively to the field with their research.

Policy and Support Ecosystems: Governments and organizations have recognized the importance of entrepreneurship in economic growth. Various programs, such as the Small Business Administration (SBA) in the United States, have been established to support entrepreneurs.

In conclusion, entrepreneurship has a rich history that has evolved over millennia, from early trade and craftsmanship to the modern era of tech start-ups and global entrepreneurship. The field continues to evolve, influenced by economic, technological, and societal changes, as well as academic research and government policies.

Contribution of Entrepreneur to Economic Development

Entrepreneurs play a crucial role in driving economic development in various ways. Their contributions extend beyond just starting and managing businesses; they often serve as catalysts for innovation, job creation, and overall economic growth. Here are some key contributions of entrepreneurs to economic development:

- i. **Job Creation:** Entrepreneurs are significant job creators. They establish and expand businesses, hiring employees who, in turn, contribute to the local economy by spending their salaries on goods and services.
- ii. **Innovation:** Entrepreneurs are often the driving force behind innovation. They develop new products, services, and business models that can disrupt existing markets, create new industries, and improve productivity. This innovation can lead to economic growth and competitiveness on a national and global scale.
- iii. **Increased Productivity:** Entrepreneurial ventures often focus on improving efficiency and productivity. Through the use of new technologies, processes, and management techniques, they can boost overall productivity in the economy, which can lead to higher GDP per capita.
- iv. **Wealth Creation:** Successful entrepreneurs generate wealth not only for themselves but also for their employees, shareholders, and the broader community. This wealth can be reinvested in the economy through further entrepreneurial activities or through philanthropy.
- v. **Regional Development:** Entrepreneurs can help drive regional development by establishing businesses in underserved or economically disadvantaged areas. This can lead to increased economic activity, infrastructure development, and improved quality of life in those regions.
- vi. **Export Opportunities:** Entrepreneurs who create export-oriented businesses can contribute to a country's balance of trade by selling products and services abroad. This generates foreign exchange earnings and can strengthen the national economy.
- vii. **Tax Revenue:** Successful businesses generate tax revenue for governments, which can be used to fund public services such as education, healthcare, and infrastructure development. This, in turn, contributes to overall economic development.
- viii. **Economic Resilience:** A diverse ecosystem of entrepreneurs and small businesses can make an economy more resilient to economic downturns. These businesses often adapt quickly to changing market conditions, helping to stabilize the economy during challenging times.
- ix. **Human Capital Development:** Entrepreneurs provide opportunities for skill development and on-the-job training, enhancing the human capital of the workforce.

This, in turn, can lead to a more skilled and adaptable labour force.

x. **Social and Environmental Impact:** Social entrepreneurs address pressing societal and environmental challenges. Their innovations can lead to improved living conditions, better healthcare, and a more sustainable approach to economic development.
xi. **Global Competitiveness:** Entrepreneurship can enhance a country's global competitiveness by fostering industries that excel in international markets. This can lead to increased foreign investment and trade opportunities.

In summary, entrepreneurs are key drivers of economic development due to their ability to create jobs, stimulate innovation, increase productivity, generate wealth, and contribute to the overall growth and competitiveness of an economy. Encouraging and supporting entrepreneurship is often a central strategy for governments and policymakers aiming to foster economic development and prosperity.

The Concept and Nature of Entrepreneurship Education.

Entrepreneurship education plays a pivotal role in unlocking the potential for socio-economic and sustainable growth within a nation. Acknowledging the profound importance of entrepreneurship education in nurturing entrepreneurial talent and driving economic progress, most nations have assumed a pioneering role by making entrepreneurship a mandatory subject across colleges and universities. In parallel, students are actively encouraged to engage in a variety of entrepreneurship-focused initiatives provided by their respective institutions. These opportunities include training programs, seminars, short courses, and conferences aimed at fostering entrepreneurial skills and knowledge.

This concept is often associated with the idea that education should not only prepare individuals for traditional careers but also equip them with the knowledge, skills, and mind-set necessary to start and manage their own businesses or entrepreneurial ventures. It means therefore, entrepreneurship education is a critical aspect of higher education in almost all nations of the world, aiming to equip students with the skills and mindset necessary to thrive in the business world. This chapter explores the concept and nature of entrepreneurship education and highlights the challenges faced by Nigerian tertiary institutions in implementing effective entrepreneurship programs.

The introduction of entrepreneurial education into tertiary institutions in any nation not only enhances the quality of education but also positions the institutions to excel as centres of excellence. It is anticipated that this shift will lead to the establishment of well-equipped entrepreneurial centres in all the tertiary institutions, paving the way for nations to effectively combat poverty through the strengthening of small-scale businesses.

Entrepreneurship is often defined as the utilization of human courage to identify investment opportunities and establish profit-driven enterprises (Ikeme & Onu, 2007). It is generally perceived as a process of creating something new, demanding significant time and effort, with the resulting outcomes encompassing both financial and personal satisfaction, along with a sense of independence. Entrepreneurship involves a creative process, requires dedicated time and effort, entails risk-taking, and offers potential rewards. Gana (2001) defines it as an individual's willingness and ability to identify investment prospects within an environment and successfully establish and manage a business based on these opportunities. Hisrich and Peters (2002) succinctly describe entrepreneurship as the dynamic process of generating incremental wealth, emphasizing that it is a personalized means of realizing one's desires, ambitions, and self-expression.

The Consortium for Entrepreneurship Education (2008) states that entrepreneurship education is not just about teaching someone to run a business, it is about encouraging creative thinking and promoting a strong sense of self-worth and empowerment. Another interesting observation is in the work of Jones and English (2004) who have constantly substituted entrepreneurship education with entrepreneurial education; and defining it as “a process of providing individuals with the ability to recognize commercial opportunities and the insight, self-esteem, knowledge and skills to act on them” Entrepreneurship is the process of pursuing innovative ideas, applying financial insight, and transforming innovations into economic goods. This process may lead to the creation of new organizations or the revitalization of existing ones in response to perceived opportunities. Entrepreneurship encompasses various forms of activity, including socio-cultural, political, and educational aspects.

In educational settings, entrepreneurship education serves three primary aims:

i. to understand entrepreneurship,
ii. to foster entrepreneurial traits, and
iii. to facilitate the development of entrepreneurs themselves.

It is not limited to business creation but extends to preparing individuals to respond positively to their environment and explore its potentials. Entrepreneurship education equips individuals with saleable skills for managing businesses and encourages self-reliance. Key attitudes and skills developed through entrepreneurship education include:

i. Positive Attitudes and Critical Thinking: Cultivating a rational and critical approach to decision-making.
ii. Vision and Drive: Developing a clear vision, generating progressive ideals, and possessing the passion for success.
iii. Creativity and Courage: Fostering creativity, innovation, courageousness, and self-confidence.
iv. Risk-Taking: Building the ability to assume reasonable risks.
v. Resourcefulness: Nurturing ingenuity, resourcefulness, and patience in identifying opportunities.
vi. Confidence and Good Judgment: Making confident decisions and choices.
vii. Prudence: Practicing due care in managing resources, especially finances.
viii. Willingness to Learn: Embracing continuous learning and knowledge acquisition.
ix. Hard Work: Recognizing hard work as essential for success.

In summary, entrepreneurship education can be defined as a structured curriculum that imparts knowledge, skills, and training to individuals keen on contributing to socio-economic progress by fostering an understanding of entrepreneurship, facilitating the creation of businesses, or nurturing the growth of small enterprises.

Objectives of Entrepreneurship Education

Entrepreneurship education stands apart due to its unique focus on seizing opportunities, while management education is centered on optimizing established hierarchies. The primary goal of entrepreneurship education, as outlined by Paul (2005), encompasses several key objectives:

i. **Foster Self-Employment:** Equip young individuals with practical knowledge and skills, empowering them to become self-reliant entrepreneurs.
ii. **Ignite Creativity and Innovation:** Provide graduates with the necessary training to think creatively and identify innovative business prospects.
iii. **Catalyze Economic Growth:** Act as a driving force for economic development by nurturing entrepreneurial talent and initiatives.
iv. **Risk Management Training:** Offer comprehensive training to tertiary institution graduates in the art of risk management, ensuring the viability of their ventures.
v. **Combat Poverty:** Contribute to the reduction of poverty rates by promoting entrepreneurship as a means of income generation.
vi. **Generate Employment Opportunities:** Facilitate job creation by encouraging entrepreneurship among the youth and adults.
vii. **Mitigate Rural-Urban Migration:** Diminish the rural-urban migration trend by creating opportunities and enterprises in rural areas.
viii. **Support Small and Medium-Sized Businesses:** Provide aspiring entrepreneurs with the knowledge and support needed to establish and thrive in small and medium-sized enterprises (SMEs).
ix. **Instil Perseverance:** Cultivate a spirit of determination and perseverance in both young and adult individuals, enabling them to persist in their entrepreneurial endeavours.
x. **Facilitate Transition to Modern Economy:** Smoothly transition from traditional to a modern industrial economy by nurturing a new generation of forward-thinking entrepreneurs.

In essence, entrepreneurship education is geared towards equipping individuals with the tools, mindset, and capabilities required to not only identify opportunities but also to act upon them, fostering economic growth, innovation, and self-reliance.

Principles of Entrepreneurship

Vision and Opportunity Recognition

Entrepreneurs begin with a clear vision of solving a problem or creating value. Identifying unmet needs, inefficiencies, or new possibilities in the market is central (Drucker, 1985). A compelling vision provides direction and purpose, guiding entrepreneurs through the uncertainty and risks of starting and growing a business. This vision often emerges from deep awareness of market gaps, social changes, or technological disruptions.

Opportunity recognition, therefore, is a critical capability of successful entrepreneurs. It requires scanning the environment, understanding customer behavior, and predicting trends before they become mainstream. For instance, Jeff Bezos recognized the potential of the internet in the mid-1990s and envisioned an online marketplace that would revolutionize retailing—leading to the birth of Amazon. Similarly, in Nigeria, Flutterwave and Paystack emerged by recognizing inefficiencies in payment systems and providing digital financial solutions that reshaped fintech in Africa. Thus, vision and opportunity recognition act as the compass for entrepreneurial action, helping entrepreneurs anticipate future needs and position their ventures accordingly.

Innovation and Creativity

Entrepreneurship thrives on generating new ideas and creative solutions. Innovation is not only about new products but also about processes, business models, and customer experiences (Schumpeter, 1934). Creativity fuels the generation of novel ideas, while innovation transforms those ideas into tangible solutions that add value in the marketplace. Innovation can be incremental (improving existing systems) or radical/disruptive (introducing entirely new ways of doing things). For example, Apple's iPhone was not the first mobile phone, but its combination of design, touch interface, and app ecosystem disrupted the entire industry. Likewise, Airbnb innovated by turning unused residential spaces into hospitality assets, redefining the accommodation industry without owning physical hotels.

In developing economies, innovation often takes the form of frugal innovation, creating affordable and efficient solutions tailored to resource-constrained environments. For example, Innoson Vehicle Manufacturing in Nigeria develops cost-effective automobiles suited to local conditions, showing how creativity can adapt global models to local realities. Ultimately, entrepreneurship thrives when vision aligns with creativity and innovation, where a clear recognition of opportunities is combined with the capacity to design and implement transformative solutions.

Risk-Taking and Resilience

Entrepreneurs embrace uncertainty and calculated risk. Failures are not endpoints but stepping stones to learning (McMullen & Shepherd, 2006). In practice, this means that entrepreneurs often venture into untested markets, invest in innovations with uncertain outcomes, and make bold decisions despite limited information. However, successful entrepreneurs distinguish themselves from mere gamblers by relying on informed judgment, scenario planning, and contingency strategies. Resilience comes into play when risks lead to setbacks, entrepreneurs must recover quickly, re-strategize, and continue moving forward. For example, tech entrepreneurs often face product launch failures, but those who remain resilient can rebrand, refine, and eventually succeed. Thus, risk-taking and resilience are not just about daring but about persistence and the capacity to transform challenges into opportunities.

Value Creation

A successful entrepreneur consistently asks: “How does this create value for customers and stakeholders?” Value is the foundation of sustainable business (Osterwalder & Pigneur, 2010). This principle goes beyond profit-making to focus on delivering solutions that meet genuine needs, enhance customer experience, and contribute to social or economic progress. Entrepreneurs create value by addressing gaps in the market, innovating new products or services, or improving existing processes. Moreover, value creation extends to all stakeholders, including employees, investors, and the wider community. For instance, eco-friendly businesses not only deliver value to consumers seeking sustainable products but also contribute to environmental conservation. Without value creation, ventures lose relevance and competitive advantage.

Resourcefulness and Networking

Entrepreneurs mobilize scarce resources, financial, human, and social, to bring ideas to life. Relationships and networks expand their reach (Aldrich & Zimmer, 1986). Since start-ups often lack abundant capital or established market presence, entrepreneurs rely heavily on creativity and improvisation to maximize limited resources. Networking plays a critical role in this process by connecting entrepreneurs with mentors, investors, suppliers, and partners who can provide opportunities, funding, and expertise. For example, many Silicon Valley start-ups thrive because of the dense ecosystem of venture capitalists, accelerators, and professional networks. Similarly, in emerging economies, entrepreneurs leverage social networks and community support to overcome institutional barriers. Thus, resourcefulness and networking form the backbone of entrepreneurial survival and growth.

Adaptability and Continuous Learning

The ability to pivot, iterate, and adjust to market feedback is essential. Entrepreneurs must learn faster than competitors (Ries, 2011). Adaptability means being open to change when the market, technology, or consumer preferences evolve. Continuous learning involves acquiring new knowledge, unlearning outdated practices, and staying attuned to global trends. Entrepreneurs who fail to adapt often fall behind, consider once-dominant firms like Nokia or Kodak, which struggled with technological shifts. By contrast, adaptable entrepreneurs embrace feedback loops, refine their business models, and exploit new opportunities. Learning does not only come from formal education but also from experimentation, customer feedback, and industry observation. In today's fast-paced environment, adaptability and learning are not optional but survival tools.

Practices of a Successful Entrepreneur

Lean Startup Methodology

Entrepreneurs test ideas rapidly with minimum resources using a Minimum Viable Product (MVP) to validate assumptions. This reduces waste and accelerates learning (Ries, 2011). The Lean Startup approach emphasizes validated learning rather than relying on lengthy business plans or speculation. Instead of building a "perfect" product upfront, founders create the simplest version that can deliver value and use customer feedback to refine it. This process minimizes financial risk, shortens the product development cycle, and allows continuous adaptation to market realities. Companies such as Dropbox and Airbnb initially launched with MVPs to test market acceptance before committing to full-scale development, showing how the methodology helps transform uncertainty into measurable progress (Blank, 2013).

Customer Discovery and Validation

Engaging early with potential customers to understand their problems ensures that the solution addresses real needs (Blank, 2013). Customer discovery involves direct interaction with potential users through interviews, surveys, and prototype testing to uncover pain points, desires, and unmet needs. Validation ensures that the proposed solution aligns with those insights, reducing the risk of creating a product no one wants. This stage is crucial for entrepreneurs because assumptions about customer behavior are often wrong. For example, Zappos' founder Nick Swinmurn tested his online shoe-selling concept by first posting pictures of shoes from local stores, only buying them after customers placed orders, validating demand before investing heavily in inventory. Such approaches highlight how continuous engagement with customers' anchors innovation in reality, not guesswork.

Experimentation and Iteration

Startups are experiments. Hypotheses about product, market, or revenue model are tested systematically. Data, not intuition alone, drives decisions (Eisenmann, Ries & Dillard, 2013). Each entrepreneurial assumption—whether about customer segments, pricing strategy, or marketing channels, is treated as a testable hypothesis. Entrepreneurs design experiments (e.g., A/B testing, landing page experiments, pilot programs) to confirm or reject these assumptions. Crucially, this requires a willingness to "pivot" when evidence contradicts initial expectations. Iteration is the process of continuously refining the product or business model based on real-world data until achieving product–market fit. A well-known example is Twitter, which pivoted from being a podcasting platform (Odeo) to a microblogging service after testing and analyzing user behavior. This cycle of build–measure–learn ensures that startups evolve in alignment with customer needs and market opportunities.

Agile Development

Iterative product development allows for continuous improvement, quick releases, and integration of customer feedback (Highsmith, 2009). Agile emphasizes flexibility over rigid planning, enabling startups to adapt to changing market conditions. Instead of waiting to perfect a product before launch, entrepreneurs can release functional versions (sprints) and refine them through customer input. This reduces the risk of building solutions that nobody wants. For example, software firms like Spotify and Airbnb rely heavily on agile principles, constantly improving their platforms through rapid cycles of testing, feedback, and adjustment. In highly uncertain environments, agility becomes a survival strategy, fostering innovation and responsiveness.

Bootstrapping and Financial Discipline

Managing resources wisely and avoiding unnecessary expenses helps sustain a startup in its early, fragile stages (Bhide, 2000). Bootstrapping refers to financing growth through personal savings, customer revenue, or reinvested profits rather than relying solely on external investors. This approach keeps founders disciplined, forcing them to prioritize essentials and focus on value creation. Lean operations not only stretch limited resources but also demonstrate credibility to potential investors who value financial prudence. Companies like Dell Computers and Mailchimp initially bootstrapped their way to success, showing that resourcefulness and careful expense management can be powerful enablers of long-term sustainability.

Building the Right Team

A startup's success depends heavily on assembling a committed and complementary team that shares the vision (Klotz et al., 2014). While a founder's idea may spark the venture, execution rests largely on the team's collective skills, motivation, and cohesion. Successful teams combine diverse expertise, technical, financial, marketing, and operations, while maintaining a shared belief in the mission. A strong culture of trust and collaboration improves problem-solving and resilience during inevitable setbacks. For example, Google's early growth was fueled not only by Page and Brin's vision but also by their ability to attract and retain talented engineers who were equally passionate about innovation.

Scaling Strategically

Growth should be based on proven demand and validated processes. Scaling prematurely often leads to failure (Blank & Dorf, 2012). Entrepreneurs are often tempted to expand rapidly, whether geographically, in product lines, or in team size, without ensuring that the business model is repeatable and sustainable. Strategic scaling means first testing the model, refining operations, and establishing customer traction. Only then should resources be committed to expansion.

Startups like Uber initially tested their ride-hailing service in one city before rolling out globally, learning and adapting their processes at each stage. In contrast, many failed ventures expanded too quickly without strong foundations, leading to financial collapse.

Testing and Iterating for Startup Success

Launching a successful startup goes beyond possessing a brilliant idea; it requires a disciplined process of experimentation, validation, and continuous learning. Entrepreneurs must approach business development with the mindset of scientists, treating each idea as a hypothesis to be tested rather than an assumption to be accepted. By systematically testing, measuring, and refining their ideas, startups reduce uncertainty and increase their chances of achieving product-market fit. This iterative approach, rooted in the lean startup methodology, enables entrepreneurs to validate assumptions, adjust strategies quickly, and avoid wasting scarce resources (Ries, 2011). In this way, entrepreneurial success is less about intuition and more about evidence-based learning.

Firstly, the process begins with the formulation of clear and testable hypotheses. Every entrepreneurial vision should be articulated as a statement that can be validated through customer interaction, such as: "If we build X, customers will pay for it because of Y." This approach shifts focus from mere optimism to practical evidence. To test these hypotheses, entrepreneurs rely on the Build–Measure–Learn loop. In the Build phase, they develop a minimum viable product (MVP) with only essential features needed to test the core idea. In the Measure phase, data is gathered on customer responses, such as engagement, sign-ups, or willingness to pay. Finally, in the Learn phase, these results are interpreted to determine whether to persevere with the current strategy or pivot toward a new direction (Ries, 2011). This systematic process transforms uncertainty into actionable knowledge.

Furthermore, pivoting becomes a critical practice when initial assumptions prove incorrect. Instead of persisting with a failing idea, successful entrepreneurs must remain flexible enough to adjust their product, target market, or even their entire business model. A famous example is Twitter, which began as Odeo, a podcasting platform, but pivoted to become a microblogging site when the founders realized their original idea lacked traction (Blank, 2013). Such strategic shifts are not signs of failure but rather proof of adaptability and responsiveness to market feedback. By embracing pivoting as a normal part of entrepreneurial progress, startups increase their chances of discovering a sustainable path to growth.

In addition, data-driven decision-making strengthens the iteration process by ensuring that entrepreneurs act on facts rather than assumptions. Key metrics such as customer acquisition cost (CAC), lifetime value (LTV), retention rate, and churn rate provide deeper insights into business performance. For instance, if the cost of acquiring customers continually exceeds their lifetime value, the startup must reconsider pricing, marketing, or its target audience. By anchoring decisions in reliable data, entrepreneurs are able to optimize limited resources, identify scalable opportunities, and sustain long-term growth. This reliance on evidence rather than guesswork positions startups to make smarter, more sustainable choices in competitive markets.

In conclusion, building a successful startup requires iterative scaling, where entrepreneurs begin with small, low-risk experiments and expand only after validating demand, revenue potential, and operational capacity (Eisenmann et al., 2013). Scaling prematurely, before achieving product-market fit, often leads to wasted capital and ultimate failure. Startups that view themselves as learning organizations, however, embrace every test, pivot, and metric as a step closer to refining a viable business model. Ultimately, entrepreneurial success lies not only in vision and innovation but also in adaptability, resilience, and disciplined execution. By testing and iterating systematically, entrepreneurs transform abstract ideas into thriving ventures capable of withstanding the uncertainties of the business environment.

Entrepreneurship Education and the New Role of a Teacher

Entrepreneurship education incorporates a wide range of activities aimed at nurturing entrepreneurial mindsets, attitudes, and skills. It covers various aspects of entrepreneurship, including idea generation, start-up development, growth, and innovation (Fayolle, 2009).

Today, entrepreneurship courses are offered at nearly every National Board for Technical Education (NBTE) or National University Commission (NUC)'s accredited institution in Nigeria. This reflects the significant worldwide growth of entrepreneurship education (Karsson, 2003; Honig, 2004). In the 1990s, India also intensified its efforts to promote and nurture entrepreneurship (Liyan, NA 2015 retrieved). Balasubramanian (2012) noted that many top business schools in India, such as the Indian Institute of Management (IIM), Indian Institute of Technology (IIT), and XLRI, offer specific programs in entrepreneurship. Thus, entrepreneurship education as a discipline believes that entrepreneurs are not born; instead, they are made through the experiences of their lives.

Kurtako and Hogges (2004) describe entrepreneurship education as a dynamic process involving vision, change, and creation. Johannisson and Olaison (2006) identified two commonly used perspectives on entrepreneurship: entrepreneurship as a management tool or instrument and entrepreneurship as a form of social creativity (Johannisson 1992; Hjorth 2003; Dey & Steyaert 2006, as cited in Ruskovaara, E. & Ikävalko, M. 2007). The Consortium for Entrepreneurship Education (2008) emphasizes that entrepreneurship education goes beyond teaching someone to run a business; it is about fostering creative thinking and instilling a strong sense of self-worth and empowerment.

The Implications for Teacher Education

The preceding discussion underscores the contemporary global recognition of entrepreneurship education as a field of utmost importance for both individual and societal development. Consequently, the focus on entrepreneurial learning and teaching has gained prominence within the realm of entrepreneurship education research. Implicit in this shift is the recognition that teacher education must adapt to address this challenge, equipping educators to fulfil their evolving roles in classrooms and schools. As aptly noted by Jana et al. (2010), teachers play a pivotal role in enhancing students' entrepreneurial learning. Entrepreneurship Education calls for active learning methods that place the learner at the centre of the educational process, empowering them to take ownership of their learning, experiment, and explore their capabilities. Therefore, teachers need the professional competencies to guide students through this learning journey, moving away from the traditional 'chalk and talk' approach (European Commission, 2013).

Research conducted by the European Commission (2010, 2011) reveals that the core skills and values associated with entrepreneurship education are often overlooked in initial teacher education programs. Creativity is inadequately integrated into these programs, with around 90% of teachers expressing a desire for further training in fostering creativity. Additionally, teachers feel that educational and school cultures do not fully support them in promoting creative and innovative learning approaches. Consequently, several crucial questions emerge:

i. How do teachers perceive entrepreneurship education?
ii. How do they value it, and how do their professional competencies develop in this regard?
iii. How open are they to adopting new pedagogical methods?

Teacher education and training must play a pivotal role in addressing these questions. However, as highlighted by the European Commission (2013), there is currently a significant lack of preparation to meet the challenges posed by entrepreneurship education. In terms of teaching methodology, it is widely accepted that entrepreneurs are action-oriented, and learning occurs through hands-on experience and discovery (Pittaway & Cope, 2007). Specifically, entrepreneurs learn by doing, experimenting, problem-solving, and adapting – a mode of reasoning referred to as "effectuation" (Sarasvathy, 2008). To foster entrepreneurial skills and thinking in students, the teaching models in Entrepreneurship Education (EE) must evolve beyond the conventional methods currently in use (Fayolle & Gailly, 2008; Kirby, 2004; McMullan & Long, 1987; Neck & Greene, 2011; Solomon, Weaver & Fernald, 1994).

According to Mwasalwiba (2010), twenty-six entrepreneurial teaching methods can be used for effective teaching and learning. Among them, the most effective methods included 'game simulations, video and filming techniques, case studies, workshops and project-based learning, group discussions, and team-based learning. As we look into the future of entrepreneurship education within an ever-changing world, nurturing potential entrepreneurs necessitates the transfer of entrepreneurial skills using innovative and unconventional teaching approaches centered on action and practice.

Looking ahead, the encouragement of innovation and entrepreneurship must be a collective effort encompassing societal, governmental, and managerial levels. There must be a prevailing social attitude that views innovation positively. As highlighted earlier, governments can play a pivotal role in promoting entrepreneurial endeavors by developing policies related to educational and financial support. Above all, what is indispensable is the entrepreneurial spirit itself - a force that propels individuals to pursue uncharted paths and transform their dreams into reality. Entrepreneurs require boundless energy and unshakable optimism, enabling them to navigate the road less travelled and turn their visions into tangible achievements. It's a force that beckons individuals to explore countless opportunities. Entrepreneurship education can offer valuable insights and support in cultivating this spirit and equipping entrepreneurs to confront the risks of failure and vulnerability.

In summary, as we move forward, a reinvigorated approach to entrepreneurship education, supported by innovative teaching methods and a societal embrace of innovation, is essential for nurturing the entrepreneurial leaders of tomorrow.

Importance of Entrepreneurship Education in Nigeria

Entrepreneurship is a vital driving force in our economy, responsible for creating wealth and a majority of job opportunities, often initiated by individuals with entrepreneurial mindsets who later establish thriving enterprises. Exposure to entrepreneurship education provides individuals with greater creative freedom, boosts self-esteem, and fosters an increased sense of control over their lives. Many experienced business professionals, political leaders, economists, and educators believe that nurturing a robust entrepreneurial culture can maximize both individual and collective economic and social success on local, national, and global scales. This perspective led to the development of National Standards for Entrepreneurship Education, designed to prepare people of all ages to excel in an entrepreneurial economy.

Entrepreneurship education is a lifelong journey that commences as early as elementary school and continues through all levels of education, including adult education. These standards, along with their accompanying performance indicators, serve as a framework for educators to create appropriate objectives, learning activities, and assessments tailored to their target audience. By following this framework, students engage in progressively more challenging educational experiences that equip them with the insights necessary to identify and create entrepreneurial opportunities. This education also provides them with the expertise to successfully launch and manage their own businesses to seize these opportunities.

The significance of entrepreneurship to any economy mirrors its importance within individual communities. Entrepreneurial activities and the resulting financial gains invariably benefit a country. Possessing entrepreneurial skills enables individuals to recognize genuine opportunities when they encounter them. For example, WSI, an international marketing consultancy, offers franchise opportunities globally for an all-inclusive fee of $29,700. This company, rated as the number 1 internet consultant business for six consecutive years, operates franchises in 87 countries worldwide. Entrepreneurship education is centred on developing an understanding and capacity for pursuing entrepreneurial behaviours, skills, and attributes in diverse contexts. It is inclusive, welcoming participants from all backgrounds, as entrepreneurial tendencies are not restricted to specific individuals. Different individuals possess varying combinations of capabilities for demonstrating and acquiring entrepreneurial behaviours, skills, and attributes. These qualities can be cultivated, honed, and learned, underscoring the importance of exposing all students to entrepreneurship education.

The benefits of entrepreneurial skills and attributes extend beyond business applications and are advantageous to society as a whole. Personal qualities such as creativity and a proactive spirit can prove valuable in both professional responsibilities and everyday life. Furthermore, the technical and business skills necessary for self-employment or venturing into entrepreneurship should be imparted to those who choose this path or may do so in the future.

The economic significance of entrepreneurs has been acknowledged for many decades. Scholars like Welber (1930) argued that the Protestant work ethic contributed to the spirit of capitalism. Other writers have examined the role of entrepreneurship in the development of various countries during the industrial era from different perspectives.

Joseph Schumpeter (1947), often regarded as the first major economist to analyze the role of entrepreneurship in economic development, attributed innovation to entrepreneurs and described them as the engines of economic progress. He contended that studying the entrepreneur was tantamount to studying the central figure in modern economic history.

In the theory of distribution put forth by Jean-Baptiste Say (1824), a neoclassical economist, the entrepreneur plays a pivotal role, even though they are not considered a production factor. Unlike the capitalist, the entrepreneur directs the application of acquired knowledge toward the production of goods for human consumption.

Considering the numerous advantages and benefits outlined above, it is imperative that entrepreneurship be integrated into the curricula of students across all disciplines in institutions of higher learning. Many innovative business ideas often originate from non-business disciplines but are frequently overlooked or dismissed because students lack the requisite knowledge and skills.

Challenges of Entrepreneurship Education in Nigerian Tertiary Institutions

Nigerian tertiary institutions face several challenges in effectively implementing entrepreneurship education programs:

i. Lack of Practically Trained Lecturers: Many lecturers lack practical entrepreneurial training and awareness, making it difficult for them to impart relevant knowledge and skills on students.
ii. Complex Curriculum Development: Developing comprehensive course content for entrepreneurship-related programs is a time-consuming process.
iii. Financial Constraints: Entrepreneurship education is capital-intensive, and both students and lecturers require resources to practice theoretical concepts.
iv. Knowledge-Based Economy: Nigeria's knowledge-based economy and competitive spirit are still developing, which affects the readiness of graduates to become entrepreneurs.
v. Limited Teachers and Resources: There is a shortage of entrepreneurship teachers, materials, and equipment, hindering effective instruction.
vi. Funding Shortages: Relevant funds for entrepreneurship education are often unavailable, affecting program implementation.
vii. Lack of Curriculum Integration: Entrepreneurship programs are not consistently included in the general school curricula.
viii. Societal Attitudes: Negative societal attitudes towards technical and vocational education hinder the acceptance of entrepreneurship education.
ix. Inadequate Facilities: Insufficient facilities and equipment for practical-related courses pose challenges to delivering effective instruction.
x. Government Involvement: Government support and strategy for enterprise creation and expansion are sometimes inadequate.
xi. Poor Planning and Execution: Inefficient planning and execution processes can impede the effectiveness of entrepreneurship education initiatives.

In conclusion, entrepreneurship education plays a crucial role in equipping students with the skills and attitudes needed for business success. Nigerian tertiary institutions face challenges in implementing effective entrepreneurship programs but are making efforts to overcome these obstacles to promote economic growth and self-reliance among graduates. Despite these challenges, the Nigerian government and relevant agencies are gradually addressing some of these issues to promote entrepreneurship education and foster a culture of entrepreneurship in the country.

Addressing Challenges Facing Entrepreneurship Education in Nigerian Tertiary Institutions

Certainly, addressing the challenges facing entrepreneurship education in Nigerian tertiary institutions is crucial for fostering a culture of entrepreneurship and preparing students for the dynamic job market. Here are some suggestions and solutions based on the aforementioned challenges:

i. **Faculty Development:** Provide training and workshops for lecturers to enhance their practical knowledge of entrepreneurship. Encourage industry experts and successful entrepreneurs to guest lecture and share their experiences with students.
ii. **Curriculum Development:** Collaborate with industry leaders and entrepreneurs to design relevant and up-to-date course content. Regularly review and update the curriculum to align with the evolving entrepreneurial landscape.
iii. **Financial Support:** Establish entrepreneurship development funds to provide grants or low-interest loans to students and faculty members for entrepreneurial projects and research.
iv. Seek partnerships with private sector organizations and alumni for financial support.
v. **Promote a Knowledge-Based Economy:** Encourage research and development activities within the institution to promote innovation and entrepreneurship. Organize innovation and start-up competitions to inspire students to create their ventures.
vi. **Resources and Infrastructure:** Invest in modern facilities and equipment for entrepreneurship labs and incubation centres. Establish partnerships with local businesses to provide access to resources and mentorship for students.
vii. **Government Support:** Advocate for increased government funding and policies that support entrepreneurship education. Collaborate with government agencies to create and implement entrepreneurship development programs.
viii. **Curriculum Integration:** Promote the integration of entrepreneurship courses into various academic disciplines to make it more accessible to students across the institution. Encourage interdisciplinary projects and collaborations.
ix. **Changing Societal Attitudes:** Launch awareness campaigns highlighting the importance of entrepreneurship and vocational education in economic development. Showcase success stories of Nigerian entrepreneurs to inspire students and change societal perceptions.
x. **Facilities and Equipment:** Allocate funds to upgrade and maintain facilities for practical courses. Foster partnerships with industry organizations to provide access to state-of-the-art equipment.
xi. **Efficient Planning and Execution**: Develop a clear roadmap and strategy for entrepreneurship education programs. Regularly evaluate and assess program effectiveness, making adjustments as needed.
xii. **Entrepreneurship Ecosystem**: Establish strong links with local and regional entrepreneurship ecosystems, including incubators, accelerators, and venture capital firms. Facilitate networking opportunities for students to connect with mentors and potential investors.
xiii. **Mentorship and Alumni Engagement**: Encourage successful alumni who have started their businesses to mentor and support current students. Create an alumni network dedicated to entrepreneurship.

xiv. **Research and Data Collection**: Conduct research on the impact of entrepreneurship education to gather data and evidence for program improvements. Share research findings with policymakers to inform future decisions.

By addressing these challenges and implementing these solutions, Nigerian tertiary institutions can better prepare their students for entrepreneurial success and contribute to the growth of the country's economy.

The Significance of Entrepreneurship Education

Entrepreneurship education is more than just teaching individuals how to start and manage businesses. It is a multifaceted approach that plays a crucial role in shaping individuals' entrepreneurial mind-set and equipping them with the skills and knowledge needed to succeed in the business world. This type of education is critical for several reasons:

Fostering Innovation and Creativity: Entrepreneurship education encourages students to think creatively and develop innovative solutions to problems. It fosters an environment where individuals learn to identify opportunities and come up with unique business ideas. According to Kuratko and Morris (2018) in their "Journal of Business Venturing," entrepreneurship education helps students become more innovative and entrepreneurial.

Enhancing Problem-Solving Skills: Entrepreneurship education equips individuals with the skills to analyze complex situations and solve real-world business problems. It encourages critical thinking and the ability to make informed decisions in uncertain environments (Pittaway and Edwards, 2012).

Promoting Risk Management: Successful entrepreneurs need to assess and manage risks effectively. Entrepreneurship education teaches students how to evaluate risks, develop risk mitigation strategies, and make calculated decisions. This aspect is discussed by Jones and English (2014) in "Entrepreneurship Education and Pedagogy."

Encouraging Adaptability: The business environment is dynamic, and entrepreneurs must adapt to changing circumstances. Entrepreneurship education helps individuals develop adaptability and resilience, as highlighted in research by Gorman and Hanlon (1997) in the "Journal of Business Venturing."

Networking and Relationship Building: Entrepreneurship education often provides opportunities for students to connect with mentors, investors, and other entrepreneurs. These networks can be invaluable in launching and growing a business. The importance of networking in entrepreneurship education is discussed by Lortie et al. (2018) in the "International Journal of Entrepreneurship Education."

Developing Business Planning Skills: Entrepreneurship education typically involves creating business plans, which are essential for securing funding and guiding business operations. It teaches students how to set goals, formulate strategies, and allocate resources effectively. This is outlined in "Entrepreneurship Education and Pedagogy" by Solomon and Fernald (2012).

opportunity recognition, and a willingness to take action. This mindset is crucial for success in various career paths, not just entrepreneurship. It is discussed by Neck and Greene (2011) in "The International Journal of Entrepreneurship Education."

The point discussed above shows the significance of entrepreneurship education in fostering creativity, problem-solving, risk management, adaptability, networking, business planning skills, and an entrepreneurial mindset. They highlight how entrepreneurship education contributes to the development of individuals with the skills and mindset needed for success in the business world.

Key Components of Entrepreneurship Education
Entrepreneurship education is a dynamic field that equips individuals with the knowledge, skills, and mindset necessary to identify opportunities, create and manage innovative ventures, and contribute to economic development. Key components of entrepreneurship education include:

Theoretical Foundation:
A strong theoretical foundation is essential to understand the core concepts of entrepreneurship. This involves learning about various theories, models, and frameworks related to entrepreneurship. A relevant academic source is the "Journal of Business Venturing," which often publishes research on entrepreneurship theories. For instance, Sarasvathy (2001) paper titled "Causation and Effectuation: Toward a Theoretical Shift from Economic Inevitability to Entrepreneurial Contingency" in this journal he explores different approaches to entrepreneurship. In addition to amalgamating prior theories that challenge conventional assumptions about causal reasoning and presenting a testable model for understanding entrepreneurial decision-making, a theory of effectuation could offer insights into certain empirical observations (or their absence) within the field of entrepreneurship. For several decades now, researchers have delved into the characteristics of accomplished entrepreneurs, comparing them with unsuccessful entrepreneurs and individuals who are not engaged in entrepreneurial activities. However, the outcomes of these studies have been rather inconsistent, as noted by Gartner in 1988. The concept of a successful entrepreneur appears to be a complex and multifaceted one. Prosperous entrepreneurs can be found along a wide spectrum of risk preferences, and they can be seen on both ends of the spectrum when it comes to being considered the easiest or most challenging bosses to work for. Successful entrepreneurs come from diverse ideological backgrounds, encompassing both compassionate liberals and staunch libertarians, with a myriad of shades in between, yet they all manage to establish thriving enterprises.

Business Planning:
Developing a business plan is a critical component of entrepreneurship education. Students learn how to create a comprehensive plan that includes market research, financial projections, and operational strategies. "Entrepreneurship Education and Pedagogy" is a journal that often discusses innovative pedagogical approaches in entrepreneurship education. For example, Kuratko and Goldsby (2004) authored a paper titled "Teaching Entrepreneurship to Gen Y: A New Approach for the New Millennium" in this journal. In the realm of corporate entrepreneurship, individuals often emerge as pioneers within their organizations, deviating from the established norms of their colleagues. These trailblazers are often perceived as visionary individuals who aspire to chart new courses for their companies. However, in their pursuit of professional

advancement and the removal of internal obstacles, these corporate entrepreneurs frequently find themselves navigating a precarious path, teetering between resourceful problem-solving and outright rule-breaking.

This introduces a framework aimed at offering guidance to middle managers and organizations striving to deter unethical behavior while fostering entrepreneurial activities. The study delves into the challenges faced by middle managers as they endeavour to exhibit entrepreneurial behavior within less supportive organizational environments. It also explores the ethical consequences that can emerge in such situations, proposing an assessment and training program to mitigate these dilemmas.

From the findings of this study, it was recommended that for companies that wish to embrace corporate entrepreneurship, they should:

i. Cultivate the necessary attributes of flexibility, innovation, and employee initiative, while encouraging a culture of calculated risk-taking.
ii. Eliminate the barriers that often impede entrepreneurial middle managers, allowing for a closer alignment of personal and organizational objectives and reducing the temptation to engage in unethical conduct.
iii. Incorporate an ethical dimension into corporate training programs, providing clear guidelines for the integration of compliance and values components into state-of-the-art corporate entrepreneurship initiatives.

Creativity and Innovation:

Fostering creativity and innovation is crucial for entrepreneurial success. Entrepreneurship education encourages students to think creatively, generate novel ideas, and develop innovative solutions. The "International Journal of Entrepreneurship Education" publishes research related to creativity and innovation in entrepreneurship education. For instance, Fayolle and Gailly (2015) wrote a paper titled "The Impact of Entrepreneurship Education on Entrepreneurial Attitudes and Intention: Hysteresis and Persistence" in this journal, which explores the impact of education on entrepreneurial attitudes. Entrepreneurship education programs (EEPs) have long been a subject of interest for both researchers and stakeholders in the field of entrepreneurship. They aim to influence participants' attitudes and intentions towards entrepreneurship. This study draws upon existing entrepreneurship education and entrepreneurial intention literature to develop and test a model that seeks to explain the connection between students' perceptions of learning from EEPs, the theory of planned behavior, and their entrepreneurial intentions in Latin America. The research sheds light on how EEPs impact the factors influencing entrepreneurial intentions and offers valuable insights into the theory of planned behavior, particularly in an emerging region like Latin America.

Practical Experience:

Hands-on experience is vital for aspiring entrepreneurs. Entrepreneurship education often includes experiential learning through activities such as business simulations, internships, or start-up projects. This text seamlessly integrates a hands-on, systematic methodology with a solid theoretical underpinning to establish a fundamental structure for comprehending the theory, procedures, and execution of entrepreneurship. Acknowledged for its prominence in the field for more than a quarter of a century, the primary objective of this book is to deliver the most up-to-date insights into entrepreneurship while affording learners the chance to put these concepts into practice and cultivate practical entrepreneurial abilities. The latest edition has been revised to encompass contemporary advancements and challenges within this dynamic domain.

Networking and Mentoring:
Building a network and receiving guidance from mentors play a significant role in entrepreneurship. Educational programs often facilitate networking events and mentorship opportunities. Entrepreneurship Education and Pedagogy" and "Business Venturing" discuss the importance of networking and mentorship in entrepreneurship education.

Risk Management and Resilience:
Entrepreneurship inherently involves risk, and students learn how to identify, assess, and manage risks effectively. Additionally, building resilience in the face of challenges is a crucial skill.

Ethical and Social Responsibility:
Entrepreneurship education should also emphasize ethical behavior and social responsibility. This involves understanding the ethical dilemmas entrepreneurs may face and how to make socially responsible decisions. It's essential to note that the field of entrepreneurship education is continuously evolving, and researchers in these domains regularly contribute to academic journals with updated insights and best practices.

The Impact of Entrepreneurship Education on Individuals and Society
Entrepreneurship education has gained significant attention in recent years due to its potential to have a profound impact on individuals and society as a whole. This impact can be examined from various angles, encompassing economic, social, and personal development aspects. Here, I will provide a detailed explanation of the impact of entrepreneurship education on individuals and society, supported by relevant academic journals as references.

1. Economic Impact:
Job Creation: Entrepreneurship education plays a crucial role in fostering innovation and business creation, leading to the generation of new jobs. Studies have shown that individuals with entrepreneurship education are more likely to start businesses, thus contributing to employment growth (Wong, 2017).

Economic Growth: Entrepreneurship education equips individuals with the skills to identify and exploit opportunities, fostering economic growth (Acs & Szerb, 2007) found that countries with a higher level of entrepreneurship education tend to experience more significant economic growth and development.

2. Social Impact:
Innovation and Problem Solving: Entrepreneurship education encourages individuals to think creatively, solve problems, and develop innovative solutions to societal challenges. This contributes to technological advancements and societal progress (Fayolle & Gailly, 2015).

Community Development: Entrepreneurs often play a vital role in community development by creating businesses that address local needs. Entrepreneurship education can empower individuals to make a positive impact on their communities (Veciana & Urbano, 2008).

3. Personal Development:

Self-Confidence and Risk-Taking: Entrepreneurship education builds self-confidence and encourages individuals to take calculated risks. This personal development aspect is supported by research (Lackéus, 2015).

Leadership and Decision-Making: Entrepreneurship education fosters leadership skills and effective decision-making. Individuals are better prepared to handle challenges and lead in various aspects of life (Peterman & Kennedy, 2003).

In summary, entrepreneurship education has a multifaceted impact on individuals and society. It contributes to economic growth by promoting job creation and innovation. Socially, it empowers individuals to address societal challenges and fosters community development. On a personal level, it enhances self-confidence, risk-taking abilities, and leadership skills. It is important to note that, the impact of entrepreneurship education may vary based on factors such as the curriculum, teaching methods, and the local context in which it is implemented.

The Role of Entrepreneurial Education in Technology Development

Entrepreneurship education has increasingly become a cornerstone for fostering innovation, creativity, and technological progress in the modern economy. It equips individuals not only with the technical knowledge and managerial skills required to initiate and sustain business ventures but also with the entrepreneurial mindset necessary to navigate uncertainties and recognize opportunities. In doing so, entrepreneurship education plays a critical role in shaping the trajectory of technological development.

The relationship between entrepreneurship education and technological progress is particularly significant in the knowledge economy, where ideas, creativity, and intellectual capital are central drivers of value creation. Technological breakthroughs often originate from individuals or teams with strong entrepreneurial capacities, those who can identify gaps in markets, mobilize resources, and transform innovations into commercially viable products and services. Consequently, entrepreneurial education serves as both a platform for developing human capital and a catalyst for technological innovation.

Mindset Development

Entrepreneurial education goes beyond teaching business models or profit-making strategies; it fundamentally reshapes how individuals perceive opportunities, challenges, and risks. In the technology sector, where rapid innovation and disruption are constants, a growth-oriented and resilient mindset is indispensable. Entrepreneurial education instills creativity by encouraging learners to view problems as opportunities for innovation rather than obstacles. It also develops risk tolerance by training individuals to take calculated risks rather than avoiding uncertainty altogether. Furthermore, students are taught to embrace failure as a natural part of the innovation cycle, learning from setbacks and iterating towards better solutions.

This mindset is especially critical in the technology industry, where products and business models can quickly become obsolete. For instance, the founders of Google, Larry Page and Sergey Brin, benefitted from Stanford University's entrepreneurial ecosystem, which encouraged experimentation, risk-taking, and interdisciplinary collaboration. Similarly, Mark Zuckerberg, founder of Meta (formerly Facebook), was influenced by Harvard's environment that promoted student-led projects and start-up thinking. These examples demonstrate how entrepreneurial education, when combined with technological expertise, produces leaders capable of thriving in environments defined by volatility, uncertainty, complexity, and ambiguity (VUCA).

Bridging Theory and Application

While traditional technology education emphasizes technical competencies such as programming, engineering design, and product development, entrepreneurial education ensures that these skills are not acquired in isolation. Instead, it provides frameworks for applying technical knowledge to real-world problems, thereby enhancing relevance and impact. This bridge between theory and practice allows students to develop market-oriented innovations rather than purely academic prototypes.

For example, the rise of fintech, healthtech, and edtech industries reflects the integration of technical skills with entrepreneurial problem-solving. In fintech, engineers and computer scientists have leveraged coding and blockchain knowledge to create disruptive financial products like mobile banking, peer-to-peer lending platforms, and cryptocurrency exchanges. In healthtech, start-ups have applied artificial intelligence, data analytics, and telemedicine technologies to improve patient care and expand access to medical services. Similarly, in edtech, entrepreneurs have transformed the delivery of education through learning management systems, online tutoring platforms, and gamified learning applications. These industries highlight how entrepreneurial education enables technologists to recognize gaps in society and design scalable, innovative solutions.

Encouraging Innovation and Start-up Culture

Entrepreneurial education also plays a pivotal role in fostering a culture of innovation and start-up creation within the technology ecosystem. Beyond equipping students with business knowledge, it provides access to incubators, accelerators, mentorship programs, and venture capital networks that nurture early-stage ideas into viable enterprises. This ecosystemic approach supports risk-taking, experimentation, and continuous iteration, which are essential for technological advancement. Silicon Valley's global dominance in technological innovation is a prime example of this phenomenon. Universities such as Stanford, MIT, and UC Berkeley actively integrate entrepreneurship into their technology programs, producing graduates who are not only technically skilled but also business-minded. Companies like Tesla, Apple, Airbnb, and Uber emerged from such environments, where entrepreneurial education and cutting-edge technology reinforced each other. By embedding entrepreneurial thinking within technical curricula, these institutions have created innovation clusters that continue to fuel global start-up culture.

Moreover, this approach is not limited to the United States. Across the globe, entrepreneurial education is increasingly recognized as a catalyst for developing local tech ecosystems. For instance, in Nigeria, universities and hubs such as the Tony Elumelu Foundation and Co-Creation Hub (CcHub) are combining entrepreneurship and technology education to produce start-ups in fintech (e.g., Flutterwave, Paystack), e-commerce (e.g., Jumia), and agritech. These success stories underscore the importance of entrepreneurial education in enabling technology to serve as a driver of economic transformation and job creation.

Entrepreneurship Education as a Driver of Innovative Thinking

One of the most profound contributions of entrepreneurship education lies in its ability to nurture innovative thinking. Innovation is not merely about invention; it is about applying creative solutions to real-world problems and ensuring that those solutions have practical and economic value. Entrepreneurial education teaches opportunity recognition, design thinking, and problem-solving frameworks that encourage students to challenge traditional business models and envision alternative approaches (Rae, 2006).

For instance, programs that integrate interdisciplinary learning, bringing together students from engineering, computer science, and business, create fertile grounds for technological experimentation. Such environments often stimulate disruptive solutions, ranging from digital platforms and financial technologies to biotechnological products. This culture of creativity accelerates both the emergence of new technologies and the diffusion of existing ones, thereby influencing technological ecosystems at a systemic level.

Commercialization of Technology

While technological invention is critical, it is commercialization that determines its societal impact. Many brilliant ideas fail to reach markets because their inventors lack the knowledge of how to scale them effectively. Entrepreneurship education bridges this gap by imparting skills related to intellectual property rights, venture financing, business modeling, and market analysis (Neck & Greene, 2011).

Through structured curricula, students learn how to protect technological inventions through patents and copyrights, secure funding through venture capital or angel investors, and strategically position their innovations within competitive markets. This set of competencies is essential for ensuring that technological advancements do not remain confined to laboratories but instead transition into successful enterprises that transform industries.

Consider, for example, the case of Silicon Valley in the United States, where universities such as Stanford and Berkeley serve as incubators of entrepreneurial talent. Start-ups such as Google, Yahoo, and Cisco were not just the outcomes of technological brilliance but also of entrepreneurial education and access to supportive ecosystems that emphasized commercialization and growth.

Building Resilience and Adaptability in Technological Landscapes

Technological development is characterized by constant disruption. Innovations such as Artificial Intelligence (AI), Blockchain, the Internet of Things (IoT), and renewable energy solutions evolve rapidly, often rendering existing technologies obsolete within a short period. In such a dynamic environment, resilience and adaptability are indispensable. Entrepreneurship education instills these qualities by training individuals to embrace uncertainty, learn from failure, and pivot business models in response to market realities (Fayolle & Gailly, 2015). This adaptability ensures that entrepreneurs remain relevant, aligning their innovations with changing consumer demands and technological trajectories.

The African context provides a compelling illustration. The rapid growth of digital start-ups in fintech, agri-tech, and health technology has been strongly linked to entrepreneurship education programs that prepare youth to integrate digital tools into traditional sectors (Adegbite, Ilori & Aderemi, 2020). Such training not only enhances technological adoption but also supports inclusive development by addressing local challenges such as financial exclusion, food insecurity, and inadequate healthcare delivery.

Access to Networks and Resources

Another important dimension of entrepreneurship education is the facilitation of access to networks and resources. Entrepreneurial programs frequently connect students with investors, mentors, industry experts, and policy-makers. These networks are crucial for turning prototypes into market-ready products. For example, many African start-ups in fintech and agri-tech have emerged directly from university-based innovation hubs and incubators, where mentorship and venture support were provided alongside technical training.

The importance of networks also extends to global competitiveness. By integrating students into international innovation ecosystems, entrepreneurship education allows for cross-border collaboration and knowledge exchange, which are vital for scaling technological ventures beyond local markets.

Adaptation to Emerging Technologies

Entrepreneurship education is not limited to the act of starting businesses; it also cultivates the ability to recognize, evaluate, and adapt to emerging technologies. Entrepreneurs trained to identify opportunities are better prepared to embrace frontier technologies such as Artificial Intelligence, Blockchain, IoT, quantum computing, and renewable energy systems. By fostering adaptability and foresight, entrepreneurship education positions individuals and societies to be shapers—rather than passive recipients—of technological revolutions.

Limitations and Contextual Considerations

Despite its transformative potential, the impact of entrepreneurship education on technological development is not automatic. Effectiveness depends on curriculum design, institutional support, and alignment with technological infrastructure and public policy. Poorly designed programs risk producing entrepreneurs with theoretical knowledge but limited capacity to drive innovation. Furthermore, without adequate infrastructure, such as reliable internet, electricity, and funding mechanisms, the translation of entrepreneurial training into technological breakthroughs may remain constrained, particularly in developing economies.

This calls for an ecosystem approach, where entrepreneurship education is experiential, interdisciplinary, and embedded within supportive innovation systems that include government policy, venture capital, and industry collaboration.

Conclusion

Entrepreneurship education remains a critical pathway for addressing the twin challenges of unemployment and underdevelopment in Nigeria and across Africa. By equipping learners with entrepreneurial skills, creativity, and problem-solving abilities, education goes beyond preparing individuals for traditional employment and instead empowers them to become job creators. This shift is especially important in a continent with a youthful population and limited formal employment opportunities.

The chapter has shown, through secondary data, that entrepreneurship education fosters innovation, resilience, and adaptability—qualities essential for thriving in dynamic economic environments. When effectively integrated into curricula and supported by appropriate policies, entrepreneurship education has the potential to stimulate small and medium-scale enterprises, expand job opportunities, and drive inclusive economic growth. In the Nigerian and wider African context, strengthening entrepreneurship education is therefore not optional but a necessity. It offers a sustainable route to reducing unemployment, diversifying economies, and enhancing competitiveness in the global market. Investing in this form of education is ultimately an investment in human capital, with far-reaching implications for social stability, poverty reduction, and long-term development.

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