SUBSCRIPTION FORM

CALEB JOURNAL OF SOCIAL AND MANAGEMENT SCIENCES

N2,000 PER PDF online copy, N4,000 Hard copy (postage inclusive)

SUBSCRIBE NOW

Name...........................................................................................................
Address........................................................................................................
Town...............................................................................................................
State..............................................................................................................
Country.........................................................................................................
Telephone.....................................................................................................
Email Address............................................................................................... 

Subscribe by email to
editor_cjsms@calebuniversity.edu.ng
cosomas.calebuniversity@gmail.com

URL: https://calebcjsms.com

Subscription Payable to
Caleb Journal of Social and Management Sciences
Caleb University, Ecobank 1993082113
Editor-in-Chief

Prof. Nosa Owens-Ibie, Dean, College of Social and Management Sciences, Caleb University & Professor of Communication, Media and Development

Associate Editors
1. Prof. Juliet W. Macharia, Communication Studies Specialist & former Dean, School of Business, Karatina University, Karatina, Kenya
2. Prof Musa Abutudu, Department of Political Science, University of Benin, Benin-City, Nigeria
3. Dr Abel Ugba, former Senior Lecturer, Journalism and Media, School of Arts and Digital Industry, University of East London, United Kingdom
4. Dr. Folajimi Festus Adegbie, Associate Professor, Accounting and Taxation, Babcock University, Ilishan-Reno, Nigeria
5. Dr Aderemi S. Opayemi, Senior Lecturer, Department of Psychology, University of Ilorin, Nigeria
6. Dr Mohammed Musa, Senior Lecturer, Department of Economics, University of Maiduguri
7. Dr Olanipekun Ojo, Senior Lecturer, Department of Business Administration, Mountain Top University, Ibafo

Book Review Editor

Dr. Olawale Adetoyi, Senior Lecturer, Department of Political Science and International Relations, Caleb University, Imota, Lagos.

Production Editor

Dr. Onyekachi E. Nnabuihe, Lecturer, Department of Criminology, Security, Peace and Conflict Studies, Caleb University, Lagos, Nigeria.

Business/Journal Manager

Bisola Joloko, Lecturer, Department of Accounting and Finance, Caleb University, Imota, Lagos.
Editorial Advisory Board

1. **Prof. Eileen Roddy**, Associate Dean International, University of Salford, Salford Business School, Professor of Strategic Management Accounting

2. **Professor Andrew Moemeka**, Emeritus Professor, Central Connecticut State University, New Britain, U.S.A, Professor of Communication

3. **Prof Olukunle Iyanda**, President/Chairman of Council, Nigerian Institute of Management, Professor of International Business Management and Marketing

4. **Prof Isaac Olawale Albert**, Institute for Peace and Strategic Studies, University of Ibadan, Professor of African History/Peace and Conflict Studies,

5. **Prof Adebayo Olukoshi**, Director, IDEP, United Nations, Dakar, Senegal, and Professor of Political Economy.

6. **Prof Assisi Asobie**, Former Chairman of Nigerian Extractive Industries Transparency Initiative, and Professor of Political Science.

7. **Prof Adigun Agbaje**, Department of Political Science, University of Ibadan and Professor of Political Science

8. **Prof Taiwo Asaolu**, Department of Management and Accounting, Faculty of Administration, Obafemi Awolowo University, Ile-Ife, Osun State, and Professor of Accounting.
Editor's Note

This is a special edition, the first such since the inception of CJSMS, which in volume and variety, incorporates a range of contributions defining the shape and dislocations of deeply ruptured financial, economic, and political and communication systems. With it, a dedicated website is being launched, just as I hand over editorship to a new anchor, to further position the journal in a bustling marketplace of ideas.

With inflation always on the agenda of an economy in a whirlpool, issues of its implications for economic growth had to be the take-off point, as individuals and households in Nigeria grapple with the logics of food security. A zone of the country offers a basis for interrogating issues around the demand for food.

Discourse around the elements of poverty and its alleviation, therefore, continues to offer fodder for attempts at prescription economics. Views on options for achieving this, reflect a mix of perspectives rooted in traditions and intellectual persuasions, but the team here explores the possibilities in the domain of trade liberalization.

That is why another exploration of interest rate liberalization within the investment environment, represents a strategic input to resolving a conundrum which appear to defy armchair permutations. This derives from the anxieties which inform monetary policy frameworks and the announcement of rates.

Even as fiscal federalism represents a clarion call by proponents of restructuring, this edition also includes a contextualized and comparative study of fiscal decentralization and its relationship with economic growth in Nigeria and Ghana. This is consistent with the need to drive solutions to national dilemmas, drawing on similar environments. The focus on the sub-region is consolidated in a holistic analysis of the effects of fragility on human development, conclusions from which provide insights for regional comparisons.

At the heart of inherent strains and stresses of financial and economic systems, evident in the foregoing, is the factor of behaviour, and how irrationalities complicate the resolution of developmental quagmires, including on the subject of endemic corruption.

The toehold of corruption and its impact on the magnitude and texture of economic dislocation, has spawned negative multipliers, with the realities of a broad range of conflicts, and pressures organisations and individuals have to grapple with. There are implications for families.
Pressures on families, including as an institution, has led to a closer scrutiny of the role of women, in the political process. Just like women are emerging as a force, religious leaders are a visible category in the terrain of influence.

In the countdown to the 2019 elections, and with fundamental issues of insecurities shaping the news and perceptions of agendas, there is a timely focus on the clamour for state police and its implication for national security.

That is why this edition concludes with a review of the new order midwifed by digital media. There are emerging practices in the Nigerian media environment, which a bird’s eye view critiques.

This is the making of a special edition, climaxing a three-year opportunity to shape a journal headed for A-listing.

Prof Nosa Owens-Ibie,
Editor-in-Chief
November 2018
# Table of Content

## Articles:

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact of Inflation on Economic Growth in Nigeria</td>
<td>8</td>
</tr>
<tr>
<td><strong>Ojomolade Dele &amp; Oni Oluwasola</strong></td>
<td></td>
</tr>
<tr>
<td>DOI:10.26772/CJSMS/2018040201</td>
<td></td>
</tr>
<tr>
<td>Microeconomic Study of Household Food Demand in South West Nigeria</td>
<td>22</td>
</tr>
<tr>
<td><strong>Egunjobi T. Adenike</strong></td>
<td></td>
</tr>
<tr>
<td>DOI:10.26772/CJSMS/2018040202</td>
<td></td>
</tr>
<tr>
<td>Trade Liberalization and Poverty Alleviation in Nigeria</td>
<td>39</td>
</tr>
<tr>
<td><strong>Onakoya Adegbemi Babatunde &amp; Johnson Babatunde Solomon</strong></td>
<td></td>
</tr>
<tr>
<td>DOI:10.26772/CJSMS/2018040203</td>
<td></td>
</tr>
<tr>
<td>Interest Rate Liberalization and Investment in Nigeria</td>
<td>56</td>
</tr>
<tr>
<td><strong>Okumoko Tubo Pearce, Akarara A. Ebierinyo &amp; Pedrick A. Eluan</strong></td>
<td></td>
</tr>
<tr>
<td>DOI:10.26772/CJSMS/2018040204</td>
<td></td>
</tr>
<tr>
<td>Fiscal Decentralization and Economic Growth in Nigeria and Ghana</td>
<td>75</td>
</tr>
<tr>
<td><strong>Andohol Jerome Terhemba &amp; Kwen Solomon Sooter</strong></td>
<td></td>
</tr>
<tr>
<td>DOI:10.26772/CJSMS/2018040205</td>
<td></td>
</tr>
<tr>
<td>Effects of Fragility on Human Development in ECOWAS</td>
<td>98</td>
</tr>
<tr>
<td><strong>Omojolaibi J. Ayoola, Ogguniyi M. Babatope &amp; Omoyeni I. Akorede</strong></td>
<td></td>
</tr>
<tr>
<td>DOI:10.26772/CJSMS/2018040206</td>
<td></td>
</tr>
<tr>
<td>Modifying Type A Behaviour Pattern With Rational Emotive and Behavioural Therapy (REBT)</td>
<td>113</td>
</tr>
<tr>
<td><strong>Agbu Jane-Frances</strong></td>
<td></td>
</tr>
<tr>
<td>DOI:10.26772/CJSMS/2018040207</td>
<td></td>
</tr>
<tr>
<td>Effect of Work-Family Conflict on Job Commitment in Commercial Banks in Nigeria</td>
<td>126</td>
</tr>
<tr>
<td><strong>Akpa Victoria Ozioma, Magaji Nanle &amp; Afolabi Omotayo</strong></td>
<td></td>
</tr>
<tr>
<td>DOI:10.26772/CJSMS/2018040208</td>
<td></td>
</tr>
<tr>
<td>Role of Women in Political Agenda Setting in Nigeria</td>
<td>135</td>
</tr>
<tr>
<td><strong>Ikechi-Ekpendu V. Chioma</strong></td>
<td></td>
</tr>
<tr>
<td>DOI:10.26772/CJSMS/2018040209</td>
<td></td>
</tr>
<tr>
<td>Religious Leaders and their Influence on Nigerian Politics</td>
<td>148</td>
</tr>
<tr>
<td><strong>Adebogun B. Olayinka, Irewunmi A. Banwo &amp; George Kayode</strong></td>
<td></td>
</tr>
<tr>
<td>DOI:10.26772/CJSMS/2018040210</td>
<td></td>
</tr>
<tr>
<td>State Police and National Security in Nigeria</td>
<td>162</td>
</tr>
<tr>
<td><strong>Osah Goodnews &amp; Inokoba Preye Kuro</strong></td>
<td></td>
</tr>
<tr>
<td>DOI:10.26772/CJSMS/2018040211</td>
<td></td>
</tr>
</tbody>
</table>

## Book Review

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Arogundade Lanre</strong></td>
<td></td>
</tr>
<tr>
<td>DOI:10.26772/CJSMS/2018040212</td>
<td></td>
</tr>
</tbody>
</table>
IMPACT OF INFLATION ON ECONOMIC GROWTH IN NIGERIA

Ojomolade Dele¹
Oni Oluwasola²

Abstract

The recent macroeconomic uncertainty that have led to unimpressive growth remained at the heart of policy dilemma in Nigeria. While, literature on inflationary pressures remain controversial as to the extent to which drop in price can trigger growth. This paper contributes to existing studies by using the time series data from 1993 to 2016 to examine impact of inflation on relative price stability and economic growth. The Kwiatkowski-Phillips-Schmidt-Shin and ADF used to test the Unit Root property of the sequence and Autoregressive Distributed Lag (ARDL) co-integration model was used to analyze the long-run relationship between money supply, inflation and economic growth (GDP). Empirical result confirmed a positive linear relationship between inflation, money supply and economic growth, both in short and long run, indicating a moderate inflation rate. The monetary authority should pursue moderate inflation rate and other factors affect Price stability and economic growth rather than inflation alone.

Keywords: Inflation, monetary policy, economic growth, purchasing power, Nigeria.

Introduction

The Central Bank of Nigeria (CBN) was established by the banking ordinance in 1958 as monetary authority to formulate and implement policy geared towards achieving and ensuring price stability, low inflation rate to achieve sustainable economic growth, as high inflation rate dislocates economy infrastructural facilities and general price instability, with attendant consequences on the citizenry (Ajide and Lawanson, 2012). Onwukwe (2003) defines inflation as “a significant and sustained rise in the general price level or a declining value of the monetary units”. Jhingan (2012) posited that a monetary

¹ Department of Accounting and Finance, Caleb University, Imota. E-mail: ojomolade4real@yahoo.com
² Department of Economics, Caleb University Lagos, Nigeria. Email: onioluwasola@yahoo.com
authority needs policies to kindle economic growth with a lower inflation rate as higher inflation rate is destructive, hurt the poor severely, hinder resource allocation, distort economic growth and exerts a heavy toll at the individual with fixed income; favours debtors as against creditors as it endanger the proper funding of a market economy, see (Frimpong and Oteng-Abayie, 2010; Ahmed and Mortaza, 2005; Omake, 2010; and Kingman, 1998), and with differential in the value of purchasing power and prices of a given country and the others, Ojomolade (2008). Friedman (1973) noted, developed and developing countries have developed with and without inflation, Wai (1959) among other researchers argued that there is no relationship between inflation and economic growth, Yap (1996), called the effect ‘menu cost’ because it affects output when there is new price adjustment. Realizing these effects, the Nigeria government adopted measures to control inflation to achieve price stability, restore the imbalance of payment to a healthy position and check devaluation in Naira. However, despite the controls of inflation by monetary authorities, the records still shown that its effect created naira devaluation, altered consumption pattern and disallowed forward contract and it rate has increased from 9.9 percent in 1980, and rose to 21.0 percent in 1981. Also, in 1988 it was 56.1 percent, and increase to 57.2% in 1992; and in 2000; it reduced to 27.2 percent and 18.9 percent in 2001 (CBN 2016), subsequently it reduces from 11.80 in 2011 to 9.55 in 2015, while the exchange rate depreciated from $1/N148.4991 in 2010 to $1/230.0041 in 2016, affecting price stability. Its effects are very disturbing on the market prices of goods and services. The developing countries like Nigeria is vulnerable to unpredictability inflation rate, disturbing the consumption, investment and production behavior (Inyiama, 2013). Many works have been carried out on this topic such as Omake (2010) :1970-2005, and Umaru and Zubairu (2012)1970-2010, and others but were not comprehensive enough on the impact of inflation on price stability and economic growth. Also, for the period under consideration only few selected mechanisms were used for analyzing, assuming that the main objective of macroeconomic policies in both developed and developing is to sustain high economic growth. The monetary policy ineffectiveness in controlling and moderating inflation has exerted in market prices distortion, forward contract implications and change in consumption patterns of the citizenry which have severe implication on the economic activities as a whole. Our study questions the implication of fluctuation and price distortion on changes in consumption pattern, as well as forward contract problems as it affects the Nigerian economic growth.
Theoretical Framework

In this study, many theories were explored to explain the effect of inflation on price stability and economic growth. These theories include: Solow and Neoclassical economists' theory and the New Growth Theory by Romer, (1986) and Structuralist theory of inflation.

Robert in 1950, in his study posits that sustained increases in capital accumulation, (investment and labour) increased the economic growth rate. The neo-classical economists accepted the Solow model, that to raise long term trend in growth rate require higher level of productivity of labour and capital. The New growth theory challenged the Neo-classical model, as Solow and Neo-classical did not explain what causes technological improvement over time. The New Growth Theory believes that the role of knowledge makes growth possible, knowledge is subject to increasing returns and is non-rivalry goods, as improvement in productivity is linked directly to the pace of innovation and extra investment in knowledge (human capital). The Structuralist inflation theory views inflation as unavoidable in developing country, resulting from ambitious development programme caused by structural imbalance in the economy, such as dislocation of infrastructural facilities.

Numerous theoretical studies investigated the association between inflation and growth; such as Clarida, Gali and Gertler (2000) and Gali and Gertler (2007) hold inflation among the models based on real business cycle theory, with it difference from the traditional Keynesian model. In this framework, inflation influences real output through the real interest rate. Meenagh (2006) and growth model for public goods by Barro (1998) did not explicitly include inflation in their framework; as it is endogenous growth model for a small open economy.

Monetary Theory of Inflation

The roles of money as the principal cause of demand-pull inflation were emphasized by economists. Inflation is always a monetary phenomenon, it can be explained by Fisher equation of quantity theory of money, MV=PY, the theory implies that the value of money in an economy is determined by the total quantity of money (M₁ and M₂) in that economy. M =Money stock supply to the economy, V is the velocity of the money in the economy. P is the price level of goods or services in the economy. Y is the level of real output in the economy. V and Y are constant while (P) the price level varies proportionately with the supply of money (M), which affects price stability. Notionally, when the money supply increases, it creates more demand for goods, but the supply of goods cannot be increased due to the full employment of resources, this lead to rise in prices.
Conversely, if money becomes scare, purchasing power rises and the general price level falls. It was the continuation and prolonged rise in money supply that leads to inflation, consequences to price stability. The velocity of money in circulation determines the prices of commodity and price stability (volume of trade).

**Modern Quantity Theory of Money**

This holds that inflation is always and everywhere a monetary phenomenon that arises from a more expansion in the quantity of money than the total output in that wise it affects price stability. It was augured that changes in the quantity of money will work through to cause changes in nominal income. Inflation everywhere based on an increased demand for goods and services as people try to spend their cash balances. Where there is monetary expansion, the nominal income of the people increase, its immediate effect will be to increase the demand for labour, labour settle for high wages leading to input cost and prices increase leading to price instability.

Among the various theories stated, this study sustained the monetary theory of inflation and quantity theory of money, that the value of money in the economy is determined by the total quantity of money (M) in economy, which opposed the structuralist theory of inflation which says, inflation resulted from ambitious development that caused dislocation in infrastructural facilities.

**Relationship between Inflation and Economic Growth**

The Phillips curve examined the relationship between the rate of unemployment and the rate of money wage changes, there is an inverse relationship between the rate of unemployment and the rate of increase in money wages. A neoclassical economist, Tobin (1965) holds the view that inflation affects the economic growth and performance. In his model “The portfolio mechanism, describes how people move money to capital assets which bear interest when inflation rises, enhancing capital formation and economic growth.

Gbosi and Omode (2004) say that in an inflationary economy, money does not serve as a medium of exchange and store of value without adverse effects on outputs; hence, inflation growth has negative impact on the economic growth.

Uylase (1990), attributes the growth in inflation to the excess demand and not supply and that monetary policy is inappropriate policy for inflation mode. Onyeali (1997) has the opposite view; increase in inflation rate does not affect economic growth, but might affect people’s real income without affecting the nominal growth rate.

**Literature Review**

In term of concept, economic growth denotes an increase in what a country produces over time. It also means an increase in real Gross Domestic Product (GDP) and this increase
in real GDP means there is an increase in the value of national output/national expenditures. It can be explained as an increase in the inflation-adjusted market value of the goods and services produced by an economy over time. Conventionally, it is measured as the percentage rate of increase in the real GDP or real GDP usually in per capita terms. However, increase in the capital stock, advanced technology, improvement in the quality of and levels of literacy are considered to be principal causes of economic growth, Chude (2015). There is an increase in aggregate demand (AD) if there is spare capacity in the economy. AD =C +I +G + (X-M)

Inflation is a social malady as well as a pervasive economic process whose effects are felt by all and sundry in all sectors of the economy, Olalere (2016). An attempt to solve inflation problems to have price stability has been so difficult, because any attempt to solving the economic problem would entail a trade-off among other competing macroeconomic and social variables such as employment, economic growth, balance of payment and social safety, Chude(2015).

The economists define inflation in term of continuous rise in prices. Johnson (1967) defines inflation as a sustained rise in price, while Shapo (1981) also defined inflation in similar vein, “as persistence and appreciable rise in the general price level.

Inflation assumed to affect individual with fixed income, favour debtors at the expense of creditors and at firm level the effect of inflation is called “Menu cost” Dmaziger (1988) Benabou and Koricezry (1994) Yab (1996), Guerreso (2004), it affects output when firms have to incur costs as they adjust to a new price level.

In discussing inflation and price stability, authors have different opinions as follows: On one hand, there is no consensus among researchers as to what relationship exists between inflation, price stability and economic growth and what mechanisms affect the economy. On the other hand, Johansen (1967), studies found a negative correlation between inflation and economic growth so also in Barrow (1995.1996), Faria and Carneiro (2001), Dewan and Husein, (2001) and while the third strand, researcher found a positive relationship between inflation, price stability and economic growth.

Inflation leads to differential between the value of purchasing power of a given country currency and another, and for inflation to be assumed in an economy, there must be changes in the aggregate prices of the basket of goods and services not changes in the individual prices of goods and services (Ojomolade, 2008) Olalere,(2016)

**Types of Inflation**

Creeping inflation: This is a gradual rise in the prices of goods and services over a period. It is useful for economic growth because it stimulates investments. Hyperinflation is a situation whereby money loses its purchasing power as a store of value as the inflation
rate is no longer being measurable and absolutely uncontrollable. Prices or Wage inflation simply means an increase in prices or wages demanded by workers or employees reflecting the increases in the general price level, Chude (2015).

**Price stability.** This is where prices are not subjected to frequent changes to achieve sustainable prices.

**Causes of Inflation.** Inflation is caused by various factors which include: excess money supply, excess demand over supply and costs pull inflation, increase in population, lack of silo to protect products. Iyoha (2004) says the large the gap between aggregate demand and aggregate supply, the more rapid the inflation. Monetary inflation is where money supply to the economy is more than what the economy is capable of absorbing.

**Empirical Review**

Fabayo and Ajilore (2006) in their paper title “inflation –How Much is too Much for Economic Growth in Nigeria” using annual data from 1970-2003, using a threshold regression model which suggested the existence of threshold inflation level of 6% in Nigeria, above this threshold, inflation retard growth performance of the economy while below it the inflation-growth relationship is significantly positive Data in Nigeria are highly volatile especially exchange rate and inflation and so on, there is need for better clarification as to when inflation retard economic growth.

Chimobi (2010) used Nigerian data on CPI and GDP for the period 1970-2005) to examine the existence or not of a relationship between inflation and economic growth and its causality test. He adopted the Johansen-Juselius co-integration technique and Engle-Granger causality test. Stationarity test was carried out using Augmented Dickey-Fuller (ADF) and Phillip-Perron test and stationary found at both 1 and 5 percent level of significance. After testing for causality at two different lag periods (lag 2 and lag 4), he found the result suggesting unidirectional causality, running from inflation to economic growth. Thus, the study maintained that the unidirectional causality found is an indication that inflation indeed impacts on economic growth. However, this study did not approximate the foyer at which the impact could be positive or negative or include economies revolving towards targeting inflation objective.

Adesoye (2012) examined the nexus between price, money and output in Nigeria using co-integration causality test between the periods of 1970-2009, using the inflationary gap model. The result revealed that inflation is caused by the amount of money supplied in Nigeria. This study explained that the amount of money supply to the economy caused inflation, however he did not give details to the level of money supply that could affect inflation positively or negatively.

Ugwanuayi (2012) examined the causal relationship between money, price and output in Nigeria from 1970-2000, using co-integration and granger causality test analysis. The
result revealed that an increase in money supply leads to an increase in both output and inflation and vice versa in Nigeria. Awe and Olalere (2012) investigated the relationship between budget deficit and inflation in Nigeria between 1980 and 2009, using a vector error correction model. The study showed that budget deficit fuels inflation through an increase in the amount of money in circulation, thereby impacted negatively on real output in Nigeria. Asogu (1991) on an extensive review of the literature on inflation in Nigeria with an empirical analysis covering the period (1960-2009); came up with the result which is in line with Bodin and Mishkin. He expresses that inflation rate is a function of money supply and its toggled values, changes in domestic credit, real output, net export and net government expenditure. He maintains that real output, especially industrial outputs, current money supply, domestic food prices and exchange rate changes were the major determinants of inflation to Nigeria. Aso (2004) carried out an empirical test on “An evaluation of the effect of inflation on the Nigeria economy covering the period (1980-2002). She used inflation rate and money supply as explanatory variables using OLS regression techniques. She concludes that inflation has significantly affected the Nigerian economy. However, the relative significance of inflation on the economy was not discuss. Our study which is built on the works of Ugwuanyi (2012) and Olalere (2012), added another variable to the existing one, the government current expenditures which always fuel inflation (resulting from the volume of money supplied into the economy).

Methodology
Data Collection
The data used for this study are secondary data collected from Central Bank of Nigeria Statistical bulletin and Nigeria Bureau of Statistics (2016). A time series data of 1993 till 2016 covering 23 years.

Model Specification
Many studies have adopted single equation model to analyse the impact of inflation on economic growth. This study epitomizes the work of Olalere (2016) and the model specifies Gross Domestic Growth Rate (GDP) as dependent variable while inflation rate (INFL), money supply (M2) and government expenditure (GEXP) as independent variables:

\[ GDP = b_0 + b_1 \text{Inf} + b_2 M_2 + b_3 Cexp + \epsilon_t \]

Where b_1, b_2, and b_3 are the parameters to be estimated in the regression equation and \( \epsilon_t \) = error term
Data Analysis and Discussion of Results

Unit Root Test

The unit roots test basically is the number of times a variable/series has to be differenced to achieve stationarity. To carry out the unit root in each of the variable used in this study, Augmented Dickey Fuller (ADF) test is used and to verify the result Kwiatkowski-Phillips-Schmidt-Shin (KPSS) test is also used. Table 1 present the results of the unit root test of ADF and KPSS.

Table 1: Unit Root Test

<table>
<thead>
<tr>
<th>Variables</th>
<th>At Level</th>
<th>First Difference</th>
<th>Integration order</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>KPSS statistics</td>
<td>5% critical Value</td>
<td>KPSS Statistics</td>
</tr>
<tr>
<td>CEXP</td>
<td>0.075069</td>
<td>0.146000</td>
<td>I(0)</td>
</tr>
<tr>
<td>GDP</td>
<td>0.177191</td>
<td>0.146000</td>
<td>I(0)</td>
</tr>
<tr>
<td>INF_RATE</td>
<td>0.409405</td>
<td>0.463000</td>
<td>I(0)</td>
</tr>
<tr>
<td>M2</td>
<td>0.194106</td>
<td>0.146000</td>
<td>I(0)</td>
</tr>
</tbody>
</table>

Augmented Dickey Fuller (ADF) Test

<table>
<thead>
<tr>
<th>Variables</th>
<th>At level</th>
<th>First Difference</th>
<th>Order of Integration</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEXP</td>
<td>1.297766</td>
<td>-2.991878</td>
<td>I(1)</td>
</tr>
<tr>
<td>GDP</td>
<td>1.068560</td>
<td>-3.612199</td>
<td>I(1)</td>
</tr>
<tr>
<td>INF_RATE</td>
<td>-1.75480</td>
<td>-2.991878</td>
<td>I(1)</td>
</tr>
<tr>
<td>M2</td>
<td>-2.90283</td>
<td>-3.644963</td>
<td>I(1)</td>
</tr>
</tbody>
</table>

Source: Author’s computation

We will reject the null hypothesis of non-stationarity if the test statistic is greater than critical value of 5% significance likewise for KPSS the null hypothesis of stationarity is invalid if test statistic is greater than the critical value at 5% level of significance All the variables differenced at integrated of order one I(1), implies there is possibility of cointegrating relationships between the variables. Using the KPSS test, CEXP and INF_RATE were stationary at levels integrated of order zero I(0) while other variables present a similar result for both KPSS and ADF. Other variables were differenced and stationary at first difference hence implies possibility of cointegration of all variables. The ADF test for null hypothesis of non-stationarity while the KPSS test for the null hypothesis of stationarity.

Table 2: ARDL Cointegration Approach

<table>
<thead>
<tr>
<th>Test Statistic</th>
<th>Value</th>
<th>K</th>
<th>Critical Value of Bounds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>F-statistic</td>
<td>5.432026</td>
<td>3</td>
<td>I0 Bound</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2.72</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3.23</td>
</tr>
</tbody>
</table>

Source: Author’s computation, E-view 9
Autoregressive Distributed Lag Co-Integration Technique

Co-integration test examines how time series may be individually non-stationary and drift extensively away from equilibrium can be paired. That is, co-integration involves a certain stationary linear combination of variables which are individually non-stationary but integrated to an order. Hence, we examine the co-integration of the variables as presented in Table 2. The result suggested that a long run relationship exist among the variables, owing to the fact that the value 5.432 of the F-statistic (test statistics) is greater than the upper bound of all the reported conventional critical values. Thus, the null hypothesis of no long run relationship is rejected and the alternative hypothesis of long run relationship between the variables is accepted.

Table 3: Short and Long Run Estimates of the Autoregressive Distributed Lag (ARDL) Model

<table>
<thead>
<tr>
<th>Short Run Estimates</th>
<th>Long Run Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent Variable LGDP</strong></td>
<td><strong>Variable</strong></td>
</tr>
<tr>
<td>LCEXP</td>
<td>-0.078647</td>
</tr>
<tr>
<td>LCEXP(-1)</td>
<td>0.205577***</td>
</tr>
<tr>
<td>LCEXP(-2)</td>
<td>0.189540***</td>
</tr>
<tr>
<td>LCEXP(-3)</td>
<td>0.093676</td>
</tr>
<tr>
<td>INF_RATE(-1)</td>
<td>0.008861***</td>
</tr>
<tr>
<td>INF_RATE(-2)</td>
<td>0.009747***</td>
</tr>
<tr>
<td>LM2</td>
<td>0.658957**</td>
</tr>
<tr>
<td>LM2(-1)</td>
<td>-1.236428**</td>
</tr>
<tr>
<td>LM2(-2)</td>
<td>0.499886</td>
</tr>
<tr>
<td>LM2(-3)</td>
<td>0.707581</td>
</tr>
</tbody>
</table>

* ** *** represent 1%, 5% and 10% respectively

Source: Author’s Computation

The short and long run estimates for the ARDL model are presented in Table 3 but only the long run estimates are interpreted thus: capital expenditure (LCEXP), inflation rate (INF_RATE) and money supply (LM2) were all significance in the long run at 1% 5% and 10% respectively. In the long run each of the variables has a direct positive relationship with varying magnitude with Gross Domestic Product (GDP). For the variable (inflation) is of interest in this study, the result indicated that any change in inflation will bring about 2% increase in GDP.
Impact of Inflation on Economic Growth in Nigeria

Figure 1: Normality test

Table 4: Breusch-Godfrey Serial Correlation LM Test:

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Value</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-statistic</td>
<td>4.937762</td>
<td>0.0460</td>
</tr>
<tr>
<td>Obs*R-squared</td>
<td>12.87436</td>
<td>0.0016</td>
</tr>
</tbody>
</table>

Table 5: Heteroskedasticity Test: Breusch-Pagan-Godfrey

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Value</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-statistic</td>
<td>1.302148</td>
<td>0.3519</td>
</tr>
<tr>
<td>Obs*R-squared</td>
<td>13.95964</td>
<td>0.3033</td>
</tr>
<tr>
<td>Scaled explained SS</td>
<td>1.841345</td>
<td>0.9996</td>
</tr>
</tbody>
</table>

From the outcome of a number of diagnostic tests of normality, serial correlation, and heteroscedasticity performed on the autoregressive distributed lag model to decide whether the model was well specified. The histogram normality reveals that the residual is normally distributed, evident from the probability value 0.88 of the Jarque-Bera statistics that is greater than 5% level of significance, to test for serial correlation the Breusch- Godfrey LM test is employed and it thus suggests that there is no serial correlation in the residual of the model. Since the null hypothesis of no serial correlation is not rejected because the probability value 0.46 of the F statistics is greater than 5% level of significance. Heteroskedasticity problem was absent since the null hypothesis of no heteroscedasticity was not rejected because the probability value was 0.35.
Lastly, we test the stability of the estimated parameters using CUSUM and CUSUM Square projected by (Pesaran and Pesaran, 1999). A decision is made regarding the stability test of the parameters by observing the positions of the plots of the CUSUM and CUSUM square statistics relative to the critical bound of 5% level of significance. If the plots fall within the critical bounds of 5% of significance, the null hypothesis is that coefficient of ARDL is stable.
Conclusion
The objective of this study is to find out the impact of inflation on price stability and Nigeria economic growth and determine the relationship between money supply and Nigeria economic growth. The methodology used is the Kwiatkowski-Phillips-Schmidt-Shin (KPSS) and Autoregressive Distributed Lag Co-integration Technique to examine unit root property of the variable and long run relationship between the variables and Nigeria economic growth, while the scope of the study is 23 years and the variables used were collected from CBN Statistics.

The result indicates the long run relationship between the variables and economic growth (GDP). Any increase in inflation result in a 2% increase in economic growth, while any increase in money supply resulted in 65.5% in Nigeria economic growth. This result aligned with the work of Agwuanyi (2012) and Asogu (1991) that increase in money supply leads to increase output and also inflation is a function of money supply and change the domestic credit and real output.

Recommendation
Inflation improves economic growth by enhancing agricultural production which can be produced on short term basis and which has been Nigeria economic main stay in the early 70’s before the discovery of crude oil that earn Nigeria huge foreign exchange, leading to the abandonment of agriculture, creating capital flight and poverty in the mix of plenty. The Government should encourage and implement dynamic monetary policy that improves exports incomes, relative price stability, increase in the economic growth and discourage importations.

References


MICROECONOMIC STUDY OF HOUSEHOLD FOOD DEMAND IN SOUTH WEST NIGERIA

Egunjobi T. Adenike

Abstract

Food especially balanced diet is an important source of sustenance coupled with a healthy and productive labour force needed to promote Economic Development. The objective of the study is to determine food expenditure behaviour of households in South – West, Nigeria by analysing the behaviour and effect of the demand for food on five major food groups. A two stage Linear Approximate Almost Ideal Demand Systems (LA AIDS) was applied on a cross section data collected by the Nigerian Bureau of Statistics. The results showed that price and income significantly affect the demand for food. Most of the food groups are complementary foods except for carbohydrates and protein. Also, most households do not eat balanced diet and are more deficient in fruit consumption. Ensuring food security, increased literacy, market, oriented pricing and increased income is among the recommendations made.

Keywords: Microeconomics, Household, Expenditure, Linear, Approximate, Almost, Ideal, Demand, Systems

Introduction

Food is important to life, since it is perhaps the most important sustenance of life and also the major source of nutrients needed for human existence (Ogunniyi, Ajiboye and Sanusi, 2012) as such it is a basic item of household expenditure. Begum, et al (2010) discovered that in poor countries kitchen expenditure is a major portion of available income whereas, in rich countries people spend more money on services and non-food items. In compliance with the adage that “a healthy nation is a wealthy nation” thus, a nation set to achieving growth and development must be composed of a healthy and productive labour force.

Consumers spend their income and this is reflected in what the households buy and consume. Price and income are very great determinants of these. Microeconomics uphold

1Department of Economics, Faculty of Social Sciences, University of Lagos. Email: adenikejesus@gmail.com
that rich households will feed well and healthy because of their ability to effectively command quality goods (food) than poorer households. In 1983, the Food and Agricultural Organisation (FAO) defined the goal for world food security as "to ensure that all people at all times have both physical and economic access to the basic food they need". Unfortunately, food insecurity is now a global problem especially among developing nations and where there are availability issues there is a great deal of deprivation and ignorance about a balanced diet. Normally this leads to various health problems, which ultimately affects the economic growth and prosperity of a country (Falusi, 1985) and this is caused inter alia by lack of purchasing power (FAO, 1992).

However, recent research and development in the field of health care has increased awareness among people about healthy and balanced food intake. The rapidly expanding human population with consistent increase in demand for food commodities plays an important role to influence food consumption pattern, especially in the least developed countries. Again, analysis of FAOSTAT data showed that dietary energy measured in kcals per capita per day has been steadily increasing on a worldwide basis. This change has not, however, been equal across regions. It has remained almost stagnant in sub-Saharan Africa and has recently fallen in the countries in economic transition. However, the extent and depth of food insecurity in the developing world remains a very big challenge. According to the FAO (2008), of the 800 million people living in developing countries, one sixth of them do not feed sufficiently both in terms of quality and quantity required for a healthy and productive life. This is buttressed by Honfoga and Boom (2003) who opined that food and nutrition security are Africa’s most fundamental challenges and the number of Africans who are undernourished had been on the rise and now stands at about 200 million people.

Iyangbe and Orewa (2009) opined that in most developing countries (Nigeria inclusive) food is not sufficiently accessible to a very large segment of the population; the types of food consumed are nutritionally inadvisable and the quality of food is poor. In support, the analysis of the Consumption pattern in Nigeria report (2007 & 2009), showed that about three – quarters (64.3%) and 64. 68% of Nigerian households spend their incomes for the provision of food for their family in 2007 & 2009 respectively. Also, in 2011, 54.4% of Nigerians were adjudged to live below $1 per day, this is not surprising as 8.5% of the population feed below the minimum level of dietary energy consumption, and the life expectancy rate is 52.46 years. Also, about 70% of Nigerians fall below poverty line, no wonder, given the rate of unemployment of about 23.9% and an inflation rate of 12.2%
reflected in high food prices this has constrained many to consume less food than they need for healthy growth and proper functioning of their bodies (Olorunfemi, 2011). Malnutrition in Nigeria has been linked to food shortages, both in terms of quantity available and access to the type (quantity) of food to provide balanced diets (Durojaiye and Olubanjo, 1987 and Durojaiye, 2001).

Also, increasing urbanization will also have consequences for the dietary patterns and lifestyles of individuals, not all of which are positive (Godley, 2008). Changes in diets, patterns of work and leisure often referred to as the “nutrition transition” are already contributing to the causal factors underlying non-communicable diseases even in the poorest countries. Associated with this are the numerous diseases and ailments which spread rapidly because of the low level of immunity due to poor diet, high consumption of fatty foods, added sugar foods and reduced fruit and vegetable intakes (Drewnowski and Popkin (1997).

Also, recent increases in world commodity prices have been large and have resulted in a food crisis situation. Coupled with the rise in food inflation from 1.00% in 1999 to as high as 28% in 2008. Consequently, the attendant problems are that of high poverty, as a result of high unemployment, low income, the effect of inflation on food, health challenges, low immunity and life expectancy, nutritional deficiency and low productivity on the demand side, there are food availability issues on the supply side. As a result, food is imported into the country and huge debts are incurred. This has a negative impact on terms of trade, balance of payment and economic growth and development.

This study is significant because developing countries like Nigeria, are engaged in the construction of development programmes/ plans especially on the structure of consumption expenditure which is very germane when making policies that will enhance welfare, increase standard of living and productivity, regulate the tax structure and so on. This necessitates a continuous study of food demand, however, many of such studies had been limited to indiscriminate selection of foods or food groups but this study aims at analysing food demand based on the components of a balanced diet: protein, carbohydrates and fats and oil (Adeyeye, 1992) and goes further to add fruits and vegetables which are required in modern times for longevity and productive life. Furthermore, most studies employing LA AIDS method had mostly use the Laspeyre price index, only very few had made use of the stone price index used in this study.

Again, economic development is normally accompanied by improvements evident in the gradual elimination of dietary deficiency, leading to improvement in the overall nutritional status, productivity, health, intelligence and prosperity of the country’s
population. Thus, this paper will capture the structure of food demand and the nutritional status of households. Furthermore, it will also determine the interrelationships and effect of changes among the food groups towards having a comprehensive food policy and making policies geared towards greater welfare packages and standard of living of the population. This will be done by estimating price, own price, cross price and expenditure elasticities of five major food groups; carbohydrates, protein, fruits, vegetables and fats and oil on household’s expenditure in South – West, Nigeria. The question raised in this paper is Do price, own price, cross price and expenditure elasticities of carbohydrates, protein, fruits, vegetables and fats and oil have significant impact on the consumption behaviour of households in South – West, Nigeria?

The rest of this paper is presented in four sections, section two focuses on a review of previous studies, while section three presents theoretical underpinnings as well as the research methodology. Analysis of empirical results and recommendations will occupy sections four and five respectively

**Literature Review**

In order to analyse household food consumption in Turkey, using data from the 2003 Turkish Household expenditure survey on selected 11 food groups, Akbay et al (2007) employed the use of the Linearized Almost Idea Demand System. The findings revealed that the highest expenditure elasticity is found in meat and meat products group and demand is more elastic price responsive for fats and oil and non- alcoholic beverages than all other food products. Finally, the results suggest that regional and seasonal differences are as important as the conventional economic variables in explaining observed differences in the household’s food consumption patterns in Turkey.

Making use of the Almost Ideal Demand System via a multistage random technique to study and gather information on the different classes of food and the consumption patterns of households in Ogmasha metropolis of Oyo state, Ogunniyi et al (2012) discovered that the demand for root and tubers and vegetables were elastic than demands for the other classes of food; legume, cereal, fruit and animal protein. Legume has the most inelastic own- price elasticity. Also, the food items are expenditure inelastic with root and tubers and fruits having the highest. This implies that despite being staple foods, the consumption of each of these will decline as per capita income increases, this finding is counter intuitive. The highest expenditure elasticity is found for fruits, suggesting that its demand will grow faster than the demand for the other products as the economy develops and income increases. The cross-price elasticities results showed that majority of the estimated values had negative sign implying a complementary relationship while
the rest of the estimated values had positive sign which implies substitution effect. This supports the earlier findings from Oyekale (2000) and Awoyemi et al., (2006).

The major objective of the study carried out by Menezes, et al (2008) was to estimate demand elasticities for a basket of staple food, important for providing the calorie needs of the Brazilian households. A two-stage demand system was constructed based on data from Household Expenditure Surveys in 1987/88 and 1995/96. Panel data was used to estimate the model, calculating own price and cross price elasticities for eight groups of goods and services for the first stage. In the second stage, eleven sub groups of staple food products was used.

Making use of aggregate quarterly time series data from 1975 – 1987 on government procurement prices and open (black) market prices, Soe et al (1994) estimated an Almost Ideal Demand System (AIDS) and double log models for consumption of foodstuffs in Myanmar. Consumption of food items was assumed to depend on three factors; prices, income and seasonal influences. The estimates for income elasticity of demand, own price elasticity of demand and cross price elasticity of demand were consistent with generally accepted economic theory for a very low-income country. The findings also revealed that estimated income elasticity of demand for non-meat foodstuff was high, especially for low quality rice, which has been shown to be an inferior good in Asian countries. Contrary to expectation the income elasticities for all food items are low. Own price elasticities for most foodstuffs were less than one. Income elasticity is higher for the poorest households in the case of rice and beans, the most consumed staple food in Brazil. The estimated cross – price elasticities indicated the complementary nature of the basic food items to rice. The model followed those used by Capentier and Guymomard (2001), Deaton and Muellabauer (1980) and Gorman (1959).

The research carried out by Park et al (1996), using the 1987- 88 Nationwide Food Consumption Survey, analyzed twelve food commodity groups according to household poverty status. Thus, the sample was classified into two; Poverty status group and non-poverty status group. Parameter estimates were used to obtain subsistence expenditures, own price elasticities, expenditure elasticities and income elasticities. The Linear Expenditure System (LES) was chosen because of its incorporation of subsistence consumption and because the system also works well for broad consumption groups. A sample size of 3,869 households was used. The analysis employed a generalization of the Heckman procedure using a two-stage estimation procedure and Probit regression was used to determine whether a household would purchase the good in question, after which the Inverse Mills Ratio was computed. According to them income elasticities and not expenditure elasticities are the heart of policy decisions though they cannot be easily
obtained from the Linear Expenditure System. They can be retrieved through the use of an auxiliary linear regression of total expenditure on income. Own price elasticities were found to be similar between income groups for most commodities, however income elasticities were consistently higher for the lower income group.

Using two survey periods; 1999/2000 and 2004/2005 of data collated from Egyptian’s household income, expenditure and consumption survey. Fabiosa and Soliman (2008) tried to quantify the impact of changes in income on household expenditure behaviour and to investigate how expenditure responsiveness changes with income. Making use of the Almost Ideal Demand System (AIDS), they discovered that rural households have a higher expenditure share for food categories but a lower share for non-food categories compared to urban households. The expenditure share did not change so much between the two survey periods, with only a slight decline in the share of cereals-bread and the non-food category and an increase in the meat-fish-dairy category. Moreover, all the estimates had a good fit, and the total expenditure explanatory variable was significant in all equations. In general, households with lower incomes were more responsive to changes in income for food categories, and less responsive for non-food categories. They concluded that consumption expenditure pattern has an alleviating effect on the impact of a food crisis.

A departure from the norm is the study carried out by Olorunfemi (2011) where he made use of a Working Leser demand function in analyzing household food consumption in South-West Nigeria, making use of 300 households. The Heckman two –step sample selection model was employed and this also handled zero consumption problem. The states under study were Lagos, Ogun, Oyo, Osun, Ondo and Ekiti. The findings revealed that Ekiti state had the highest household daily per capita calorie intake and protein intake of 2,676kcal and 70.44g respectively, followed by Ondo state (2,312kcal and 63.53g) and Osun state (2,125.15kcal and 57.4g). Results from the Working Leser model showed that all the food commodities were normal goods while only Garri and rice were elastic with regard to own – price elasticity. Also, the total percentage of household income spent on carbohydrate food is highest for all states, while the consumption of protein – rich food was very low among the households in all the states. This could be attributed to lack of nutrition- education, to changes in consumption behavior and low income. For the states when added up, the average calorie and protein intake per capita is only at the threshold of adequacy. Though if considered separately they are inadequate. He concluded that food security is a serious problem among households in south west Nigeria.

Low income urban household average monthly expenditure of N14,401.51 and N8,146.97 for rural households, was higher than their average monthly income of
N12,243 and N7, 541.73 respectively as discovered by Iyanbge and Orewa (2009). This suggests that Nigerians within this income bracket are net consumers. Also, food was found to be the single major item in the consumption – expenditure basket. While roots and tubers classified as carbohydrates accounted for over 61% of total food consumed, the rural households had higher calorie intake 2,322kcal as against 2,201kcal for low income urban dwellers. In terms of protein in-take the reverse is the case, they attributed this discovery to the higher level of education and income of the low-income urban households. They further compared the result with the FAO recommended minimum daily calorie-protein intake and found it grossly inadequate.

Theoretical Framework and Methodology

Theory of Demand

Demand is defined as the quantities of goods and services people are willing and able to buy at alternative prices in a given time period, place and time. (Schiller, 1997). However, effective demand is of great importance in economics, this means demand backed with the ability to pay for the goods demanded for. Purchases are made in most cases for immediate consumption and consumers are expected to restock their shelves or freezers when prices are particularly attractive or otherwise when prices are high. When we are interested in the demand for an individual commodity, the most appropriate measure of consumption would be the quantity of the commodity being used. However, when aggregates of individual commodities are being dealt with, it will be difficult to aggregate different commodities if they are expressed in physical units. In such a case, we have to convert the quantities to comparable units. In this situation, it becomes convenient to measure demand in terms of expenditure or nutritive values. In this study, demand is measured in terms of expenditure.

In microeconomics theory, consumer’s demand can be estimated using two approaches which are; primal solution (or utility maximization) and dual solution (or expenditure minimization) (Bhadrakom, 2008)

Primal Approach

In estimating demand via this approach, individuals are assumed to behave as if they maximized utility, subject to a budget constraint.

Thus,

Maximize Utility = \( U (X_1, X_2, \ldots, X_n) \) \hspace{1cm} (1)

Subject to the budget constraint:

\[ I = P_1 X_1 + P_2 X_2 + \ldots + P_n X_n \] \hspace{1cm} (2)
After using Lagrangian approach, it will usually be possible to solve the necessary conditions of a utility maximum for the optimal levels of \(X_1, X_2, \ldots, X_n\) (and \("\lambda"\, the Lagrangian multiplier) is used as a function of all prices and income. Mathematically, it can be expressed as \(n\) demand functions of the form:

\[
X_1^* = X_1(P_1, P_2, \ldots, P_n, I) \\
X_2^* = X_2(P_1, P_2, \ldots, P_n, I) \\
X_n^* = X_n(P_1, P_2, \ldots, P_n, I)
\]  

(3)

The demand functions which come from utility maximization approach are referred to as the uncompensated demand function or the Marshallian demand function. Then, the optimal values of the \(X\)'s from (eqn 3) are substituted in the original utility function to yield:

\[
\text{Maximize Utility} = U(X_1^*, X_2^*, \ldots, X_n^*) = V(P_1, P_2, \ldots, P_n, I)
\]  

(4)  

(5)

However, because of the individual’s desire to maximize utility, given a budget constraint, the optimal level of utility obtainable will depend indirectly on the prices of the goods and on the individual’s income. This dependence is reflected by the indirect utility function \(V\). If either prices or income were to change, the level of utility that can be attained would also be affected.

The relationship between indirect utility function and the change in commodities prices which can be estimated by the envelop theorem called Roy’s identity is specified as:

\[
-\frac{\partial V}{\partial P_1} = X_1 = dx (P_1, P_2, \ldots, P_n, I)
\]  

\[
\frac{\partial V}{\partial I}
\]  

(6)

So, the demand functions can be derived from the ratio of partial derivative of indirect utility function with respect to price and income.

**Dual Approach**

Many constrained maximum problems have associated “dual” constrained minimum problems.

For the case of utility maximization, the associated dual minimization problem concerns allocating income in such a way as to achieve a given utility level with the minimal expenditure. This problem is clearly analogous to the primary utility maximization problem, but the goals and constraints of the problems have been reversed.

Total expenditures \(E = P_1 X_1 + P_2 X_2 + \ldots + P_n X_n\)

Is subject to utility constraint:
After using Lagrangian approach, the demand functions can be thus derived. The optimal amounts of $X_1, X_2, \ldots, X_n$ chosen in this problem will depend on the prices of the various goods and the required utility level.

$$X_1^* = X_1( P_1, P_2, \ldots, P_n, \bar{U})$$
$$X_2^* = X_2( P_1, P_2, \ldots, P_n, \bar{U})$$
$$X_n^* = X_n( P_1, P_2, \ldots, P_n, \bar{U})$$

This function is called compensated demand function or Hicksian demand function. The individual’s expenditure function shows the minimal expenditures necessary to achieve a given utility level for a particular set of prices. That is

$$E = E( P_1, P_2, \ldots, P_n, \bar{U})$$

The expenditure function and the direct utility function thus derived are inverse function of one another. Both depend on market prices but involve different constraint (income or utility). The relationship between indirect expenditure function and change in price of goods which can be estimated by the envelop theorem is called Shephard’s lemma.

$$\frac{\partial E}{\partial P} = X_1 = hx( P_1, P_2, \ldots, P_n, \bar{U})$$

So, the compensated demand function from the partial derivative of indirect expenditure function with respect to price is derived.

**Model Specification**

The model is specified based on demand theory wherein utility is maximised subject to a given level of income/expenditure.

Maximising $U = u( X_1, X_2, X_3, X_4, X_5)$

S.t. $I = X_1 P_1 + X_2 P_2 + X_3 P_3 + X_4 P_4 + X_5 P_5$  \hspace{1cm} (12)

Where $U =$ utility

$I =$ Budget constraint

$X_1 - X_5 =$ quantities purchased of each food group

$P_1 - P_5 =$ Prices of each food group

Making use of the complete demand systems model which is more advanced, specifically the LA AIDS technique as proposed by Deaton and Muellbauer (1980) with many desirable properties has enumerated by Majumder (1986), Oguniyi et al. (2012), Soe et al.(1994) and Dong et al.(2004). The LA AIDS involves expressing budget share of a given group as a function of total expenditure and prices in order to estimate price and
Microeconomic Study of Household Food Demand in South West Nigeria

Expenditure elasticities. The model is specified as

\[ w_i = \alpha_i + \sum_{j=1}^{n} \gamma_{ij} \ln p_j + \beta_i \ln \left( \frac{E}{P^*} \right) + e_i \]  

(13)

\( w_i \) is the budget (expenditure) share of the \( i^{th} \) good, i.e. the expenditure share of each food group (Carbohydrates, Protein, Fats and oil, Vegetables and Fruits).

\( n \) represents the number of food items.

\( \alpha_i \) is the constant coefficient in the \( i^{th} \) share equation

\( \gamma_{ij} \) is the slope coefficient associated with \( j^{th} \) good in the \( i^{th} \) share equation

\( p_j \) is the price/unit of \( j^{th} \) good,

\( P^* \) is the stone price index,

\( E \) = total expenditure of food items in the system (Carbohydrates, Protein, Fats and oil,

Vegetables and Fruits)

\( \ln (E/P^*) \) is the logarithm of total expenditure on food deflated by the stone price index.

To ensure consistency with the demand theory, the theoretical classical restrictions of adding up, homogeneity as well as symmetry are imposed on the system.

For adding-up:

\[ \sum_i \alpha_i = 1, \sum_i y_{ij} = 0, \sum_i \beta_i = 0 \]  

(14)

For homogeneity:

\[ \sum_j y_{ij} = 0 \]  

(14)

For symmetry:

\[ y_{ij} = y_{ji} \]

Thereafter, the expenditure elasticities (Marshallian) in our LA-AIDS model can be derived as:

\[ e_i = \frac{\beta_i}{w_i} + 1 \]  

(15)

and the uncompensated (Marshallian) price elasticities will be computed as:

\[ e_{ij}^m = \frac{y_{ij}}{w_{ij}} - \frac{\hat{R}_i}{w_i} w_j - \delta_{ij} \]  

(16)

Where:

\( w_j \) is budget share of good \( j \)

\( \delta_{ij} \) is the Kronecker delta, \( \delta_{ij} = 1 \) for \( i \); \( \delta_{ij} = 0 \) for \( i \neq j \)

\( e_{ij} \) Represents marshallian elasticity

\( e_i \) is the expenditure elasticity for good \( i \)

The Apriori expectations are that \( e_{ij} \) will be \( -ve \) that is \( <0 \)

\( e_i > 0 \) for normal foods and \( <0 \) for inferior foods and \( =0 \) if no relationship exists

\( e_{ij}^m < 1 \) is inelastic food, \( >1 \) is elastic food, \( >0 \), food items are substitutes and \( <0 \) food items are complements.
Data Issues and Sampling Techniques
The study area referred to as South – West states comprises of five states; Lagos, Oyo, Osun, Ondo, Ogun and Ekiti states of Nigeria. The data is based on the Harmonized National Living Standard Survey (HNLSS) and the World Bank’s Core Welfare Indicator Questionnaire (CWIQ) gathered by the National Bureau of Statistics (NBS, 2012). The population of the study is all the households in South – West, Nigeria with a sample size of a total of 6,900 households based on 50 households each, selected randomly from all the 138 local government areas of the study area. In all 6,073 households representing the sample size were analysed (because of omitted entries by households who did not consume at least one of the selected items). Regression analysis was carried out on five major food groups which is fairly large since according to Olayemi (1996) the number of food groups included should not be too large as to make interpretation of results too difficult. The five food groups chosen were based on the three major components of the balanced diet (Takiguch, 2011); carbohydrates, protein, fats and oil and then fruits and vegetables which are considered to be very essential to healthy living and longevity was added.

Interpretation of Results
The impact of Price on the Food Groups
The result showed in table 1 revealed that price had significant influence on all the food groups at various significant levels and also conforms to the law of demand, that the higher the price of any of the food group, the lower the quantity that will be demanded and vice versa, all the coefficients carry the expected negative sign according to apriori expectations, displaying the negative relationship between price and quantity demanded. The impact of the price of protein on the demand for fats and oil is significance at 10% level, while the impact of the price of fats and oil on the demand for proteins is significant at 5% level. The impact of price on the other food groups are significant at 1% level. The results further show that a 1% change in price of carbohydrates will lead to 0.12% increase in the quantity demanded of carbohydrates, 0.03% decrease in the quantity demanded of proteins and fats and oil, 0.04% and 0.01% decrease in the quantity demanded of vegetables and fruits respectively. Furthermore, a 1% change in the price of proteins will bring about 0.03%, 0.01%, 0.04% and 0.01% decrease in the quantity demanded of carbohydrates, fats and oil, vegetables and fruits. Again, a 1% change in the price of fats and oil will bring about 0.03%, 0.01, 0.02 and 0.02 decrease in the quantity demanded of carbohydrates, proteins, vegetables and fruits. Also, a 1% change in the price of vegetables will lead to a 0.04%, 0.03%, 0.02% and 0.01% decrease in the quantity
demanded of carbohydrates, proteins, fats and oil and fruits respectively.
This implies that households prefer essentially carbohydrates, than the other food groups. Thus, producers will be able to increase total revenue and subsequently production by increasing prices of fruits with the least impact by price than that of carbohydrates.
Again, the coefficient of determination results showed that approximately about 60%, 80%, 54% and 34% variations in food demand are explained by carbohydrates, proteins, fats and oil, vegetables and fruits respectively.

Table 1: The Impact of Price on the Food Groups

<table>
<thead>
<tr>
<th>Variables</th>
<th>Carbohydrates</th>
<th>Proteins</th>
<th>Fats/Oils</th>
<th>Vegetables</th>
<th>Fruits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price coefficients</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>-0.3686***</td>
<td>0.2415***</td>
<td>0.3190***</td>
<td>0.3012***</td>
<td>0.5070</td>
</tr>
<tr>
<td>lnP1 (Carb)</td>
<td>0.1228***</td>
<td>-0.0332***</td>
<td>-0.0322***</td>
<td>-0.0469***</td>
<td>-0.0105</td>
</tr>
<tr>
<td>lnP2 (Protein)</td>
<td>-0.0332***</td>
<td>0.1011***</td>
<td>-0.0141*</td>
<td>-0.0356***</td>
<td>-0.0182</td>
</tr>
<tr>
<td>lnP3 (Fats/Oils)</td>
<td>-0.0322***</td>
<td>-0.0141**</td>
<td>0.0869***</td>
<td>-0.0222***</td>
<td>-0.0184</td>
</tr>
<tr>
<td>lnP4 (Vegetables)</td>
<td>-0.0469***</td>
<td>-0.0356***</td>
<td>-0.0222***</td>
<td>0.1213***</td>
<td>-0.0166</td>
</tr>
<tr>
<td>lnP5 (Fruits)</td>
<td>-0.0105</td>
<td>-0.0182</td>
<td>-0.0184</td>
<td>-0.0166</td>
<td>0.0636</td>
</tr>
<tr>
<td>lnM/P</td>
<td>0.0974***</td>
<td>-0.0092***</td>
<td>-0.0264***</td>
<td>-0.0195***</td>
<td>-0.0424</td>
</tr>
<tr>
<td>R²</td>
<td>0.956</td>
<td>0.800</td>
<td>0.543</td>
<td>0.342</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Computation
Notes: *, **, *** are significant at 10%, 5% and 1% levels respectively. *-values are in brackets

Expenditure Elasticity for Food Groups
Expenditure elasticity estimates for all the food groups are positive, indicating that all the food groups are normal goods. (see table 2). This implies that households will eat more nutritious food (proteins and vegetables) and consequently eat balanced diet with improved and higher income. The elasticities coefficients calculated were; 0.1862 for fruits, 0.9687 for proteins, 0.7897 for fats and oil, 0.9029 for vegetables and 1.2967 for carbohydrates. The result revealed that the demand for carbohydrates is fairly income elastic while the demand for the other food groups is fairly income inelastic. That is the effect of income changes is felt more on carbohydrates than on other food groups.
The result shows that for Protein, Fats and oil and fruits, a 1% increase in income will result in a less than proportionate increase in the quantity demanded by consumers in South – West, Nigeria (that is by 0.687, 0.7897 and 0.1862 respectively). For
carbohydrates a 1% increase in income will lead to a 12.97% increase in demand, which is a more than proportionate increase. Thus, as income increases households will spend more of the increased income on carbohydrates than the other food groups. This is evidence of the high level of poverty and low-income structure.

**Own Price and Cross Price Elasticities for Food Groups**

The uncompensated elasticity also referred to as the Marshallian elasticity contains both the income and price effects (Taljaard *et al.* 2003). As shown in table 2, the uncompensated own-price elasticities were relatively inelastic since the own-price elasticities are less than 1 in absolute terms and all carry negative signs as expected a priori. The result means that the demand for each of the food groups (protein, vegetables, carbohydrates, fruits and fats and oil) will not significantly decrease with price increase. Carbohydrates had the highest sensitivity to its own price with a value of -0.7236, this suggests that a 1 percent increase in price of carbohydrates would decrease the demand for carbohydrates by 0.7236%, followed by proteins by 0.6468%, then vegetables by 0.3752%, fats and oil by 0.2808% and fruits by 0.2638%. The means that the demand for these food items (proteins, fats and oil, vegetables and fruits) will decrease with price increases but not as much as the increase in price. This depicts the importance of these food groups in the diet of households in the study area since all the food groups are fairly own price insensitive. The greatest insensitivity is seen in fruits and producers will be able to increase total revenue simply by increasing prices of fruits more than that of carbohydrates with the least insensitivity.

The uncompensated cross-price elasticities (table 2) are mostly negative with just a positive sign. This suggests that there is the prevalence of complementary than substitution relationships between all the food items. This also suggests how the consumers react to price changes of one food item with respect to quantity demanded of other food items. The extent of complementary relationship is highest between fats and oil and fruits and between vegetables and carbohydrates. This suggests that people have the tendency to increase the consumption of fruits when the level of their intake of fats and oil is high, maybe to counter the negative nutritional impact of fats, moreover, as more carbohydrates are demanded, more vegetables will be demanded for. This is logical as most carbohydrates if not all must be eaten with soup, in this case vegetables when South –West households are been considered. Furthermore, substitutability is showed only between carbohydrates and fruits that is as more carbohydrates are consumed lesser fruit will be consumed. Though this is counter intuitive, it could be as a result of poverty and low income.
Table 2: LA/AIDS Cross-price, Own-price and Expenditure Elasticities Results for Food Groups

<table>
<thead>
<tr>
<th>Food Type</th>
<th>Own-Price Elasticity</th>
<th>Expenditure Elasticity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbohydrates</td>
<td>-0.7236</td>
<td>1.2967</td>
</tr>
<tr>
<td>Proteins</td>
<td>-0.6468</td>
<td>0.9687</td>
</tr>
<tr>
<td>Fats/Oils</td>
<td>-0.2808</td>
<td>0.7897</td>
</tr>
<tr>
<td>Vegetables</td>
<td>-0.3752</td>
<td>0.9029</td>
</tr>
<tr>
<td>Fruits</td>
<td>-0.2735</td>
<td>0.1862</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>w.r.t</th>
<th>Carbohydrates</th>
<th>Proteins</th>
<th>Fats/Oils</th>
<th>Vegetables</th>
<th>Fruits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proteins</td>
<td>-0.1883</td>
<td>-0.6468</td>
<td>-0.0508</td>
<td>-0.1491</td>
<td>-0.1094</td>
</tr>
<tr>
<td>Fats/Oils</td>
<td>-0.1352</td>
<td>-0.0441</td>
<td>-0.2808</td>
<td>-0.0988</td>
<td>-0.2504</td>
</tr>
<tr>
<td>Vegetables</td>
<td>-0.2021</td>
<td>-0.1148</td>
<td>-0.1351</td>
<td>-0.3752</td>
<td>-0.1558</td>
</tr>
<tr>
<td>Fruits</td>
<td>-0.0475</td>
<td>-0.0602</td>
<td>-0.1355</td>
<td>-0.0779</td>
<td>0.2638</td>
</tr>
<tr>
<td>Carbohydrates</td>
<td>-0.7236</td>
<td>-0.1028</td>
<td>-0.1875</td>
<td>-0.2020</td>
<td>0.0656</td>
</tr>
</tbody>
</table>

In summary, the result from the study revealed that price had significant influence on household food expenditure among South – West, Nigeria mostly at one percent significance level.

The present study showed that expenditure, own-price and cross-price elasticities for aggregate food items displayed the correct signs and can influence food demand. Generally, aggregate food demand in the study area is inelastic. Aggregate expenditure elasticities also revealed that all the food groups are normal goods with carbohydrates being a luxury good, this is not surprising as diets of households in South – West, Nigeria usually contain more of carbohydrates. Other food groups are necessities.

Furthermore, the uncompensated own price elasticities indicated that all of the food group commodities are price inelastic in absolute terms with values less than one, as such households are fairly insensitive to changes in their own prices. This accounts for the continuous increases in price of food items by producers. The results indicate that the selected foods are indeed necessary and essential to diet of households. As expected, the cross elasticities indicated that the food groups were almost all complements except for carbohydrates and fruits which are substitutes. In conclusion, price and income
significantly influence food demand although, most households in South West, Nigeria do not eat balanced diet and are more deficient in the consumption of fruits.

Policy implications

The consumption of fruits needs to be encouraged, the easiest way to do this is to ensure its availability, while also ensuring that fresh fruits are available at low prices. The tendency is that in a country with high poverty level and low literacy, households are bound to be interested in making their stomach filled rather that ensuring they eat a balanced diet. Fortunately, the country is blessed with fertile soil where fruits can be easily planted and harvested. Thus, policies that will allow farmers to assess lands which can be used for this is required. Also, efforts should be made to keep the fruits as fresh as possible by the time they get to the market or else households would rather prefer the packaged and processed fruit drinks especially in the urban centres. Another alternative is for government to pass legislation requiring every compound to plant at least a fruit tree in their compound, this will help the consumption of fresh fruits and vegetables. The study discovered that price significantly influenced all the food groups, the implication of these is that reduced prices will encourage consumption, induce production, then increase revenue for the producers and tax revenue of government. This will translate into an overall development of the economy.

All the food items and groups turned out to be normal goods, the implication of this is that as income increases, households will increase consumption and eat more balanced and nutritional diet (especially proteins and vegetables). As such government should increase real income and not nominal income, so as to be able to achieve this, more-so as increases in nominal income are bound to be accompanied with inflation which eats up the purported increase.

The results showed that the food groups are complements of each other. That is, they are consumed together, which is to be expected as they are all required to make a meal balanced. This implies that carbohydrates, proteins, fats and oil, vegetables and fruits are to be in every meal, however, fruits and carbohydrates are substitutes of each other, and the implication is that households will prefer to do away with the consumption of fruits simply to have more carbohydrates, an indication of poverty and low income. Efforts should be geared towards reducing poverty levels in order to allow consumption of all the food groups which are complements and to reduce the need to substitute carbohydrates for fruits. Also, policies aimed at subsiding food and the creation of employment opportunities would go a long way in reducing poverty level and ensuring food security.
Carbohydrates had the highest sensitivity to its own price and fruits have the lowest price sensitivity, thus, producers will be able to increase total revenue simply by increasing prices of fruits more than that of carbohydrates. The highest level of complementarity was found between carbohydrates and vegetables this means that as more carbohydrates are demanded more vegetables will also be demanded thus efforts to increase the production of carbohydrates must be accomplished by increased production of vegetables as well.

References


TRADE LIBERALIZATION AND POVERTY ALLEVIATION IN NIGERIA

Onakoya, Adegbemi Babatunde¹

Johnson, Babatunde Solomon²

Abstract

The study investigated possible nexus between trade liberalization and poverty alleviation in Nigeria, covering the period 1986 to 2014. The Vector Error Correction model revealed that at 5% level of significance, poverty alleviation was not significantly determined by trade liberation in Nigeria in the short-run. The long run Johansen Co-integration test established the negative impact of trade openness on poverty levels. Also, diminished foreign exchange rate and increased inflation rate deleteriously increase poverty levels. The foreign direct investment however positively and significantly impacted the level of poverty. The post-estimation diagnostic tests deployed in the study confirmed the robustness of model. The study enjoined the government to deploy fiscal, monetary and trade policies for promoting domestic capital accumulation, protecting infant industries and engendering property rights. Social and economic policies are also required to protect against the adverse effects of lowered trade barriers and the revamp the comatose poverty alleviation programmes.

Keywords: Poverty, Alleviation, Trade openness, Trade liberalization

JEL Codes: JEL F15, JEL F18, JEL F43, JEL I32

Introduction

The country ranked 162 out of 213 nations in the 2015 Human Development Report (2015). Poverty in very broad sense is the inability to meet basic needs. Indeed, the Global Finance Magazine (2015) ranked Nigeria as the 62nd poorest country in 2015. Poverty reduction has been a key activity in every agenda of the different Nigerian governments with the view to assuaging the scourge of poverty. It appears that, not much progress has been made. The level of poverty for example, which, stood at 54.7 percent in 2004 soared to 60.9 percent in 2010 (National Bureau of Statistics, 2011). The co-presence of extreme poverty and natural resources abundance in developing countries is

¹ Department of Economics, Babcock University, Ilishan-Remo, Ogun State, Nigeria
² Department of Economics, Babcock University, Ilishan-Remo, Ogun State, Nigeria
referred to as the 'Dutch disease' also known as the “resource curse” (Auty, 1993) exists in Nigeria.

The opening up of the economy to international trade has been recommended for tackling the issue of poverty because of foreign injected capital required to fill domestic shortages. Indeed, the cornerstone of the neoclassical free-market assertion of Jhingan (2005) is that it augments domestic investments with attendant rise in capital accumulation. This is comparable to increase in the rate of domestic savings and consequent enhancement of the capital-labour ratios leading to GDP growth (Solow, 1956; Swan, 1956).

The conflicting findings in the literature informed the need for the investigation of the impact of trade liberalization on economic growth and consequently poverty levels. Empirical study by Le Goff and Singh (2014) who suggest significant poverty reduction due to trade liberalization corroborated similar works by Afaha and Njogo (2012). In another vein, Billmeier and Nannicini (2007) and Ravallion (2007) contend that economic growth may not translate to inclusive growth as trade alone is insufficient to enhance the welfare of the poor. The research, which covers the period of Thirty-Nine years, from 1986 to 2014 provides a platform for an ample evaluation of the consequences of trade liberalization on poverty alleviation in the country.

Literature Review

Review of Selected Poverty Alleviation Programmes in Nigeria

The Nigerian government under different governments established various poverty alleviation programmes which were to reduce poverty and lack by increasing the standard of living and economic inclusiveness of its citizens. These programmes have recorded varying levels of lack of success (Obadan, 2007). The Operation Feed the Nation (OFN) introduced in 1979 fell short of its objectives and due to the lack of buy-in by the mostly inexperienced youth and students who were virtually dragged to the farm (Agber, Iortima & Imbur, 2013). The Directorate of Foods, Road and Rural Infrastructure (DFRRI) established in 1986 recorded limited success. The National Poverty Eradication Programme of 2001 also fizzled out due to the lack of effective collaborative mechanism among the three tiers of government. Its projects were, later handed over to the sub-national governments and communities (Obadan, 2007).

The National Directorate of Employment (NDE) became operational in 1987 and achieved some level of success. According to the Central Bank of Nigeria (1999), nearly 800,000 individuals benefited from its open apprenticeship scheme between 1987 and 1998. However, inadequate funding, job placement and poor monitoring mechanism became the bane of the project. The Peoples Bank of Nigeria (PBN) established in October 1989 to cater for poor professional people and traders suffered from the twin constraints of poor staffing and high rate of default on loans led to the bank being merged with the Nigerian Agricultural Cooperative Bank Onibokun & Kumuyi (1996). The Better Life Programme /Family Support Programme (FSP) initiated by the spouses of two of the military heads of States fizzled out at the expiration of the tenure of the governments presided over by their husbands (Babatolu & Ikuejube, 2008).
The Family Economic Advancement Programme introduced in 1997 and the National Economic Empowerment Development strategy (NEEDS) together with the equivalent at the sub-national level is the State Economic Empowerment and Development Strategy in the finding of Ja’afaruBambale (2011) were of limited success.

Theoretical Review
The Solow economic growth model posits that a sustained rise in capital investment temporarily increases the growth rate because the ratio of capital to labour goes up.

The marginal product of additional units of capital however may decline due to diminishing returns. This moves the economy back to a path of long-term growth with real GDP growing at the same rate as the growth of the workforce and technology which improves. The trade openness is predicated upon the theory of comparative advantage as an economic theory about the work gains from trade for individuals, firms, or nations that arise from differences in their factor endowments or technological progress (Ricardo, 1817). The Heckscher–Ohlin model (H–O model) developed by Heckscher and Ohlin (1991) builds on Ricardian theory of comparative advantage. The Linder (1961) hypothesis posits that the added distribution of social benefit arising from the trickle-down effect and externalities as expounded by Billmeier and Nanicinni (2007) eventually benefit all members of society, including the poor. The conceptual model upon which this study is predicated is depicted in Figure 1.
Figure 1: A Synopsis of the Effects of Trade Liberalization on Poverty: A Conceptual Framework

The right-hand side of the Figure 1 shows the benefits that arise from the implementation of these policies (reduced tariff rate and removal of quotas). Other measures which are non-tariff in nature include quotas, rules and licensing requirements allow for more efficient allocation and utilization of resources especially in protected sectors. This is consistent with the neo classical growth model from which the theorized consequential impact on the reduction in the poverty level of the host country.

On the other hand, the adverse side of the implementation of these policies gives way for the contraction of these initially protected sectors, which is because of them competing with the imported goods gotten at a cheap price from abroad leading to increased unemployment. The net impact of trade openness may be beneficial, detrimental or mixed. This is the quest of this study.

Empirical Review

The literature is awash with conflicting findings on the relationship between trade liberalization and poverty reduction. Bayar and Sezgin (2017) scrutinise the relationship among trade openness, inequality and poverty alleviation in 11 Latin American countries by utilising a panel data analysis. The research reveal that in the long run, financial development and trade openness negatively affected inequality and poverty while poverty is positively affected by inequality. Questioning the effect of trade on poverty in Africa, Le Goff and Singh (2014) examine a panel of African economies between 1981 and 2010. The study deploys the System Generalized Method-of-Moment and report that the level of poverty tends to be reduced by trade openness in nations with strong institutions, high educational levels and deep financial sectors. The study by Okungbowa (2014) examine the relationship between the rate of poverty and globalization in Nigeria using the cointegration and error correction modeling methods. This is similar to the findings of Winters and Martuscelli (2014) who conducted a review of literature on the impact of trade liberalization on poverty in developing countries. They came to the conclusion that trade openness in general, enhances national income with consequential reduction in the poverty level. There was no unanimity on this position as some authors report that this finding is not applicable to the very poor countries.

Huang, Yang, Zhigang, Rozelle and Ninghui (2007) and Li (2009) both examine the trade and poverty level in China and arrive at the conclusion that the increased agricultural
foreign trade reduces rural poverty and favors the agricultural producers especially the farmers in coastal areas. The obtained results show significant positive impact of trade openness on the level of poverty. However, the conclusion of Chaudhry and Sharif (2013) was that the effect of trade openness on the lives of poor class and indeed the level of inequality is mixed in developing countries.

Contrarian opinion was expressed by Kis-Katos and Sparrow (2015) in Indonesian who report positive impact of the opening of trade on poverty reduction. The synthetic-control-groups approach transparent econometric method was deployed by Billmeier and Tommaso (2007). They compare treated (open) and control (closed) economies within a unified statistical framework. The result similar to the macro and micro modelling frameworks by Ravallion (2007) shows that the lowering of trade barriers affects the balance of payments position badly as multi-lateral liberalization changes the competitive position in world markets.

The linkage between economic growth and poverty reduction is not automatic in the opinion of McMillan and Rodrik (2011). Policies aimed at ensuring inclusive growth are required for this to happen. This is because given higher efficiency, the level of incomes thereby providing a platform for poverty reduction. However, the threat of unemployment looms as the liberalized sectors become more productive with more capital-intensive production. Similar conditional association was reported by Haddad, Jamus, Cosimo and Christian (2013) who utilized unbalanced panel of 77 developed and developing economies (1976-2005) data and conclude that trade openness reduces growth volatility only in well diversified economies.

In the same vein, the study by Shuaibu (2016) who utilized the integrated computable general equilibrium micro-simulation method, report that in dealing with poverty, government cannot rely solely on trade liberalization. Other complementary fiscal and monetary policies will have to be deployed. In effect according to Omolo (2012), the liberalization of trade alone is insufficient to enhance the welfare of the poor. Other economic performance - enhancement policies are critical in ensuring that the liberalization of trade results in poverty.

**Methodology**

**Data Source and Descriptions**

The data representing trade openness which is measured by imports (constant local currency) plus export (local currency), divided by Gross Domestic Product (constant local currency) was obtained from the World Bank Development Indicators (2015). The inflation rate and foreign direct investment data were retrieved from the same source.
data on exchange rate was taken from the Central Bank of Nigeria Statistical Bulletin (2014). Poverty like development is multidimensional (Alkire & Foster, 2011). So a single index of measurement will not suffice. Human development index is used to represent poverty alleviation. This data was sourced from UNESCO Institute of Statistics 2015. The Human Poverty Index (HPI) was developed in 1997 as part of the Human Development Report. It was to complement the Human Development Index (HDI) as a better reflection of poverty / lack. It was stopped in 2010 and replaced by Multidimensional Poverty Index (United Nations Development Programme, 2016). Although HDI does not specifically reflect level of human security, inequality, and empowerment, it can vitally serve as a broad measure of poverty in the absence of the Multidimensional Poverty Index since it is useful in measuring human development over time on annual basis. In utilizing HDI as a proxy for poverty level, the negative nexus should be carefully noted (Dinesh et al, 2014). Specifically, the lower the human development index, the less developed the country with attendant Higher the poverty level.

Model Specification
The research is based on the Solow economic growth model adapted from the work of Enu and Attah-Obeng (2013). The adapted model specification is stated as:

\[
\text{hdi} = \text{Tradeop} + \text{fdi} + \text{exrate} + \text{ifr} + e
\]  

(i)

where:

- \( \text{hdi} \) = human development index as proxy for poverty
- \( \text{tradeop} \) = Trade openness;
- \( \text{fdi} \) = Foreign Direct Investment
- \( \text{exrate} \) = Exchange Rate
- \( \text{ifr} \) = Inflation rate
- \( e \) = error term

The Vector Error Correction Model (VECM), a test that directly estimates the speed at which a dependent variable returns to equilibrium after a change in an independent variable is then applied. This is specified as in equation (ii):

\[
\Delta \text{Hdi}_t = \beta_0 + \sum_{i=1}^{p} \beta_{1i} \Delta \text{Hdi}_{t-i} + \sum_{i=1}^{p} \beta_{2i} \Delta \text{lnfdi}_{t-i} + \sum_{i=1}^{p} \beta_{3i} \text{lnexrate}_{t-i} + \sum_{i=1}^{p} \beta_{4i} \Delta \text{ifr}_{t-i} + \sum_{i=1}^{p} \beta_{5i} \text{tradeop}_{t-i} + \Omega_t \text{ECM}_{t-1} + \epsilon_t
\]  

(ii)

Where: \( \epsilon_t \) is the error term covering unspecified variables in the model. \( t \) is time; \( p \) is the optimal lagged time; \( a_0 \) is the Intercept; \( ECT_{t-1} \) represents the error terms derived from the long term co-integration relationship. \( b_t, c_t, d_t, e_t \) is the slope of the linear equation where \( b_t > 0, c_t < 0, d_t < 0, \) and \( e_t < \)
**Estimation Procedure**

This is a multi-step procedure. The first stage is to understand the nature of the data using descriptive statistics. The next step in the first stage is to check the stationarity of the data. Thereafter, the optimal lag required for the selection from the Johansen long-run connection is calculated. The rate of adjustment correction to short-term shock is calculated using the Vector Error Correction Model (VECM). Two types of tests will be considered under the Johansen method. These are the Eigenvalue and Trace statistic tests.

\[
\lambda_{\text{trace}} = -T \sum_{i=r+1}^{n} \ln(1 - \lambda_i^2) \quad (iii) \\
\lambda_{\text{max}} = -T \ln(1 - \lambda_{r+1}) \quad (iv)
\]

Where the values of the ordered eigenvalues obtained from the estimated matrix is \(\lambda_i\), and \(T\) represents the number of the observations after the adjustment for lag. The trace statistics test the null hypothesis that the number of distinct co integrating vectors (r) is less than or equal to r against a general alternative. The maximal eigenvalue tests the null that the number of co integrating vectors is r against the alternative of \(r+1\) co integrating vectors.

The co integration test may not reveal the full interactions between the variables of a system. It is important to know the response of one variable to an impulse in another variable in a system that involves a number of other variables. The Impulse Response Function is applied for this test. This function, also known as the forecast error impulse response is modeled in the context of a Vector Autoregression to illustrate the reaction economy over time to exogenous impulses, endogenous macroeconomic variables and time (Hamilton, 1994 & Lütkepohl, 2008).

The last stage is the post-estimation need to ascertain the validity and robustness of regression model. The computations of all the tests were conducted with E-views version 8.0.

**Empirical Findings and Discussions**

**Preliminary Analyses**

As earlier discussed in the preceding section, two preliminary analyses: Descriptive Statistics and Stationarity test were conducted and presented in turns

**Descriptive Statistics**

The descriptive statistics of the series are reported in Table 1.
Table 1: Descriptive Statistics

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Human Development Index</th>
<th>Inflation Rate</th>
<th>LnExchange Rate</th>
<th>LnForeign Direct Investment</th>
<th>Trade Openness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>0.43</td>
<td>20.83</td>
<td>3.77</td>
<td>21.39</td>
<td>0.57</td>
</tr>
<tr>
<td>Maximum</td>
<td>0.50</td>
<td>72.84</td>
<td>5.07</td>
<td>22.90</td>
<td>0.82</td>
</tr>
<tr>
<td>Minimum</td>
<td>0.39</td>
<td>5.38</td>
<td>0.70</td>
<td>19.08</td>
<td>0.24</td>
</tr>
<tr>
<td>Skewness</td>
<td>0.58</td>
<td>-0.68</td>
<td>-0.14</td>
<td>-0.49</td>
<td></td>
</tr>
<tr>
<td>Kurtosis</td>
<td>1.85</td>
<td>2.13</td>
<td>2.29</td>
<td>2.86</td>
<td></td>
</tr>
<tr>
<td>Jacque-Bera</td>
<td>3.22</td>
<td>3.16</td>
<td>0.71</td>
<td>1.17</td>
<td></td>
</tr>
<tr>
<td>Probability</td>
<td>0.20</td>
<td>0.21</td>
<td>0.70</td>
<td>0.56</td>
<td></td>
</tr>
<tr>
<td>Observations</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s computation using E-views 8.0 (2017)

The result shows significant deviation in the trends of the variable given the big difference between the maximum and minimum values of the variables. In addition, the statistical series are positively skewed. The values, Human Development Index, Foreign Direct Investment, Exchange rate and Trade openness are platykurtic in nature since their values for kurtosis are less than 3 which indicate a higher than normal distribution. Only the inflation rate is leptokurtic. The result of the Jacque-Bera statistics which is the goodness of fit check of normality shows that there is non-normality in all the variables except in trade openness and foreign direct investment because all the variables are greater than the standard threshold of 2.

Stationarity Test Results
The results of the stationarity tests are presented in Table 2.

Table 2: Unit Root Test Results: Augmented Dickey Fuller and Phillip Perron Test

<table>
<thead>
<tr>
<th>Series</th>
<th>5% Critical Value</th>
<th>ADF Test at first difference (Prob.)</th>
<th>Phillip Perron Test At First Difference (Prob.)</th>
<th>Equation Specification</th>
<th>Order of integration</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRADEOP</td>
<td>-2.97</td>
<td>-7.59 (0.00)</td>
<td>-8.65 (0.00)</td>
<td>Intercept</td>
<td>I(1)</td>
</tr>
<tr>
<td>LNEXRATE</td>
<td>-2.97</td>
<td>-5.26 (0.00)</td>
<td>-5.25 (0.00)</td>
<td>Intercept</td>
<td>I(1)</td>
</tr>
<tr>
<td>IFR</td>
<td>-2.99</td>
<td>-3.48 (0.00)</td>
<td>-6.15 (0.00)</td>
<td>Intercept</td>
<td>I(1)</td>
</tr>
<tr>
<td>LNFDI</td>
<td>-2.98</td>
<td>-9.55 (0.00)</td>
<td>-9.76 (0.00)</td>
<td>Intercept</td>
<td>I(1)</td>
</tr>
<tr>
<td>HDI</td>
<td>-2.97</td>
<td>-7.97 (0.00)</td>
<td>-9.52 (0.00)</td>
<td>Intercept</td>
<td>I(1)</td>
</tr>
</tbody>
</table>

Source: Authors computation using E-Views 8.0

All the variables are all stationary at first difference given that the respective absolute test statistic values are greater than the critical values at 5% significance level. In order to determine the relationship in the long run, the Johansen co integration test lends itself for use.
Estimation Results

Optimal Lag Length Selection

The result of the selected optimal Lag length is presented in Table 3.

Table 3: Optimal Lag Length Selection Criteria

<table>
<thead>
<tr>
<th>Lag length</th>
<th>LogL</th>
<th>LR</th>
<th>FPE</th>
<th>AIC</th>
<th>SC</th>
<th>HQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>-77.39</td>
<td>NA</td>
<td>0.00</td>
<td>6.10</td>
<td>6.34</td>
<td>6.17</td>
</tr>
<tr>
<td>1</td>
<td>-5.29</td>
<td>112.15</td>
<td>0.00</td>
<td>2.61</td>
<td>4.05*</td>
<td>3.04</td>
</tr>
<tr>
<td>2</td>
<td>27.71</td>
<td>39.11*</td>
<td>-0.00*</td>
<td>2.02*</td>
<td>4.66</td>
<td>2.81*</td>
</tr>
</tbody>
</table>

Source: Authors computation using E-views 8.0

* indicates lag order selected by the criterion

LR: sequential modified LR test statistic (each test at 5% level); FPE: Final prediction error
AIC: Akaike information criterion; SC: Schwarz information criterion
HQ: Hannan-Quinn information criterion

The Akaike's information criterion (AIC) and final prediction error (FPE) criterion are superior to the other criteria in the way their ability to minimize under estimation while maximizing the chance of recovering the true lag length (Liew, 2004). The standard Schwarz and Hannan-Quinn criteria are more efficient and appropriate when the observations are more than 120 because they both tend to under-parameterize the model at lower levels of observation (Gutiérrez, Souza, & Guillén, 2007). This study therefore adopts the recommended two-lag period.

Cointegration Test Result

The result of the Johansen Co-integration for both the Trace Statistic and Maximum Eigen Value is reported in Table 4.

Table 4: Result of Johansen Co-integration test based on Trace Statistic and Max Eigenvalue

<table>
<thead>
<tr>
<th>No. of CE(s)</th>
<th>Eigen value</th>
<th>Trace Statistic</th>
<th>0.05 Critical Value</th>
<th>Prob.</th>
<th>MaxEigen Value</th>
<th>Critical Value</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>None *</td>
<td>0.71</td>
<td>80.52</td>
<td>69.82</td>
<td>0.01</td>
<td>31.74</td>
<td>33.88</td>
<td>0.09</td>
</tr>
<tr>
<td>At most 1 *</td>
<td>0.69</td>
<td>48.78</td>
<td>47.86</td>
<td>0.04</td>
<td>30.79</td>
<td>27.58</td>
<td>0.02</td>
</tr>
<tr>
<td>At most 2</td>
<td>0.35</td>
<td>17.99</td>
<td>29.80</td>
<td>0.57</td>
<td>11.23</td>
<td>21.13</td>
<td>0.62</td>
</tr>
<tr>
<td>At most 3</td>
<td>0.18</td>
<td>6.76</td>
<td>15.50</td>
<td>0.61</td>
<td>5.08</td>
<td>14.27</td>
<td>0.73</td>
</tr>
<tr>
<td>At most 4</td>
<td>0.06</td>
<td>1.68</td>
<td>3.84</td>
<td>0.20</td>
<td>1.68</td>
<td>3.84</td>
<td>0.20</td>
</tr>
</tbody>
</table>

Source: Authors computation using E-views 8.0

Notes:
Trace test indicates 2 co integrating eqn(s) at the 0.05 level; Max-eigenvalue test indicates no co integration at the 0.05 level. * denotes rejection of the hypothesis at the 0.05 level. **MacKinnon-Haug-Michelis (1999) p-values
The result simply means that there is a long-run relationship among Human development index, Trade Openness, Exchange rate, Inflation rate and Foreign Direct Investment. The estimated long run model based on the Johansen Co-integration test is presented in Table 5.

**Table 5: Result of Long-Run Johansen Co-integration Regression Test**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Co-Efficient (After Normalization)</th>
<th>Standard Error</th>
<th>T-Statistic (df=28 = -3.074)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hdi</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>tradeop</td>
<td>-0.0143</td>
<td>0.04</td>
<td>-3.055</td>
</tr>
<tr>
<td>lnfdi</td>
<td>0.0340</td>
<td>0.01</td>
<td>2.12</td>
</tr>
<tr>
<td>lnexrate</td>
<td>-0.0069</td>
<td>0.01</td>
<td>-0.59</td>
</tr>
<tr>
<td>Ifr</td>
<td>-0.0263</td>
<td>0.00</td>
<td>-6.56</td>
</tr>
</tbody>
</table>

Source: Authors Computation using E-Views 8.0

The estimated model is also presented in equation (v)

\[ hdi = -0.1427 \text{tradeop} + 0.0341 \text{lnfdi} - 0.0069 \text{lnexrate} - 0.00 \text{Ifr} \]  

The equation (v) portends that a negative relationship exists between trade openness and human development index. This relationship is statistically significant at 5 percent. Indeed; one hundred percentage increases in trade openness will result in a reduction in level of HDI by about 1.4 basis points. This in effect means that liberalised trade does not grease the wheels of poverty alleviation in the long-run. Instead, it increases the poverty level.

The foreign direct investment (FDI) is positively related to human development index. One hundred percentage increases in foreign direct investment results in 3.4 basis point improvements in the human development index. The import of this is that the poverty level will dip by about 3.4 percent. The exchange rate of the country significantly but negatively impacts the human development index at 0.05 statistical levels. One hundred percentage increases in the rate of exchange results in a marginal 0.069 basis point improvements in the human development index. This implies that depreciation of the value of the local currency- Naira with respect to international currencies has a deleterious effect on the human development index. In effect, the diminished exchange rate accentuates the poverty level. The rate of inflation however is not statistically significant in influencing human development index and poverty.

**Vector Error Correction Model Short –Run Result**

This test is carried out after the application of the Vector Auto-Regressive Model (VAR) which is done to integrate the multi-variate time series. The short run result is presented in Table 6.
**Table 6:** Vector Error Correction Model (VECM) Result.

<table>
<thead>
<tr>
<th>Error Correction</th>
<th>D(Tradeop, 2)</th>
<th>D(hdi, 2)</th>
<th>D(lnexrate, 2)</th>
<th>D(ifr,2)</th>
<th>D(lnfdi, 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CointEq1</td>
<td>-0.12</td>
<td>0.15</td>
<td>-17.91</td>
<td>-387.16</td>
<td>4.80</td>
</tr>
<tr>
<td></td>
<td>(3.38)</td>
<td>(0.33)</td>
<td>(4.12)</td>
<td>(231.52)</td>
<td>(8.24)</td>
</tr>
<tr>
<td>T-stat (Cal)</td>
<td>[-0.04]</td>
<td>[0.46]</td>
<td>[-4.35]</td>
<td>[-1.67]</td>
<td>[0.58]</td>
</tr>
</tbody>
</table>

*Source:* Authors computation using E-views 8.0

Given that the tabulated T-stats value (2.06) is greater than the calculated values tradeop (0.04), ifr (1.67) and fdi (0.58), the null hypotheses are accepted. Therefore, there is no short run relationship between trade openness and HDI. This does not apply to exrate (4.35) which is more than the T–stats value. In the short run, no relationship exists between trade openness and hdi (poverty level).

**Impulse Response Function**

The result of the Impulse Response function of trade openness to shocks in other variables can be seen in Figure 2.

![Impulse Response of HDI](image)

*Figure 2:* Impulse Response of HDI

As depicted in Figure 3, one standard deviation positive shock of trade openness led to a sharp rise in human development index (HDI) in the second year before dropping below the line in the fourth year. HDI however picked up above the line in the fifth year fell gradually until the seventh year before finally lying on the line till the eighth year.

**Post-Estimation Tests**

The results are presented in the next sub-sections in Vector Error Correction (VEC) residual serial correlation LM is presented in Table 7.
Table 7: Result of Q-Statistics Test

<table>
<thead>
<tr>
<th>S/N</th>
<th>AC</th>
<th>PAC</th>
<th>Q-Stat</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>-0.133</td>
<td>-0.133</td>
<td>0.5707</td>
<td>0.450</td>
</tr>
<tr>
<td>2</td>
<td>0.114</td>
<td>0.097</td>
<td>0.9998</td>
<td>0.607</td>
</tr>
<tr>
<td>3</td>
<td>0.053</td>
<td>0.082</td>
<td>1.0960</td>
<td>0.778</td>
</tr>
<tr>
<td>4</td>
<td>-0.090</td>
<td>-0.088</td>
<td>1.3904</td>
<td>0.846</td>
</tr>
<tr>
<td>5</td>
<td>-0.069</td>
<td>-0.111</td>
<td>1.5706</td>
<td>0.905</td>
</tr>
<tr>
<td>6</td>
<td>-0.070</td>
<td>-0.080</td>
<td>1.7619</td>
<td>0.940</td>
</tr>
</tbody>
</table>

Source: Authors computation using E-views 8.0 (2018)

The test result indicates the acceptance of the null hypothesis which states no presence of serial correlation amongst the variables. The corresponding probability values for each item in the table above were greater than the 5% level of significance thus the model is far from exhibiting a serial correlation.

**Vector Error Correction (VEC) Residual Normality Test**

The result of the normality test presented in Figure 3 indicates a probability of 0.00 which is lower than 5% level of significance. The residuals are therefore not normally distributed.

![Figure 3 Normality Test](image)

**Vector Error Correction (VEC) Residual Heteroscedasticity Tests**

The result of the White (1980) statistical test to validate whether the variance of the errors in a regression model is constant (homoscedasticity) is presented in Table 8.

Table 8: Result of White Heteroscedasticity Test

<table>
<thead>
<tr>
<th>F-statistic</th>
<th>0.62</th>
<th>Prob. F (14,14)</th>
<th>0.81</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obs*R-squared</td>
<td>11.13</td>
<td>Prob. Chi-Square (14)</td>
<td>0.68</td>
</tr>
<tr>
<td>Scaled explained SS</td>
<td>20.98</td>
<td>Prob. Chi Square (14)</td>
<td>0.68</td>
</tr>
</tbody>
</table>

Source: Authors computation using E-views 8.0 (2018)

The estimation result shows that the probability (P-Value) of the Obs*R-squared is 0.81 which is greater than 5% significance level. In effect, the null hypothesis is accepted which states no presence of heteroscedasticity in the residual and it is desirable.
Inverse Roots of AR Characteristic Polynomial Test

The result of the inverse roots of AR characteristic polynomial test is presented in Figure 4.

![Inverse Roots of AR Characteristic Polynomial](image)

Figure 4: Inverse AR Roots Graph

The result shows that the estimated vector auto-regression is stationary since all the roots lie in the unit circle. Indeed, the inverse roots of AR characteristic polynomial test confirms that the estimates are proven dynamically stable. The results of the post estimation diagnostic tests confirm that the robustness of the estimation model and therefore possess enough integrity for policy formulation.

Discussion of Findings

Contradictory findings on the influence of trade liberalization on poverty abound in the literature. The conclusion of this research confirms the growth theory postulated by Solow (1956) which is the key theory underpinning this study paper. It also reinforces the work of Heckscher–Ohlin (H–O) model and the Linder (1961) hypothesis that trade openness may aggravate poverty level. This is the major plank upon which the argument for the deleterious impact of trade liberalization on poverty rests.

The lack of significant relationship between trade liberalization and poverty alleviation in the short run is in agreement with the study by Billmeier and Nannnicini (2007). This study also confirms the findings of Ogbuaku, Adebisi and Feridun (2006), Okungbowa, Ewere and Ose (2014), and Oyewale and Amusat (2013) who reported that trade openness had a significant adverse effect on poverty in the long run. This deleterious impact is because of the exclusion of the poor in the income-growth process and the crowding out
of the local enterprises and workers from participation in the economic sphere of international trade. The current opening up of the African economies to the Chinese trade, credit facilities and investments for example, may in the long-run, exacerbate poverty levels in the continent. This is because the costs of China’s contribution to African infrastructure exceed the benefits given the limited transfer of employment, skills and technology to recipient countries. Indeed, Chinese investment may de-industrialize Africa because the productivity of the African manufacturing sector is low and its products are more expensive than comparable ones by the Chinese. This displaces the Africans from the work-place thereby aggravating unemployment and poverty levels.

The government cannot rely solely on trade liberalization in order to enhance the welfare of the poor or reduce the level of poverty. Complementary fiscal, monetary and trade policies will have to be deployed. This is consistent with the position taken by Haddad, Jamus, Cosimo and Christian (2013), McMillan and Rodrik (2011), Omolo (2012) and Shuaibu (2016) that the liberalization of trade alone is insufficient. Inclusive economic growth measures are also required.

**Conclusions**

The empirical findings in this study is that trade openness has a negative relationship with human development index and consequently aggravates the level of poverty in the long run. The study recommends that the government should promote the accumulation of domestic capital. Incentives should be put in place to promote the establishment of infant industries in the country to promote production and lead to a developed market. These include: the protection of property rights, infrastructural development, and promotion of financial development.

Government should intensify fiscal, monetary and trade policies that promote inclusive growth and rural entrepreneurship. Social and economic policies are required to protect any country against the adverse effects of lowered trade barriers. It therefore calls for urgent policy measures aimed at revamping the poverty alleviation programmes.

**References**


Babatolu, J.S., & Ikuejube, G. (Eds.) (2008), Perspectives on contemporary socio-political and environmental issues in Nigeria, *School of the Arts and Social Sciences, Adeyemi College of Education*.


INTEREST RATE LIBERALIZATION AND INVESTMENT IN NIGERIA

Okumoko, Tubo Pearce¹
Akarara, A. Ebierinyo²
Pedrick, A. Eluan³

Abstract

This study sought to assess the impact of interest rate liberalization on investment in Nigeria for the period 1986 to 2017. The study used annual time series data obtained from the Central Bank of Nigeria statistical Bulletin. Analysis was done using the ARDL bounds testing approach to cointegration. Results revealed the presence of a long-run relationship between domestic investment and the other variables employed as proxies for interest rate liberalization. Findings further showed that interest rate liberalization has significantly influenced investment decisions in Nigeria over the reviewed period. This means that interest rate liberalization is a commendable policy direction by the Nigerian government given its impact in mobilizing investment, which ultimately leads to growth of the economy. However, market capitalization does not significantly drive domestic investment in Nigeria. Therefore, it is recommended among others that for liberalization to further drive investment in Nigeria, MPR should be reduced so that return on investment for potential borrowers is higher than the cost they pay on capital.

Keywords: Interest liberalization, domestic investment, market capitalization,

Introduction

Interest rate which is also called monetary policy rate in Nigeria is one of the major instruments of monetary policy with regards to the role it plays in the determination of investment decisions by firms. Interest rate is the price paid for the use of money. It is the opportunity cost of borrowing money from a lender. It can also be seen as the return being paid to the provider of financial resources and as such it is an important economic price.

¹,²,³ Department of Economics, Faculty of Social Sciences, Niger Delta University, Wilberforce Island, Bayelsa State, Nigeria.
This is because whether seen from the point of view of cost of capital or from the perspective of opportunity cost of funds, interest rate has fundamental implications for the economy either impacting on the cost of capital or influencing the availability of credit, by increasing savings (Acha & Acha 2011).

On the other hand, investment is addition to the stock of physical capital such as plant, machines, trucks, new factories etc. that create income and employment. Therefore, by real investment, it means the addition to the stock of capital goods such as machines, buildings, equipment, tools etc. (Ahuja, 2013). This refers to real capital formation that will produce a stream of goods and services for present and future consumption. In common terms, investment is defined as the capital formation in production. Stiglitz (1993) defines investment as the acquisition of an asset with the aim of receiving a return. It could also mean the production of capital goods; goods which are not consumed but instead used in future production. Example includes building of rail ways, or factory. There are different motives for investment; the basic is profit/return. According to Keynes theory of interest rate on investment, the motive of profit/return depends on the expected marginal efficiency of capital (MEC) in relation to the expected rate of interest.

The economy of Nigeria at different times has witnessed various interest rate changes in different sectors of the economy since 1970s and mid 1980s under a regulated regime. The preferential interest rates were based on the premise that the market, if freely applied would exclude some priority sectors. Thus, interest rates were adjusted through the market forces in order to promote increased level of investment in the various preferred sectors of the economy. Prominent among the preferred sectors were the agricultural, manufacturing and solid mineral sectors which were accorded priority and deposit money banks were directed to charge preferential interest on all loans to encourage the upsurge of small-scale industries which is a catalyst for economic development (Udoka, 2000).

According to Mckinnon (1973) and Shaw (1973), this situation can ignite financial repression which occurs mostly when a country imposes ceiling on deposit and lending nominal interest rate at a low level relative to inflation. The resulting low or negative interest rates discourage savings mobilization and the channeling of mobilized savings through the financial systems. This has a negative effect on the quantity and quality of investment and hence economic growth. This is closely followed by the financial sector liberalization. The policy was put in place to achieve efficiency in the financial sector, thus, engendering financial deepening.
With the introduction of the interest rate liberalization in the mid-1980s, many countries such as Angola, Burundi, Congo, Ivory Coast, Ghana, Malawi, Nigeria, China, India, etc. have made attempt at liberalizing their financial sectors by deregulating interest rate, eliminating or reducing credit controls, allowing free entry into the banking sector, giving autonomy to commercial banks permitting private ownership of banks. While liberalizing international capital flows and financial repression has retarded the development process as stated by Shaw (1973). Undoubtedly, governments past efforts to promotes economic development by controlling interest rate and securing inexpensive funding for their activities have undermined financial development (Arturo, Fabio and Andrew, 2003).

Consequently, there was a persistent pressure on the financial sector, which in turn necessitated a liberalization of the financial system (Soyibo & Olayiiwola, 2000). In response to these developments, the government of Nigeria deregulated interest rate in 1987 as part of the Structural Adjustment Program (SAP). The official position then was that interest rate liberalization would, among other things, enhance the provision of sufficient funds for investors, especially manufacturers (a priority sector), who are considered to be the prime agents of investment, and by implication, promotes economic growth (Odhiambo and Akinboade, 2009). However, in a dramatic policy reversal, the government in January, 1994 out-rightly introduced some measures of regulation into interest rate management. It was claimed that there were more wide variations and unnecessary high interest rate under the complete deregulation of interest rate immediately, deposit rate once again set at 12% - 15% per annum while a ceiling of 21% per annum was fixed for lending (CBN, 2012).

Investment does not depend on interest rate alone but also on other factors, for instance investors may be prepared to borrow more and invest more, even if interest rate is high, provided they expect a higher margin of profits. On the other hand, investors are not tempted to borrow even if interest rate are very low, or even zero if they are afraid that they may lose even their capital. In order words, investment depends upon risk and the prospects of profits in a particular industry or what Keynes (1936) calls the marginal efficiency of capital rather than upon interest rates. Secondly, interest rate is just one among many factors that have negative effects on investment. For example, the deregulation of Nigerian economy went beyond interest rates reform policies, rather interest rate liberalization through deregulation became a major obstacle to investment expansion in Nigeria.
Against this background, there is the need for analysis of the impact interest rate liberalization in promoting investment in Nigeria. This forms the basis of this research work. This study covers a period of 32 years starting from 1986 to 2017. The specific objective of this study is: to examine the impact of interest on investment in Nigeria.

The paper is divided into five sections. Section one is the introduction. Section two is a review or related literature. Section three presents our methodology. Section four contains the empirical analysis while section five shows our findings, conclusion and recommendation.

Review of Literature

Overview of Interest Rate Liberalization Policy in Nigeria

The Structural Adjustment Programme (SAP) was adopted in 1986 against the background of international oil market crashes and the resultant deteriorating economic conditions in the country. It was designed to achieve fiscal balance and balance of payments viability by changing and restructuring the production and consumption patterns of the economy, eliminating price distortions, reducing the heavy dependence on crude oil exports and consumer goods imports, enhancing the non-oil export base and achieving sustainable growth. Other aims were to rationalize the role of the public sector and accelerate the growth potentials of the private sector. The main strategies of the programme were the deregulation of external trade and payments arrangements, the adoption of a market determined exchange rate for the Naira, substantial reduction in complex price and administrative controls and more reliance on market forces as a major determinant of economic activity (Adebiyi, 2005). With the switch to indirect instruments came the change of the goal of monetary policy to the reduction of inflation. This change was prompted by the belief that monetary policy has only temporal effects on real variables and long run effects on prices. Empirical evidence over the years has shown that low inflation is a prerequisite for economic growth. Given the high levels of inflation in the country at the time especially after the implementation of the reforms policy, there was the need to bring inflation under control before a sustained path to growth could be attained. Using the implementation of policy in line with the IMF financial programming framework, control of growth in money supply became a very important factor in the fight against rampant inflation. Targets were set each year for growth in broad money and inflation rate. The implementation of the policy has involved monitoring the deviation of growth in money from target. Controlling the growth of money supply proved to be a difficult task especially in the years just after financial deregulation (Adebiyi, 2005; Ojo, 2001).
Theoretical Review

Theories of Interest Rate

The following theories of interest rate were considered: (a) the classical theory, (b) the loanable funds theory, and (c) the Keynesian theory.

The Classical Theory of Interest Rate

The rate of interest according to classical school is determined by the supply and demand for capital. The supply of capital is governed by the time preference while the demand for capital is determined by the expected productivity of capital. Time preference and productivity of capital depend upon waiting or saving. The demand for capital is determined by the investors because it is productive while the productivity of capital is subject to the law of variable proportions. Additional units of capitals are not as productive as the earlier units. That is, the rate of interest is just equal to the marginal productivity of capital and it means that at a higher rate of interest, the demand for capital is low and it is high at a lower rate of interest. Thus, the demand for capital is inversely related to the rate of interest and the demand schedule for capital or investment curve slope downward from left to right. The supply of capital depends on saving, rather than the will to save and the power to save of the individual economists are of the view that, the higher the rate of interest, the larger will be the individual saving and the supply of funds.

The Loanable Funds Theory of Interest Rate

The neo-classical or the loanable fund theory examines interest rate in terms of demand and supply of loanable funds or credit. According to this theory, the rate of interest is the price of credit which is determined by the demand and supply for loanable funds. In the words of Lerner in Jhingan (1992); it is the price which equates the supply of credit, or saving plus the net increase in the amount of money in a period, to the demand for credit, or investment plus net hoarding in the period. The demand for loanable fund has primarily three sources; government, businessmen and consumers who need them for purpose of investment, hoarding and consumption. The government borrows funds for constructing public works or for war preparation. The businessmen borrow for the purpose of capital goods and for starting investment projects. Such borrowings are interest elastic and depend mostly on the expected rate of profit as compared with the interest rate. The demand of loanable fund on the part of consumers is for the purchase of durable consumer goods like machines, houses, etc. individuals’ borrowings are also interest elastic. The tendency to borrow is more at a lower rate of interest than a higher rate.
Keynes Liquidity Preference Theory of Interest Rate

Keynes defined the rate of interest as a reward for parting with liquidity for a specified period. It is not the price which brings into equilibrium the demand for resources to invest with the readiness to abstain from consumption. It is the price which equilibrates the desire to hold wealth in the form of cash with the available quantity of demand for and the supply of money. This theory is therefore characterized as the monetary theory of interest as distinct from the real classical theory of interest. Supply of money refers to the total quantity of money in the country for all purpose at any time. Though the supply of money is a function of the rate of interest to a degree, yet it is considered to be fixed by the monetary authorities. The demand for money according Keynes is the liquidity preference by which his theory of interest rate is commonly known. The liquidity preference is the desire to hold cash. The rate of interest in Keynes word is the premium which has to be offered to induce people to hold the wealth in some form other than hoarded money. The higher the liquidity preference, the higher will be the rate of interest that will have to be paid to the holders of cash to induce them to part with their liquid assets. The lower the liquidity preference, the lower will be the rate of interest that will be paid to cash-holders.

Theories of Investment

Dale, (1967), Jhingan (2010) and Johan (2013), explicated the following investment theories: (a) Accelerator theory, (b) Keynesian theory (c) Classical theory (d) Neo-classical theory, (e) Tobin’s theory.

The Accelerator Theory

The accelerator theory states that an increase in the rate of output of a firm will require a proportionate increase in the capital stock. The capital stock refers to the desired or optimum capital stocks, $K^*$, assuring that capital-output ratio is assumed constant, $V$, the optimum capital stock is a constant proportion of output so that in any period $t$,

$$K_t = vY_t$$

Where $K_t$ is the optimal capital stock in period $t$, $v$ (the accelerator) is a positive constant, and $Y_t$ is the output in period $t$.

Any change in output will lead to a change in the capital stock, thus;

$$K_t - K_{t-1} = v(Y_t - Y_{t-1})$$

$$int = v(Y_t - Y_{t-1})$[int = K_t - K_{t-1}] = v$$

Where $DY_t = Y_t - Y_{t-1}$ and $int$ is net investment.

This equation represents the naive accelerator principle. In the above equation, the level of net investment is proportional to change in output. If the level of output remains constants ($Y= 0$), net investment would be zero. When output starts declining, net
investment becomes negative. This is based on the assumption that, there is symmetrical reaction for increase and decrease of output.

**Keynesian Theory of Investment**
The theory emphasized the importance of interest rate in investment decision. However, other factors were also included in the model such as the expected profitability of an investment project. Changes in interest rate should have an effect on the level of planned investment undertaken by private sector business in the economy. A fall in interest rate should decrease the cost of investment relative to the potential yield and as a result planned capital investment projects on the margin may become worthwhile. A firm will only invest if the discounted yield exceeds the cost of the project. The inverse relationship between investment and the rate of interest is represented by using the marginal efficiency of capital (MEC). A fall in the rate of interest causes an expansion of planned investment. Planned investment can change at each rate of interest. The MEC is the expected rate of profit over cost of new capital goods. In order to find whether it is worthwhile to purchase capital goods, it is essential to compare the present value of a capital project, if its present value exceeds its cost of buying, it pays to buy it. On the contrary, if it’s present value is less than it cost, it is not worthwhile in investing in the capital project.

**Classical Theory of Investment**
This theory regards the rate of investment as the factors which determine the demand for investment and the willingness to save into equilibrium with one another. Investment represents the demand for investable resources and saving represents the supply, whilst the rate of interest is the price of investable resources at which the two equate (investment and saving). Just the way the price of a commodity is necessarily fixed at the point where the demand for it is equal the supply, so the rate of interest necessarily comes to rest at the point where investment equals savings.

**Neo-classical Theory of Investment**
This theory combines the users cost of capital and the accelerator effect to explain investment behaviour. In this model, the firm is assumed to own most of the capital stock and it can either sell the stock or make use of it. However, if the firm uses its stock, some costs are inevitable to be incurred. These costs include the foregone additional income that the firm would have generated had it sold the stock, the depreciation cost that comes with time, and the changes in the market value (price) of capital over time (this becomes negative if the value of capital appreciate and otherwise, it becomes positive).

**Tobin’s q theory**
James Tobin has proposed the q theory of investment which links a firm’s investment decision to fluctuation in the stock market. When a firm finances its capital for investment by issuing shares in the market, its share prices reflect the investment decisions of the firm. Firm’s investment decision depends on the following ratio, called Tobin’s q

\[
q = \frac{\text{Market value of capital}}{\text{Replacement cost of capital}}
\]

The market value of firm’s capital stock in the numerator is the value of its capital as determined by the stock market. The replacement cost of firm’s capital in the denominator is the actual cost of existing capital stock if it is purchased at today’s price. Tobin’s q theory examines investment by relating the market value of firm’s financial assets (the market value of its shares) to the replacement cost of its real capital (share). According to Tobin, net investment would depend on whether q is greater than 1 (q>1) or less than 1 (q<1). If q>1, the market value of the firm share in stock market is more than the replacement cost of its real capital, machinery etc. The firm can buy more capital and issue additional shares in the stock market. In this way, by selling new shares, the firm can earn profit and finance new investment. Conversely, if q<1, the market value of its share is less than its replacement cost and the firm will not replace capital (machinery) as it wears out. The theory provides an incentive to invest for firms on the basis of the stock market. It does not only reflect the current profitability of capital but also its expected future profitability. Investment is expected to be higher in the future when the value of q is larger than 1. Tobin’s q theory of investment induces firms to undertake net investment even when q is less than 1 in the present. They may adopt such economic policies which brings future profitability by raising the market value of their shares.

From the theories of interest rate and investment x-rayed above, this paper adopts the Keynesian theory of interest rate and investment. This is because the Keynesians explain the behavior of investment towards interest rate, which is in relation to the Nigeria situation, when the interest rate is regulated, investment is negative because the rate of interest is very high but when deregulated, the rate of interest is left in the hands of demand and supply to decide.

**Empirical Review**

Several empirical studies have been carried out to know the relationship between interest rate and investment decision. Some of the empirical work shall be considered in the work. Clement and Pierre (2018) examined the impact of interest rate reforms on economic growth through savings and investment in SADC countries for the period 1990-2015. The study employed the Pooled Mean Group (PMG) and the ARDL bounds tests estimation.
technique for analysis. Results showed that interest rate reforms have a positive impact on economic growth through savings and investments. Considering the structural interaction of the interest rate liberalization-economic growth nexus for sub-Saharan African Economies between 1980 and 2012, Tajudeen, Taofeek and AbdulGaniyu (2017) relied on the Mckinnon-Shaw framework and a battery of econometric estimation procedure to establish that other factors such as openness to trade and price stability are very significant for interest rate liberalization and economic growth in sub-Saharan African economies. More-so, the degree of financial development relatively helps in reducing interest rate at the same time facilitates investment and engender growth in sub-Saharan African countries.

In a similar study, Odili and Florence (2017) examined the impact of financial system liberalization, savings and investment on the economy of Nigeria, using selected indicators such as ratio of liquid liabilities to GDP and real interest rate for financial liberalization and savings and investment as explanatory variables. The study used time series data spanning through 1970 to 2014. Findings of their study revealed that for financial system liberalization to meet its desired objectives in Nigeria, lending rate needs to be reduced to ensure that the cost of borrowing is reduced and the return of investment is increased.

In a related study, Nwafor, Odey and Effiong (2017) investigated the existing relationship between financial liberalization and domestic savings in Nigeria covering 1970 to 2015. The study used annual time series data. Finding shows that per capita income and financial deepening had a significant impact on domestic savings in Nigeria as against interest rate which is widely believed as the major mobilizer of savings in less developed countries. Fatoumata (2017) studied the impact of interest rate on economic growth in Nigeria from 1990-2013 and found interest rate to have a slight impact on economic growth and suggested that a reduction in interest rate will increase investment and bring about growth in the economy.

Using the Ex post facto method, Udude (2015) examined the impact of interest rate on savings on the Nigeria’s economy covering 1981-2013. The study investigated the joint influence of savings and income on the aggregate savings in the economy. The study revealed that any attempt made to increase the propensity to save will result to increase in the level of savings, all things being equal. The result also revealed that interest rate does not have any significant impact on savings in Nigeria. However, it was discovered that when interest rate and income are combined, savings can be significantly influenced. Hitlar (2015) investigated the impact of interest rate liberalization on investment in Nigeria between 1970 and 2012. The study utilized the error correction model (ECM) and found a long-run relationship among the variables employed in the model. It further
revealed that all the variables have a significant impact on investment and there is no
differential impact of interest rate liberalization on investment in Nigeria in the pre and
post-liberalization era.
Akingunola, Adekunle, Badejo, and Salami (2013) studied the effect of the financial
liberalization on economic growth in Nigeria. The study used the vector error correction
model to ascertain whether the contribution of the liberalization of the Nigerian financial
sector has achieved its intended objectives or not. Financial liberalization was proxied by
ratio of liquidity, real interest rate and total deposit. Findings show that incentives to save
and invest rises as real interest rate are allowed to rise. The study found a strong negative
insignificant relationship between real interest rate and economic growth in Nigeria. This
finding however, negates economic theory.
In another study, Jimoh (2013) investigated interest rate sensitivity and banks’ investment
in Nigeria using time series analysis and annual data for 1980 to 2012. The study used
the Ordinary Least Square technique to analyze the data. Findings show that real lending
rates is significant and highly negatively sensitive to all the financial indicators employed in
the model. The study concluded that on the average, the financial policies instituted and
regulations have been effective in stabilizing the sensitivity of interest rate to changes in
banks’ investment in Nigeria.
Onwumere, Okore & Imo (2012) examined the relationship between interest rate and
investment. They were of the view that interest rate liberalization causes interest rate to
rise, thereby increasing saving and investment. It covers the period 1976 to 1999 and
adopts OLS technique using SPSS statistical software. The study reveals that interest rate
liberalization has a negative significant impact on investment in Nigeria.
While investigating interest rate liberalization, financial development and economic
growth in Nigeria for the period 1970 to 2008, Elijah and Uchechi (2012) found that
deposit rate of interest has a positive effect on financial depth. Their study also revealed
that there is only a uni-directional causality between financial depth and economic
growth. They reached a conclusion that interest rate liberalization tends to granger cause
financial depth and economic growth.
Majed & Ahmed (2010) investigated the impact of real interest rate liberalization on
investment in Jordan over the period 1990-2005. The result was found to be in line with
the economic theory and some other studies in the sense that interest rate liberalization
has a negative impact on investment, where it is found that an increase in interest rate by
1% reduces the investment level by 44% on the other hand the income level has a positive
impact. They employed ordinary least square (OLS) techniques in analyzing the data.
Eregha (2010) examined variations in interest rate and investment determination in
Nigeria between the periods of 1970-2002 and deduced that investment has an indirect
relationship with interest rate variation and other variables that he used. These variables such as debt burden, economic stability, foreign exchange, shortage and lack of infrastructure affect gross investment and the OLS technique was employed. Obamuyi (2009) studied the relationship between interest rate and investment in Nigeria. The study employed co-integration and error correction modeling techniques and revealed that lending rate has significant effect on investment. The study then postulated that investment friendly interest rate policies necessary for promoting economic growth needs to be formulated and properly implemented. Asamoah (2008) assessed the interest rate liberalization and its impact on saving, investment, and the growth of GDP in Ghana. The empirical estimation of 42 observations that is, January 2000 to June 2003 was evaluated using OLS and the result shows that the rise in interest rate over the years after liberalization has led to a corresponding increase in saving which has a positive impact on the growth of GDP. Akintoye & Olowlaju (2008) examined optimum macro-economic investment decision in Nigeria. The study employed OLS and VAR framework to stimulate the project inter-temporarily private investment response to its principal shock namely public investment, domestic credit and output shock. The authors argued for low interest rate to have constrained investment growth. The study resolve that only government policies produce sustainable output, steady public investment and encouragement of domestic credit to the private sector will promote private investment.

No doubt there are previous works on interest rate liberalization and investment nexus in Nigeria but almost all the works on interest rate liberalization and investment in Nigeria reviewed obtained data for analysis covering the pre and post liberalization eras (see Odili and Florence, 2017; Hitlar, 2015; Onwumere, Okore & Imo 2012; Akintoye & Olowlaju, 2008; Eregha, 2010; Elijah and Uchechi, 2012). Thus, there findings may not give the true position of the interest rate liberalization and investment nexus in Nigeria. This is a major setback in their analyses. This paper therefore used data for the period of liberalization to ascertain the true position of the interest rate liberalization and investment nexus in Nigeria.

Methodology
This section focuses on how data were collected, method of analysis and model specification. The main aim of this study is to examine the impact of interest rate liberalization on investment in Nigeria. Therefore, the method adopted is a multiple regression analysis. A time series secondary data from 1986 to 2017 sourced from CBN Statistical Bulletin
was used for analysis. This period was selected because it marks the era of financial liberalization in Nigeria. The ARDL bounds testing approach to cointegration was used to estimate the model.

The usefulness of the ARDL model for the estimation of level relationships was emphasized by Pesaran, Shin and Smith (2001) as it suggests that the relationship can be estimated using OLS once the order of the ARDL is recognized. The ARDL model also makes provision for incorporating variables that are integrated of I(1) and I(0) as behavioral variables, which is a major setback to the Johansen cointegration test. Thus, this technique does not require a specific identification of the order of the underlying data. According to Pesaran et al. (2001), if the computed $F$-statistic is lesser than the lower bound value, then the null hypothesis of no long run relation is not rejected and we can conclude that interest rate liberalization and economic growth do not share any cointegrating vector. On the other hand, if the computed $F$-statistic is greater than the upper bound value, then, interest rate liberalization and economic growth share common relationship in the long run.

Correct and accurate specification of time series models requires that we establish whether the time series are stationary or non-stationary. Therefore, we used the Augmented Dickey-Fuller (ADF) statistic to establish the existence of unit root or not. This is because working non-stationary data often leads to spurious results (Gujirati, 2004).

**Model Specification**

In order to determine the impact of interest rate on investment in the Nigeria economy, we specify a model which state that investment depends on interest rate. Given the fact that globalization has been embraced by all nations, exchange rate also has its effect on the investment. Obadan (2006) revealed that the naira exchange rate devaluation or depreciation (i.e naira rising) will encourage export which will encourage investment so as to produce exportable goods. Likewise, market capitalization will affect the level of investment as well as the general price level (inflation). Therefore, the functional relationship upon which we build our economic model, which is modification of that of Obadan (2006) is given thus;

$$ NVST = f(MPR, NER, MKCP, INFR) $$

(1)

Where,

- $NVST$ = Domestic Investment
- $MPR$ = Monetary Policy Rate which is known as minimum rediscount rate before time
- $NER$ = Nominal Exchange Rate
- $MKCP$ = Market Capitalization
- $INFR$ = Inflation Rate
The OLS linear regression equation based on the above functional relation is:
\[ NVST_t = \beta_0 + \beta_1 MPR_t + \beta_2 NER_t + \beta_3 MKCP_t + \beta_4 INFR_t + \mu_t \]  
(2)

The ARDL model used in this study is expressed as follows:
\[ \Delta (NVST)_{t-1} = \beta_0 + \beta_1 (NVST)_{t-1} + \beta_2 (MPR)_{t-1} + \beta_3 (NER)_{t-1} + \beta_4 (MKCP)_{t-1} + \beta_5 (INFR)_{t-1} + \]
\[ \sum_{i=1}^{p} \beta_i \Delta (NVST)_{t-i} + \sum_{i=0}^{q} \beta_i \Delta (MPR)_{t-i} + \sum_{i=0}^{s} \beta_i \Delta (NER)_{t-i} + \sum_{i=0}^{t} \beta_i \Delta (MKCP)_{t-i} + \]
\[ \sum_{i=0}^{x} \beta_i \Delta (INFR)_{t-i} + \mu_t \]  
(3)

Where \( \Delta \) is the first-difference operator and \( \varepsilon_t \) is the stochastic term, NVST, MPR, NER, MKCP and INFR are as defined above. The apriori expectation of the coefficient of the model are that \( \beta_1 \) and \( \beta_2 \) are negative while \( \beta_3 \) and \( \beta_4 \) are positive. This means that \( \beta_1 < 0, \beta_2 < 0, \beta_3 > 0 \) and \( \beta_4 > 0 \)

**Discussion of Findings**

The mean value of NVST over the period reviewed is 36.85, while that for INFR, MKCP MPR and NER are 20.29, 3790.82, 12.96 and 71.54 respectively. The standard deviation of INFR shows that it value in the series is close to the mean. While that of MKCP, MPR, NER and NVST reveals that the values are farther away from their mean values. All the variables are positively skewed as revealed by the positive coefficients of the skewness statistics. The kurtosis statistics gives an indication that the variable exhibits a leptokurtic trend except for NER which has kurtosis statistic of 1.35. The variables are significant at the 5% level of significance, except for MPR and NER. This shows that MPR and NER are normally distributed while INFR, MKCP and NVST are not. See result in table 1

**Table 1: Descriptive Statistics**

<table>
<thead>
<tr>
<th></th>
<th>INFR</th>
<th>MKCP</th>
<th>MPR</th>
<th>NER</th>
<th>NVST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>20.29143</td>
<td>3790.82</td>
<td>12.9571</td>
<td>71.5374</td>
<td>36.85429</td>
</tr>
<tr>
<td>Maximum</td>
<td>76.8000</td>
<td>19077.40</td>
<td>26.0000</td>
<td>193.2792</td>
<td>480.7000</td>
</tr>
<tr>
<td>Minimum</td>
<td>0.20000</td>
<td>5.00000</td>
<td>6.00000</td>
<td>0.61000</td>
<td>0.10000</td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>18.98565</td>
<td>5978.104</td>
<td>4.231137</td>
<td>66.29845</td>
<td>95.52876</td>
</tr>
<tr>
<td>Skewness</td>
<td>1.538312</td>
<td>1.386505</td>
<td>0.704233</td>
<td>0.225436</td>
<td>3.571352</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>4.315573</td>
<td>3.442601</td>
<td>4.063314</td>
<td>1.350640</td>
<td>15.71863</td>
</tr>
<tr>
<td>Jarque-Bera</td>
<td>16.32800</td>
<td>11.49966</td>
<td>4.541849</td>
<td>4.263689</td>
<td>310.3068</td>
</tr>
<tr>
<td>Probability</td>
<td>0.000285</td>
<td>0.003183</td>
<td>0.103217</td>
<td>0.118618</td>
<td>0.000000</td>
</tr>
</tbody>
</table>

**Source:** Authors’ Computation

**Test for Stationarity**

The stationarity properties of the series and their order of integration were determined using the Augmented Dickey-Fuller (ADF) unit root test. Result is presented below in table 2
Table 2: Augmented Dickey – Fuller Unit Root Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>ADF – Statistic</th>
<th>Model</th>
<th>Lag order at level</th>
<th>Lag order at 1st diff.</th>
<th>I(d)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level</td>
<td>1st Difference</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INFR</td>
<td>-0.219</td>
<td>-5.406*</td>
<td>Constant</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>MKCP</td>
<td>-0.223</td>
<td>-5.691*</td>
<td>Constant</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>MPR</td>
<td>-3.035*</td>
<td>-</td>
<td>Constant</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>NER</td>
<td>-0.331</td>
<td>-5.196*</td>
<td>Constant</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>NVST</td>
<td>-2.854</td>
<td>-6.066*</td>
<td>Constant</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

Where * denotes significance at 5% and the rejection of the null hypothesis of presence of unit root. The optimal lag lengths were chosen according to Schwarz Info. Criterion (SIC). The critical value at level is -2.951 while the critical value at 1st difference is -2.954.

Source: Authors’ Computation

The ADF unit root result shows that all the variables became stationary after differencing once except MPR which is stationary at level. With this, this Johansen test for cointegration breaks down since we have a combination of level I(0) and order one I(1) variables. Thus, the estimation of the ARDL bounds testing model becomes expedient. See result in table 3.

Table 3: ARDL Bounds Test Result

Null Hypothesis: No long-run relationships exist

<table>
<thead>
<tr>
<th>Test Statistic</th>
<th>Value</th>
<th>K</th>
<th>Critical Value Bounds</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-statistic</td>
<td>15.89520</td>
<td>4</td>
<td>Significance</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Authors’ Computation

The result in table 4.3 shows that a long-run relationship does exist between the variables in the model since, the F-statistic value of 15.89520 is greater than the upper bound critical value of 4.01 at 5 percent. This is a clear indication that in the event of any disequilibrium, the variables would oscillate back to their equilibrium point. But the speed of convergence can only be determined by the error correction term denoted by NVST(-1)), which is presented in the result in table 4 below. The speed of adjustment of the model CointEq(-1) in the ARDL Cointegrating and Long-run form result is as follows:

\[ \text{Cointeq} = \text{NVST} - (-433.4491*\text{INFR} - 0.6184*\text{MKCP} + 1136.5453*\text{MPR} - 94.4438*\text{NER} - 202.4359) \]

Table 4: Test Equation:
The value of the coefficient of NVST lagged in the first period (NVST(-1)) in Table 4 measures the speed of adjustment of the model and it is negative as expected but it is not statistically significant. This shows that if there are short-run fluctuations that cause private domestic investment to deviate from its equilibrium path, it will return at the speed of 0.3% per annum. This means that it will take a long time for NVST to return to its equilibrium path peradventure there are any short-run fluctuations that cause it to wander away. The result further shows that any rise in inflation rate in the short-run would make domestic investment to decline by 2.97 percent and this decline is statistically significant at the 5 percent level. This is a clear indication that inflation has a negative significant
relationship with domestic investment over the period reviewed in Nigeria. But in the long-run, inflation is seen to have a negative and statistically insignificant relationship with domestic investment (see table 4.5 below). Market capitalization on the other hand is seen to have a positive and insignificant impact on domestic savings in the short-run for the period covered. This is seen from its (MKCP) short-run coefficient of 0.005410 and its corresponding P-value of 0.2074. In the long-run, it is seen to have a negative and statistically insignificant impact on domestic savings (see table 4.5). The short-run coefficient of MPR (-9.481800) and it corresponding P-value of 0.0132 shows that monetary policy rate drives domestic investment negatively and significantly. This means that a 1 percent increase in MPR would lead to decrease in domestic investment by 9.48 percent in the short-run. But it is seen to have a positive but insignificant impact on domestic investment in the long-run (see table 4.5). Nominal exchange rate in the short-run is also seen to have a negative but significant impact on domestic savings judging from its short-run coefficient of -1.699827 and its corresponding P-value of 0.0356. This means that any increase in nominal exchange rate would result to a decline in domestic investment by approximately 1.70 percent. The same position is held in the long-run except that its impact is statistically not significant (see table 4.5).

Table 4.5: Long-run Coefficients the estimated parameters in table 4.4

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>INFR</td>
<td>-433.449072</td>
<td>2658.292790</td>
<td>-0.163055</td>
<td>0.8741</td>
</tr>
<tr>
<td>MKCP</td>
<td>-0.618370</td>
<td>4.218612</td>
<td>-0.146581</td>
<td>0.8867</td>
</tr>
<tr>
<td>MPR</td>
<td>1136.545327</td>
<td>7018.204111</td>
<td>0.161942</td>
<td>0.8749</td>
</tr>
<tr>
<td>NER</td>
<td>-94.443828</td>
<td>579.404564</td>
<td>-0.163002</td>
<td>0.8741</td>
</tr>
<tr>
<td>C</td>
<td>-202.435914</td>
<td>2380.999020</td>
<td>-0.085021</td>
<td>0.9341</td>
</tr>
</tbody>
</table>

Source: authors’ Computation

The Adjusted R-squared value of 0.898922 as presented in table 4.4 shows that the independent variables in the model jointly influence the behavior of the dependent variable by approximately 90 percent. Meaning that liberalization has influenced domestic investment decisions by 90 percent over the period reviewed. The overall model is statistically significant judging by the F-statistic value of 13.70482 and its corresponding probability value of 0.000171. The Durbin-Watson statistic value of 2.065 showed that the estimated model is free from serial or partial correlation problems. This is further validated by the correlogram of residual square statistics for serial or autocorrelation (see correlogram table in appendix). The residual of the estimated model,
result presented in table 4.4 is normally distributed (see figure 1 in appendix), thereby, making the model fit for analysis.

**Recommendations and Conclusion**

This paper concludes that interest rate liberalization has significantly influenced investment decisions in Nigeria over the reviewed period. This means that interest rate liberalization is a commendable policy direction by the Nigerian government given its impact in mobilizing investment, which ultimately leads to growth of the economy. Rather, it is market capitalization that does not significantly drive domestic investment in Nigeria. Going by the findings of this paper, it is recommended that;

It is a known fact that majority of the borrowers in Nigeria are entrepreneurs with small business venture with low profits. They are thus easily driven away by any sign of high monetary policy rate. Thus, for liberalization to further drive investment in Nigeria, MPR should be reduced by at least nine percent so that return on investments for potential borrowers is higher than the cost of capital.

There is also the need for the monetary authority to consciously work towards reducing the high inflation rate that is prevalent in the Nigeria economy. A reduction in inflation rate would also increase domestic investment and would further translate to growth in the economy.

Also, concerted effort needs to be made to reduce nominal exchange rate as this is also key in driving domestic investment in Nigeria.

Finally, there is the need to deliberately put in place policies that would increase market capitalization if the Nigerian economy must benefit from domestic investment driven by market capitalization.

**References**


FISCAL DECENTRALIZATION AND ECONOMIC GROWTH IN NIGERIA AND GHANA

Andohol, Jerome Terhemba¹
Kwen, Solomon Sooter²

Abstract

This study investigates and compares fiscal decentralization and economic growth in Nigeria and Ghana within the period 1994 to 2014. Secondary data for the study were analyzed using the Least Squares Dummy Variable model to estimate the coefficients of variables included in the study. The Pairwise Granger Causality Test is also used to ascertain the causal flow between fiscal decentralization and economic growth in these countries. Findings show that Nigeria is more fiscally decentralized than Ghana, as a whole noting that fiscal decentralization has an insignificant negative impact on Nigeria’s economic growth in the short-run, but its effect is only positive and significant in the long-run. The impact of fiscal decentralization in Ghana is significant and positive on her economic growth in the short-run, but becomes insignificant and negative in the long-run. The study also found that no causality exists between fiscal decentralization and economic growth in both countries. The study recommends that sub-national governments in Nigeria and Ghana should diversify their fiscal base through raising the level of taxing assignment in order to meet their responsibilities. Central Government of both nationals should borrow policy options from each other to fully harness the gains of fiscal decentralization in their respective countries.

Keywords: Economic Growth; Fiscal Decentralization; Least Squares Dummy Variable Model

Introduction

A rapid growth in the autonomy and responsibilities of State and Local Governments is one of the most noteworthy trends in governance around the world in recent decades. Decentralization as it is known has continued to be a global trend and has had a central place in the policy agenda of many economies. The World Bank (2000) cited two main forces in the last decade to foster the development agenda, globalization and

¹ Department of Economics, Benue State University, Makurdi. Email: torsaa2002@yahoo.com
² First Bank of Nigeria, Abuja Email: sookwem@gmail.com
decentralization. The latter is a process that involves the transfer of administrative as well as fiscal roles from a central government system to lower levels of government (World Bank, 2000). The movement towards fiscal decentralization is often justified by the widespread belief that it is an effective tool for promoting the efficiency of public expenditures; increasing competition among sub-national governments in delivering public services and promoting economic growth (Wingender, 2005). Accordingly, Bird and Vaillancourt (1999) were of the view that developing countries are turning to decentralization to escape from the traps of ineffective and inefficient governance, macroeconomic instability and inadequate economic growth.

According to Dillinger (1994), out of Seventy-five developing and transitional countries with populations greater than five million, all but twelve claimed to have embarked on some form of transfer of fiscal authority from Central to Local Governments. The Federal Government in Nigeria has turned significant portions of responsibilities and provision of services to be undertaken by Sub-National Governments (SNGs) (States and Local Governments) for a wide range of major programs including education, industry, agriculture, and social welfare. Ghana practicing a unitary system has pursued a hybrid approach: modest decentralization to local governments with de-concentration of central government functions (IMF, 2006). The hope is that SNGs being closer to the people will be more responsive to the particular preferences of their constituencies and will be able to find new and better ways to provide these services (Shah, 1994). This point was also made clear by Agba, Ocheni, and Nnamani (2014) who noted that local government councils in Nigeria being the closest to the people occupy a peculiar position as promoters of grassroots mobilization and participation in governance, and catalyst for rural transformation and development.

However, despite its proven benefits in developed economies as shown in works by Lin and Liu (2000), Akai and Sakata (2002), Meloche, Vaillancourt and Yilmaz (2004), Feld, Schaltegger and Kirchgassner (2004), Feltenstein and Iwata (2005) and Hammond and Tosun (2009), decentralization in developing and emerging economies have remained rather at the same level over the years with a few exceptions of countries such as Bulgaria, Slovak Republic and Romania (IMF GFSM; 2011). In nearly all African countries, power is shared to some extent between the central and other levels of government. Nigeria and Ghana which are trading partners within the West African Sub Saharan region have both adopted similar policies at certain instances to stimulate economic growth. Such policies include the Structural Adjustment Programme (SAP) adopted in the 80's and the emphasis on fiscal decentralization policy adopted at different times period. One would expect that these countries after transferring much administrative and fiscal power to lower levels of government, should improve their efficiency in public expenditures and increase
provision of public goods and services, which would in turn enhance their economic growth and development.

Despite the adoption of fiscal decentralization to stimulate growth by both countries which is the fulcrum of this study, these countries are still faced with a lot of challenges on macroeconomic management, poor output growth rate, high inflation rate, and weak balance of payment position as adduced by Ogunlana, Arogundade, Al-Hassan and Bashir (2014), Prichard and Bentum, (2009) and Crawford (2004). Could this be an outcome of Bardhan (2002) postulation that the assumptions that underlie the efficiency gains argument for fiscal decentralization may not really apply to low-income and developing countries? The identified reasons in support of the postulation are; fiscal decentralization ignores the mechanisms and devices needed to check bureaucratic corruption common in some developing countries, the impossibility of restraining the central government's power, inadequate quality of staff in local bureaucracies and the information, accounting systems and mechanisms of monitoring public officials in low-income and developing countries are quite weak and inadequate (Bardhan, 2002; Martínez-Vázquez and McNab, 2003). It is in this wise that this study intends to empirically test Bardhan’s postulation and contribute to the debate on the mix results of the effect of fiscal decentralization on economic growth by investigating on comparative terms the fiscal decentralization-economic growth nexus between Nigeria and Ghana from 1994 to 2014.

Review of Literature

Conceptual Review

Concept of Fiscal Decentralization and Economic Growth

Decentralization is broadly defined to include the transfer of authority from central to sub-central governments and the management arrangements that relocate responsibilities away from the centre. Decentralization can be envisaged as “the transfer of authority on a geographic basis whether by de-concentration of administrative authority to field units of the same department or level of government or by political devolution of authority to local government units, or by delegation to special statutory bodies” (United Nations, 1996). Decentralized systems of government give rise to a set of fiscal exigencies referred to as fiscal federalism, also known as fiscal decentralization. Fiscal decentralization occurs when sub-national governmental units are given autonomy over the provision and financing of public goods and services (Bjedov and Madies, 2010). Vo (2005) opined that fiscal decentralization centers on two broad categories: (i) fiscal autonomy of SNGs; and (ii) fiscal importance of SNGs. While fiscal autonomy of SNGs mainly deals with
the assignment of taxing powers, including supplementary tools such as intergovernmental fiscal transfers, sub-national borrowing and the assignment of responsibility for public provision of goods and services, fiscal importance is directly connected with the level of expenditure responsibility of SNGs relative to the level of all government expenditures.

Economic growth, a process by which a nation’s wealth increases over time, has continued to be a major concern of developing countries. For an economy to grow; it has to create the right conditions for growth (Sala-i-Martin, Doppelhofer and Miller, 2004). To a large extent, economic growth depends on the resources a country has, the greater the quantity and the better the quality of the resources the more potential it has to grow. Growth is also driven by improvement in productive resources, increased investments, and improved infrastructure among others. The benefits derived from increased growth of a country cannot be overemphasized: It improves standard of living through higher real gross domestic product per head, generates new jobs and reduces unemployment, improve business confidence thus attracts foreign investment inflows, and leads to higher consumption which in turn leads to induced increases in investment spending (via accelerator mechanism).

Linkages between Fiscal Decentralization and Economic Growth
There are numerous channels through which fiscal decentralization and an intergovernmental set-up affects an economy. In a macroeconomic production function, output is determined by physical and human capital and by their productivity, known as total factor productivity. Productivity in the private and public sector in turn is affected by institutional and policy settings like the extent of decentralization. Since firms and households rely on public sector services, corporate productivity and household well-being may depend on how and where governments spend money. Fiscal frameworks might shape, for example, the extent to which governments (both national and sub-national) invest in infrastructure or education. Finally, fiscal decentralization may directly affect a particular public sector (e.g. education system) whose performance can affect human capital formation (OECD, 2013) as shown in Figure 1.

Brueckner (2006) proposed a model in which fiscal decentralization leads young and old consumers to live in separate jurisdictions according to their different demands for public services: low and high. This sorting increases after-tax income of young people while reducing that of old people. Thus, increasing the incentive to save, which, in turn, leads to an increase in investment in human capital and long-term economic growth. Kappeler and Valila (2008) also found that fiscal decentralization increases the share of productive
investment in total public investment and reduces the relative share of economically less productive public investment, because fiscal competition increases the quality of public expenditure and affects firms’ location decisions. By changing the composition of public investment towards the most productive, fiscal decentralization may therefore enhance economic growth. They argue that fiscal decentralization will result in more public investment in spillover goods such as infrastructure, hospitals, and schools particularly where the spillover effects of these investments are internalized by capital transfers from central governments.

Schaltegger and Feld (2008) show that contrary to the popular claim that decentralized governments undermine policy makers’ ability to fight fiscal imbalance, fiscal decentralization increases the probability of a successful fiscal consolidation (lower public debt). In particular, fiscal decentralization increases the credibility and accountability of mutually agreed reductions in fiscal imbalances, whereas federal transfer payments may reduce the costs of making these fiscal adjustments. Thus, fiscal decentralization could increase economic growth if the reduced fiscal imbalances that it encourages have expansionary economic effects (Giavazzi and Pagano, 1996). With respect to the health services, decentralization is expected to improve access to health

Figure 1: Channels linking Decentralization to Economic activity
Source: OECD 2013.
care services and ultimately to better population health (Robalino, Picazo and Voetberg, 2001; Uchimura and Jütting, 2009; Khaleghian, 2004). Studies have shown a strong link between measures of aggregate health such as life expectancy or child mortality and growth in per Capita income (Barro 1990; Gallup and Sachs 2000). Improved health through decentralization would increase both the magnitude and quality of the labour force, longer years of working life, thus, improving labour productivity and thereby leading to economic growth.

**Theoretical Review**

This study is anchored on three economic theories namely: the Keynesian Growth Model (Keynes, 1936), the Endogenous Growth Model (Romer, 1994) and the Productivity Enhancement Hypothesis (Thunen, 1920). Keynesianism advocates for government intervention in the economy through induced investment (increased spending and reduced taxes by the government) in order to stimulate the economy. Government investing in human capital, innovation, and knowledge will significantly contribute to economic growth, the notion put forth by the Endogenous Growth Theory. Sub-national governments through fiscal decentralization have the resources (Grants/transfers from national government and owned revenue gotten from taxes, fees, fines, licenses, sale of assets) to spend/invest on innovations in production so as to supply public goods and services to meet local preference. Innovation could lead to efficiency (increase in quality and quantity) in the provision of these public goods and services, which is the crux of Productivity Enhancement Hypothesis.

**Empirical Review**

On country specific and across countries framework, existing studies on the relationship between fiscal decentralization and economic growth, provides mixed results making generalization a center of debate, as encapsulated by the following empirics.

Gemmell, Kneller and Sariz, (2013) carried out a study on Fiscal decentralization and Economic Growth: Spending versus Revenue Decentralization in 23 OECD countries during the period 1972 to 2005, to examine whether the efficiency gains accompanying fiscal decentralization generate higher growth in more decentralized economies. Panel data was used for the study. The study found that economic growth in OECD countries has been adversely affected by decentralization of expenditures, but encouraged by revenue decentralization. Rodríguez-Pose and Ezcurre (2011) analyzed the relationship between decentralization and economic growth in 21 OECD countries during the period between 1990 and 2005 and controlling not only for fiscal decentralization, but also for political and administrative decentralization. The results point towards a negative and significant association between fiscal decentralization and economic growth in the
sample countries, a relationship that is robust to the inclusion of a series of control variables and to differences in expenditure preferences by sub-national governments. Also, Baskaran and Feld (2013) examined the effect of fiscal decentralization on economic growth for 23 OECD countries from 1975 to 2008 using different measures of fiscal decentralization. The regressions with Government Finance Statistics (GFS) style measures indicate that fiscal decentralization has a negative but statistically insignificant effect on growth. Regressions with the new measures also result in negative coefficient estimates. However, they are larger in absolute terms and statistically significant. Abachi and Salamatu (2012) examined the effect of fiscal decentralization on economic growth in Nigeria from 1970-2009 using the Ordinary Least Squares model. The findings indicated that sub-national own source revenue as a ratio of total federal revenue (FD1) as positive relationship with economic growth but is statistically weak, that sub-national expenditure as a ratio of total federal expenditure (FD2) show negative relationship with growth while sub-national own source revenue as a ratio of total federal expenditure (FD3) has positive but statistically weak relationship with growth.

Similarly, Adefeso and Saibu (2013) carried out a study on Fiscal decentralization and Economic development in Nigeria: Empirical evidence from VECM model Nigeria to examine long-run and causal relationship between fiscal decentralization and economic development in Nigeria from 1970-2011. SNGs expenditure and revenue to general government expenditure and revenue were used as fiscal decentralization indicators while Vector Error Correction Model (VECM) was used to do away with endogeneity problem and test for long run relationship between fiscal decentralization and economic development. The results revealed that there is a long run relationship between fiscal decentralization and economic development in Nigeria. VEC causality test show that economic development causes fiscal decentralization in Nigeria at 5% level of significance and not vice versa. Faridi (2011) researched on the Contribution of fiscal decentralization to economic growth: Evidence from Pakistan from 1972-2009. The study adopted a neo-classical production function with revenue and expenditure shares of provinces as fiscal decentralization indicators. OLS was used to estimate the auto regressive model. The study found that both fiscal decentralization variables (Tax authority, expenditure autonomy) have positive and significant effect on economic growth. Similarly, Fatai, Samod, Taiwo and Olayinka (2014), in their research on Flow of Fiscal Responsibility Among layers of Government in Nigeria examined the effect of fiscal decentralization on macro-economic performance in Nigeria from 1980-2010. The result of the study revealed a limited degree of fiscal decentralization in Nigeria and that all
fiscal decentralization measures were found to affect economic growth positively at one percent significant level. They concluded that faster economic growth may constitute additional benefit of fiscal decentralization. Asatryan (2011), carried out a study on Fiscal decentralization and Economic growth in OECD countries: A Bayesian model averaging approach for 23 OECD countries from 1975-2001 to examine the empirical relationship between fiscal decentralization in a Bayesian framework. Results using the revenue-share indicator were less conclusive. Cross-country data result showed a significant negative correlation whereas on panel data the effect was negative but insignificant. They concluded that the relationship of fiscal decentralization on per capita GDP growth rate was negative and insignificant.

Measurement of Fiscal Decentralization in the Study
There is no single, simple measure of fiscal decentralization. According to Guess, Loehr, and Martinez-Vazquez (1997), the modeling of fiscal decentralization, given its multi-dimensional status involves a general to specific approach. With this in mind, the primary means of measuring fiscal decentralization is the budget data approach. Through this approach, different decentralization measures have been adopted. To date, studies of the relationship between fiscal decentralization and economic growth have only undertaken very crude measures of fiscal decentralization. Oates (1972) used the national government share in total public revenue as the degree of fiscal decentralization. Woller and Phillips (1998) measured fiscal decentralization as one out of four scenarios as follows:

i. the ratio of local government revenues to total government revenues;
ii. the ratio of local government revenues less grants-in-aid to total government revenues;
iii. the ratio of local government expenditures to total government expenditures; and
iv. the ratio of local government expenditures to total government expenditures less defense and social security expenditures.

Davoodi and Zou (1998) measured the level of fiscal decentralization as the spending by SNGs as a fraction of total government spending.

It is widely admitted that the measurement of fiscal decentralization in previous works were problematic because there was little information regarding the autonomy of SNGs in terms of their expenditure and own-sourced revenue. There is also limited reported data for SNGs, thus making the analysis of the dispersion among the difficult (Breuss and Eller, 2004). To overcome the above problem, this study adopts Vo’s (2005) reliable index (Fiscal decentralization index) that combines expenditure autonomy and own-source revenue. Vo's (2005) Fiscal decentralization index (FDI) not only provides an
adequate measure but helps make possible the international comparisons of nations’
degree of fiscal decentralization.

\[
FDI = \sqrt{\left(\frac{\sum OSR}{\sum E}\right) \times \left(\frac{\sum E}{TE}\right)}
\]

Where:
FDI = Fiscal decentralization index
OSR = owned source revenue of sub national region.
E = the expenditure made by sub national region;
TE = total public expenditures of the whole economy (including both expenditures from
the national government and all SNGs).
The degree of fiscal decentralization depends on the value of FDI, which ranges between
0 and 1. FDI = 0 represents full fiscal centralization; 0 < FDI < 0.5 represents relative
fiscal centralization; 0.5 < FDI < 1 represents relative fiscal decentralization; and FDI =
1 represents full fiscal decentralization.

Methodology
This study used mainly secondary data. The data were collected on Gross Domestic
Product growth rate, Gross Domestic Product (GDP), Final Consumption Expenditures,
Gross Fixed Capital Formation, Exports, Imports, State /District own/internally generated
revenue, Transfers from the Central/Federal to SNG, Government Health Expenditure.
To ensure for same unit of measurement among the variables used in this study, all
variables but Fiscal Decentralization Index were converted as a percentage of GDP.
The main sources of data were the World Bank, the World Development Indicator,
of Nigeria Statistical Bulletins, Bank of Ghana Annual Report, Ghana Ministry of
Finance and Economic Planning. The various issues of these publications for different
years were used in compiling the data on the specified variables in model.

Model Specification
This study adopted a Keynesian Growth Model in linkage with the Productivity
Enhancement Hypothesis and the Endogenous Growth Theory in order to examine the
impact of fiscal decentralization on economic growth in Nigeria and Ghana from 1994 –
2014.

In a simple Keynesian Model

\[
GDPGR = CON + GFCF
\]

(1)

Where:
GDPGR is Gross Domestic Product Growth Rate;
CON represents consumption expenditures, expenditures by household sector on currently produced final goods and services;
GFCF represent Gross Fixed Capital Formation (Investments)
The Keynesian theory argues that governments can speed up economic recovery/growth by stimulating demand through increase Government spending. This is further buttressed by Vazquez and McNab (2003) in their Productivity Enhancement Hypothesis, that by transferring responsibility to SNGs, they are given the incentive to actively search for innovations in production and increase the supply of public goods and services.
Now, we add the third sector of the model, the government sector (G*)
\[ GDPGR = CON + GFCF + G^* \] (2)
The model assumes an economy with Government (G*) participation. The Government undertakes spending targeted at improving human capital development and innovation (research) in the country for increased economic growth as posited by the endogenous growth model; taking Government Expenditure on Health (GEH) to proxy endogenous growth theory. We have;
\[ G^* = f (GEH) \] (3)
However, the nature of intergovernmental fiscal arrangement would influence G* and Y as buttressed by productivity enhancement hypothesis. Introducing fiscal decentralization index and transfers from the Central/Federal Government to Sub-National Government into the model to proxy this theory, equation 3.3 becomes;
\[ G^* = f (GEH, FDI, TRANS) \] (4)
Where FDI represents fiscal decentralization and TRANS represents transfers from the Central/Federal Government to Sub-National Government. Equation 3.4 is stated on the ground that the size of G depends to some extent, on fiscal decentralization.
Substituting equation 4 into equation 2, we have;
\[ GDPGR = CON + GFCF + GEH + FDI + TRANS \] (5)
Furthermore, there is need to include the fourth sector of the model, the external sector since no country can live in autarky. This is further supported by the fact that both Nigeria and Ghana are trade partners.
When we add the Index of Trade Openness (OPNSS) to equation 5 to proxy external sector, we have;
\[ GDPGR = CON + GFCF + GEH + FDI + TRANS + OPNSS \] (6)
The structural form of the basic growth equation takes the form:
\[ GDPGR = a_0 + a_1CON + a_2GFCF + a_3GEH + a_4FDI + a_5TRANS + a_6OPNSS + \mu \] (7)
Where:
GDPGR is GDP Growth rate;
CON is Consumption Expenditures as a percentage of GDP;
GFCF represent Gross Fixed Capital Formation as a percentage of GDP;
GEH represents Government Expenditures on Health as a percentage of GDP;
FDI is Fiscal Decentralization Index; TRANS represents transfers from the Central Government to SNGs as share of GDP; OPNSS represent exports plus imports divided by GDP; \( \alpha_0 \) is the intercept; \( \mu \) is the stochastic term or the error term.

To examine the relative impact of fiscal decentralization on economic growth of Nigeria and Ghana the Least Squares Dummy Variable Model will be specified for estimation. This is justified on the premise that the individuality coefficients of each country will be determined from the heterogeneous panel data. As such following from Gujarati and Porter (2009), the panel model to be estimated derived from equation 7 is specified as follows:

**Least Squares Dummy Variable (LSDV) Model**

\[
GDPGR_{it} = B_0 + B_1D_2 + B_2CON_{it} + B_3GFCF_{it} + B_4GEH_{it} + B_5FDI_{it} + B_6TRANS_{it} + B_7OPNSS_{it} + B_8(D2*CON_{it}) + B_9(D2*GFCF_{it}) + B_{10}(D2*GEH_{it}) + B_{11}(D2*FDI_{it}) + B_{12}(D2*TRANS_{it}) + B_{13}(D2*OPNSS_{it}) + \mu_{it} \tag{8}
\]

In order to ensure that the intercepts and variable coefficients for Nigeria and Ghana vary in the FEM, a dummy variable \( (D_2) \) is introduced in the equation 3.8 to serve as intercept for the second country to avoid the situation of dummy trap while \( (D2*CON_{it}), (D2*GFCF_{it}), (D2*GEH_{it}), (D2*FDI_{it}), (D2*TRANS_{it}), (D2*OPNSS_{it}) \) variables are introduced also in equation 8 so that upon estimation to provide the coefficients for the second country.

Where; \( i = 1 \) to 2, \( t = 1 \) to 21

**A Priori Expectation:** The \( B_2, B_3, B_4, B_5, B_6, B_7, B_8, B_9, B_{10}, B_{11}, B_{12} \) and \( B_{13} \) coefficients are expected to have positive signs.

**Results and Discussion of Findings**

**Degree of Fiscal Decentralization in Nigeria and Ghana**

Vo (2005) opined that fiscal decentralization centers on two broad categories: (i) fiscal autonomy (FA) of SNGs; and (ii) fiscal importance (FI) of SNGs. He proposed the fiscal decentralization index is the geometric mean of fiscal autonomy and fiscal importance.

\[
FDI = \sqrt{\frac{\sum OSR}{\sum E}} \times \left( \frac{\sum E}{TE} \right)
\]
Figure 1 shows that, Sub-National Government fiscal autonomy in Nigeria and Ghana are low, since both countries could not finance even half 0.5 (50%) of their expenditures. The highest level of fiscal autonomy for State Governments in Nigeria was 0.30 (30%) in 1997, while District Governments in Ghana had 0.091 (9.1%) in 2006 to account for as her highest level of fiscal autonomy. The lowest level of fiscal autonomy for Nigeria was 0.08 in 2005 and 2006 while Ghana in 0.04 in 1998. Ghana's Districts Government ability to source/generate funds locally is so low that in the year 2006 in which they had the highest degree of fiscal autonomy, the value was just 1.1% more than Nigeria’s lowest. On the average within the study period SNGs in Nigeria could source locally and finance 0.162 (16.2%) of their expenditures, while District Governments in Ghana could finance only 0.07 (7%) of their expenditures. Although Nigeria's level of fiscal autonomy is relatively more than Ghana it is still very low compared to Canada, United States of America, Australia and Switzerland that have 0.92, 0.87, 0.81 and 0.82 respectively (Vo, 2005). This implies that the ability of State Governments in Nigeria and District Governments Ghana to generate their own-sourced revenue without depending on transfers from the Central/Federal Government or borrowing is very low compared to Canada, United States of America, Australia and Switzerland.

FIGURE 2: SNG FISCAL AUTONOMY AND FISCAL IMPORTANCE FOR NIGERIA AND GHANA

Between 1994 and 1998 Ghana’s SNGs expenditures as a share of total government expenditures (level of fiscal activity or fiscal importance) was higher than Nigeria, Ghana reaching her highest 0.44 (44%) in 1996, Nigeria’s highest was 0.24 (24%) in 1994. However, in 1999, while Ghana’s level of fiscal importance started falling, Nigeria reached an all-time low of 0.14 (14%). From year 2000 - 2014, Nigeria's SNGs level of fiscal importance was relatively higher than Ghana. SNGs in Nigeria reached their all-
time highest FI 0.43 (43%) in 2008 while Ghana SNGs reached their lowest 0.19 (19%) in 2004 as presented in Figure 5. On the average within the study period, the values of fiscal importance for Nigeria and Ghana SNGs were 0.32 and 0.30 respectively. These values for Nigeria and Ghana are still relatively low compared to Canada, USA, Switzerland and Denmark with 0.60, 0.57, 0.51 and 0.48 respectively.

Sub-National Governments (State/Districts and Local) in both Nigeria and Ghana enjoy only little fiscal autonomy and fiscal importance (activity undertaken by them). Ghana practices a Unitary System of Government; where Districts and Local Governments serve only as branches to Central Government. The constitution does not fully assure powers and responsibilities to them as they lack autonomy. According to Amanor and Annan (1999), the process of decentralization in Ghana has been complex and fragile. Sub-National Governments have been confronted with problems of legitimacy, lack of technical and planning capacities, as well as limited financial resources. Even in Nigeria where States and Local Governments responsibilities and powers are assured by the constitution, autonomy is still inadequate, the State Governments shedding the Local Governments of their powers and responsibilities. Agba, Ocheni and Nnamani (2014) noted that Local Governments in Nigeria have been characterized by inadequate finance and poor revenue collection, unnecessary State government interference and corruption.

Sub-National Governments (State/Districts and Local) in both Nigeria and Ghana enjoy only little fiscal autonomy and fiscal importance (activity undertaken by them). Ghana practices a Unitary System of Government; where Districts and Local Governments serve only as branches to Central Government. The constitution does not fully assure powers and responsibilities to them as they lack autonomy. According to Amanor and Annan (1999), the process of decentralization in Ghana has been complex and fragile. Sub-National Governments have been confronted with problems of legitimacy, lack of technical and planning capacities, as well as limited financial resources. Even in Nigeria where States and Local Governments responsibilities and powers are assured by the constitution, autonomy is still inadequate, the State Governments shedding the Local Governments of their powers and responsibilities. Agba, Ocheni and Nnamani (2014) noted that Local Governments in Nigeria have been characterized by inadequate finance and poor revenue collection, unnecessary State government interference and corruption.

Figure 2 reflects that both Nigeria and Ghana have been relatively fiscally centralized between 1994 and 2014 since their FDI values within the period of study was greater than 0 but less than 0.5 (0 < FDI < 0.5). Although Nigeria and Ghana fall within the relatively centralized countries zone given their low FDI values, Nigeria is relatively more decentralized than Ghana within the study period. Nigeria’s highest FDI value was 0.30 (30%) in 2010 while Ghana had 0.17 (17%), same as Nigeria’s minimum in the study period. Ghana has 0.10 (10%) as FDI as her minimum. On the average within the study period Nigeria
has a FDI value of 0.22 (22%) while Ghana 0.14 (14%). The possible reason for this is that, Nigeria is a federal country while Ghana practices a unitary system of government. SNGs’ responsibilities and powers are often assured by the constitutions in a Federal country (this guarantee cannot basically be found in the constitutions of unitary countries). The common problems of unnecessary government interference and inadequate finance faced by Nigeria and Ghana account for the low fiscal decentralization compared to Canada, Switzerland, United States of America and Denmark, the most relatively decentralized countries with 74, 68, 67 and 60 percent FDI values respectively (Vo, 2005).

**Unit Root Test**
The study employed Levin, Lin and Chin (LLC), Im, Pesaran and Shin (IPS), ADF - Fisher Chi-square (ADF-F) and PP - Fisher Chi-square (PP-F) panel unit root tests to investigate the stationary level of series. Unit Root test are generally low powered test hence require several test to verify the level of stationarity of a variable, thus the justification of the various test used. For all the tests examined the null hypothesis is accepted as series is not stationary. The results of these tests are depicted in Table 1 reveal that all the panel data variables such as CON, GFCF, GEH, GEE, FDI, TRANS and OPNSS are non-stationary at level except for GDPGR, whose unit root test is indeterminate, since two of the test reveal stationarity at levels and the other two reported otherwise, necessitating the conclusion of indeterminate unit root test at levels for GDPGR. But all the variables became stationary at first difference as shown in Table 1.

**Table 1: Panel Unit Root Test Results**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Levels</th>
<th>First Difference</th>
<th>Order of Integration</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDPGR</td>
<td>LLC: -0.44, IPS: -1.76, ADF-F: 9.14, PP-F: 8.78</td>
<td>LLC: -1.75, IPS: -2.96, ADF-F: 15.86, PP-F: 32.86</td>
<td>I(1)</td>
</tr>
<tr>
<td>P-Value</td>
<td>0.01</td>
<td>0.04</td>
<td>0.058</td>
</tr>
<tr>
<td>CON</td>
<td>-0.29</td>
<td>-0.99</td>
<td>8.69</td>
</tr>
<tr>
<td>P-Value</td>
<td>0.38</td>
<td>0.16</td>
<td>0.07</td>
</tr>
<tr>
<td>GFCF</td>
<td>-3.24</td>
<td>-1.45</td>
<td>7.88</td>
</tr>
<tr>
<td>P-Value</td>
<td>0.00</td>
<td>0.07</td>
<td>0.10</td>
</tr>
<tr>
<td>GEH</td>
<td>2.68</td>
<td>1.10</td>
<td>0.74</td>
</tr>
<tr>
<td>P-Value</td>
<td>0.99</td>
<td>0.94</td>
<td>0.96</td>
</tr>
<tr>
<td>FDI</td>
<td>-0.05</td>
<td>-0.56</td>
<td>4.59</td>
</tr>
<tr>
<td>P-Value</td>
<td>0.48</td>
<td>0.29</td>
<td>0.33</td>
</tr>
<tr>
<td>TRANS</td>
<td>-0.49</td>
<td>-0.39</td>
<td>5.14</td>
</tr>
<tr>
<td>P-Value</td>
<td>0.31</td>
<td>0.35</td>
<td>0.27</td>
</tr>
<tr>
<td>OPNSS</td>
<td>-1.06</td>
<td>-0.87</td>
<td>6.03</td>
</tr>
<tr>
<td>P-Value</td>
<td>0.14</td>
<td>0.19</td>
<td>0.20</td>
</tr>
</tbody>
</table>

Source: Author's Construction from E-Views 9 Output

**Cointegration Test**
In this study, the existence of cointegration between the series was examined by using Pedroni and the Kao tests. Out of the eleven Pedroni cointegration test statistics used,
six indicate the existence of a long-run association among the variables understudied at 1% significance level for all the three models used. The Kao ADF Statistic validates the Pedroni’s cointegration results, since the p-value of the Kao ADF Statistics is less than 0.05; we reject the null hypothesis of no cointegration but accept the alternative hypothesis and conclude that there is long-run relationship existing among the variables incorporated in the model such as GDPGR, CON, GFCF, GEH, FDI, TRANS and OPNSS as reported in Table 2.

Table 2: The Panel Cointegration Results

<table>
<thead>
<tr>
<th>Series: GDPGR, CON, GFCF, GEH, FDI, TRANS, OPNSS</th>
<th>Null Hypothesis: No cointegration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statistic</td>
<td>No deterministic trend</td>
</tr>
<tr>
<td>Panel v-Statistic</td>
<td>-0.0579</td>
</tr>
<tr>
<td>P = value</td>
<td>(0.5231)</td>
</tr>
<tr>
<td>Panel (Weighted) v-Statistic</td>
<td>-0.4520</td>
</tr>
<tr>
<td>P = value</td>
<td>(0.6744)</td>
</tr>
<tr>
<td>Panel rho-Statistic</td>
<td>0.8014</td>
</tr>
<tr>
<td>P = value</td>
<td>(0.7885)</td>
</tr>
<tr>
<td>Panel Statistic(Weighted) rho-</td>
<td>0.5917</td>
</tr>
<tr>
<td>P = value</td>
<td>(0.7230)</td>
</tr>
<tr>
<td>Panel PP-Statistic</td>
<td>-4.6707</td>
</tr>
<tr>
<td>P = value</td>
<td>(0.0000)*</td>
</tr>
<tr>
<td>Panel PP-Statistic (Weighted)</td>
<td>-4.1922</td>
</tr>
<tr>
<td>P = value</td>
<td>(0.0000)*</td>
</tr>
<tr>
<td>Panel ADF-Statistic</td>
<td>-3.0368</td>
</tr>
<tr>
<td>P = value</td>
<td>(0.0012)*</td>
</tr>
<tr>
<td>Panel ADF-Statistic (Weighted)</td>
<td>-3.1653</td>
</tr>
<tr>
<td>P = value</td>
<td>(0.0008)*</td>
</tr>
<tr>
<td>Group rho-Statistic</td>
<td>1.2454</td>
</tr>
<tr>
<td>P = value</td>
<td>(0.8935)</td>
</tr>
<tr>
<td>Group PP-Statistic</td>
<td>-5.1958</td>
</tr>
<tr>
<td>P = value</td>
<td>(0.0000) *</td>
</tr>
<tr>
<td>Group ADF-Statistic</td>
<td>-3.2815</td>
</tr>
<tr>
<td>P = value</td>
<td>(0.0005) *</td>
</tr>
<tr>
<td>Koa ADF Statistics</td>
<td>-1.7212</td>
</tr>
<tr>
<td>P = value</td>
<td>(0.0426) **</td>
</tr>
</tbody>
</table>

Note: *, ** and *** indicates the presence of co-integration relationship at significance of 1 %, 5 % and 10 % level respectively.

Source: Author’s Construction from E-views 9 Output

**Fiscal Decentralization – Economic Growth Causal Flow**

Breuss and Eller (2004) noted that if decentralization is seen as a superior good and shows therefore higher income elasticity, then a higher level income can form the basis for
additional expenditures used for a new decentralized level. Thus, suggested a potential for bi-directional causalities between fiscal decentralization and economic growth. Several studies have showed that FDI depends on the level income (Letelier, 2003; Oates, 1972; Panizza, 1999 and Wheare 1964). Other studies have also shown that economic growth depends on FDI (Gemmell et al., 2013; Malik, Hassan and Aussain, 2006; Iimi (2005); Thiessen, 2003; Akai and Sakata, 2002; Lin and Liu, 2000). On this basis one would expect a uni or bi-causality between FDI and GDPGR in Nigeria or Ghana; this is not the case with these countries as the causal relationship test results between FDI and GDPGR was indeterminate (in Nigeria or Ghana).

Impact of Fiscal Decentralization on Economic Growth

In the long-run, fiscal decentralization (FDI) has a significant positive impact on economic growth (GDPGR) of Nigeria; a 100 percent increase in FDI increases Nigeria’s GDPGR by 0.6 percent as depicted in Table 3. This result agrees with our theoretical assumption. In Ghana however, FDI is observed to have a statistically insignificant relationship, this result does not agree with the economic theory, that posit fiscal decentralization being an effective tool for promoting the efficiency of public expenditures; increasing competition among sub-national governments in delivering public services and promoting economic growth (Oates, 1993; Wingender, 2005). In the short-run however, while FDI is observed to have a significant positive impact on the GDPGR of Ghana by 1.12%, it has an insignificant relationship on Nigeria’s GPDGR.

On comparative bases, the findings show that in the long-run the extent which FDI impacts GDPGR is better in Nigeria, while the short-run analysis reveal favourable performance for Ghana. These results confirm two things: first is the inconclusive and mix results found in several studies of the nature of relationship between FDI and GDPGR, while others indicate a positive relationship between economic growth and fiscal decentralization (Akai et al. (2002); Desai and Goldberg, (2003); Lin and Liu (2000); Yilmaz (1999) Oates (1995)), others give negative relationship (Zhang and Zou (1998); Xie, Zou and Davoodi (1999); Davoodi and Zou (1998) and Woller and Phillips (1998)). Secondly, the findings by Woller and Phillips (1998) and Davoodi and Zou (1998) that found no significant relationship between FDI and GDPGR in developing countries. Nigeria and Ghana could not possibly have fully gained from fiscal decentralization given the odds that are against them. Both Nigeria and Ghana are low income countries; this is evidenced by their low per capita income ($3,203.30 and $1,441.64 respectively in 2014 (WDI, 2014)). Fiscal decentralization is associated with high fixed cost, given Nigeria and Ghana’s low per capita income, FDI could consume such a large share of a country’s total available funds that decentralization might seem difficult to justify. Accordingly, Fiva (2006) noted that fiscal decentralization can only be attractive at a relatively high threshold level of income.
### Table 3: Estimation Results

<table>
<thead>
<tr>
<th>Dep. Variable</th>
<th>Nigeria</th>
<th>Ghana</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDPGR</td>
<td>Coefficient (Long run)</td>
<td>Coefficient (Short run)</td>
</tr>
<tr>
<td>CON</td>
<td>-0.1097</td>
<td>0.0128</td>
</tr>
<tr>
<td></td>
<td>(0.3130)</td>
<td>(0.8165)</td>
</tr>
<tr>
<td>GFCF</td>
<td>-0.3873</td>
<td>0.6289</td>
</tr>
<tr>
<td></td>
<td>(0.2488)</td>
<td>(0.0660***</td>
</tr>
<tr>
<td>GEH</td>
<td>-2.5357</td>
<td>-1.6592</td>
</tr>
<tr>
<td></td>
<td>(0.0160**)</td>
<td>(0.2257)</td>
</tr>
<tr>
<td>FDI</td>
<td>0.6028</td>
<td>-0.2210</td>
</tr>
<tr>
<td></td>
<td>(0.0952***</td>
<td>(0.3084)</td>
</tr>
<tr>
<td>TRANS</td>
<td>1.7698</td>
<td>-1.0179</td>
</tr>
<tr>
<td></td>
<td>(0.0000*)</td>
<td>(0.0396**)</td>
</tr>
<tr>
<td>OPNSS</td>
<td>-0.0262</td>
<td>-0.0059</td>
</tr>
<tr>
<td></td>
<td>(0.6963)</td>
<td>(0.9032)</td>
</tr>
<tr>
<td>ECM(-1)</td>
<td>-1.3087</td>
<td>-1.3087</td>
</tr>
<tr>
<td>C</td>
<td>9.3367</td>
<td>-11.9623</td>
</tr>
<tr>
<td></td>
<td>(0.1816)</td>
<td>(0.1993)</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.9506</td>
<td>0.9506</td>
</tr>
<tr>
<td>Wald Test: F-stat</td>
<td>11.6339</td>
<td>4.9432</td>
</tr>
<tr>
<td></td>
<td>(0.0008*)</td>
<td>(0.0166**)</td>
</tr>
<tr>
<td>F-statistic</td>
<td>6.6589</td>
<td>6.6589</td>
</tr>
<tr>
<td></td>
<td>(0.0028*)</td>
<td>(0.0028*)</td>
</tr>
<tr>
<td>Durbin-Wat stat</td>
<td>2.0953</td>
<td>2.0953</td>
</tr>
</tbody>
</table>

Note: Standardized coefficients reported; * significant at the 1% level; ** significant at the 5% level; *** significant at the 10% level.

**Source:** Author’s Construction from E-views 9 Output

Fiscal decentralization cannot lead to economic growth were corruption thrive (Bardhan, 2002). Nigeria and Ghana have high corruption levels given their low Corruption Perception Index scores; 19.78 and 38.44 for Nigeria and Ghana respectively. Out of 169 countries included Nigeria ranks 136th as against Ghana’s 66th in the 2015 Corruption Perception Index. This was observed by Abachi and Salamatu (2012) who reported that fiscal decentralization does not contribute to economic growth in Nigeria as a result of corruption and low-quality governance. They noted that where fiscal matters are decentralized; corruption rises while quality of governance diminishes, leading to a decrease in economic growth.

It is observed as depicted in Table 1, that while consumption had no impact on Nigeria’s economic growth in both the long and short run, its impact on Ghana’s economy was...
positive and significant in the short run. Gross Fixed Capital Formation had positive and significant impact on both the Nigerian and Ghanaian economy. In the long run however, there was no impact. Government Expenditure on health had positive and significant impact on Ghana’s economy in the long run; in the short run, it had no impact in both economies. While Transfers from Federal Government to sub-national government had only positive and significant impact on Nigeria’s economy in the long run; in the short run however, only in Ghana’s economy did transfers impacted. Trade openness only impacted in Ghana’s economy in the long run.

Further observation on Table 1 show that the Error correction mechanism ECM (-1) is correctly signed (negative) and significant for Nigeria and Ghana. This means that if there is disequilibrium in the short-run for Nigeria or Ghana, the system will adjust fully to equilibrium annually. The R-squared is 95.06 implying that the explanatory variables (CON, GFCF, GEH, FDI, TRANS and OPNSS) included in the model account for 95.06 percent variations in the in the dependent variable (GDPGR). The F-statistic is 6.6589 and is significant; this indicates that all the explanatory variables jointly explain variations in GDPGR.

**Table 4: Summary of Ranking of Nigeria and Ghana (Impact Analysis)**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Long-run</th>
<th>Short-run</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st Position</td>
<td>2nd Position</td>
</tr>
<tr>
<td>FDI</td>
<td>Nigeria(0.60)**</td>
<td>Ghana(-0.14)</td>
</tr>
<tr>
<td>CON</td>
<td>Ghana(-0.65)**</td>
<td>Nigeria(-0.11)</td>
</tr>
<tr>
<td>GFCF</td>
<td>Ghana(-1.12)**</td>
<td>Nigeria(-0.39)</td>
</tr>
<tr>
<td>GEH</td>
<td>Ghana(16.91)*</td>
<td>Nigeria(-2.54)**</td>
</tr>
<tr>
<td>TRANS</td>
<td>Nigeria(1.77)*</td>
<td>Ghana(-8.70)</td>
</tr>
<tr>
<td>OPNSS</td>
<td>Ghana(0.72)*</td>
<td>Nigeria(-0.03)</td>
</tr>
</tbody>
</table>

Note: Standardized coefficients reported; * significant at the 1% level; ** significant at the 5% level; ***significant at the 10% level.

**Source: Author’s Construction from Estimated Results**

**Model Diagnostic Test**
Panel Framework assumes no strong relevance of functional misspecification and heteroscedasticity (Gujarati, 2003). With this in mind the diagnostic tests made for this study are the Jacque-Bera and the Residual Cross-section Dependence Test as reported in Table 5. It is observed from Table 5 that the error term of the LSDV model is normally distributed giving the p-value (0.7806) of the Jacque-Bera Test. There is no case of residual cross-section serial dependence in the model, since the p-value (0.4236) of the Breusch-Pagan LM is greater than 0.05.
Table 5: Model Diagnostic Test

<table>
<thead>
<tr>
<th>Diagnostic Test</th>
<th>Coefficient</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normality Test</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jacque-Bera Test</td>
<td>0.4945</td>
<td>0.7806</td>
</tr>
<tr>
<td>Residual Dependence Test</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breusch-Pagan LM</td>
<td>0.6403</td>
<td>0.4236</td>
</tr>
</tbody>
</table>

Note: Standardized coefficients reported; * significant at the 1% level; ** significant at the 5% level; ***significant at the 10% level.

Source: Author’s Construction from E-views 9 Output

Conclusion and Recommendation

There is no enough evidence to reinforce or refute Bardham (2002) empirical findings that, the assumptions underlying the efficiency gains argument for fiscal decentralization may not really apply to low-income and developing countries due to corruption and the fixed cost that is high, associated with decentralization. This is probably the reason for the mixed results of the findings in the countries studied. The results reveal enhanced long-run performance for Nigeria and favourable results for Ghana in the short-run. The national governments of both countries need to grant their sub-national governments full autonomy (especially in the area of finances) to enable them diversify and strengthen their fiscal base through raising the level of their taxing assignment. This will go a long way to enable them meet up with their responsibilities and expenditure functions (effective delivery of public goods and promoting economic growth).

Since it is acknowledged that fiscal decentralization is impeded by corruption, it becomes beneficial that the Governments of Nigeria and Ghana should ensure proper implementation of the Fiscal Responsibility Acts (FRAs) to promote fiscal discipline at all levels of government in order to sustain economic growth and maintain macroeconomic stability. Also, anti-corruption agencies in both countries should be properly positioned and equipped to investigate, curtail and prosecute all alleged and suspected corruption practices and misappropriation of funds by public officials/public offices.

The governments of Nigeria and Ghana should increase their productive capacities and production in the agricultural and manufacturing sectors to complement other sectors of their economies so as to increase their economic growth (income levels) to a sustainable level in order to cover the fixed cost of decentralization and make decentralization very attractive. Lastly, given the mixed results of the long-run and short-run analysis, it becomes apt for both the Nigerian and Ghanaian Government to borrow fiscal decentralization policy
process/options from each other, so as to fully harness the gains of fiscal decentralization in their respective countries.

References


Amanor, K., & Annan, J. (1999). Linkages between Decentralization and Decentralized Cooperation in Ghana


Khaleghian, R. (2004). Decentralization on Public Services: The Case of


World Bank (2014). World Development Indicator (WDI).


EFFECTS OF FRAGILITY ON HUMAN DEVELOPMENT IN ECOWAS

Omojolaibi, Joseph Ayoola,1
Ogunniyi, Matthew Babatope2
Omoyeni, Ibukunoluwa Akorede3

Abstract

The presence of several factors could make a state vulnerable to shocks and ultimately collapse. Ab initio, conflict was adjudged as the only evidence of state fragility. More recently, other political, social and economic problems are also regarded as threats to state-building. Hence, this study assesses the effects of these fragile occurrences on the level of human development within the ECOWAS regional bloc. The study employed the Panel Fully Modified Least Square estimation technique for the analyses. The study spans 2006-2015. The analyses reveal that: group grievance exhibited negative effects on health and education, the security apparatus index negatively spurred health only, and de-legitimization of the state negatively influences standard of living. The study recommends that proactive measures must be taken to curtail group-based grievances, conflicts and aggressions.

Keywords; Fragility, Human Development, Social Contract, ECOWAS

JEL Classification: D74, F51, F52

Introduction

The basic contract establishing the state confers on the state certain core attributes including a government, population, a definite territory and due recognition by other states as a sovereign which holds power in the trust of its citizens. Hence, the state is expected to be effective on all fronts- capable of building strong institutions, exercise of the monopoly of power, defence of territory as well as possession of resources to secure the welfare of its citizens (Osaghae, 2007). However, a set of modern states default in their terms of the social contract due to their inability to monopolise force and mobilize resources. However, the term ‘fragile’ emerged out of repeated use by researchers and policy analysts on the evaluation of such failing states. Initially, conflict was a sole
criterion of identifying such states, but the net later trapped other poorly performing underdeveloped and developing countries. Moreover, the World Bank and other international organizations adopt a compound nomenclature in addressing such states—fragile and conflict affected states (FCAS).

On this note, it is estimated that of the seven billion people in the world, twenty six percent (26%) reside in these fragile and conflict affected areas. Sadly, this is where one-third of all those living below the poverty line of US$1.25 per day live, half of the world’s children die before the age of five and one-third of maternal deaths occur (World Bank, 2009). This is attributed to the inability of the state to fulfil its own terms of the social contract. Therefore, a fragile state has been conceptualized as a state, where the social contract is broken due to the state’s incapacity or unwillingness to deal with its basic functions, meets its obligations and responsibilities regarding the rule of law, protection of human rights and fundamental freedoms, security and safety of its population, poverty reduction, service delivery, the transparent and equitable management of resources and access to power (EU, 2007).

In the run up to the September 11 attacks, the political upheavals that bedevilled the atmosphere in fragile states especially in Africa and the Middle East implied that they would be training grounds for terrorism. Civil wars in the Democratic Republic of Congo (1960s, 1990s), Nigeria (1960s), Mozambique (1970s-1980s), Angola (1970s, 1980s and 1990s), Chad (1970s, 1980s and 1990s), Liberia, Sierra Leone, Burundi, Rwanda, DRC, Guinea-Bissau, and Congo (all in the 1990s), and the Central African Republic (early 2000s) were perceived only as a domestic threat to the people of these countries, but not to international security. Somalia burst the bubble as her failure to monopolize the use of force saw the launching of armed attacks on the ships of other nationals sailing the red sea, this indeed is a pointer to the potential threat a fragile state in Africa could pose to international security (UNECA, 2012).

West African Countries have been among the most politically unstable in Africa. From 1960 until the early 1990s, the contest for power did not allow for the operation of healthy multi-party systems. In May 1975, fifteen West African countries signed in Lagos, Nigeria, a treaty creating the Economic Community of West African States (ECOWAS). Nigeria played the key role in the intensive three-year diplomatic activities culminating in ECOWAS (Bamfo, 2013). The sub-region has majority of its internal crises spurred by tense security challenges, religious and ethnic biases Civil wars such as those which occurred in Cote d’Ivoire in 2010, Liberia in 1989, and Sierra Leone in 1991, and Nigeria in 1967, by far, have exacted much violence (Bamfo, 2013). These wars had several
causes ranging from the cultural and economic to the political and wrought incalculable harm on the people who were directly or indirectly affected by those wars (Bamfo, 2013). As Nafziger (1972) recalls, the Nigerian civil war was caused by a series of interconnected events which began soon after independence in 1960 that threatened to dissolve the republic. They include disputing the enumeration of the population by region for federal parliamentary representation as well as the military intervention of 1966 spearheaded by young Ibo officers in which several prominent politicians were killed. Civil wars in West Africa have lasted varying lengths with the latest, the Ivorian civil war of 2010, lasting only a few months (Bamfo, 2013). The Nigerian civil war lasted from 1967 to 1970, the Sierra Leonean from 1991 to 1997, and the Liberian from 1989 to 2003. ECOWAS acknowledges that its peacekeeping activities in the 1990s were dominated by efforts to end the civil war in Liberia through involving ECOMOG (ECOWAS Cease-Fire Monitoring Group). Since its creation, ECOWAS has faced multiple political, economic and security challenges arising from member states’ inability to address those problems themselves (Bamfo, 2013). This is not surprising since the fifteen countries that comprise ECOWAS are ranked among the poorest in the world and have weak state capacities (Bamfo, 2013).

The study asks three basic questions viz: (i) Does fragility affect health status in ECOWAS? (ii) What is the impact of fragility on education in ECOWAS? (iii) What is the nexus between fragility and standard of living in ECOWAS? The rest of the paper is structured into four sections. Section 2 discusses the review of relevant theoretical, methodological and empirical accounts on which fragility has been assessed. The Methodology is articulated in Section 3, while Section 4 contains the empirical investigations and interpretation of results. Section 5 concludes with policy implications.

**Literature Review**

The review here is discussed under two sub-headings, these are (i) theoretical review; and (ii) empirical review.

**Theoretical Review**

It is customary to examine theories that are relevant to the theme of the study. Therefore, the study finds the following theories as germane to the study; (i) Social Contract and (ii) Exit, Loyalty and Voice theories

**Social Contract Theory**

Hobbes (1652) introduced the Social Contract theory in his book - Leviathan. The theory posits that originally humans lived in a “state of nature” or “state of war”, an anarchical system of survival of the fittest. The absence of suitable social structures raised the fear...
of loss of livelihoods or lives to other individuals by these rational residents. It would thus be possible to escape this state of nature by signing a Social Contract with others. The Social contract implies that individuals accede some of their sovereignty and rights to a governing body, who dictates for all participants of the contract and reserves the right to exclude those who decide to break it. Hobbes recognized that man is guided by self-interest and rationality, therefore, his submission to the membership of any society stems from the high costs of leaving the contract (Sterdenhall, 2016). The Social Contract consists of two initial agreements between all individuals within the society; the surrender of some rights they previously held against each other; and the collective election of a governing body to gain authority over all participants (Friend, n.d.). All individuals are obliged to abide by the legislations of the government. Punitive measures for deterring members had to be entrenched therein to adequately keep members under control.

Hirschman’s Exit, Voice and Loyalty Trilogy
Albert Hirschman (1970) articulated the Exit, Voice and Loyalty treatise. The fundamental argument put forward by Hirschman for this trilogy was a lapse in the theoretical underpinnings of Neo-classical economics. The latter presumes that consumers’ tastes react sharply to a wrong decision by individual firms in a competitive market and as a result, such firms experience downturn in patronage. Once this happens, consumers will immediately notice this change and will switch to other firms and the firm is bought over by competitors. The existence of monopolies and oligopolies, however, strengthens the basis for Hirschman’s theory. Exit and voice characterise the means through which an organization detects a decline in their service delivery. For instance, consumption of a firm’s product may decline when the quality of the product drops. Some consumers will notice this by not buying the firm’s product and resorting to competitors. The exit of consumers under his trilogy is not as violent as neo-classical economics makes it to be. Contrary to an absolute drop in public confidence, Hirschman posits that, it is the more quality-alert customers that would decipher this quality change. It is however possible that the drop in sales is not sufficient to drive out the firm from the market. As a result, the management can detect the problem and address it appropriately. He pointed out that this case of exit could only occur because there are alternatives. In the case of monopolies, the quality of the product irrespective, consumers have no choice but to buy from the monopolist, especially if the commodity is a necessity. Since the consumers have nowhere to go, the only option they have is to voice out to the management. This way of attracting the management is referred to as ‘Voice’. This makes the management aware of the decline, although there’s an uncertainty of a restoration to equilibrium (Zhang, n. d.).

Empirical Review
Amoros, Ciravegna, Mandaakovic & Stenlomn (2017) studied the effects of state fragility and economic development on necessity and opportunity based individual entrepreneurial
activities. They investigated a multilevel data of 956,925 individuals across 51 countries between 2005 and 2013. Their findings show that state fragility has a positive effect on necessarily-based entrepreneurial efforts while hindering opportunity-based efforts. Their findings also show that the level of economic development moderates the relationship between state fragility and necessity-driven entrepreneurial efforts reduce the likelihood of the latter. (Espinosa, Ciravegna, Mandakovic, & Stenmolm, 2017).

Dutta & Roy (2016) also established the relationship between state fragility and transparency, using a Generalized Moments Method (GMM) and a new database contained in a global index of information and political transparency introduced in 2014. Their findings show that higher levels of transparency lower state fragility; greater flow of information empowers the populace and restores trust in the government (Dutta & Roy, 2016).

Delechat, Fuli, Mulaj & Xu (2015) determined the role of fiscal policies and institutions in building resilience in Sub Saharan African countries between 1990 and 2013. They used a probabilistic framework and Generalized Moments Method (GMM) in estimation to address endogeneity and reverse causality associated with the nature of fragile states. Their findings show that fiscal institution namely the capacity to raise tax revenue and contain current spending, as well as lower military spending and, to some extent, higher social expenditure, are significantly and fairly robustly associated with building resilience. These findings suggest relatively high returns to focusing on building sound fiscal institutions in fragile states. The international community can help this process through policy advice, technical assistance, and training on tax administration and budget reforms.

Iacobuta, Asandului, Tiganas (2015) examined the institutional environment, initial conditions and state fragility in post-communist countries. They aimed specifically at identifying several institutional factors related to state fragility and analysing if the initial conditions at the start towards market economy still have an influence on state performance after half a century of post-communist transformation. Using correlation analysis, their findings show a negative relationship between fragility and institutional factors and confirmed the role of initial conditions. Ferriera (2015) x-rayed the impact of state fragility on economic growth, through state ineffectiveness and political violence of 166 countries between 1993 and 2012. The estimation techniques employed are the Ordinary Least Square and Instrumental Variable (IV) methods. They found out that state ineffectiveness has a significant negative effect on growth using different instrumentation strategies, but political violence has varying sign and significance across various specifications. Finally, the regression results show no robust effect of fragility on growth, when one index is considered.

Their study used multi-level modelling techniques to determine how conflict and fragility relates to changes in enrolment. Their findings show that growth in enrolment is significantly lower in conflict-battled countries, but that effect is dependent upon the countries’ overall enrolment level. However, when fragility was controlled for, the effect of conflict was insignificant supporting the view that fragility is an underlying cause of conflict and poor educational outcomes.

Acemolgu, Jimeno & Robinson (2014), in a working paper developed a framework in examining the direct and spill-over effects of local state capacity using the network of Colombian municipalities. They modelled the determination of local and national state capacity as a network game where both local and national authorities make investment decisions in local capacity based on the choices and spill-overs of the choices of other suburbs. The parameters of the model were estimated using the reduced-form Instrumental Variables techniques and the Generalized Method of Moments (GMM). They find out that neighbourhood externalities of state capacities are significant.

Pickbourn & Ndikumana (2013) investigated the impact of sectoral allocation of foreign aid on gender equity and human development outcomes. Their study employed panel data techniques, testing for the country-specific effects using fixed-effects estimations, potential outliers using reweighted least squares and potential endogeneity using the Generalized Method of Moments (GMM). Their findings, however, show that the overall impact of aid on human development depends largely on initial conditions. However, aid affects outcomes differently. While aid appears to be effective in reducing maternal mortality as well as the gender gap in youth literacy despite initial conditions, its effects are at best mixed for other indicators.

Asongu and Kodila-Tedika (2013) assessed the determinants of state fragility in 41 countries in Sub-Saharan Africa between 1999 and 2007. They introduced nation building dimension into the fragility model, hereby testing for state lobbying and rent seeking by de facto power holders as determinants of fragility, alongside other control variables. Using probit regressions, the results show that political interference, rent seeking and lobbying increase the probability of state fragility by reducing the effect of governance capacity. The results also show that the interaction between natural resources and political interferences breed the probability of extreme state fragility.

Sekhar (2010) carried out a cross-sectional analysis covering 149 states in the year 2007. There, he employed a simultaneous equations framework in other to explain vulnerability in political, social and economic sectors of a country. The results show that there is a great degree of simultaneity in the vulnerability in these three domains. Social vulnerability impacts political and economic fragility significantly whereas political
Vulnerability has a definite effect on social vulnerability and not on economic vulnerability. Economic vulnerability has a limited effect on the vulnerability in the other two spheres – in the sense that a single dimension alone (either income level or income inequality but not both) appears to impact vulnerability in the social and political domains. Finally, he observed that political vulnerability had insignificant effects on economic vulnerability. Riccuti & Costa (2010) empirically analyzed the link between capacity and civil conflict via the manufacturing sector in a panel of 53 African countries between 1970 and 2007. The study employed a random-effect probit-panel data model, involving industrial, economic and social regressors. Their results show that the share of the manufacturing sector over the GDP is negatively correlated with the occurrence of conflict.

Bertocchi & Guerzoni (2010) explored the determinants of state fragility in Sub-Saharan Africa. Using a panel dataset of 41 countries, they sought to examine which of the trio-growth, history or institutions explain fragility best in the sub-region. Their findings show that institutions are the central drivers of fragility, as measured by the number of revolutions and the civil liberties index after taking political endogeneity into consideration. In another study, Bertocchi & Guerzoni (2010) analysed the link between fragility and economic development in Sub-Saharan countries. In doing so, their study constructed an annual panel dataset for 28 countries between 1999 and 2007. Their study employed Pooled Ordinary Least Square (OLS) Method. They find that fragility exerts a negative impact on economic development once standard economic, demographic and institutional regressors are accounted for. (Bertocchi & Guerzoni, 2010)

Carment, Prest & Samy (2008) studied the determinants of state fragility by examining the determinants of state fragility by redefining fragility in terms of the Authority, Legitimacy and Capacity (ALC) of states. The study employed Ordinary Least Square (OLS) and Instrumental Variable (IV) estimation techniques in empirically discovering the main drivers of fragility due to the biased results derived from the former. Their findings show that the level of development is a major determinant, even when endogeneity is accounted for.

**Estimation Strategy**

The estimation technique that will be adopted in analyzing the data collected is the Panel Fully Modified Ordinary Least Square (FMOLS) Technique, developed by Philip and Hansen. The FMOLS estimator generates consistent estimates of the parameters in small samples. It also controls for endogeneity of the regressors and serial correlation. In addition, it addresses the problem of simultaneity biases (Nowbutsing, 2014).
Model Specification

In this section, three models are specified to test the effects of fragility on human development. The variables are represented in logarithmic-linear and linear-linear forms. The justification for this type of specification hinges on the fact that each of the regressors is expressed as index, it is therefore adjudged empirically correct in econometric modeling strategy to specify index in a linear form.

The functional form of the model is given below:

\[ Y = f(SECA, FACE, GRGV, UNDEV, SL, RIDP) \]

Where

- Y = Proxy of human development
- SECA = security apparatus index
- FACE = factionalized elites index
- GRGV = group grievance index
- UNDEV = uneven development index
- SL = state legitimacy index
- RIDP = refugees and internally displaced persons index

The functional form is hereby transformed into the models below:

\[ \log GDPP_{it} = \beta_0 + \beta_1 SECA_{it} + \beta_2 FACE_{it} + \beta_3 GRGV_{it} + \beta_4 UNDEV_{it} + \beta_5 SL_{it} + \beta_6 RIDP_{it} + \varepsilon_{it} \] (3.1)

\[ LE_{it} = \gamma_0 + \gamma_1 SECA_{it} + \gamma_2 FACE_{it} + \gamma_3 GRGV_{it} + \gamma_4 UNDEV_{it} + \gamma_5 SL_{it} + \gamma_6 RIDP_{it} + \varepsilon_{it} \] (3.2)

\[ \log NSER_{it} = \phi_0 + \phi_1 SECA_{it} + \phi_2 FACE_{it} + \phi_3 GRGV_{it} + \phi_4 UNDEV_{it} + \phi_5 SL_{it} + \phi_6 RIDP_{it} + \varepsilon_{it} \] (3.3)

Where:

- GDPP = Gross Domestic Product per Capita
- LE = Life expectancy
- NSER = Net School Enrolment Rate

Given the impact of extreme situation that characterize state fragility which emerges in the loss of lives and properties, the Life expectancy variable was chosen as a proxy for health. This is because it reflects improvement in health care sector and serves as a measure of comparison between countries under similar classification. In the same vein, GDP per capita reflects the measure of output per head in an economy. Given its place as the most widely used proxy for living standards, the study adopts the GDP per capita as a proxy for living standards.

Net school enrolment rate was our choice variable for capturing education. This stems from the drop out of primary and secondary students in areas affected by insurgencies.

Data Description

The study makes use of a sample of all 15 countries in the Economic Community of West African States. The study spans the period 2006 to 2015. The methodology of the Funds
for Peace Organisation, which results from processing various quantitative and qualitative data, content analysis and millions of documents through the Conflict Assessment Systems Tool (CAST), is adopted. Following CAST analysis, quantitative data from sources such as the UN, WHO, World Fact book, Transparency International, World Bank, and Freedom House are incorporated. The resultant index is the Fragile States Index, which is a way of assessing a state’s vulnerability to collapse or conflict and incorporates 12 separate indicators of fragility – 4 social indicators, 2 economic indicators and 6 political indicators. The study makes use of 6 of them for ease of analysis -2 social, 1 economic and 3 political indicators.

According to the UNDP, human development entails a decent standard of living, a long and healthy life as well as a knowledgeable life. To this end, the levels of human development employed in the study are GDP per capita, life expectancy index and Net School enrollment rate to proxy living standards, health and education respectively.

**Table 3.1: Variables of interests, their descriptions and sources**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Variable</th>
<th>Description</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GDPP</td>
<td>GDP per capita based on purchasing power parity (PPP). GDP per capita is gross national income (GDP) converted to international dollars using purchasing power parity rates.</td>
<td>WDI, 2015</td>
</tr>
<tr>
<td>2</td>
<td>LE</td>
<td>Life expectancy at birth expressed as an index using a minimum value of 35 years and a maximum value of 85 years.</td>
<td>UNDP, 2015.</td>
</tr>
<tr>
<td>3</td>
<td>NSER</td>
<td>Net School enrollment rate is the ratio of children of official school age who are enrolled in school to the population of the corresponding official school age.</td>
<td>WDI, 2015</td>
</tr>
<tr>
<td>4</td>
<td>SECA</td>
<td>Security apparatus measures the right of the state to monopoly of force due to the emergence of elite or praetorian guards that operate with impunity. Measurements of security apparatus include internal conflict, riots/protests.</td>
<td>Funds for Peace (various editions)</td>
</tr>
<tr>
<td>5</td>
<td>FACE</td>
<td>Factionalised elites refer to the fragmentation of ruling elites and state institutions along group lines, which undermines public confidence.</td>
<td>Funds for Peace (various editions)</td>
</tr>
<tr>
<td>6</td>
<td>GRGV</td>
<td>Group Grievance involves the existence of tension and/or violence between groups, which can undermine the state’s provision of security.</td>
<td>Funds for Peace (various editions)</td>
</tr>
<tr>
<td>7</td>
<td>UNDEV</td>
<td>Uneven economic development captures perceived inequality in education, jobs and economic status, group-based poverty and education levels.</td>
<td>Funds for Peace (various editions)</td>
</tr>
<tr>
<td>8</td>
<td>SL</td>
<td>State Legitimacy measures corruption and lack of representativeness that causes citizens to lose confidence in state institutions and processes as captured by corruption, resistance to transparency.</td>
<td>Funds for Peace (various editions)</td>
</tr>
<tr>
<td>9</td>
<td>RIDP</td>
<td>Refugees and Internally Displaced Persons concerns displacement in both directions; those leaving and those entering a state.</td>
<td>Funds for Peace (various editions)</td>
</tr>
</tbody>
</table>

**Source:** Authors’ Compilation
Results and Discussion of Findings

Panel Unit Root

This study makes use of Newey-West automatic bandwidth selection and Bartlett kernel test to examine the stationarity of the panel series and test the null hypothesis of unit root. It is expected that the series do not contain unit root to find relationship among the variables in the long run. The test is based on Levin, Lin & Chu t*; Im, Pesaran and Shin W-stat, Augmented Dickey-Fuller (ADF) - Fisher Chi-square and Philips Peron (PP) - Fisher Chi-square critical value.

The Levin, Lin & Chu t* null hypothesis assumes common unit root process while the Im, Pesaran and Shin W-stat, Augmented Dickey-Fuller (ADF) - Fisher Chi-square and Philips Peron (PP) - Fisher Chi-square null hypothesis assumes individual unit root process.

The levels of statistics of the tests are reported in table 4.2 below:

Table 4.1 Panel Unit Root Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>LLC</th>
<th>Prob-value</th>
<th>IPS</th>
<th>Prob-Value</th>
<th>Stationarity</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDPP</td>
<td>-3.73750***</td>
<td>0.0001</td>
<td>-2.68405**</td>
<td>0.0036</td>
<td>I(1)</td>
</tr>
<tr>
<td>LE</td>
<td>-9.89854***</td>
<td>0.0000</td>
<td>-1.75047**</td>
<td>0.0400</td>
<td>I(1)</td>
</tr>
<tr>
<td>NSER</td>
<td>-47.7940**</td>
<td>0.0000</td>
<td>-4.88949**</td>
<td>0.0000</td>
<td>I(1)</td>
</tr>
<tr>
<td>SECA</td>
<td>-10.4567**</td>
<td>0.0000</td>
<td>-2.02940**</td>
<td>0.0212</td>
<td>I(0)</td>
</tr>
<tr>
<td>FACE</td>
<td>-25.3069**</td>
<td>0.0000</td>
<td>-10.8613**</td>
<td>0.0000</td>
<td>I(1)</td>
</tr>
<tr>
<td>GRGV</td>
<td>-13.1610**</td>
<td>0.0000</td>
<td>-1.71835**</td>
<td>0.0000</td>
<td>I(1)</td>
</tr>
<tr>
<td>UNDEV</td>
<td>-43.0802**</td>
<td>0.0000</td>
<td>-4.79423**</td>
<td>0.0000</td>
<td>I(1)</td>
</tr>
<tr>
<td>SL</td>
<td>-33.7386**</td>
<td>0.0000</td>
<td>-8.01365**</td>
<td>0.0000</td>
<td>I(0)</td>
</tr>
<tr>
<td>RIDP</td>
<td>-12.8480**</td>
<td>0.0000</td>
<td>-3.47100**</td>
<td>0.0003</td>
<td>I(0)</td>
</tr>
</tbody>
</table>

Note: ***, ** & * indicate 1%, 5% & 10% level of significance. LLC and IPS represents the Levin, Lin & Chu t* and Im, Pesaran and Shin W-stat respectively

Source: Authors’ Computation

From Table 4.1 above, we see that security apparatus, state legitimacy and the refugees and IDPs index exhibited unit and common root stationarity at levels. However, all other variables were stationary at first difference. This leads to the rejection of null hypotheses and suggests that the variables are estimable.

Panel Co-integration Test

The Co-integration test employed is the Pedroni Residual Co-integration Test. The test is undertaken to test the long run co-movement among the variables before any useful conclusion is made regarding relationships between the series. Thus, it is necessary that co-integration exists. In Table 4.2 below, all results show that the Philips Peron statistics is statistically significant at 10% critical value. Therefore, the null hypothesis of no co-integration among the panel series can be rejected. Hence, the variables are interrelated.
with each other in the long run; this means they move together on the long run growth path, and their existing relationships are not spurious.

Table 4.2: Panel Cointegration Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>v-stat</th>
<th>p-stat</th>
<th>pp-stat</th>
<th>adf-stat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 3.1</td>
<td>4.9717</td>
<td>4.4427</td>
<td>-4.1980***</td>
<td>0.4186</td>
</tr>
<tr>
<td></td>
<td>-5.2553</td>
<td>4.0847</td>
<td>-5.3357***</td>
<td>-0.1265</td>
</tr>
<tr>
<td>Model 3.2</td>
<td>-0.2496</td>
<td>4.3962</td>
<td>-4.9908***</td>
<td>-2.3680***</td>
</tr>
<tr>
<td></td>
<td>-2.6218</td>
<td>3.7545</td>
<td>-6.1440***</td>
<td>-2.3535***</td>
</tr>
<tr>
<td>Model 3.3</td>
<td>-4.2408</td>
<td>3.5378</td>
<td>-5.2803***</td>
<td>2.5300</td>
</tr>
<tr>
<td></td>
<td>-4.5516</td>
<td>3.4297</td>
<td>-1.4677*</td>
<td>2.5178</td>
</tr>
</tbody>
</table>

*Note:***, ** & * indicate 1%, 5% & 10% level of significance respectively

*Source: Authors’ Computation*

Panel Fully Modified Ordinary Least Square Results
The results of the Panel FMOLS summarized in Table 4.3 shows the effects of fragility on standard of living, health and education.

Table 4.3: Panel Fully Modified Ordinary Least Square (FMOLS) Results

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Log GDPP</th>
<th>LE</th>
<th>Log NSER</th>
</tr>
</thead>
<tbody>
<tr>
<td>SECA</td>
<td>0.0208</td>
<td>-0.3193**</td>
<td>-0.0006</td>
</tr>
<tr>
<td></td>
<td>(0.3282)</td>
<td>(0.0275)</td>
<td>(0.9665)</td>
</tr>
<tr>
<td>FACE</td>
<td>0.0505***</td>
<td>0.2382**</td>
<td>0.0279**</td>
</tr>
<tr>
<td></td>
<td>(0.0028)</td>
<td>(0.0351)</td>
<td>(0.0202)</td>
</tr>
<tr>
<td>GRGV</td>
<td>-0.0578***</td>
<td>0.0614</td>
<td>-0.0801***</td>
</tr>
<tr>
<td></td>
<td>(0.0080)</td>
<td>(0.0721)</td>
<td>(0.0000)</td>
</tr>
<tr>
<td>UNDEV</td>
<td>-0.0294</td>
<td>0.1095</td>
<td>0.0086</td>
</tr>
<tr>
<td></td>
<td>(0.2841)</td>
<td>(0.5891)</td>
<td>(0.6800)</td>
</tr>
<tr>
<td>SL</td>
<td>-0.0746***</td>
<td>0.0568</td>
<td>0.0062</td>
</tr>
<tr>
<td></td>
<td>(0.0004)</td>
<td>(0.6967)</td>
<td>(0.6716)</td>
</tr>
<tr>
<td>RIDP</td>
<td>0.0566***</td>
<td>0.1513</td>
<td>0.0191*</td>
</tr>
<tr>
<td></td>
<td>(0.0002)</td>
<td>(0.1325)</td>
<td>(0.0727)</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.9859</td>
<td>0.8207</td>
<td>0.9473</td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.9835</td>
<td>0.7885</td>
<td>0.9341</td>
</tr>
</tbody>
</table>

*Note:***, ** & * indicate 1%, 5% & 10% level of significance respectively

*Source: Authors’ Computation using E-VIEWS 9.0*

Table 4.3 shows the effects of the lack of monopoly of force (measured by security apparatus), the actions of factionalized elites and refugees and IDPs, group grievance, uneven development and de-legitimization of the state on human development in ECOWAS. The R-squared shows that the models have overall significance because they
are above 50 per cent. A unit increase in the security apparatus index leads to a significant decline in the health index. Although insignificant, a unit increase in the same leads to an increase in GDP per capita by 0.02 per cent and a decline in the enrolment rate by a negligible amount.

This indicates that the proliferation of small and light weapons and other criminal activities that infringe upon the monopoly of force within the states would adversely affect the health of citizens within ECOWAS. More so, a unit increase in the factionalized elites index leads to a relative significant increase in GDP per capita, health and education by 0.05 per cent, 0.238 units and 0.03 per cent. This means that when local and national leaders engage in power struggles, defections and political competition, health education and living standards rise significantly. This could be due to kind gestures towards citizen periods during electoral seasons to score cheap political scores by providing scholarship schemes.

Furthermore, a unit increase in the group grievance index leads to a relative significant decline in the standard of living, and education by 0.058 per cent, and 0.080 per cent while exhibiting a positive (0.061 units) but insignificant relationship with life expectancy. This mirrors recent plummeting school enrolment levels amidst higher population growth due to political and ethnic infightings in terrorised areas of the sub-region.

In addition, uneven development exhibits an insignificant relationship between all human development measures. A unit increase in the uneven development index leads to a relative decline in the GDP per capita by 0.02 per cent but a relative increase in net school enrolment rate by 2.93 and 0.01 per cent respectively.

In the same vein, results also show that the de-legitimization of the state (SL) has a negative and significant impact on standard of living, while having positive and insignificant relationships with health and education. A unit increase in the state legitimacy index result in a relative decline in GDP per capita by 0.075 per cent, and a relative increase in health index and net school enrolment rate by 0.056857 units and 0.007 per cent respectively. This means that the higher corruption and lack of representativeness, profiteering and other illicit acts in the economy, the lower the standard of living. This outcome is envisaged since rent-seeking practises by the ruling class result in the diversion of funds meant for improving living standards in the economy.

Ironically, the refugees and internally displaced persons index showed a positive and significant impact on living standards, while exhibiting insignificant relationships with health and education. A unit increase in the RIDP index leads to a relative rise in the GDP
per capita and net school enrolment ratio by 0.056 per cent and 0.019 per cent respectively whereas a unit increase in RIDP leads to a relative increase in the health index by 0.151 units. The imprecision that characterizes migration data could be a reason for such a result.

**Conclusion**

Having established the theoretical bases of the study, the time series properties of the variables were tested to test the behavioural consistency of the variables. All the variables were stationary at levels and first difference. Hence, the long-run relationship between the variables was established following the Pedroni Residual Co-integration technique. Based on the analysis, it was discovered that the group grievance has a negative and significant impact on all human development measures considered in the study except life expectancy, which was insignificantly affected. This means that group-based tensions and conflicts have far-reaching implications on the standard of living and education of the ECOWAS sub-region. It was also discovered that the lack of monopoly of force (measured by the security apparatus- SECA) had adverse effects on health. This means that the use of force by unauthorized forces, aggrieved factions impedes life expectancy of individuals in the sub-region.

Furthermore, de-legitimization negatively spurred living standards. This means that corruption and other acts that decrease public confidence have overwhelming effects on living standards.

Finally, it was discovered that the activities of factionalized elites have positive effects on all the indicators of human development. This means that the activities of local and national leaders in deadlock for political gains alongside the pressures have a significant impact on human development. This could be due to the philanthropic moves of political gladiators and the reactive measures of the government to improve the welfare of the homeless.

**Policy Implications**

The findings from the analyses suggest the following policy recommendations: first, proactive measures are needed to curtail group-based grievances, conflicts and aggressions.

Since, it is evident from the empirical enquiry that group based grievances have overwhelming effects on living standards and education, it therefore becomes expedient and imperative for Government of various ECOWAS countries to put in place mechanisms to forestall violence such as regional taskforces and intelligence, organizing consultative forums between the national leaders and religious heads, youths, minority
groups, traditional leaders and other stakeholders in the state so as to implement and monitor agreements in order to douse tensions associated with violence and disruptions of economic activities.

Second, Institutions should be empowered constitutionally to ensure government expenditure on health is channeled towards improving the quality of services rendered in local hospitals.

More so, incidences of strike actions by health workers should be avoided to ensure they are equipped for emergences especially those resulting from the proliferation of small and light weapons in the wrong hands. Finally, the findings suggest that social safety nets should be put in place to identify and relieve the vulnerable in the society. This would help in restoring sanctity in the state as crime would be unable to thrive, and the average West African would have access to leading a healthy life, having good educational opportunities as well as improving living conditions.

References


MODIFYING TYPE A BEHAVIOUR PATTERN WITH RATIONAL EMOTIVE AND BEHAVIOURAL THERAPY (REBT)

Agbu, Jane-Frances

Abstract

Since the first half of the 20th century, the prevention and cure of diseases has occupied predominant medical attention due to the growing recognition of the role of health habits in disease prevention and management. One of such is the modification Type A Behaviour Pattern which has been linked to onset of coronary heart diseases. Type A individuals were described as being impatient, time-conscious, highly competitive, ambitious, business-like, aggressive individuals, who multi-tasks, drive themselves with deadlines, and are unhappy about delays. Contributing to knowledge in this area, this study highlighted characteristics and implications of Type A behaviour and managed those that exhibited high level of Type A behaviour pattern with Rational Emotive and Behavioural Therapy (REBT). Two hundred and eight (males = 103, females = 105) postgraduate students in the age range of 20-51 (mean = 23.87) years were randomly selected from the Faculty of Social Sciences, University of Lagos to participate in the study. Participants were administered with Type A Behaviour Scale (TABS) and State-trait Anxiety Inventory (STAI-Y2) and were further divided into high, medium and low Type As, based on their responses on TABS. Result shows that there was positive correlation of the measures and specifically between Time Urgency, Job pressure, Hard driving; males manifested higher levels of Type A Behaviour pattern than females; high Type A individuals manifested higher levels of trait anxiety than low and medium Type As, REBT was efficacious in the management of Type A behavior pattern.

Keywords: Modify, Type A Behaviour Pattern, Rational, Emotive, Behavioural Therapy

Introduction

Since the first half of the 20th century, the prevention and cure of infectious diseases has occupied predominant medical attention (Kantor, 1985). There has indeed been a growing recognition that health habits and chronic behavior patterns play an increasing important role along with infectious diseases and genetic factors in the onset and course of diseases. This insight has led to the evolution of behavioural medicine which has triggered the following four major lines of development namely: (a) intervention to improve patients’
adherence to treatment regime (b) interventions to modify specific behavior patterns that constitutes health challenges (c) interventions to modify behavior of health care providers and (d) preventive intentions to modify behaviours that constitute risk factor for disease development (e.g., smoking, poor diet, Type A behavior)(Kantor, 1985). In line with this growing concern, this study focuses on Type A behavior pattern, thus adding to knowledge in this area. Unlike other risk factors of disease development, Type A behavior pattern is often misunderstood. Individuals exhibiting such behaviors are oftentimes viewed as active, energetic, hard driving and intolerant of lazy people, and are continually reinforced by current competitive societies. Thus many are unaware that this behavior pattern poses significant health hazard for the individual concerned, and thus the need for its assessment and management.

**The Type A Behaviour** Pattern (TABP), which is typically characterized by individuals who are highly competitive, ambitious, work-driven, time-conscious, and aggressive has been the subject of research for more than 50 years (Petticrew, Lee & McKee 2012). The concept was first developed in the late 1950s by American Cardiologists Meyer Friedman and Ray Rosenman, who argued that TABP was a risk factor for Coronary Heart Disease (CHD) (Friendman & Ulmer, 1985). This theory appeared to be supported by findings from the Western Collaborative Group Study in 1970, 1974 and 1976 (Rosenman, Friedman & Straus 1970; Jenkins & Zyzanski, 1974; Rosenman, Brad & Sholtz, 1976), and the Framingham Study in 1980 (Haynes, Frienlieb & Kennel, 1980). Friendman and Rosenman (1974) further described Type A individuals as impatient, time-conscious, concerned about status, highly competitive, ambitious, business-like, aggressive, having difficulty relaxing; and are sometimes disliked by individuals with Type B personalities for the way that they are always rushing. They are also described to be high-achieving workaholics who multi-task, drive themselves with deadlines, and are unhappy about delays (Agbu, 2010; Agbu & Ibida, 2012; Friedman & Rosenman, 1974). Because of these characteristics, Type A individuals are often described as “stress junkies”. Type B individuals, in contrast, are described as patient, relaxed, and easy-going, generally lacking any sense of urgency. Because of these characteristics, Type B individuals are often described as apathetic and disengaged (Agbu, 2010; Agbu & Ibida 2012; Friedam & Rosenman 1974; Khan, 2010).

Over the years, the type of extra stress that most “Type A” individuals experience tends to take a toll on their health and lifestyle. Some of these health implications include heart disease with experts predicting that for those exhibiting Type A Behavior pattern, heart disease by age 65 is almost certain (Scott, 2007; Vijai, 2009); Job stress because “Type A” individuals usually find themselves in stressful, demanding jobs which lead to
metabolic syndrome and other health problems and lastly social isolation because of the tendency to alienate others or spend too much time on work and focus too little on relationships, putting them at risk for social isolation and the increased stress that comes with it (Scott, 2007).

An assessment of fixed characteristic vs. situational reaction of Type A personality indicates that while many personality traits, such as extroversion, are innate, Type A personality characteristics are more of a reaction to environmental factors, or tendencies toward certain behaviors, and are influenced by culture and job structure (Scott, 2007). For example, many jobs put heavy demands on time, making it necessary for workers to be very concerned with getting things done quickly if they are to adequately get their jobs done. Also, some workplaces put heavy penalties on mistakes, so efficiency and achievement become extremely important. Other jobs create more stress, making people less patient, more stressed, and more prone to “Type A” behaviors while other people do have a natural tendency toward being more intense, but this tendency can be exacerbated by environmental stress, or mitigated by conscious effort and lifestyle changes (Scott, 2007).

Can TABP be modified? Although early writings on TABP were pessimistic about likelihood of its modification, several controlled studies have offered evidence of successful intervention. Suinn (1975) reported a cardiac stress management training procedure that was provided to Type A individuals with pre-existing heart disease. The training included both anxiety management training (a procedure for learning and practicing muscle relaxation skills) and visuo-motor rehearsal (the imaginal practice of behaviors incompatible to Type A behavior. The result revealed self-report of behavior change and measured decrease in lipids level (Kantor, 1985). Levenkron, Cohen, Muller and Fisher (1983) investigated self-initiated self-control training as an intervention for disease-free Type A men comparing the three treatments that were offered in a group format (brief information, group support and behavior therapy). Significant positive changes were recorded for those that received behavior therapy on all measures of Type A behavior, and by the group support condition on two of the four standard scores derived from Jenkins Activity Survey (Levenkron, Cohen, Muller & Fisher, 1983).

Some hold that TABP causes CHD because it is associated with excessive cardiovascular reactions to psychological challenge (Matthews, 1982). Stress management, which is usually based on teaching relaxation as a coping skill, attempts to reduce such reactivity and is therefore not necessarily concerned with altering Type A Behavior per se. Roskies, Kearney, Spevack, Surkis, Cohen and Gilman (1979) who regard TABP as a form of excessive behavioral, as well as cardiovascular reactivity, has described an extensive and
well conducted study of twenty sessions of stress management compared with two forms of exercise. The subjects were 120 middle-aged executives with pronounced TABP. Outcome was assessed on the structured interview and by cardiovascular reactions to psychological challenges. It was noted that stress management was very effective in reducing many aspects of TABP including both speech style and hostility whereas exercise had little effect on either. None led to a reduction in cardiovascular reactivity.

TABP is a complex mixture of behaviors and it would be fortunate if an approach that focused on one aspect of TABP, be it stress or core irrational beliefs, could change all aspects of the behavior effectively. Cognitive-behavior therapy attempts to alter both thoughts and behavior in the belief that both are important and that altering either can affect the other. Levenkron, Cohen, Muller and Fisher (1983) described an approach with three main components, direct instruction in altering TABP, relaxation training and cognitive therapy. This was compared with a nondirective group support treatment and a minimal treatment control in 38 Type A executives. Cognitive behavior therapy was most effective in reducing many aspects of TABP. By far the most ambitious study of TAB modification is the Recurrent Coronary Prevention Program (Friedman, Thorensen, Gill, Ulmer, Thompson, Powell, Price, Elek, Rabin, Breall, Piaget, Dixon, Bourg, Levy, & Tasto, 1982; Friedman, Thorensen, Gill, Powell, Ulmer, Thompson, Price, Rabin, Breall, Dixon, Levy, & Bourg, 1984), in which a very comprehensive cognitive-behavioral programme was used in an attempt to reduce TABP and cardiovascular recurrence in patients who had experienced at least one myocardial infarction (Johnston, 1986). Approximately 900 patients were randomly allocated, on a 2:1 ratio, to either a group cognitive-behavioral programme or to systematic cardiological care. The behavioral intervention includes homework assignments ('drills') designed to aid the overlearning of behaviours and attitudes incompatible with TABP, e.g. practicing eating slowly or listening carefully to others. In 3-year period experimental subjects attended on average twenty-nine 90-minute counseling sessions while the controls met their cardiologist twenty times. Using the intention to treat principle, TAB (on the structured interview) was markedly reduced in 17.6% of the subjects in the experimental group and in only 3.7% of the controls. Both global TABP and hostility were reduced. These findings were confirmed on other measures of TABP and on spouse ratings of the participants’ behavior (Friedman et al., 1982, 1984).

Comparisons across these intervention studies shows that short-term changes is promising and that aspects of constellation of Type A behavior including physiologic functions can be modified by brief interventions ranging from 6 to 14 sessions (Kantor, 1985). The study presents the following hypotheses:
Research Objectives

- To ascertain the influence of gender on manifestation of Type A Behavior Pattern
- To identify participants that manifested high level of Type A Behavior pattern
- To manage participants with high level of Type A behavior pattern with Rational Emotive Behavior Therapy (REBT)
- To determine the pre and post treatment scores of participants and thus gain of therapy

Research Hypotheses

In order to examine the impact of Rational Emotive and Behavioral Therapy (REBT) in the management of type A Behavior pattern, the author hypothesized that:

- That males will manifest higher level of Type A behavior pattern than females
- High Type A group will manifest significantly higher level of anxiety, stress and symptoms of Type A than medium and low Type As
- The post treatment scores of the experimental group will be significantly lower than their pre-treatment scores on Type A Behavior Pattern and Anxiety

Methodology

Participants: Two-hundred and eight participants (males = 103, females = 105) were postgraduate students in the age range of 20-51 (mean =23.87) years randomly selected from the Faculty of Social Sciences, University of Lagos, Nigeria. The participants were further constituted into low, medium and high Type A groups (n=56) based on their total scores obtained on the Type A behavior scale.

Instrument

Two psychometric instruments were employed and they were:

Type A Behavior Scale (TABS): This was developed by Omoluabi (1997). The items of TABS were selected from two main sources: first is the 21 items short version of the 48 item Jenkins Activity Survey (JAS) by Rosen man and Friedman (1967), and 10-item Framingham Type A Scale (FTAS) by Haynes, Levin, Scotch, Finley and Kennel (1978). Items from the two sources were combined in order to enhance the sensitivity and validity of the scales (Omoluabi, 1997). Type A Behavior Scale is thus a 28-item inventory designed to assess Type A personality which is characterized by ambitiousness, aggressiveness, competitiveness, impatience, muscle tension, rapid speech, irritation, hostility an anger on a uniform 4 points scaling system. TABS essentially measure three

**State-Trait Anxiety Inventory (STAI-Y2)**

This was developed by Spielberger (1983) to measure trait anxiety, which is the relatively stable predisposition of an individual to being anxious. Spielberger (1983) provided the original psychometric properties for American samples while Omoluabi (1987) provided properties for Nigerian samples. Norm scores reported were 34.89 and 34.76 for males and females respectively (Spielberger, 1983) and 37.54 for males and females for Nigerian sample (Omoluabi, 1987). Test retest reliability coefficient ranged from .90 to .71 while the concurrent validity scores ranged from .52 to .35. For interpretation, scores lower than the norm score is an indicative of low or absence of trait anxiety.

**Procedure**

The study involved pre and post treatment assessment phases. Type A behavioral pattern was assessed among participants using the Type A Behavior Scale while trait anxiety was assessed using STAY-Y2. Participants were managed in a group setting with Rational Emotive Behavioral Therapy (REBT) technique. This technique was developed by Albert Ellis (Ellis, 2004; Dryden and Neenan, 2003). The basic assumption of REBT states that individuals are born with potential for rational thinking but tends to fall victim to the uncritical acceptance of irrational beliefs that are perpetuated through self-indoctrination. The assumption is that thinking, evaluating, analyzing, questioning, doing, practicing and re-deciding are at the base of behavior change (Corey, 1991, Eremie & Ubulom, 2016). The approach of REBT is based on the ABCDE theory of personality: A = actual event; B = belief system; C = Consequence; D = though disputation and E = Effective and new philosophy. The goal of therapy is therefore to eliminate self-defeating outlook on life and acquire more rational and tolerant philosophy. REBT is eclectic in nature in that it uses a variety of cognitive, affective and behavioral techniques in its management. The cognitive techniques include: disputation of irrational beliefs, cognitive homework, changing one’s language, use of humor while the emotive techniques include rational-emotive imagery; role playing and shame-attacking exercises (Corey, 1991; Eremie &
In addition, behavioral techniques include: operant conditioning, self-management strategies and modeling (Corey, 1991; Eremie & Ubulom, 2016). The following is an account of how the treated group was handled: treatment was in group therapy format while duration of each session was 45 minutes with two (2) sessions each for weeks one (1) to four (4), and one (1) session each for weeks five and six, with a total of ten (10) sessions. Disparity in the number of sessions for the later weeks is aimed at consolidation of therapy and reiteration of unfinished businesses. Participants were assigned to the management group (8 participants) based on their high scores on Type A behavior Scale. Session one started with establishment of rapport and setting of grand rules. Participants were also assured of confidentiality. This was followed with Diaphragmatic breathing, a relaxation exercise that entails deep inhalation with periods of pause in breathing for up to ten counts. Exhalation involved a forceful pushing of air through pursed lips. This procedure was repeated four times for maximum result. The rationale for altering Type A behavior pattern was subsequently explained. At the beginning of session two, participants were asked to carry out 5 units of deep breathing exercise. Group members were thus asked to list and discuss their typical behaviors and link that with Type A characteristics. They were directed to share why they engage in such behaviors and how they feel when prevented from engaging in such behavior. This approach was adopted to highlight the ABC components of irrational thinking relative to type A behavior pattern which are: A (antecedent activating event) B (belief system of the individual) C (consequence of the behavior or belief system). Session ended with homework on monitoring of stress cycle. Session 3 was devoted to identification of irrational thoughts associated with participants’ behaviors and learning how to dispute them in accordance with the ‘D’ component of REBT which is disputation of thoughts. Participants were encouraged to practice this at home. In session 4, further discussion on REBT principles was made with emphases on identifying statements relating to absolutism, awfulization and catastrophization and commenting on the effective disputation of irrational statements. For homework, participants were asked to prepare a habit changing planning sheet, which should contain old habits and desired new habits. In Session 5, the REBT principles were further explained while shame attack was also introduced to dispute the catastrophe that would result from the so-called shameful actions. Session 6, started with the usual relaxation exercise and introduction of positive imagery geared towards stimulation of peace and calmness. In session 7, participants were made to recapitulate gains of therapy while unfinished businesses were tackled. Session 8, which is the last session, was concluded with further discussions on the gains of therapy and unfinished businesses. Participants also completed the two psychometric instruments employed for the study.

Control group: This comprised ten (10) male and female participants that were not part of the treatment group but however recorded high scores in TABS. They completed the
psychometric instruments after eight weeks interval to ascertain differences in response and gains of therapy.

**Results and Discussion of Findings**

Responses were analyzed using Pearson Product Moment statistics, Mean, SD, t-test, One-way ANOVA.

**Result**

**Table 1: Mean, SD and t test of male and female participants**

<table>
<thead>
<tr>
<th>Measures</th>
<th>Males Mean</th>
<th>Males SD</th>
<th>Females Mean</th>
<th>Females SD</th>
<th>t -test</th>
</tr>
</thead>
<tbody>
<tr>
<td>TABST</td>
<td>81.04</td>
<td>10.89</td>
<td>54.98</td>
<td>11.3</td>
<td>2.36*</td>
</tr>
<tr>
<td>T</td>
<td>19.05</td>
<td>5.38</td>
<td>20.32</td>
<td>5.81</td>
<td>1.74</td>
</tr>
<tr>
<td>J</td>
<td>16.55</td>
<td>4.58</td>
<td>17.76</td>
<td>5.38</td>
<td>2.14*</td>
</tr>
<tr>
<td>H</td>
<td>15.50</td>
<td>4.42</td>
<td>16.99</td>
<td>5.67</td>
<td>1.28</td>
</tr>
<tr>
<td>STAI-Y2</td>
<td>35.52</td>
<td>11.44</td>
<td>37.57</td>
<td>9.91</td>
<td></td>
</tr>
</tbody>
</table>

*Note: * = Significant, P < .05; df = 207, critical t = 1.96

Result in Table 1 shows that male participants recorded higher mean score than the females in TABST while the observed difference was found to be significant. However, the female group manifested high level of stress than the males though the observed difference was not significant. Therefore, hypotheses two which states that males will manifest higher levels of Type A Behavior Pattern is accepted.

The study further divided responses of participants into high, low and medium Type A and the finding is presented in Table 2:

**Table 2: Mean, SD for the three Type A groups**

<table>
<thead>
<tr>
<th>Measures</th>
<th>Low Mean</th>
<th>Low SD</th>
<th>Medium Mean</th>
<th>Medium SD</th>
<th>High Mean</th>
<th>High SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>TABST</td>
<td>39.82</td>
<td>3.94</td>
<td>51.80</td>
<td>2.58</td>
<td>69.43</td>
<td>8.32</td>
</tr>
<tr>
<td>T</td>
<td>14.48</td>
<td>3.71</td>
<td>19.88</td>
<td>4.24</td>
<td>24.82</td>
<td>4.73</td>
</tr>
<tr>
<td>J</td>
<td>13.02</td>
<td>2.78</td>
<td>16.45</td>
<td>3.36</td>
<td>23.00</td>
<td>3.80</td>
</tr>
<tr>
<td>H</td>
<td>12.32</td>
<td>3.03</td>
<td>15.48</td>
<td>3.35</td>
<td>21.79</td>
<td>4.27</td>
</tr>
<tr>
<td>STAI-Y2</td>
<td>33.48</td>
<td>10.1</td>
<td>35.66</td>
<td>13.5</td>
<td>39.50</td>
<td>11.2</td>
</tr>
</tbody>
</table>

Result shows that individuals who are high on Type A behavior recorded higher levels of TABST and anxiety scores than the medium and low groups. In order to ascertain if the observed differences are significant, the One-Way ANOVA was employed and result is presented in Table 3.
Table 3 One-Way ANOVA for the 3 groups

<table>
<thead>
<tr>
<th>Measures</th>
<th>Between Groups</th>
<th>Within Groups</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SSQ</td>
<td>MSQ</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SSQ</td>
<td>MSQ</td>
</tr>
<tr>
<td>TABST</td>
<td>24841.5</td>
<td>12420.8</td>
<td>5026.8</td>
</tr>
<tr>
<td>T</td>
<td>2995.1</td>
<td>1497.5</td>
<td>2976.3</td>
</tr>
<tr>
<td>J</td>
<td>2881.2</td>
<td>1440.6</td>
<td>1840.8</td>
</tr>
<tr>
<td>H</td>
<td>2600.2</td>
<td>130.11</td>
<td>2125.6</td>
</tr>
<tr>
<td>STAI-Y2</td>
<td>1039.75</td>
<td>319.88</td>
<td>22697.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5026.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2976.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1840.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2125.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>22697.5</td>
</tr>
</tbody>
</table>

Note * = Significant; P = < .05, df = 2/167, critical f = 3.03

Result shows that all the observed differences are significant. This further confirms hypothesis three that states that high Type A group will manifest significantly higher level of Type A pattern of behavior and trait anxiety than the low and medium groups. The study went further to determine the pre and post treatment scores of the participants in order to check gain of therapy. Result is presented in Tables 4 and 5.

Table 4: Mean and SD of the Pretreatment and Post-treatment score of the treated and control groups

<table>
<thead>
<tr>
<th>Measures</th>
<th>Pretreatment Scores</th>
<th>Post-treatment scores</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Treated group (n = 8)</td>
<td>Control (n = 8)</td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>SD</td>
</tr>
<tr>
<td>TABST</td>
<td>71.88</td>
<td>4.32</td>
</tr>
<tr>
<td>T</td>
<td>26.75</td>
<td>4.06</td>
</tr>
<tr>
<td>J</td>
<td>23.63</td>
<td>3.07</td>
</tr>
<tr>
<td>H</td>
<td>21.88</td>
<td>4.22</td>
</tr>
<tr>
<td>STAY-Y2</td>
<td>41.88</td>
<td>3.01</td>
</tr>
</tbody>
</table>

Result in Table 4 shows that the pretreatment scores of the treated groups were markedly higher on all the measures than their post-treatment scores. In addition, there is visible reduction in their scores on the measures when compared with those of the control groups. In order to ascertain if the observed differences are significant, the One-Way ANOVA statistics was computed and presented in Table 5.

Table 5: One-Way ANOVA for the 3 groups

<table>
<thead>
<tr>
<th>Measures</th>
<th>Between Groups</th>
<th>Within Groups</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SSQ</td>
<td>MSQ</td>
<td>SSQ</td>
</tr>
<tr>
<td>TABST</td>
<td>1980.59</td>
<td>660.20</td>
<td>689.63</td>
</tr>
<tr>
<td>T</td>
<td>399.09</td>
<td>133.03</td>
<td>335.38</td>
</tr>
<tr>
<td>J</td>
<td>157.63</td>
<td>52.54</td>
<td>438.25</td>
</tr>
<tr>
<td>H</td>
<td>197.59</td>
<td>65.86</td>
<td>376.63</td>
</tr>
<tr>
<td>STAI-Y2</td>
<td>519.84</td>
<td>173.28</td>
<td>2684.13</td>
</tr>
</tbody>
</table>
Modifying Type A Behaviour Pattern With Rational Emotive and Behavioural Therapy (REBT)

Note * = Significant; $P = < .05$, $df = 2/28$, critical $f = 2.95$

Result in Table 5 shows that the observed differences are significant. Therefore, hypothesis four which states that the post treatment scores of the experimental group will be significantly lower than their pre-treatment scores is accepted.

Discussion and Conclusion

Lifestyle changes that underpin behavioural medicine calls for preventive interventions that could modify behaviors that constitute risk factor for disease development. One of such behaviors is Type A Behavior Pattern, a risk factor that is linked to onset of coronary heart diseases. Type A individuals are described as impatient, time-conscious, and concerned about their status, highly competitive, ambitious, business-like, aggressive, having difficulty relaxing; and are sometimes disliked by individuals with less aggressive Type B personalities. They are also described to be high-achieving workaholics who multi-task, drive themselves with deadlines, and are unhappy about delays (Agbu, 2010; Agbu & Ibida, 2012; Friedam & Rosenman 1974). Because of the behavioral patterns of Type A individuals, they are reported to be prone to Coronary Heart Diseases (Scott, 2007; Vijai, 2009). This study attempted to modify this behavioral pattern with the Rational Emotive Behavioral Therapy (REBT). The goal of therapy is to eliminate self-defeating outlook on life and acquire more rational and tolerant philosophy. REBT is eclectic in nature in that it uses a variety of cognitive, affective and behavioral techniques in its management. The cognitive techniques include: disputa tion of irrational beliefs, cognitive homework, changing one’s language, use of humour while the emotive techniques include rational-emotive imagery; role playing and shame-attacking exercises (Corey, 1991; Eremie & Ubulom, 2016). In addition, behavioral techniques include: operant conditioning, self-management strategies and modeling (Corey, 1991; Eremie & Ubulom, 2016).

A total of 208 participants were employed in this study. The treated group was further separated into low, medium and high Type A groups based on their scores on the Type A behavior Scale and where managed with REBT. Study proposed three guiding hypotheses of which all were accepted. In Table 1, it was observed that males manifested significantly higher level of Type A behavior than females. However, their scores on trait anxiety were not significant. In similar findings, Manning, Balson, Berenson and William (1987) noted that males rated higher in Type A behavior than females while Siegel and Leitch (1981) recorded a higher Type A in females than males. However available evidence points to some gender differences in global components of Type A (Watkins et al, 2007) although the general findings have not been consistent (Agbu, 1999). Result in Table 2 showed higher mean scores on Type A Behavior pattern among high type A
group than those of the low and medium Type A groups. This is somehow expected because participants were deliberately assigned to groups based on their scores on the Type A scale. However, it is interesting to note that high Type A individuals also manifested significantly high level of trait anxiety. Lawler and Schmied (1987) in a similar study noted that Type A's had higher overall levels of systolic and diastolic blood pressure, a tendency toward greater EMG reactivity, and high stress than Type BSc. Also, Glass, (1980) examined cardiovascular and endocrine responses of type A and type B individuals during competition and found that all subjects increased their blood pressure, heart rate, and catecholamine secretion, but that the increase was significantly higher in type A subjects when competition was combined with harassment.

Finally, in Tables 4 and 5, study observed changes in behavior among participants as a result of the treatment experience. Recall that the treated groups were managed with REBT, which is based on the ABCDE theory of personality: A = actual event; B = belief system; C = Consequence; D = though disputation and E = Effective and new philosophy. The goal of therapy was therefore to eliminate self-defeating outlook on life and acquire more rational and tolerant philosophy. The uniqueness of cognitive-behavior therapy lies in the fact that it attempts to alter both thoughts and behavior associated with a particular disorder.

This study therefore builds on growing evidence in the literature on Type A Behavior pattern. The findings of this study have several implications. First, it shows a correlation between Type A and trait anxiety as well as a cheering insight that this pattern of behavior could be managed with a deliberate and well-planned psychological intervention. The study is without its limitations as it studied only postgraduate students. It will be insightful to expand to other group of participants such as civil servants, priests, the military, parents, Chief executives etc.

References


Scott E.S. (2007). *Type A Personality traits: characteristics and effects of a Type A Personality*. Retrieved from About.com


EFFECT OF WORK-FAMILY CONFLICT ON JOB COMMITMENT IN COMMERCIAL BANKS IN NIGERIA

Akpa, Victoria Ozioma¹
Magaji, Nanle²
Afolabi, Omotayo³

Abstract

Work-family conflict is one of the prevailing issues in organizations and inability of employees to balance work and family could lead to increased rates of absenteeism and employee turnover; low productivity; decreased job satisfaction; poor work performance; and reduced organizational commitment. This research examined the effect of work-family conflict on job commitment of employees in six Commercial Banks in Lagos State, Nigeria. Survey research design was adopted. The target population was 54,028 employees, which consisted of all employees of the six selected Commercial Banks in Lagos State, Nigeria. A sample size comprising 520 employees were selected using random sampling technique. Primary data was collected using structured questionnaires on work-family conflict and job commitment of employees in the selected commercial banks in Lagos State. Data were analysed using descriptive statistics and simple regression analysis. The findings revealed that work-family conflict has significant negative effect on job commitment of employees.

Keywords: Work-family conflict, Job commitment, Commercial bank, Lagos State

Introduction

Work-family conflict is a term used to describe an unbalanced work-life relationship and this affects productivity, satisfaction, motivation, and commitment of employees (Allan, Loudoun & Peetz, 2007). Work-family conflict is a form of inter-role conflict in which the general demands of job, time devoted to it, and strain created by the job, interfere with family-related responsibilities (Higgins, Duxbury & Lyons, 2007). Work and family are the most dominant domains in the lives of employed men and women (Michel, Mitchelson, Kotrba, LeBreton & Baltes, 2009) and maintaining both domains presents

¹ Department of Business Administration and Marketing, Babcock University, Ilishan –Remo, Ogun State, Nigeria
² Department of Business Administration and Marketing, Babcock University, Ilishan –Remo, Ogun State, Nigeria
³ Phillips Consulting Limited in Lagos State, Nigeria
challenges. The most common example of work-family conflict occurs when the time demands of one role make it difficult to meet the time demands of another role or when one schedule directly interferes with another (Stebbins, 2001). Amazue (2013) stated that the relationship between work and family is a bidirectional phenomenon, whereby both can interfere and support the other.

Work-family conflict usually occurs when roles are not properly aligned (Byron, 2005; Eby, Casper, Lockwood, Bordeaux & Brinley, 2005) and when involvement in one domain, for example work or personal life, interferes with involvement in the other domain (Hanson, Hammer & Colton, 2006). Various forms of work-family conflicts are created due to physical and psychological work demands (Umer & Rehman, 2013). Competition in the modern marketplace is fiercer than ever. Businesses are competing globally and evolving continuously so as to meet the demands and expectations of customers. The resulting changes in the workplace have driven employees to increase their productivity and flexibility in the performance of work (Chan, 2007). Nowadays, labour force encompasses a wide range of employees with precise needs and resources when it comes to harmonizing work and life roles (Brummelhuis & Lippe, 2010). The issue of conflict or interface between employees’ private lives and occupational stress is critical to understanding how organisations can leverage on their performance and productivity levels as well as motivating staff for employees’ commitment (Deery, 2008; Aluko, 2009).

Work and family conflicts are both issues for employers and employees and the inability to have it resolved will lead to outcomes of marital problems, reduced family satisfaction, poor work performance and higher employee turnover, poor motivation and lower commitment (Duxbury & Higgins, 2001). Commercial banks generally is known for their long hours culture and high work load on employees which results in neglect of other areas of employees life which results in parents not spending enough time with their children. This long hour culture has resulted in many couples separating or divorcing. This trend has a negative effect on individuals because Nigeria is a family oriented country (traditional society) hence the failure of a family system is termed as a failure on an individual’s part (Ojo, Salau & Falola, 2014). Hobson, Delunas and Kesic (2007) contended that inability of employees to balance work and life tasks brings about organizational outcomes such as: increasing rates of absenteeism and employee turnover; low productivity; decreased job satisfaction; increasing healthcare costs, reduced organizational commitment. Work-family conflict have been found to have a negative effect on the quality of employees’ family life, such as marital satisfaction, relationship with children and spouses, which in return affects their job commitment (Dana, 2004; Duxbury & Diggins, 2001).

The consequences of work-family conflict for individuals and organizations have manifested in several ways to include reduced transfer of aggression within the family.
and career satisfaction, increased hostility at home, and poor organizational attachment and commitment (Ilies, Schwind, Wagner, Johnson, DeRue & Ilgen 2007; Eby, Casper, Lockwood, Bordeaux & Brinley 2005). Given the premises laid in this section, this study intends to ascertain the effect of work-family conflict on job commitment of employees in six commercial banks in Lagos State.

**Literature Review**

**Work-Family Conflict**

Work-family conflict occurs when involvement in one domain, for example work or personal life, interferes with involvement in the other domain (Hanson, Hammer & Colton, 2006). Various forms of work-family conflicts are created due to physical and psychological work demands (Umer & Rehman, 2013). Three major types of work-family conflict which affects employee commitment and productivity include (a) Time-based conflict, (b) Strain-based conflict, and (c) Behavior-based conflict. Time-based conflict occurs because time spent on activities within one role generally cannot be devoted to activities within another role. An employee cannot be in two places at once, fulfilling work responsibilities may not allow for the flexibility needed to meet family role expectations. Time-based work-family conflict can take two forms. One form of time-based work-family conflict occurs when time obligations from one role make it physically impossible to fulfill expectations from another role (Nabong, 2012). Another form of time-based work-family conflict occurs when pressures from one role creates a preoccupation with that role, making it more difficult to meet the demands of another role. In this form of conflict, a person may be physically able to complete responsibilities stemming from multiple roles, but an emotional or mental preoccupation makes this more difficult. Strain-based conflict occurs when roles are incompatible in the sense that the strain created by one role makes it difficult to comply with the demands of another role. Work-family conflict that results from strain from a given role exists when strain affects employees’ performance in another role. In this way, strain from one role, which can include stress, tension, anxiety, irritability, and fatigue, makes it more challenging to fulfill obligations from another (Nabong, 2012).

Behavior-based conflict refers to the display of specific behavior in one domain that is incongruous with desired behavior within the second domain, where norms and role expectations in one area of life are incompatible with those required in the other domain. At work an individual may be expected to be aggressive, ambitious, hard-driving and task oriented. Successful job performance might be contingent upon the demonstration of these behaviours. In contrast at home being loving, supportive and accommodating might be
regarded as essential to developing and fostering a happy and healthy family life. Clearly these opposing expectations may create a tension between work and family behaviours, as well as obstructing the transition from one environment to the other (Nabong, 2012).

**Job Commitment**

Commitment is an antecedent of retention. If employees are committed, they are less likely to leave the organization (Singh & Billingsley, 1996). Job commitment is an attitudinal or emotive dimension of work motivation, manifesting its form in members’ behavior (Dick, 2011). Also, it is a force that binds an individual to a course of action of relevance to one or more targets (Meyer, Stanley, Herscovitch & Topolnytsky, 2001). Job commitment is multidimensional in nature, involving an employee’s loyalty to the organization, willingness to exert effort on behalf of the organization, degree of goal and value congruency with the organization, and desire to maintain membership (Madi, Abu-Jarad, & Alqahtani, 2012).

Meyer and Allen (1997) identified a committed employee as one that stays with an organization, attends work regularly, puts in a full day and more, protects corporate assets, and believes in the organizational goals. This employee positively contributes to the organization because of his or her commitment to the organization. The three-component model of commitment developed by Meyer and Allen (1997) arguably dominates organizational commitment research (Meyer, Stanley, Herscovitch & Topolnytsky, 2001). Meyer and Allen (1997) model proposed that organizational commitment is experienced by employee as three simultaneous mind-sets encompassing; Affective, Normative, and Continuance organizational commitment. Meyer, Allen and Smith (1993) stated that the three types of commitments are psychological state that either characterizes an employee’s relationship with the organization or has the implications to affect whether an employee will continue with the organization.

Affective Commitment reflects commitment based on emotional ties an employee develops with the organization primarily via positive work experiences; normative commitment: reflects commitment based on perceived obligation towards the organization; continuance commitment: reflects commitment based on the perceived costs, both economic and social, of leaving the organization. Affective commitment is an emotional attachment to the organizations or the employer which can cause employees to want to remain with the organizations (Allen & Meyer, 1997). Employees become strongly attached to their organization when their needs and expectations are satisfied (Meyer, Allen & Smith, 1993). Meyer et al (1993) stated that employee’s with strong affective commitment will remain with an organization because they want to; those with
a strong continuance commitment remain because they have to; and those with a normative commitment remain because they feel that they have to. Commitment is an employee’s desire to stay as a member of the organization, an intention to make an effort for the organization, a belief in the values and norms of the organization (Glazer & Kruse, 2008). Commitment is a driving force that makes employees contributes to the improvement of the organization’s performance (Hye, 2014). The lack of employees’ commitment results in negative outcomes such as turnover intention and low productivity. On the other hand, high level of employees’ commitment to their organization increases performance (Chen & Francesco, 2003; Swailes, 2004).

Methodology
This study adopted a descriptive survey research design to ascertain the effect of work-family conflict on employees’ commitment in selected Commercial Banks in Lagos State, Nigeria. The population of this study are staff of Access Bank Plc, Ecobank Nigeria Plc, First Bank of Nigeria Plc, Guaranty Trust Bank Plc (GTB), United Bank of Africa Plc (UBA), and Zenith Bank Plc. The total population of the study is 54,028. The population of staff of selected banks are distributed in Table 1 below.

Table 1: Population of Study

<table>
<thead>
<tr>
<th>Number</th>
<th>Name of Commercial Bank</th>
<th>Number of Bank Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Access Bank Plc</td>
<td>11,670</td>
</tr>
<tr>
<td>2</td>
<td>Ecobank Nigeria Plc</td>
<td>10,097</td>
</tr>
<tr>
<td>3</td>
<td>First Bank of Nigeria Plc</td>
<td>9,062</td>
</tr>
<tr>
<td>4</td>
<td>Guaranty Trust Bank Plc (GTB)</td>
<td>3,747</td>
</tr>
<tr>
<td>5</td>
<td>United Bank for Africa Plc (UBA)</td>
<td>12,837</td>
</tr>
<tr>
<td>6</td>
<td>Zenith Bank Plc</td>
<td>6,615</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>54,028</td>
</tr>
</tbody>
</table>

Source: Banks’ classification in Nigeria and banking industry report, Augusto & co research (2016)

The sample size of 400 staff were determined using Taro Yamane (1964) formula. To make room for challenges which includes incomplete questionnaires in some cases, non- return of questionnaires and non-response, 30% was added to 400 which equals to 520. The sampling technique for this study was multi- stage sampling technique. Multi- stage sampling required the researcher to choose samples in stages until required population is gotten (Asika, 1999). Stages includes: identifying the staff strength of the six commercial banks: Access Bank, Eco Bank, First Bank of Nigeria Limited, Guaranty Trust Bank (GTB), United Bank for Africa (UBA) and Zenith Bank; then
grouped into definite characteristics which are called strata and sample is chosen by using random sampling.

A six point questionnaire was used to collect data because it is the most universal method for survey collection. The questionnaire consists of two sections, A and B. Section A focused on the information about respondent’s bio data which include gender, age, marital status, education/professional qualification and management position. Section B contained information on work- family conflict and job commitment. Content validity method was used to ensure the validity of research instrument. Internal consistency method of reliability was used to determine the reliability of the research instrument. An instrument is considered reliable if the Cronbach’s Alpha value of its scales are or above 0.7. The Cronbach’s Alpha values were 0.948 for work- family conflict and 0.803 for job commitment. The questionnaire was distributed among the banks using the proportionate method based on the population of selected banks. The questionnaires were administered to the respondents with help of two research assistants.

Data analysis procedures involved both qualitative and quantitative procedures. In qualitative data analysis, information collected was transcribed into written texts by combining the notes taken. These were then organized by using various thematic categories in the data, which were distinct from each other. In quantitative analysis, the data were grouped according to the research questions. Data were analyzed through percentages, frequencies, and the simple regression analysis at 0.05 level of significance. The data were analyzed using IBM SPSS 21.0 Statistical Package.

**Hypothesis of the Study**

H0: Work-family conflict has no significant effect on job commitment of employees in selected commercial banks in Lagos State.

**Data Analysis, Results and Discussion**

The research questionnaire was administered to five hundred and twenty (520) staff of selected commercial banks operating in Lagos State. About three hundred and sixty-eight (368) questionnaires representing about 70.8% were returned, and one hundred and fifty-two (152) questionnaires representing about 29.2% were not returned. The analysis of the hypothesis was based on the number retrieved.

**Table 2: Model Summary**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model</th>
<th>R²</th>
<th>Adjusted R²</th>
<th>D.W</th>
<th>Sig. value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Variable: Work-family conflict</td>
<td>$y_4 = \alpha_0 + \beta_4x_4+\mu$</td>
<td>0.925</td>
<td>0.921</td>
<td>1.951</td>
<td>0.009</td>
</tr>
</tbody>
</table>

**Dependent variable: Job Commitment**
Table 3: Work-family conflict and Job Commitment of employees in selected commercial banks in Lagos state.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>55.649</td>
<td>2.883</td>
<td>19.306</td>
<td>.000</td>
</tr>
<tr>
<td>Work -family Conflict</td>
<td>-0.575</td>
<td>-.043</td>
<td>-10.763</td>
<td>.009</td>
</tr>
</tbody>
</table>

Dependent variable: Job Commitment

The result from Table 2 revealed that about 92.5% of the variation in job commitment of employees of selected banks can be explained by work-family conflict. The adjusted R-squared showed that effect of work-family conflict on job commitment is to the tune of 92.1%. Table 3 showed that Work-family Conflict have negative and significant effect on the job commitment of employees of the selected banks ($\beta = 0.575$, $t = 10.763$, $p<0.05$). The results that the higher the work-family conflict the lower the job commitment of employees. This implies that work-family conflict affects job commitment of employees. To ensure that there is no serial correlation between the residuals, a Durbin Watson statistics was obtained (1.951). This shows minimal serial correlation, which is negligible. Thus, it can be concluded that work-family conflict has a significant effect on job commitment of employees in selected commercial banks in Lagos State. This is in conformity with the work of Allan, Loudoun and Peetz (2007) who discovered that conflict could possibly affect productivity, job satisfaction, motivation, and employee commitment negatively.

Various forms of work-family conflicts are created due to physical and psychological work demands (Umer & Rehman, 2013). Duxbury and Higgins (2001) and Anderson, Coffey and Byerly (2002) state that work and family conflicts are both issues for employers and employees and that the inability to have it resolved will lead to outcomes of marital problems, reduced family satisfaction, poor work performance and decrease in productivity due to tardiness, absenteeism, difficulty in concentrating and all these will result in higher turnover, poor motivation and lower commitment. It can as well influence employees to consider leaving their organization. This implies that work-family conflict affects job commitment of employees. To ensure that there is no serial correlation between the residuals, a Durbin Watson statistics was obtained (1.951). This shows minimal serial correlation, which is negligible. Thus, it can be concluded that work-family conflict has a significant effect on job commitment of employees in selected commercial banks in Lagos State. This is in conformity with the work of Allan, Loudoun and Peetz (2007) who discovered that conflict could possibly affect productivity, job satisfaction, motivation, and employee commitment negatively. Various forms of work-family conflicts are created due to physical and psychological work demands (Umer & Rehman, 2013). Duxbury and Higgins (2001) and
Anderson, Coffey and Byerly (2002) state that work and family conflicts are both issues for employers and employees and that the inability to have it resolved will lead to outcomes of marital problems, reduced family satisfaction, poor work performance and decrease in productivity due to tardiness, absenteeism, difficulty in concentrating and all these will result in higher turnover, poor motivation and lower commitment. It can as well influence employees to consider leaving their organization.

Conclusion and Recommendations
The study concludes that work-family conflict has significant negative effects on job commitment of employees in selected Commercial Banks in Lagos, Nigeria. Therefore, management should provide a conducive work environment; Flexible work hours, unsupportive work-life cultures such as long working hours that exist in commercial banking sector in Lagos State should be discouraged so that conflict can be minimized at work and in employees’ respective families.

References


ROLE OF WOMEN IN POLITICAL AGENDA SETTING IN NIGERIA

Ikechi-Ekpenu V. Chioma

Abstract

Women inequality has drawn the attention of scholars and the media; where the input of women in political discourse seems mostly ignored, denied or invisible. The missing Chibok Girls drew so much interest as propelled by women leaders in the Bring Back Our Girls Campaign. This situation is a good example of women setting agenda for public discourse. The cultural view of the role of women in Nigeria seem to have brought about withdrawal and feelings of marginalization, which has drastically reduced the positive impact on the role of women in setting agenda for political discourse. Therefore, this study has examined why women avoid their role in setting agenda for political discourse in Nigeria, why the media and government underplay women achievements and hype derogatory speeches on the women folk. Qualitative and descriptive methods of inquiry were used to achieve the objectives of this study. The paper argues that women contribute greatly to a nation’s political, economic, and social growth or development. Hence the women folk should not shy away from their responsibility of improving the state of the nation and recommends that the media and government pay more attention to the contribution of women to better the country at large.

Keywords: Political Discourse, Agenda Setting, Political Communication, Media reporting.

Introduction

Women are seen most especially in the African culture and even generally to be less superior to men (Bergman, 2017) and thereby their voices seem to be either underplayed or silenced completely when it comes to the issue of decision or policy making. According to Charles Darwin in Bergman, women are biologically inferior to men and they are objects to be played with better than dogs; and they are people to take care of the house. Lin Taylor also has it that one in five people around the world believe women are

1 Department of Political Science, Babcock University. Email: ikechi-ekpenduc@babcock.edu.ng.
inferior to men and should stay at home that men are more capable in the workplace and at school according to a global survey (Taylor L. 2017). Ashley May in USA Today also reported that a fifth of men and women surveyed globally say women are inferior to men or shouldn’t aspire to work outside of the house (usatoday.com 2017). Culturally in Nigeria women are looked at as an object that can be bought and disposed of when tired with. Drawing a trail from President Buhari’s speech when interviewed on BBC, (Olalekan A, 2016 punchng.com Oct 14,) on his wife belonging to the kitchen, his living room and the other room. This is a clear indication of how women are perceived by some individuals.

This perception from the aforementioned seems to be the limitation of most women who would have contributed positively to the growth and development of the society. Some women have seen it as a challenge, with the knowledge that no one chooses what sex they are, to contribute their quota to the society. The issue is seen as a problem especially when they project and repeatedly air the negative and derogatory speeches made on the women folk against their positive contributions. The role of women in setting agenda for public discourse is projected to determine if women are encouraged who at times have accept the societal norm about themselves by feeling inferior, to come out from their cocoon and grab their God-Given talent of bringing about innovation, Change, and as companions to the men as directed by God in the Holy Scripture, the Bible. Some women have been on top of this situation and have remarkably made great positive impact by not just setting agenda for public discourse but bringing about growth to the society. The Bring Back Our Girls campaign group led by two women Oby Ezekwesili and Aisha Yesuf were able to set agenda not just for political discourse, but kept the world brainstorming to salvage the situation of the kidnapped Chibok girls. A cursory look at the influence exerted by media, government and attitude of women around the world on the role of women setting agenda for political discourse in Nigeria, strains the importance of studying the aforementioned situation in Nigeria. The media being a forum for agenda setting is not seen to be playing its role as required, thereby limiting the successes which could have been recorded in the political, social, economic development in the country. This study therefore examines why women avoid their role in setting agenda for political discourse in Nigeria and why the media and government continuously underplay women achievements and hype derogatory speeches on women. Media refers to any means of transmitting information which is done through the various forms, devices, and systems that make up mass communications these include including newspapers, magazines, radio stations, television channels, and the internet. Media reporting therefore is the use of these media to present news or report events or issues (Danesi, 2009). Democratically political development in Nigeria has taken a centre stage in recent times, where women
make up a great number of the populace, this is affixed on the fact that since May 29, 1999, the country seems to have maintained a stable democratic dispensation. Nevertheless, a recent but common feature is media reporting the role of women in setting agenda for political discourse. Countries like France, Britain, Sweden, and the USA as examples, make use of the mass media to educate citizens (Udende, 2011). Hence the reason for their strong dependence on the media for information. Media as an institution plays a pivotal role in creating awareness and shaping attitudes in society, and constitutes the real public space in which citizens understand politics.

Strong democracy depends on information and knowledge. It is often said that information is power and that correct information is vital to clear thinking, just as clear thinking is vital to making sound judgment. Citizens can thus be influenced on the activities of women and their ability to set agenda for public discourse, leading citizens and government in making certain decisions in response to information available to them and also the manner in which it has been reported. Agenda Setting is an action undertaken by the media whereby the frequency of a particular news item and the importance attached to it by the media raises the consciousness and discourse of government and the public thus determining how people will think and talk about in order to make a change. Strömberg (2004) in agreement with Gentzkow, M., and Jesse M. 2004) Lawson and McCann (2005); White et al. (2005); DellaVigna, S. and Ethan, K. (2007); Gerber, A., Dean, K., and Daniel, B. (2009); Oberholzer-Gee and Waldfogel, (2009); Enikolopov et al. (2011), Durante and Knight, (2012) and Sabatini (2012), conducted different empirical studies in various countries of the world and posit that mass media and its reportage is fundamental to leadership ascendancy and play critical role in establishing trends in public opinion, where women like Obiageli Ezekwesili have taken a centre stage in championing the Bring Back our girls in Nigeria today. The paper argues that the media wields such crucial influence by intentionally selling to the public the ideologies of candidates contesting elections. This they achieve by frequent show of attractive appearance, and TV performances to attract media attention and gain the support of the majority of voters. This strongly draws the electorate’s attention to the candidate programme which is shown to be the best at that time. The media through framing extricates the possible competing roles of other contestants by popularizing the prospective aspirants’ image thus attracting political consensus. The Mass media also draws citizens’ attention to the personal characteristics of political leaders and policy issues. This in turn increases the role and visibility of special interest groups, and the frequencies of exposure to mass media which is positively related to support ascendancy. Information received from the media to the citizens about local, foreign and global news
thus make people to become reliant on media as their major source of news, particularly news of events within and outside their immediate environment, based on information from their local media. People create images, acquire knowledge, and form opinions about people, nations and their institutions. Therefore, the slants, language, manner and method in which the media significantly report events, issues, stories and the activities of women in Nigeria has become a major topic for discussion in Political Science and Administration. Moreover, different views and submissions exist on the role media reports play towards agenda setting. According to Curran (2005) the slant, language and manner of media report is a determinant factor, Iyengar and Simon (2000), opined that the influence of the media is merely an occasional short-term attitude change which does not last for a long time. These scholars have not adequately projected the role of women in setting agenda for public discourse as regards a developing polity such as Nigeria.

**Theoretical Framework**

This work adopts the Agenda Setting Theory. In the light of agenda setting theory, McCombs and Shaw (1972) in their research observed that the media, mainly the news media was not able to always tell the audience what to think but was successful in telling them what to actually think about. The Agenda-setting theory deals with the mass media’s capability to sway the sensitivity of its audience and what they consider the most important issue of the day. According to McCombs and Shaw, (2004) agenda setting theory from origin, examined the link between the regularity and extent of mass media coverage of a story and the magnitude to which people believe and accept that such issue or story is significant. This research of examined a large number of corporate issues where mass media coverage (depth, tone and frequency) has influenced public perceptions. This definition has led the format of other definitions by various communication and media scholars like Lippmann (1922), White (1972), Nwokeafor and Okunoye (2013) and Perloff (1998), who opined that agenda-setting is linked to power of the media to set the agenda of public discussion which determines what people will talk and think about.

McCombs and Shaw (1972) in their research show that the media force attention to certain issues. They state that the media have the capability to shape up public images of political figures by the impact the media has on its audience. This is done through consistent and repeated presentation of issues bordering on the role political figures such as women play to influence decisions or policies in the country thereby setting the agenda for public discourse. The media employing such remarkable influence over its hearer use the process to mould their minds and meaningfully sway the course of broadcast and information thereby guiding their thinking. Thus, the media creates consciousness
through their unswerving spreading of information and news which in turn stirs the attitudes of their audience and cause them to change their behaviour. The Chibok Girls experience, attracted the attention of both men and women, but most especially the women who stood out as leaders to fight the cause of the release of these girls. They used the media in all agitations to sensitize the general public on the need for the government to go in search for their release. These women leaders put a lot of pressure most especially the federal government by the consistent use of the media, which strongly influenced the government and set agenda for public discourse.

Nwokeafor and Okunoye (2013) opine that the general understanding of agenda-setting by the audience is that the media has the capacity to influence the important events in the minds of people. Zhou and Moy (2007) referred to it as salience events, they argue that salience means to make an event meaningful, noticeable, and memorable to an audience. add that the increase of salience of a particular issue heightens the chance that people will accept the issue and believe that the issue is important to them hence they begin to make mental procession of the particular issue thoughtfully and always remember it.

Agenda setting has become how political influences of the media are defined. Most recently, the power of the media and the way the audience views it gathers from the observation of a presidential observer Theodore White in 1972, whose article titled “The Making of the President” reported that the press has a primordial power in America which sets the agenda of public discussion and thus determines what people will talk and think about. The whole idea of agenda-setting is that the main concern of the press to some degree becomes the main concern of the public. The power of the media to influence issues, shape and re-arrange societal values, describe political objectives, create knowledge, and form symbolic reality is an influential and a significant section of the social and political process that creates topic salience.

The frequency of the missing Chibok girls in the newspapers and news report stating the number of days the girls were abducted has become a point of agenda discussion. The campaign for the release of these Chibok girls led by Oby Ezekwesili and Aisha Yesufu never ceased to be published in the newspaper especially the number of days the Chibok girls have spent in captivity. Jannah C. (2017) has it that the Bring Back Our Girls group has sent a delegation to join the Federal Government’s team on a day search sorty for missing Chibok girls in the Sambissa forest. The group went further by requesting a pre-tour meeting with government officials and a retraction of some remarks allegedly made by the chief of Army Staff which it found very slanderous. In regards to how important the media is, the group requested that the government quickly provide more details of the tour duration, logistics and the names of the local and international media on the
delegation. This frequency of the BBOG as a news item has kept this topic in the minds of Nigerians. Clearly this shows the influence the women folk have to turn around situations. Their effort was not in vain either as these Missing girls are being released in batches to their families.

The same scenario played out in the 2016 American presidential elections, when one analyzes the trend of media coverage and commentaries ahead of the general elections. The democratic presidential candidate; Hillary Clinton was also showcased as the best by the media especially CNN. She won the election in 2001 and subsequent re-election as New York’s Senator in 2006. The media used all means, depth, tone, frequency and slants available to sell Hilary Clinton to the public.

Verba and Nie (1972) also posit that, if democracy is interpreted as rule by the people, then the question of who participates in political decisions becomes the question of the nature of democracy in a society. Women involvement needs then to be captured and projected. Political communication and participation is thus “at the heart of democratic theory and at the heart of democratic political formula (Verba & Nie, 1972, P.3). Engagement in public affairs also serves as an important link between the government and the governed. It affords both citizens and women in a democracy the opportunity to communicate information to government officials about their concerns and preferences and to put pressure on them to respond (Verba and Nie, 1972). As a result, it also enables citizens to make inputs into the political system by channelling their demands and supports. Understood in this sense; therefore, participation enables the society to consciously set agenda for public discourse.

Another relevance of political communication and participation is that it is viewed as a source of interaction with the government as it serves as a platform for the women to perform and air their civic duties and political obligations. Women who exercise their rights for instance by contributing in the country’s decision making are likely to be more satisfied with their membership of the state, and their role in it. Women develop a sense of trust and confidence when they are involved in the political process but become disillusioned and estranged from it when there are limited participatory opportunities. Furthermore, political participation is viewed as “An educational device through which “civic virtues” are learned” (Verba and Nie 1972). Through participation, women learn political responsibility; acquire knowledge about the political culture, the organization of the democratic system, its institutions and their functions, and roles of incumbents. It is thus related with political socialization. Increased awareness about the workings of any democratic system determines the level of affective and evaluative orientations which collectively underpin the legitimacy, stability and survival of the country.
Impact of Women Using Media

The impact of women cannot be adequately felt without media influence either as public thought influence or viral thought influence (Ikechi-Ekpendu, 2017). Media at times has a way of selecting news items. Anorue, Obayi and Onyebuchi (2012) opine that the media is gender biased. In their research, they argue that their findings on the participation of women in politics show a great deal of under-representation of women and an absence of effective inclusion. The reason for this deficiency is the result of the media showcasing the political environment and political culture in Nigeria as gender biased. They sustain that the media project male factor thus making the citizens believe that men are more proficient and qualified to handle leadership offices in Nigeria. Even in situations where it is obvious that the female gender are qualified and eligible for such offices, the media through their slants and manner of reporting which are mostly politically contrived are brought to bear so as to shift such positions to the male folks. UNESCO under the platform; Women Make the News Initiative encourages media organizations, professional associations, unions, journalists, women and men who work in the media and civil society to share their thoughts by sharing their experiences and best practices in reporting and advocating for the end of the negative and derogatory view on women through media (Mlambo-Ngcuka 2017, unesco.org,).

In the same vein, Kammonke (2014) reviews the role of media in setting agenda and opines that the media in Nigeria and globally have played a significant role in denying women leadership roles. The scholar maintained that men and women have factually contributed to the development of politics in Nigeria. She insists that women have not only demonstrated essential ability to offer tactical and logical political leadership but have also shown much interest to do so. She strongly decrises that media reports have leaned towards under reporting the contributions of women. Consequently, the reports made by the media regards women’s role in the electoral process have a tendency to underscore women’s role as marginal, and insignificant reducing it to dancing and entertaining people during events, uniform wearing and as dissemination networks for distributing campaign goods which have prevented women from exercising their worth to better the society.

Considering women from other countries who have contributed in influencing the media is Winnie Mandela, a notable woman whose enormous support assisted in the independence of South Africa. Further assessment of the debates of US electoral campaigns towards the 2016 elections in November, the media has succeeded in playing a major role for Donald Trump against Hilary Clinton. In one of the US presidential debates held on September 26, 2016 at Hofstra University New York, Clinton declared
that her opponent abused women. The continuous repeat, framing and slants used in these reports have not only created the agenda of the discussion of US elections to the whole world but also heated up the polity, almost bringing to confusion the voters and intentionally attempting to sway their votes. The argument above strongly indicates that the media play a foremost role in who becomes what in the society.

**Challenges to Women Agenda Setting Roles in Nigeria.**

Many women who have taken the challenge to set agenda for political discourse, have made great impact in Nigeria today amidst the limitations inherent in the country. According to Tabia Princewill, no one is more disenfranchised than the Nigerian woman, (Princewill, (2016) Vanguard January 20, 2016). The worst part is that the average woman in the Nigerian society probably does not realize that she has allowed, supervised and enabled her marginalization, subjugation and virtual exclusion on all fronts. They generally do not believe in their own self worth, in the value of being a woman beyond the ability to trade themselves for certain favours and advantage.

Some Nigerian women have got their names tainted by corruption allegations during their time in office (Princewill, Vanguard, 2016). Women such as Patricia Etteh, Diezani Alison-Madueke or Stella Oduah, were alleged to be involved in fraudulent practices. This could be a bitter limitation as there is scare on most women. Other women are influenced by political juggernauts and public office holders who promise them various material benefits if they agree to sexual advances. Princewill (2016) emphasizes the comment made by the 2015 Queen of Trust International pageant winner who resigned her position stating that she refused to be part of a spectacle organized only to provide opportunities for big men to meet, to the point where the pageant organisers attempted to force her to have sex with a PDP chieftain, (Princewill, Vanguard 2016). This apparently seems to have has become a common practice as both university students and notable women have rather sold their wealth of experience and cheapened themselves. This has reinforced the limitations of women especially by the men who ought to project them and accept them in the society. The women have sadly turned themselves to shops of entertainment rather than powerful agenda setters.

The societal norm is also a great limitation to the women folk. It decrees that women are for the kitchen. Even when a woman tries to strongly achieve it is believed that it’s her husband who is achieving through her, or that she has a relationship with a political head or another to be able to wield such influence.

Irrespective of these limitations some women have braved it to make good inputs in the Nigerian society. According to Adeola Akinremi in This Day Newspaper October 13, 2017, some of these women in November 1929 challenged the exploitative rule of the
British colonialists. These women from Aba with determination forced the colonial authorities to surrender on its tax imposition on the market women. This kind of influence is known as the Public thought influence, (Ikechi-Ekpenu, 2017). This was achieved by the brevity of the women. The ability of women to set agenda for public discourse and rescue the nation from its inherent state of corruption and recession is indeed extensive. Mrs. Ngozi Okonjo-Iweala, former Minister of Finance and former World Bank Managing Director, gave Nigeria one of the best pieces of financial advice when appointed to resolve the external debt mess. She obtained a deal with the Paris Club on Nigeria’s behalf and instituted major changes in fiscal policies. Mrs Kemi Adeosun succeeded her at a time the country was experiencing economic recession; with her pragmatic approach she was able to bring Nigeria out of recession, implementing particular fiscal policies to recover public funds from prominent persons who evaded taxes over the years. Oby Ezekwesili, co-founder of Transparency International, was preoccupied with the responsibility of pioneering the Budget Monitoring and Price Intelligence office also known as Due Process Office during President Olusegun Obasanjo’s administration. Aisha Ahmad, a remarkable finance administrator was projected by the media due to her excellent work at Diamond Bank Plc. to proceed to Central Bank of Nigeria and exhibit her administrative ability at the Apex bank. She eventually became a deputy governor at the Central Bank of Nigeria, a position that enabled her to set agenda for public discourse.

Other notable women, who made impact in Nigeria, include Funmilayo Ransome-Kuti who advocated for women’s right to vote, she was known as the “Mother of Africa”. Another is Prof. Dora Akunyili, former Director General of the National Agency for Food and Drug Administration and Control (NAFDAC) and Minister of Information and National Orientation, who not only set the agenda for political discourse, but made changes in the drug industry, she became renowned for integrity in Nigeria and beyond. Amina Mohammed, Nigeria’s Senior Assistant to the President in 2015 is leading the sustainable development goals (SDGs) initiative and has mobilised the society to engage in the SDG framework. Having served on the Task Force for Gender and Education for UN’s millennium project, has portrayed the ability of the women folk in a positive light. Senator Florence Ita Giwa and Honourable Abike Dabiri-Erewa defied odds to get to the top of their political careers. The present political climate if improved upon will definitely lead to more women participating in future political activities. To Sinem Bilen-Onabanjo Bilikiss Adebiyi-Abiola is one of the notable women to pioneer the change in attitude towards recycling and waste management in Nigeria. Ainehi Edoro and Chimamanda Ngozi-Adichie engage readers and shape the taste of writing and reading for young
people most especially women, by using various forms of media to influence and set agenda for political discourse, (Bilen-Onabanjo, Guardian, December 3, 2016).

Another is Agatha Amata who has judiciously used her talent in her very popular talk show known as “Inside Out” to set agenda for public discourse. A consummate media entrepreneur who has also launched Rave TV is using this medium to influence decision making. Biola Alabi former Managing Director of Multichoice, during her tenure improved content and direction for the television service. She is currently a Yale World Fellow and Managing Partner at Biola Alabi Media Consulting, a company designed to provide organizations with access to highly qualified professionals in the broadcast, telecommunications and digital industries. The medium used by these influential women are seen to be public thought influence used to set agenda for public discourse. Public thought influence is the influence exerted by speaking to a mass audience through a platform such as book, popular media, or internet and making great impact using resonate voices amidst other voices. This can be displayed by group leaders, political leaders, advertisers to promote a cause (Shapiro, 2011, in Ikechi-Ekpendu 2017). Another example of this is the Flourish Africa Conference that was inaugurated on November 25, 2017, by Mrs. Alakija Folorunso one of the richest women in Africa. She established a movement to educate women on how important their inputs in the society can benefit them as individuals and accelerate growth and development to Nigeria. Various media networks disseminated this programme. The frequency of reportage will indeed motivate women to stand out, with their expertise change the society. It is evident that these various women collectively use the media to project the cause of change in the country. As clearly explained, through the Media, the greater populace can be reached. The Media is indeed that common factor which binds all together, especially as the means of setting purposeful agenda.

**Conclusion and Recommendation**

The role women play in setting agenda for public discourse is one that the Media, women generally, the government and public should project. Considering the influence exerted by the aforementioned women in leadership using various forms of media, it is clear that they made great impact in the growth and development of Nigeria and the world at large. The Media has a huge role to play by frequency of reports presented on various platforms. Drawing inference from Dora Akunyili, women turn out to be very ethical in their duties when assigned positions of responsibility where positive change can be achieved; therefore, should be acknowledged adequately. The Social Media itself is observed as rife with jokes that regard and ridicule the supposedly greedy disposition of some women.
This, when sold to upcoming women leaders will also give them that premonition on negative perception of the role of women. This paper therefore recommends that media outlets whether print, or electronic using frequency of reports should project women participation in setting agenda for political discourse. Women should mentor other fellow women to enable them to manifest their innate qualities which are suppressed by the culture that women are essentially meant for the kitchen. The media should also dissuade citizens who utter hate speeches against women. There should be strict sanctions by the Constitution for such actions. The Constitution of Nigeria should make provisions for equal rights of men and women in contesting for elections thus according them formal acceptance as very valuable stakeholders against the previous cultural notion on women as objects of “the Other Room” by President Muhammadu Buhari, and not having contributions to policy making.

References


RELIGIOUS LEADERS AND THEIR INFLUENCE ON NIGERIAN POLITICS

Adebogun, B. Olayinka1
George, A. Kayode2
Irewunmi, A. Banwo,3

Abstract

This paper argues that religious leaders have tremendous influence on the Nigerian polity. Comments and utterances of some religious leaders at one point or the other have both negative and positive effects on Nigeria’s politics, leading to violent conflict between different religious groups in the Nigerian state. The paper examines the impact of religious leaders on the Nigerian political system, the relationship between politics and religion, the extent to which politics has affected religion and the nature of the influence of religion on Nigerian politics are examined. Karl Marx’s Perspective on religion is adopted for this study. The data collected for this study was obtained from secondary sources. Findings suggest that politicians misuse religion as a tool to get to power while religious leaders use their position to get personal gains from those who hold public office and those who aspire to it. The paper concludes that the character of these interactions works to the detriment of the entire masses in the political experience of the country.

Keywords: Influence, Religion, Religious leaders, Politics and Governance

Introduction

This paper examines the influence of religious leaders on Nigerian politics. Extant literature in the field of religion and politics has emphasized more on the role of religion in the Nigerian body politics. They have also established the relationship between religion and politics without any focus on the contributions of the religious leaders in the body polity of Nigeria. However, this study is necessary in order to fill this missing gap. It will also serve as policy initiative for the decision-makers within the Nigerian political

1 Department of Political Science and International Relations, Caleb University, Imota, Lagos. Email: oluwatayoadebogun@gmail.com
2 Department of Peace and Security Studies, Caleb University, Imota, Lagos. Email: kgeorgee@live.com
3 Department of Political Science and International Relations, Caleb University, Imota, Lagos. Email: banwoadebowale@gmail.com
system in order to implement the final recommendations of this study. It is a profound truth that religious leaders in Nigeria play vital roles in the Nigerian body polity and these roles cannot be jettisoned in the annals of Nigeria’s politics. In other hand, rather than being the agents of change in the body politics of the Nigerian state, religious leaders have been indulged in getting personal gain from those who aspired for political power. This has made them to deviate from their original and primary objective which is the expression of the spirit of love to mankind and not by taking any material benefits from the politicians. Either directly or indirectly, the religious leaders during elections in Nigeria have canvassed the electorate to support a particular candidate during election campaign. There is a relationship between religion and politics which may be difficult to describe in precise terms. For instance, there have been several occasion whereby the religious leaders in Nigeria have released negative utterances against another religious group and this has led to violent-conflict in the country. The actual role that religion plays in politics has remained debatable even though there have been efforts to establish a nexus between the two concepts for a long time (Falana, 2010 in Afolabi, 2015).

Election events have shown that electorates focus on religious identification in determining which political aspirants to support, not considering the fact that religion does not necessarily make people good or bad. It is being used as an instrument of oppression and deceit in Nigeria. This argument seems to be accepted as factual but contrary to this assertion, the earlier study failed to mention the role played by the religious leaders in canvassing the electorate in determining which political aspirant to support during several election in Nigeria. However, religious leaders play significant role in the body polity of Nigeria. The electorate might not necessarily initially intends to support a political aspirants due to the consideration of the homogeneity in their religious believe but as a result of the influence of their religious leaders on them (electorate) most especially during election campaign ( Egbewole & Etudaiye, 2011). The need for political participation in Nigeria cannot be overemphasized regardless of any religious belief and inclination. A major variable in the Nigerian polity is the relationship between religion and politics which some consider as inseparable and borrowed from the contribution made by Aristotle (384-322BC) towards politics to support their views that man by nature is a political animal. Jawondo (2005: 180) depicts man as both a religious and political animal, arguing that man is the only animal with a religion. Niccolo Machiavelli believed ‘religion was the foundation of state and society’ he stated that ‘rulers use religion accordingly since religion is under his control’. (Barbier, 1999: 112 – 113). Montesquieu also had a firm belief that religion should be part of politics as
‘religion drives people to obedience, makes them familiar with laws and how to live in a peaceful society.’ (Barbier, 1999: 130 – 131).

However, Benjamin Constant, a liberal thinker was of the notion of the separation of religion from politics, so that politics (the former) would not imbibe the corruption inherent in it to affect religion (the latter). He believes that,’ religion cannot serve as a basis for morals, and the more insulated from politics, the better’. (Todorov, 1999: 167).

Alexis De Tocqueville believed that ‘separation of church and state was not only good for politics; it is especially good for religion’. (Tessitore, 2002: 1144). He claimed that political authority ‘tends to be broken, changing and transitory, these factors of politics are total threats to the nature of religion.’ (Barbier, 1999: 267). Generally speaking, there is a common fallacy that religion and politics are two different fields of social activity. This leads observers sometimes to speak of the politicization of religion, and argued that it is against the original intent of the founder of religion, or God himself (Van der Veer, 1996:50). With the population of Nigeria nearly equally divided between Christians and Muslims, it has coloured the way citizens view their nationality. It appears that they would identify themselves with their religion first before their nationality. Thus, the domains of religion, secularism and politics are becoming increasingly intermingled in both overt and covert ways, (Tar and Shettima, 2010). Thus, in four sections, this paper explores the effects of religion and the influence of religious leaders on Nigerian politics since independence.

Concept Clarifications

Religion

Many scholars have postulated several definitions of religion. It is said that there is no concise meaning for it because there are problems in defining religion. In fact, Idowu (1973) argues that religion is a difficult topic to handle, whether we are considering its connotations, its origin, or its definitions. Some definitions stipulate that the defining, or essential feature of religion is belief about a central object. James Martineau (19th century English philosopher 1805 – 1900) suggests that religion is the belief in an ever living God. This definition does not consider religion from a broad perspective. It fails to consider other important features of religion. Wali, (1989) asserts that religion is a people’s way of life including both their tradition and social interaction. It is man’s integral attitude of life. From the dawn of his creation, man has never been divorced of religion, whatever kind it may be. It is important to note that religion possesses great functional value and, as a dimension of human life, is believed to have been present since man’s existence. Hence, it is glaring that people attached a strong significance to religion.
It controls man in its entirety. It shows that man cannot do without religion regardless of what he/she believes in. In addition, religion stimulates man to control his environment by struggling for power, so as to achieve his objective(s). Consequently, religion empowers man to pursue political power and other forms of power that can make him to have firm control of his environment.

**Religious Leaders**

In distress, religious leaders are frontline, trusted caregivers to whom people look for assistance and support for healing. A primary function of religious leaders is the care of the soul, which involves showing compassion and empathy for people in times of crisis by offering comfort, support, clarity, direction and spiritual resources. The religious leader is in a unique position to respond to people who are impacted by a disaster because she or he is already in an established role, has a core of relationships, and brings a faith perspective that speaks to the need for meaning that is so pervasive in the human experience of suffering.

**Politics**

The available definitions of politics postulated by several scholars of the field are numerous. One of the widely accepted definitions authored by David Easton states that “a political system can be designated as those interactions through which values are authoritatively allocated for a society” (Anifowose & Enemuo, 1999)). Max Weber also contributed to the knowledge on politics; he wrote that a political association exists if… the enforcement of its order is carried out continually within a given territorial area by the application and threat of physical force. Harold Lasswell, and Robert Dahl established their different definitions of politics on the basis of power, influence and authority. These thinkers believe that power is an important aspect in political thoughts. (Anifowose & Enemuo,1999). Dahl wrote that a political system is any persistent pattern of human relationship that involves, to a significant extent power, rule or politics refers to the activities associated with the governance of a country or any other area. It is the process of making decision applying to all members of a state or country. In addendum, politics is competition between competing interests, groups or individuals between power and leadership. (Anifowose, 1999).

Contrary to this, politics in my own view is the persuasive and diplomatic way of achieving one’s goals and desire. Politics is an everyday affair. We make use of politics in our home, office, school, organization, church, mosque and other institutions. It is about control, supremacy and authority. Hence, there is an element of power in religion and politics.
Politics in African Traditional Religion

The traditional religion of a society is a systematic reflection of their socio-cultural orientation, history and legacies on elemental forces, which in turn produces a belief in a supreme cosmic power that created heaven and earth. To this, power belong all things in their social psyche. Thus, traditional politics of the people has a strong linkage to belief in theocracy. To the Yorubas, *Oba* (king), the political leader of the people, is only holding his office in trust for *Olodumare* (the Supreme Being). More so, before an *Oba* is selected or appointed, as the case may be, the *Ife* oracle must be adequately consulted for spiritual approval. In situations where an Oba becomes a terror or his reign becomes unbearable, the *Ife* oracle will be consulted to determine appropriate measures to handle the situation. Therefore, politics and religion in traditional society are intertwined and have direct influence on each other. This is still the situation, even at the close of the 20th century (Laguda, 2008).

Politics in Islamic Religion

Islam as a way of life dictates and governs the totality of life of a Muslim from cradle to grave. Consequently, his political interest, economic considerations, social values and interaction are often given Islamic interpretations based on the Holy Quran, prophetic practices and other sources of law recognized in Islam. These virtues are expected to permeate the socio-political structure of any Islamic state. In fact, Prophet Mohammed was the spiritual as well as the political leader of his people during his lifetime. After his death, the Caliphs emerged and still held on to the same principles. Regardless of the nature of the society, Islam encourages Muslims to hold on to its principles by allowing the Holy Quran and the *Sunnah* to be their guide. We can conclude here that Islam allows for a spiritual relationship between religion and politics, (Akintola, 1997). Similarly, (Abubakre, 1984) writing from an Islamic perspective, suggests that Islam is a way of life, which dictates the political ideology and practice in any Islamic society. He points out that the ideals of Islam are good and are meant to guide political conducts. However, the practices of such ideals are usually influenced by the socio-cultural institutions in the society, including politics. For many Muslims, Islam is a total way of life. It is not correct, according to this viewpoint, to speak of religion and politics but instead religio-politics. Islam is believed to be relevant and integral to politics, law, education, social life, and economy. These are not viewed as secular institutions or areas of life but as aspects of the Islamic religion. Thus, religion and society are interrelated.
Politics in Christian Religion

Laguda (2008) argues that Christians in Nigeria would rather not get involved in politics but the fact remains that Jesus Christ did not discourage political participation for the faithful. However, Laguda’s argument is unconvincing due to the fact that there are many Christians who are involved in politics and that have won political seats as governors, senators and local government chairmen. In the Apostolic age, the Church witnessed an effective interplay between religion and politics. And where such interaction tends towards negative ends, the Apostles often adopted Christian principles to solve the problem as the church spiritual leaders. Perhaps, the most significant interaction between religion and politics in church history was witnessed during the Constantine and the post-Constantine era, where the emperor used the machinery of the state to promote Christianity. Thus, religion became politicized, and politics also marred the progress of the church during this period. Jesus’ teachings and Pauline theology encourage political process and respect for those in political offices, since they are representatives of God (Matt. 22:17-20). Hence, from the outset of the three main religions in Nigeria, politics and religion have effectively complemented each other. As the Divine played the religious role, humans played the political role. The effectiveness of both religion and politics has been based, not only on the involvement of the Divine in the activities of man, but also in following its ethics and principles. For instance, Western Christian nations seem to be governed with Biblical principles while Islamic nations are governed by the Tenets of Islam. In Africa, traditional societies had Chief Priests as close allies of kings and they played prominent roles in the selection of a new king or in the deposition of an erring king.

Political Scientists believe that man is a political animal. This means that we cannot do without politics as well as religion in our everyday life. Therefore, since we make use of each of them in our daily activity, we tend to politicize religion and religionize politics. Thus, Nigerian politics is characterized chiefly by “politicization of religion and religionization of politics” (Adogame, 2006). Mixing the two together makes religion to lose its sanctity and politics to become dirtier. This reality is manifested in the nature of Nigeria’s postcolonial state system, particularly the capture and control of state power by a self-centred, and divided political class that strategically use religion and politics to divide the people, consolidate and extend its control over resources and power in Nigeria’s emerging capitalist formation. It has been observed that politicians openly espouse religious sectarian sentiments in campaigning for public support. Politicians make use of the power entrenched in religion, not only to achieve their aims, but also to subjugate their opponents and to legitimatize their religion. For this reason, the dominant
religious groups; Islam and Christianity have been locked in a fierce battle for the political control of the country (Bujra, 2006).

Theoretical Review
Karl Marx perspective on religion was adopted for this study. Karl Marx views religion as the opiate for the people and perpetuates social inequality. He believed that religion was a way for the poor to accept their poverty and for the wealthy to control the poor. According Marx, religion gives the poor the reason to accept their situation, Marx understood that religion served a purpose or a function in society but did not agree as to the basis of that function. For most, religion is seen through faith or teachings that are held to be true. Religion teaches morality, values and believes that a society will hold its evaluation of behavior against. Marx did not believe in unseen truths (religious beliefs). The basis of his argument is that humans should be led by reason and that religion was masking the truth and misguiding followers. He believed that when one views society and life through the lens of religion, they are blinded to the realities of their lives. Religion, then, was a false hope and comfort to the poor. He saw that the poor used their religion as a means to find comfort in their circumstances, thus, aiding in the process of alienation.

Again, Marx did not believe in following a teaching that was based on faith. He actually felt that this amounted to simply believing in superstition. He said "If people are to know and understand the real world, they must give up superstitious beliefs because they have a narcotic effect on mind”. Marx believed that religion, like an opiate, gave a sense of security and salvation of something yet to come. Ultimately, religion is the sigh of the oppressed creature, the heart of a heartless world and the soul of the soulless.

Influence of Religious Leaders in Nigerian Politics
Nigeria today is a pluralistic society with different cultural and religious groups. The people do not live in a religiously monolithic society. That is, the Nigerian environment cannot, without series consequences, be regarded as purely Traditional, Islamic, or Christian. This situation is non-existent anywhere in the world today, despite efforts by few leaders to create a state with only one religion, (Ajayi, 2009). In addition, Nigeria seems to be divided along religious line into a dominant Muslim core north, a mixed Christian-Muslim south-west, middle belt and southeast and a primarily Christian south-south (Paden, 2015). This division has occasioned persistent unrest and uncertainty, especially between the two dominant religions. That is, the Nigerian environment cannot, without serious consequences, be regarded as purely Traditional, Islamic, or Christianity.
This situation is non-existent anywhere else in the world today despite efforts by a few leaders to create a state with only one religion (Kukah, 1993). Nigerians rightly live as peoples with different cultural backgrounds (as can be seen in the museums and festivals of arts and culture) and diverse religions, traditions, and practices, coupled with a multiplicity of patterns of behavior and lifestyles often diametrically opposed to each other. Nonetheless, the way Nigerians preach, teach, and practice their religions coupled with their adherent inability to accommodate other religious views, are contrary to the fundamental claims of their religions and their religious founders. All of this has resulted in religious disturbances in the northern part of Nigeria. Therefore, believers of all faiths should be concerned and in unity seek jointly a solution to the intra-and interreligious conflicts.

The utterances of some religious leaders were enough to incite violence. The late Sheik Gumi once described Christianity as going to church on Sundays and listen to songs, which is meaningless. In his own words, he said, “But Christianity, it does not mean anything, on Sundays, you only go to church and listen to songs, (Sheik Gumi in Ajayi, 2009: 203). On the issue of political leadership, he said, Once you are a Muslim you cannot accept to choose a non-Muslim to be your leader… I don’t think we Muslims can accept a Christian to be our leader unless we are forced… then we have to divide the country. (Sheik Gumi in Ajayi, 2009: 203).

According to Afolabi (2015), Olubunmi Okogie, the leader of the opposing Christian religious group and Catholic of Lagos state asserted that:

> We just want to keep Nigeria going just because of peace, but if anybody tries any nonsense this time, I don’t care, we will dare burn the nation because it is going to be religious war and nobody will stop anybody, no gun will stop it.

The war of words between the two opposing religious leaders marked the relationship between the two religions in Nigeria. The adherents look up to their religious leaders for spiritual and moral growth, to say the least. Realizing how individuals take religion in relation to love and hate, the message they get from such utterances is not to respect another’s religious view, (Ajayi, 2009).

Usually, there are three ways in which religions can influence politics, namely, by the direct involvement of religious men in politics, by fusing the two (religion and politics) as one and by subjecting politics or government to the doctrine or laws of religion, thereby carrying out politics or governance along the line of religious doctrine, ideals or laws.
(Omoregbe, 2003). All these are obvious in Nigerian politics and this makes religion and politics inseparable. In a Joint Pastoral Letter, *The Catholic Bishops’ Conference of Nigeria* emphasizes the civic and political responsibilities of all Christians. This excerpt represents the general content of the letter.

… it is the noble right and serious duty of every responsible citizen to do what he can towards the establishment, maintenance and successful operation of a good government. The prospective voter should be convinced of the importance of his vote. Neglecting to vote is the denial of potential support for social justice and progress… voting conscientiously and purposefully is the citizen’s most available and direct way of contributing to the election of most suitable leaders and support of beneficial policies. It is also in this sense that selling one’s vote or cashing it for short-sighted gain is offensive before God and man, (Schineller, 2002).

Despite the above declaration, it has been observed that the effect of religion on politics has brought about people voting according to their faith rather than the capacity of the candidate to lead the country. This was evident in the southeast when Catholic Priests in Anambra State openly enjoined their members to vote for Peter Obi (former governor) because of his religious inclination and his constant demonstration and affirmation of his membership of the Catholic Church, (Okafor, 2011). Also, the former Peoples’ Democratic Party’s (PDP) senator for Jigawa Northwest Senatorial District, Dr Danladi Sankara decried the alleged religious undertone in the 2011 presidential election. Sankara, who was the returning agent for Jonathan/Sambo in Jigawa State in the election, indicated that there was connivance among the opposition parties in Jigawa, whereby they indoctrinated the people to vote only for Muslims.

The defunct Congress for Progressive Change (CPC) candidate, Gen. Muhammadu Buhari (rtd), scored the highest vote in the 2011 presidential election in Jigawa State, polling 665,994 votes to beat his closest rival, the People’s Democratic Party (PDP) candidate, President Goodluck Ebele Jonathan, who polled 419,252 votes. During the announcement of the result at the INEC headquarters in Dutse, the presidential election Collation Officer for the state, Prof. Jibrila D. Amin, the Vice Chancellor of the Federal University of Dutse, announced that the total votes cast were 1,214,774, adding that the total valid votes were 1,140,766. In the 1999 elections, Pentecostal Christians openly supported Obasanjo’s candidature under the banner of the People’s Democratic Party (PDP), viewing him as a symbol of the restoration of Christian control over the
government of Nigeria and of the ending of Muslim political dominance (Ojo, 2004). After Obasanjo was elected president, Pentecostal leaders conducted an all-night prayer meeting for him. This gesture was politically endorsed and rewarded with the construction of a chapel in the Presidential Villa, the seat of national politics. Similarly, in the last 2015 general elections, Pentecostal Christians, particularly members of the Redeemed Christian Church of God overwhelmingly supported and voted for the Buhari/Osinbajo candidature, mainly because of the nomination of Professor Yemi Osinbajo, a Christian and notable leader in Redeemed Christian Church of God, as the Vice President. These are indications of religionization of politics in Nigeria. It was also widely speculated that many political aspirants consulted religious leaders for prayers and prophetic declaration of their election victory. Late Chief MKO Abiola, the Presidential candidate of the defunct Social Democratic Party, SDP, in the 1993 General elections also reportedly visited Islamic Clerics and Mosques for support and prayers. Prayers and open endorsement of political candidates by religious leaders signify subtle rejection of politicians that belong to opposing religious group; whereas religious leaders are supposed to be non-partisan and neutral in their open declaration for political aspirants. The implication is that when candidates of opposing religion eventually win an election, religious adherents of opposing religion are given to reject such outcome by insinuating election malpractices and favouritism by election officers. This was why electorates from some parts of Northern Nigeria took to the streets in protest of the results of 2011 general elections won by a Christian. This portends serious danger and uncertainty for Nigeria’s political stability.

The coalition of Nigerian Apostolic leaders (CNAL) urged non-violent approach in addressing the grievances and agitations in Nigeria. The convener of the coalition, Apostle Wale Adefarasin, advised various groups in Nigeria such as: separatist groups, militia organization and the advocates of restructuring to be cautious with their utterances. (The Guardian, 2017). The cleric also urged the federal Government to eschew any violent reaction in resolving the current agitations across the country. He warned that violent communication would plunge the country into deeper crisis rather than achieving a peaceful end. According to him, it is imperative for the Federal Government not to resort to violent reaction in suppressing or correcting any violent communication approach that may have been adopted by any group in the interest of peace and unity of the country. However, he acknowledges that it is not possible to stop any group from airing their grievances in a democratic government. Finally, he postulated that “Non-violent communication method is the best approach otherwise the country would be plunged further into crisis and chaos, (The Guardian, 2017).
Conclusion
This study has been established the fact that religion and politics have a relationship. Their relationship in any society should be mutual, and if properly managed, it could bring about tranquillity and development. On the other hand, if the relationship is not properly managed, it could degenerate to conflict. This is because religion is about personal experience and access to divine powers, while politics involves gaining political power. Since these are mutually and exclusively related, there is constant need for symbiotic relationship. Hence, religion can either bring conflict or peace, development or destruction, growth or retardation, stability or instability, security or insecurity. It depends on how it is made use of along with politics. The mixing of both religion and politics is not the issue, but the level of moral standard, patriotism in the country and the objectivity of various religious leaders irrespective of the religious group they belong to and their ability in managing conflict in the country is pertinent. To this end, Pastor Wale Adefarasin advocated for peaceful coexistence in the country especially by various militant groups which are agitating for restructuring (The Guardian, 2017). In his view, those demanding for restructuring should make their agitation peaceful. In the same vein, the Government should desist from adopting a violent or military approach in dealing with these militant groups in order to prevent further escalation of violent conflict and protect the survival of the Nigerian state.

Recommendations
The recommendations made in this study on the influence of religious leaders on the political process in Nigeria are thus:

1. Religious adherents should be encouraged to participate in political activities, especially by exercising their democratic rights to help install good and credible leaders in public offices.
2. Religious leaders should desist in using hate speech or utterances on another religious group in order to prevent conflict between the religious groups that exist in Nigeria because no religion is superior to others in any country.
3. Religious leaders should tolerate one another by accommodating other religious groups and extend love to them since that is the basis of religion.
4. Forums should be created for proper education and orientation of the adherents of various religious groups by their religious leaders in the country through the organization of joint-religious groups in order to enhance peaceful coexistence among various religious groups in Nigeria.
5. Religious leaders in the two major religious groups-Islamic and Christianity must desist from discouraging their adherents if a particular candidate contesting for any political position in the country is not from their religious group. Therefore, religion should not be the determining factor for supporting a political aspirant in an election, the quality of a candidate should be the determining factor of getting the support of the electorate during an election period.

References


STATE POLICE AND NATIONAL SECURITY IN NIGERIA

Osah, Goodnews¹

Inokoba, Preye Kuro²

Abstract

One issue that has become highly contentious and politicized in Nigeria today is the clamour for the decentralization of the Nigeria Police and the establishment of State Police. The fundamental question is that, how would the establishment of state police effectively address the security crisis plaguing the Nigerian state? Won’t this idea threaten and compromise the fragile national security of the nation? The crux of this paper is that taking into consideration the level of political development of the country depicted by the undemocratic, unpatriotic and lawless nature of the Nigerian political class. Any hurried and unplanned institution of state police will be an obvious invitation to unprecedented security crisis and political instability in the country. Thus, as much as the paper supports the call for genuine and deep reform of the Nigeria Police, because the issue has serious political and security undercurrents, the clamour should be treated with serious caution, circumspect and deep sense of patriotism.

Keywords: State Police, Democratization, Governance, National Security, Nigeria Police

Introduction

The issue of whether the states in the Nigerian federation should be empowered constitutionally to have their own police force or not has become a vexed, controversial and highly politicised issue in recent times. The debate on the state police issue has become so politically volatile and contentious that it has factionalised the Nigerian political class along ethno-religious and geo-political lines especially during the 2014 National Conference organised by President Jonathan administration. While the Southern delegates to the National Conference favoured a decentralised police structure, the Northern delegation agitated against ‘state police’ system. Little wonder that the argument of the proponents of state police could not scale through the Committee on Power Devolution of the National Conference. Its advocates failed to convince their

¹ Department of Political Science and Public Administration Babcock University, Ogun State, Nigeria
² Department of Political Science Niger Delta University, Wilberforce Island Bayelsa State
opponents to transfer the issue of policing to the Concurrent Legislative List that would have enabled states to share power and responsibilities on it with the Federal Government (Eme & Ogbochie, 2014:130).

Interestingly, with the coming into being of the President Buhari’s administration and the approach of the 2019 elections and politicking, the Northern political class and the top echelon of the ruling party, All Progressive Congress (APC) have taken a U-turn on the issue of state police. They now support the idea of state police that they initially vehemently opposed. The APC Committee on Restructuring under the chairmanship of the Governor of Kaduna State, Nasir El-Rufai made some key recommendations which includes fiscal federalism (that is resource control), devolution of power, making local government an affair of the state, state police, independent candidacy, among others (Ugbede, 2018). This reversal of position by the ruling APC government demands further interrogation especially as it is coming at a period close to a general election. Could it be that the government at the centre intend using its new position on restructuring and request for state police as a political bait to attract the political sympathy and votes of the people of Southern Nigeria? This is left to be seen.

Proponents of the state police in the Fourth Republic are quick to attribute the desirability of the decentralisation of the Nigeria Police Force (NPF) to the need to curb high and sophisticated crime rate and insecurity across the country; the need to truly reflect the ‘federal character’ of the Nigerian State; and the need to strengthen the country’s democracy as well as stabilise the Nigerian political system (Eme & Ogbochie, 2014; Aleyomi, 2013; Adafi & Achor, 2013).

Undoubtedly, since the return to democracy, Nigeria has witnessed an unprecedented upsurge in violent crimes such as militancy, armed robbery, ritual killing, electoral violence, child and women trafficking, rape, politically motivated killings, ethno-religious violence and so on. These upsurge in violent activities appear to have defiled the knowledge and capability of the NPF and the security apparatus of the Federal Government (Agwanwo, 2014: 165). The Boko Haram insurgency in the North Eastern Nigeria, the return of oil resource control agitation in the Niger Delta and the recent wanton and unwarranted killing of Nigerians by blood thirsty armed Fulani herdsmen, have further aggravated the tense security situation in Nigeria. The NPF, in all these mounting security challenges has not been able to provide respite to the people of Nigeria. This has prompted the paper to ask the following questions:

i. Could the establishment of state police in one sweep address the myriad of problems and ills that has hindered the NPF ability to detect and fight crime in Nigeria?

ii. Taking into consideration the lawless and desperate nature of politics and politicians at all levels of governance in Nigeria, would the creation of state police not automatically amount to situation of war of all against all that will eventually threaten and compromise already fragile national security?

Thus, the central argument of the paper is that as appropriate as the idea of state police is to a federation, Nigeria presently may not be politically ripe for a wholesale institution
of a state police system. The paper contends that, taking into consideration the prevailing political reality in Nigeria, the ill-timed creation of state police structures may likely be an invitation to unprecedented security crisis and political instability in the country.

The main objective of this paper is to investigate the possible threat that the unpatriotic, un-nationalistic, hasty and politically motivated implementation of State Police could pose to the political stability and national security of the Nigerian state. Our argument is that because of the politically laden nature of the debate and controversy of the quest for state police system as well as the political immaturity and undemocratic character of the Nigerian political class especially at the state level, the hasty decentralisation of Nigeria Police could rather compound the security crisis the country is grappling with instead ameliorating it. Apparently, the major stakeholders and beneficiaries in this academic exercise is the Nigerian people whose fundamental human rights could be brazenly abridged and abused by the impunity and illegal and undemocratic activities of states’ governors and their officials under the environment of state police system. To achieve our objectives, the discourse is built on the structural functionalism theoretical model. According to Almond and Powell (1966, cited in Gauba, 2007:96) all political systems regardless of their types, have different structures that must perform specific set of tasks (functions) if they are to remain in existence as systems in working order or in equilibrium. In other words, the structural–functional approach is a method of explaining how political structures perform certain basic functions in order maintain stability and order in a political system. According to the proponents of this theory, the political system performs four basic functions; these are extractive, regulative, distributive and responsive functions (Alapiki, 2005:59). The police as an institution of government is assigned the regulative task; that is, to maintain law and order in the society. The relevance of the theory to our research objective is seen in the role the Nigeria police play in maintaining law and order in the Nigerian political system; every measure must be taken to ensure that they continue to play this role effectively in order to maintain order, stability and predictability in the Nigerian polity. Though the research is a qualitative one based on secondary sources of information, it goes beyond the dominant narrative which focuses on the desirability and undesirability of the clamour for state police to connect the debate to national security issues.

To achieve the objective of the study, the paper is organised into five main sections. The first section is the introduction. The second section contains the conceptual discourse and the third deals with the contending issues on state creation in Nigeria. The fourth section discusses the creation of state police as a threat to national security before moving on to the concluding remarks and recommendations.

**Conceptual Discourse**

The ‘Police’ as a concept can better be understood from the point of view its nature and its function or relevance. This is why most definitions or academic descriptions of the concept will always feature elements of either perspective in the interest of an all-
embracing or acceptable definition. For the nature of it, Ojukwu’s (2011) description is very intuitive in that it analytically presents the Police as an organization that is formal, bureaucratic, hierarchical and rank-based institution that imposes strict rules of training and regimentation on its members. Complimenting Ojukwu’s description with that of Bayley (1994), and in this sense (of the nature of the police), the Police can be said to possess other features which include that they contain and operate lines of orders and strict obedience to commands. They are authoritarian, paramilitary and strictly regulated with the use of organizational rules and legislations. Decision making within it, is more centralized than being participative or collegial. As such, Max Weber’s features of an ideal type bureaucracy, as well as those principles of (an) organization (force in nature) as advanced by Henri Fayol are valid, in that the organization (Police) possesses such principles like division of labour, authority and responsibility, discipline, equity, order, remuneration, subordination of individual interest to group interest, centralization, unity of command, unity of direction, scalar chain and espirit de corps (Hughes, 1998; Ogunsiji, 1999; Omoyeye, 2010).

From the functional dimension, several definitions abound that make exemplification. An adaption by Omoyeye (2015) shows that the Police is a formal organization with the cardinal duty to ‘make people obey the law and to prevent and solve crime’. Also, from Chaturvedi’s (2006:235) definition, the primary duty of the Police is ‘the enforcement of law and order’ while the secondary concern includes ‘to redress the grievances of the distressed people’. And as a social institution, human elements in the organization are ‘neutral arbiters who hold together the framework by which society’s disputes and grievances are resolved peacefully’ (Brewer et al, 1996:222). Nevertheless, the Police are a security service provider; servicing first, the state, and then, the masses.

The Police is a repressive agent of the State (Alemika, 1993) deployed and utilized for the realization of state interests (wherein, the interest of the state is the interest of the elites or its leaders). And as Brewer et al (1996) argued, the Police does the function of political conflict regulation, the radical view of the state takes the Police as state’s instrument of coercion and domination and ‘partisan enforcers’ through which ‘intrusive and expansive’ interests (of the state) which are those broadly agreed values of a group supported, protected and fostered. Nevertheless, these writers submitted that often time, the Police reflects the nature or changing nature of the political state, the culture, politics and tradition of the State, the specific cleavages to which disorder is related, and the organizational structure of authority above and in the Police organization of such state. By summation therefore, this paper is an attempt at harmonizing the two perspectives – nature and function - of the Police as a regimented social institution of the State established for the enforcement of laws, maintenance of peace and servicing of the State. The issue of ‘State Police’ started with the 1823 Texas Rangers in United States of America where State Police agencies were established to particularly solve certain identified security threats either against properties, lives or the community (Dempsey, 1999). State Police departments became developed due to the need to tackle growing crime in non-urban areas of the country which became the aftermath of increasing
activities and civilization, with the aim to ‘lessen reliance on metropolitan and county Police departments which were seen to be more closely linked with politics, urban and county corruption (Dempsey 1999:38). And as Dempsey highlighted, the basic functions of these State Police units were the patrolling of small towns and highways, traffic regulation and the enforcement of State laws. In such country where there are still Police agencies below the State Police level, the later (State Police) becomes responsible for the managing of training facilities, maintains and manage the Criminal Identification System and as well, ensure the management of crime laboratories.

Dempsey’s writing showed that the concept of ‘State Police’ got its identity in line with the component units of American federalism, which was the existing 50 States. In this vein, the Nigerian federating units which is made of 36 states (apart from the Federal Capital Territory, Abuja) is relevant to the discussion. While there are 36 States in Nigeria, only six (6) of them are fiscally viable and can survive without any stipend from the central government (Daily Post, 7/6/2017). While twenty-one (21) of the State Governments (SGs) are owing their employees and pensioners months of unpaid salaries; they (the SGs) have also failed to provide good governance for the people.

The second central variable of the paper is national security. Providing national security for the lives and properties within a sovereign state is a vital social contract between the masses, the government, and the State. According to Ani (2010), the State, is legally bound to offer protection against possible loss, harm or destruction of human and material resources necessary for human capital development in its sovereign environment. Traditionally, national security is perceived as all the activities of the state, aimed to protect her from external threat. At the national level, according to Ani (2010), the state needs to manipulate every human and material resources within it, towards the adequate protection of its power posture from internal attacks on the state and its citizens, which can undermine human capital development and the capability of government as well as the loss of governmental, legitimacy. Inherently, this view of security places so much emphasis on the military threats to security of the State and concentrates on the various forms of military response in the management of such threats (Imobighe, 1999; Inokoba & Nwobueze, 2017).

Scholars have argued that this militaristic perception of national security is grossly inadequate and incompatible with emerging reality, because it is not an all-inclusive paradigm for political analysis. In agreement with this position, the paper in its analysis, went beyond purely military considerations to incorporate a lot of non-military elements that highlight the concept and provide a more holistic and comprehensive view. Our decision to follow this theoretical path was influenced by the Alternative Security Theory as propounded by Booth (1991). This theoretical platform is a multi-dimensional way of perceiving the numerous challenges and threats to national security within a state. The Alternative Security theoretical model views national security as a collection of plans, actions and institutions built by the State to protect itself from both internal and
external attacks. This also entails the act of promoting the core values of the State which includes the protection of lives and properties of the citizenry and as well as creating a conducive environment for the attainment of good life. Thus, in this study, the concept of national security is used in a fairly broad sense, to reflect the freedom from or elimination of threat not only to the physical existence of the Nigerian state, but also its ability for self-protection and development, as well as the enhancement of the general well-being of all its citizens (Imobighe, 1999). In this sense, apart from protection from internal and external aggression and survival of the Nigerian state, national security is seen to have positive impact on the living conditions of Nigerians as well as provide them with the right atmosphere for their self-improvement and actualization.

We can therefore conclude that national security embodies the sovereignty of the state, the inviolability of its territorial boundaries and the rights to individual and collective self-defence against internal and external threats. According to Dike (1966) in Inokoba & Nwobueze, 2017), the state is only secured when the aggregate of people organised under it have a consciousness of belonging to a common sovereign political community; enjoy equal political freedom, human rights, economic opportunities and when the state itself is able to ensure independence in its development and foreign policy. In furtherance of this position, Igbdalolo (2012) averred that the promotion of human security has become the central focus of national security and the new development paradigm because arms and ammunition building do not bring about peace, security and political stability (Osah and Iyanda, 2016).

Addressing the socio-economic scourges of poverty, hunger, unemployment and disease through good (responsible and responsive) governance and sustainable development programmes hold the key to an enduring national security. Thus, a country that invests heavily in human security may not have to spend much of its resources on fighting crimes like- kidnapping, human trafficking, armed robbery, youth restiveness, political violence and the likes (Osah, Amakihe, Irewunmi and Eti, 2015). Apparently, this makes policing an easy and less difficult task.

**The Contending Issues on State Police Creation in Nigeria**

It is no longer news that Nigeria is bedevilled with high rate of criminality, insecurity and other social malaise. These have brought about different schools of thought proffering possible solutions to the security crisis raging the country. Broadly speaking, the central arguments of the contending positions border on the desirability or undesirability of the state police system as a lasting solution to the challenging security situation in country. Be it as it may, some political as well as security commentators and scholars have opined that the only solution to the security crisis in Nigeria is to embrace the principle of state police. On the other hand, some have argued against the decentralisation of the Nigeria police system, citing that the country is not politically ripe and matured for it. According to former President Jonathan in 2011, “state police may be theoretically good, but looking at our political environment, it could be abused to the detriment of the country” (also see
Agwanwo, 2014:169). Thus, the main crux of the segment is to present the contending issues concerning the controversy about the state police debate in Nigeria.

Several security scholars, security experts and even public affairs analysts have advanced several arguments for the existence of State Police (SP) in any country. To Ojukwu (2011), yawning or agitation for State Police in any country with a monopolistic federal or centralized Police will become unrelenting when and where such ‘Federal Police’ had become ‘disabled laps of a marginalized and bruised Police’, where such ‘disabled laps’ then tended to be only accessible to those who are rich with the poor having no place in the selective policing, and where the rights of the people had become no more guaranteed. Other listed complaints against the centralized Police included illegal release of arrested felons, engagement in miscarriage of justice, and undue delay in that State Chief Executives (the Governors) could not carry out any control on them. Then, Okoro (2013) added lack of merit in posting, lack of accountability, objective criteria for promotion and specialized training for modern day policing, as some of those negative trends with centralized Police. The myriad of allegations would however sound as if such tendencies would not exist in the aftermath of State Police establishment.

As Okeke (2005) and Okoro (2013) argued, which is as well evident in a study conducted by Hills (2011), State Police elements stood a better advantage in gathering and providing needed information gathering structure and operational efficiency. Among several other ‘hopes and aspirations’, Okeke presents such advantages in State Police to include that, it will bring needed good relationship between the Police and State governments officials, rural areas can be more easily combed and criminals flushed out, better relationship with the local residents, the frequent transfer problem of the Police will be put away, there will be more Police men on the streets, State Police can be adequately controlled or checked by the state officials and, State governments will be more obliged to finance of security operations.

Nevertheless, Police issue is not on the Concurrent Legislative List in the Nigerian Constitution, and since Nigeria’s form of federalism is unique in its own form, since the true nature of political maturity, ethnic sensitivity and religious fundamentalism of the country is not unknown, since the materialistic tendencies and power-drunkenness of leaders are also not unfamiliar, and based on preamble practical intuition and lessons learnt on Police pattern in Nigeria before 1970s (when Local Government Police Force (LGPF) was merged with the federal Police, as systematically detailed by Rotimi, 2001), then, certain issues of law, operational jurisprudence, structural outlay, mutual inclusivity (or otherwise), among others, vehemently deserve being given some practical and academic attention.

Okeke (2005) enumerated some questions that feature some of these issues. What will be the operational jurisdiction of the State? For now, the Nigeria Police Force (NPF) handles all criminal matters as relevantly obliged by extant laws, on matters of traffic, crime, serious violence and terrorism; specialized functions like bomb related issues,
boundary patrol, sea and airports security, etc. Which among these shall be dropped to State Police? And to what extent shall this be done? On such matters that fall under State Police jurisdictions, what shall be the decision when it is inter State? What will be the procedure or which of the Police forces will investigate or handle a case involving actors residing in another State or incidence happening in another State that has its own Police? Shall every State Police be general in its operations just as the NPF is currently? In this situation, what then will be the new function of NPF? Or will it now be that the Police force that is faster takes over jurisdiction?

Currently with NPF, the Commissioner of Police (CP) of a State has two bosses whose directive he shall carry out. But particularly, Section 215(4) of the 1999 Constitution of the Federal Republic of Nigeria, provides that ‘the Governor of a State…. may give to the Commissioner of Police of that State such lawful directions with respect to the maintenance and securing of public safety and public order….and the Commissioner of Police shall comply with those directions or cause them to be complied with’. But in a State Police scenario, will a federal Commissioner of Police (CP) be duty bound to comply or make to be complied with, the directions of a State Governor, and under whatever condition? Who will control or supervise the State Police CP? In the First Republic, Rotimi (2001) chronicled that the central police appointed and nominated the Chief Police for LGPFs and hence, supervise it. With the contemporary Nigeria, will the NPF be made to second its senior officers as chiefs for the SP? Will there be any regulatory body that will be saddled with the overall ethics maintenance for all the State Police Forces, just as the National Judicial Council (NJC) for the judiciary? Who shall be responsible for the appointment of the members of such regulatory body?

Indications abound that state governments fund the NPF contingents or command within their domains more than the federal government does. In Lagos State, all vehicles, arms, Armoured Personnel Carriers (APCs), helicopters, ambulances, among other items, belonging to the Rapid Response Squad (RRS) are property of the Lagos State Government and not the federal government. Lagos State Government also funds the training and pays the allowances of the Rapid Respond Squad (RRS) personnel. It may be easily understood that in state police arrangement, while the federal government shoulders the financial responsibilities/fund the NPF, the respective state governments will fund their respective State Police Forces (SPFs). Will the state governments still fund the NPF anymore? Will the Federal Government render any financial, technical or material help to the State Police?

Today, personnel of the NPF cut across all the 36 states of the Nigerian federation, and are posted to any part of the country to perform such police works. Where state police arrangement is to come on board, from which pool of available bodies shall the baby-State Police Forces get their personnel? Will the NPF be made to contribute its officers or personnel to the state police forces? Will the states pull out their indigenes from the NPF into their own state police? Will the state police forces pick their personnel from the already existing Vigilante Group of Nigeria (VGN), the Hunters Association (HA) (at
least, for their accumulated experiences on security issues) or it will convert Nigeria Security and Civil Defence Corps (NSCDC) or of the Nigeria Peace Corps personnel within the states into the State Police? What are the roles the Nigeria ethnic militias such as the O’odua People’s Congress (OPC), Arewa Peoples Forum and the Bakasi Boys will play in the staffing of the state police?

Already, there are over 11,000 formations through which NPF operates in Nigeria (Ojukwu, 2011), ranging from its Force Headquarters, to Zonal and State Headquarters, to the Area Commands and Divisions; the out stations and the village posts. This implies that NPF exist in every rural community and neighbourhood. Which structural pattern will the state police take then? Will the NPF vacate its stations in the rural places for the State Police Forces? Down to which level shall NPF be limitedly permitted to operate? Relevant sections of the Nigeria Police Act state all the police ranks and badges, from the least Police Constable to the highest which is the Inspector General of Police. But in a state police force arrangement; what will be the least and the highest ranks? Will the same ranks in both the NPF and any SP possess the same insignia? Will the same rank in the NPF and a State Police have equality of value? Will there be traces of inferiority or superiority on the bases of either being a federal or a State Police Force? Just as it is the case with some state police forces in USA (Dempsey, 1999); will some State Police Forces use military rank terms like ‘Colonel’ and ‘Major’, while others use normal police rank terms?

Also, as it is currently missing in NPF, what shall be the mutuality, inclusiveness or exclusiveness among what Aremu (2017) called the ‘trinity’ needed for police effectiveness? Shall the ‘polity’ take SP responsibility monopolistically? Shall the ‘public’ as a stakeholder be given its required space and place?

The Creation of State Police as a Threat to National Security

Some of the reservations expressed against the decentralisation of the Nigeria Police institution include: the fear that it could be abused and misused by the political class at the state level for selfish political reasons; that it could be employed to trample on the political rights of the opposition parties as well as the fundamental human rights of innocent citizens; state police is also considered as a threat to free, peaceful and fair elections, that is, the people will be deprived of their fundamental rights to decide who governs them. Obviously, it will adversely impact on Nigerian weak and ailing democracy as the vital principles of the rule of law and separation of powers will be brazenly abused or even jettisoned with impunity. It is also apparent that the establishment of the state police system will further weaken the institutions of governance as it will only end up turning our state governors into tyrannical political leviathans or emperors; and ultimately these could lead to serious legitimacy and political crisis in the 36 states that make up the Nigerian federation. From our conceptualisation of the concept of national security it is not far-fetched that the above negative impacts of state police
could compromise the security of the Nigerian State. These issues form the crux of this subsection.

The position of the paper is that as attractive as the option for the establishment of state police looks, there is need for caution and circumspection. Truly, in most advanced societies especially in federations, there are federal and state police existing independently. However, it is our contention that it will be dangerous if this is the primary basis for the establishment of state police in Nigeria. This is so because we have a political environment dominated by a political class that is undemocratic, lawless, ruthless and fierce in their quest for political power as well as in their use of governance power. Accordingly, Pat Utomi in an interview with The News Magazine in 2012 described the Nigerian State as a criminal state where political power is used against those in the opposition as well as innocent Nigerians (cited in Agwanwo, 2014:170). This propensity by the class especially State Governors to misuse and abuse of coercive instruments of the state particularly against their opponents underscores the strongest reason against the decentralisation of the Nigeria Police system.

According to Aleyomi (2013) and other antagonists to the quest for state police, that Nigeria state governors will no doubt convert state police outfits under their control to instruments for pursuing and executing their whims, nuances and caprices. Evidences from past and present republics exist to buttress this point. For instance, during the First Republic when regional and local government police system was legally permitted (the Native Authority Police Forces - NAPFs, and the Local Government Police Forces – LGPFs), politicians at the regional level used the police for their selfish political purposes. It was noted that the regional and native police structures were the most abused and misused public institutions in Nigeria’s First Republic (Adedeji, 2012).

For the sake of emphasis, it suffices to state however, that native police in pre-1966 Nigeria symbolized absolute powers by the local authorities and these powers were recklessly used by politicians of that era for selfish political gain. As noted by Ohonbamu (1972:75) that in Northern Nigeria, political opponents were arrested by Native Authority Police for holding private political meetings, handcuffed or chained and marched through the streets as an ocular of what fate await those who sought to exercise their fundamental rights (also see Eme & Ogbochie, 2014:136). It was well recorded that in both Western and Northern regions politicians freely utilized native police to oppress, harass and intimidate political opponents, as well as innocent citizens (Akinsanya, 2005). They were also used to rig elections in Western Nigeria which led to the “Wide-Wide West Episode” (Adedeji, 2012; Osaghae, 2010). For instance, in the West, the involvement of thugs in native police uniforms provided by politicians led to operation “Wet e” (see Aleyomi, 2013:10). The case of operation “Wet e”, coupled with some other factors are seen as some of the remote causes of the 15th January, 1966 military takeover in Nigeria.

A critical examination of the Fourth Republic in respect to the conduct of politicians in the quest and use of political power reveals that nothing has changed in the circumstances that initially led to the disbandment of the native police in the first instance. For instance, as argued by Adedeji (2012), though states and local government are prevented by law
from creating and operating state police, their initial recourse to ethnic militias like Bakasi Boys, Egbesu Boys of Africa, Oodua People’s Congress (OPC), Arewa People’s Congress (APC) and so on, posed a serious political and security crisis in the respective states. Again, even though states do not own and command the coercive instrument of the state such as the police, armed forces and other paramilitary security agencies in the present political dispensation. State Governors in the Fourth Republic have succeeded severally in using these security outfits to achieve their selfish political purposes. For instance, in Bayelsa State like any other state, the administration of the former State Governor Timiprise Silva employed the NPF outfit tagged “Operation Famu Tangbe” to intimidate, harass, assault and literally chased out of town his political opponents as well as innocent citizens with dissenting views. Instances of these unlawful and undemocratic conducts of State Governors in the use of the coercive powers of the state, surely foretells the security risk involved if states are legally allowed to own and operate their own police outfits.

The argument that state police could be a threat to national security is further buttressed with happenings at local government level, which is supposed to be an independent third tier of government. This level of government has been hijacked by State Governors. Local Government Chairmen in Nigeria generally are seen as mere glorified ‘houseboys’ or ‘hallelujah boys’ of the Governors. The Governors’ care less about local autonomy at the local government level as well as the people’s right to elect their leaders at the grassroots level (Aleyomi, 2013:11). Also, more worrisome, is the fact that all Governors across the federation irrespective of political affiliations are guilty of hijacking the different institutions and organs of government in their respective states such as their State Houses of Assembly. State’s Judiciary, States’ security outfits and as well as the States’ Independent Electoral Commissions – all these administrative and democratic structures at the states level are all under the whims and caprices of the State Governors. It is against this background of the abuse of political power by State Governors that serious caution is needed in allowing States to own their police institutions.

In the same vein, institutions of State Police could also be a formidable threat to the nascent, weak and troubled Nigeria’s democracy which Osaghae (2010) demonstrated very convincingly as a fragile state. According to Yakasai (2014), “creating state police will undermine democracy in Nigeria. Governors will make sure that only their party members and thugs are recruited into the police. When a state police is made up of party thugs and supporters, then you can be sure that opposition will not be allowed to have a level playing field” (cited in Agwanwo, 2014:171).

Invariably, this will lead to the institution of a politically bias police system that will be used to compromise and truncate the country’s democracy, as it will become extremely difficult to vote out an incumbent party and government. The state police machinery will definitely be employed against the people as well as opposition parties. It also means that the state police system will become very unstable as whenever there is a change of the governing political party, it may also entail a change of the personnel that make up the state police set.
up. This is so because the new political party in government will want to control the state police structure by bringing in its party members and thugs into the state police system. This definitely will create so much political instability and uncertainty in the respective states across the federation.
Another possible threat that the establishment of state police will pose to national security, is the problem of conflict of interest and challenges that is likely to be fallout of multiple security agencies with multiple layers of authority. Although, the police as presently constituted are guilty of most, if not all allegations levelled against local police the issue is whether or not Nigeria should face the challenge of a single police instead of having to fight many battles at the same time. It is equally doubtful whether Nigerian politicians have the political temperament and maturity to resolve amicably the jurisdictional challenges that are likely to arise from operation of multiple police forces. Under this environment, we envisage a very chaotic security situation of war of all against all as the unruly and undemocratic Governors will definitely use the police structure under their control to aggressively pursue their inordinate political interests in complete disregard of constitutional provisions on the operation of this security architecture.

**Conclusion and Recommendations**
From the foregoing interrogation of the contentious debate on SP, some of the possible dangers have been unravelled that the politically motivated and the hurriedly unbundling or decentralization of the NPF could pose to the political stability and national security of the Nigerian State have been exposed. There is no doubting the fact that the NPF has over the years failed to effectively tackle the ever-rising crime rate and festering security crisis in the country, which has justified the clamour for SP. But we are not also oblivious of the political and ethno-religious colouration of the debate on the desirability of SP in Nigeria. Basically, our reservation against SP mechanism has a lot to do with the unruly, power hungry, undemocratic and lawless nature of the Nigerian political class especially the State Governors. It is no news any longer that State Governors in Nigeria conducts themselves as unaccountable and lawless demi-gods; they are known to have hijacked, corrupted and abused all sacred democratic institutions and processes under their jurisdiction. Handing to these Governors the instrument of coercion, will surely pose further threat not only to their political opponents but also to the ordinary citizens and the larger Nigerian society.
Again, it is a common knowledge that policing in Nigeria faces a lot of challenges which includes but not limited to: poor remuneration and motivation of officers, corruption and indiscipline among officers, poor funding, obsolete and inappropriate equipment, inadequate education and training of officers, poor public relations with the citizens, among others. These attitudinal, institutional and environmental challenges will not automatically disappear with the introduction of SP. To tackle these problems, the unequivocal approval of decentralized or centralization of the police institution in Nigeria is not an option. It is in this regard that the study suggests the adoption of a hybrid police
architecture that will serve as a platform for sustainable security. To achieve this, the following recommendations become imperative towards better policing in Nigeria:

i. There is the urgent need for the resuscitation and enlargement of the moribund Nigeria Police Council (NPC). This Council which was established by law is mandated to organize, administer and advise the President of Nigeria on matters on the appointment of the Inspector General of Police (IGP) and other police matters. According to Section 153 of the 1999 Constitution of Nigeria which established this Council, its membership consists of the President as the Chairman, the Governors of the 36 states, the Chairman of Police Service Commission and the IGP.

ii. To reduce the hegemonic influence of the Presidency on the operations of the NPC and other police matters, the study further recommends the following measures: firstly, the enlargement of the NPC to include the chief law officers of each state. Secondly, though the law mandates quarterly meeting of the NPC, we recommend more frequent meetings of the Council as the security situation of the country demands.

iii. There is need for the entrenchment of Zonal, State and Divisional Police Community-Relations Committee into the Constitution. This call for community policing system cannot be overemphasized; this is so because sound understanding of the culture, geography and peculiarities of the citizens is imperative for effective policing of the diverse communities in Nigeria. Such legalized community police committees should represent the interest of all communities making up such Zones, States or Divisions. With this close watch over communities by their indigenes and representatives, and reporting same to the police, citizen’s safety and national security will be enhanced (Ugwu, Ngige & Ugwuanyi, 2013; 412).

iv. There is also the need for the implementation of some of the salient recommendations of previous police reform committees especially the recent one of 2014. In order to make the police and security architectures more effective, the government must muster the political will to implement key reforms recommended by previous Police and Security Reform committees. For instance, the existing structure characterized by the overwhelming monopoly of the security sector by the presidency is considered as a charade that hinders the effective policing of the vast and diverse communities of the Nigerian federation. The appointment and dismissal of the IGP by the President single headedly is considered as anti-federalism and counterproductive to effective policing therefore need to be reformed. We submit that the President’s selection and appointment of the IGP must be subjected to the approval of the Senate.

v. To tackle the problems of poor training of officers and inadequate staffing of the NPF, we recommend regular training of officers. This will enhance the performance of the rank and files of the police force. In addition to this, there is the urgent need for the recruitment of qualified Nigerians into the NPF. This measure definitely is the solution to the fundamental problem of under policing of the Nigerian State. Training
and the recruitment of qualified personnel is sine qua non for checkmating crimes and improving security in the country.

vi. To improve the crime fighting capabilities of the NPF, effective motivation of officers is of utmost significance. Both officers and corps should be adequately motivated if the society is to be adequately protected. This can be done in terms of special salary scale outside the civil service rating because of the hazard involved in the work of policing. Not only that, appointment, promotion and discipline in the force should be a regular thing. This would go a long way in boosting the morale of policemen.

vii. Another challenge that has compromised effective policing in Nigeria is widespread and institutionalized corruption and indiscipline of all cadres of the NPF. To engage and reduce the adverse impact of this hydra headed monster on the operations of the NPF, there is urgent need of enlightenment and legal empowerment of the civil society as well as anti-graft institutions like Economic and Financial Crimes Commission (EFCC); it is believed this will constrain the NPF disciplinary unit to sanction erring officers thus serving as a deterrent to other officers.

viii. For the NPF to effectively engage criminality and violence in Nigeria, there is also the need for increase of budgetary allocation for the police force in Nigeria. Poor funding of the police architecture is identified as a major constraint to crime detection and fighting by the NPF. It is therefore imperative that additional financial and logistical resources can be made to the force to acquire advanced technological equipment that will track down increasing crimes and violence in Nigeria. It is also important that to ensure judicious use of the financial resources and equipment of the force, there is to put in place mechanisms that will ensure these resources are not mismanaged and misapplied.

To effectively engage the widespread criminality, violence and wanton destruction of lives and property across the country especially under the current administration, there is need for the implementation of the aforementioned recommendations. If these measures are not considered, the safety of Nigerians as well as national security will continue to be compromised whether or not the proposed establishment of the SP sees the light of day.

References


O moyeye, K. E. (2010). Public Administration and Organizational Efficiency: A case Study of the Nigeria Police Force. Undergraduate Project. Political Science Department, Faculty of Social Sciences, Olabisi Onabanjo University, Ago-Iwoye, Nigeria


Book Review


Reviewer: Arogundade Lanre

Through its eleven chapters, Digital Media, New Order? Emergent Practices in the Nigerian Media Environment, provides evidence, mostly through research, on how increasing digitization has shaped the performance of core media functions in Nigeria.

The book dwells extensively on the effect of digital technologies on news gathering and dissemination processes, and their implications for the coverage and reporting of some significant public interest issues such as disasters, the parliament, national unity, women and health.

Edited by Victor Ayedun-Aluma and published by the Association of Communication Scholars & Professionals of Nigeria (ACSPN) as the second of its Book Series, the publication also examines other topical issues beyond digitization. These include: Media Ethics and National Security (chapter six) and Perceptions of National Security among Journalists (chapter seven).

Chapter two is the first of the chapters that examines the effect of digital technologies on the media. Its pre-occupation is how the digital age has affected contemporary practices of Nigerian Newspapers against the background of the rapid increase in the number of Internet users in the country and the fact that social media has become a major source of news. Raheemat A. Adeniran and Omolade A. Atofojomo who authored the chapter, note that in response to the challenge of the social media, prominent media outlets like Channels Television and Television Continental now have the ‘i-witness’ and ‘Question of the day’ segments respectively, through which their audiences participate through the new and social media. They discovered that out of purposively selected twelve newspapers, only three, The Punch (i-Punch), The Guardian (e-Guardian) and Daily Trust (HAS#TAG) have dedicated internet and online pages that strive to provide digital information while allowing their readers to also make contributions. The authors contend further that the columns serve as an extension of the “third space” which according to Wright (2012) refers to “online discussion spaces with a primarily non-political focus, but where political talk emerges within conversations”. But given the growth of the

---

1 Nigerian Democratic Report
internet and the social media, it is quite worrisome that only three out of twelve major national newspapers have such dedicated pages.

In looking at Social Networks and the Reporting of Disasters, Gambo Shehu Nababa and Hassan Alhaji Ya’u in chapter three offer information on how active users of social networking sites reported the 2012 flooding in Nigeria. Adopting the uses and gratification theory as the theoretical background, they made the significant finding that 57% of their respondents learnt of the disaster on social networks compared to radio (16%), television (7.7%), print (7.7%) and relative/friends (10.6%). Because they found the information useful a large number of the respondents (86%) said they in turn shared the information as received. Based on this, they call on policy makers and aid agencies to use “these findings to improve their existing plan on emergency preparedness especially in Nigeria.” One contentious conclusion of Nababa and Ya’u however is that since about 60% of their respondents were males, then “women seem to be marginalized in terms of access to digital information through the social networks”. This is an error of generalisation which did not reckon with the fact that there could be gender difference in what social networks are used for.

Adesina L. Azeez, Oyindamola M. Lamidi and Roseyn Vona Doghudje who combined to write Chapter four on, News Media Technologies and the Practice of Print Journalism recommend that the print media in Nigeria should fully embrace media convergence while adopting the use of new media in order to compete and catch up with the rapid and swift changes in new technologies. This will enable them to reach wider audiences in more economical way.

Just as chapter five reveals that new media technologies have become integral part of journalism practice, Balarabe Maikaba writing on, The Use of New Media in Journalism Education in chapter five also establishes that, it has also become a regular feature of the teaching of journalism and mass communication. He arrives at this conclusion through a survey of student and staff of the mass communication department of Bayero University, using as the underlining theoretical framework, the Technology Acceptance Model (TAM) propounded by Fred Davies (1989). One of the important recommendations from Maikaba is that, “lecturers should be encouraged and motivated to develop their own course materials and be uploading them on new media platforms instead of only downloading what others have uploaded (which may not be relevant to their own context)”.

In chapter six, Hajara Umar Sanda, analyses how the media could easily cross the borderline of National Security through the performance of its four core functions of surveillance, correlation of facts of the environment, transmission of heritage and entertainment as classified by Wright” (as cited in Akindele and Lamidi, 2001).

Sanda situates her discourse of these functions within the framework of the Social Responsibility Theory, which according to "McQuail (2005) requires the media to perform these functions with utmost deference to ethical and professional guidelines. But even the most ethical media could still be on the wrong side of National Security for a number of reasons, chief of which is what exactly constitutes National Security. "Another
major obstacle to effective oversight of the security is lack of transparency and restrictions placed on the reporting of the activities, budgets and expenditures of the security apparatus", writes Sanda who urges security operatives to collaborate with media practitioners "as watchdogs" while charging the media itself to use its powers judiciously to avoid threatening national security.

Hassan Alhaji Ya’u offers additional perspectives on the problematic of defining national security in chapter seven where he based his findings on a survey of a group of 123 journalists in the industrial, commercial and political heartbeat of the ancient city of Kano. As he notes: "There is no single universally accepted definition of national security" adding that: "The concept still remains ambiguous, having originated from simple definitions which initially emphasized the freedom from military threat and political coercion to later increase in sophistication which includes other forms of non-military security as suited the circumstance of the time (Romm, 1993)" Pg 128. Ya’u however provides useful tips for the understanding of national security by looking at some of its important elements including military security, political security, economic security and cyber security.

In undertaking to conduct a survey on the perception of national security among broadcast, print and online journalists in Kano state, Aliyu also takes into account the fact that it’s becoming common place for countries in Africa to restrict free speech in the name of national security. From his survey audience, Ya’u discovers that there is very low level knowledge of national security, thus recommending capacity building programmes on national security and other important national issues worthy of media coverage for journalists. Perhaps the survey could have been more enriching if it had been done in a University like the University of Maiduguri, which is located at the epicenter of the Boko Haram insurgency.

Khadijat Adedeji Olona and Agboola Lateefat Odesanya, deal extensively with what constitutes media and public agenda by looking at Online Newspaper Coverage and Audience Perception on the 8th National Assembly in chapter eight. They found that most of what is reported focus more on leadership and politics as against core legislative functions of law making. This finding is useful in understanding gaps in media coverage of the legislature. But one could raise some question mark on the choice of The Punch and The Sun as their sample of online newspapers. The two newspapers publish print and online versions but perhaps it could have been more appropriate to use as sample ‘Online-only’ newspapers like Premium Times, The Cable, The Next Edition, Nigeria Politics Online, which publish only online and do not have print editions.

This is also against the background of observations that there are some significant differences between online and print edition of newspapers. The Sullivan journal, for example, says “there are a lot of differences between the writing done for online news and the writing done for printed newspapers. The style is different; the sourcing is different as well as the pricing, etc. You can run into a few problems if you should handle these two news types the same”. This is also important because of the growing population of online newspapers in Nigeria.
with more than fifty of them, for instance, endorsing the Nigerian Media Code of Election Coverage – Revised Edition 2018.

Those interested in how the Internet and the Social Media could be used to promote hate speech or cause disharmony in the society will find the study by Abubakar Jibril and Tordue Simon on Online Readers Comments and National Unity in chapter nine very useful. Basing their study on the Argumentativeness, Aggressiveness and Verbal Assertiveness Theory, they came to the conclusion that given the nature of readers’ online news site comments on President Buhari’s maiden media news chat, the platforms have the potential to intensify existing divides in the country.

Chapters ten (New Media Business Reporting and the Challenge of Poverty among Nigerian women) by Toyosi Olugbenga and Samson Owolabi & eleven (Engaging Social Media for Health Communication in Nigeria) by Adebayo Fayoyin, respectively focus on how the new and social media can be used to advance the cause of Nigerian women and health education. Chapter eleven in particular provides case studies of how the social media has been used to advance health education on Ebola outbreak in Nigeria and communication on HIV with men who have sex with men in Ghana. Other case studies are the use of mobile telephony for Polio campaign in Somalia and Maternal Health Education in South Africa. The conclusion reached in both chapters is that the deployment of digital technology and the use of the new and social media could be veritable tools for the promotion of women issues and the advancement of health education.

In all the various studies affirm the correctness of the assertion by Victor Ayedun Aluma (Introduction: Digital, New media, New order?) in chapter one that the book offers compelling “arguments and evidence… advanced in support of the proposition that the new media may be resulting in a new practices and values in the Nigerian media environment”. One therefore fully agrees with Professor Marcus Leaning, writer of the foreword that “Academic volumes such as this serve to render understanding of complex issues, the manner in which they are dealt with and myriad of ways in which digital media being used to advance the interests of Nigerians, Nigeria and the wider world”.

Written in simple, though sometimes technical language, Digital Media, New Order? Emergent Practices in the Nigerian Media Environment is a useful addition to emerging literature on the challenges that rapidly changing information technology, especially as used on the Internet and social media platforms, pose to media practice and the journalism profession.

References
http://www.sullivanjournal.com/5-differences/5-biggest-differences-online-news-site-printed-newspaper/

About the Authors

1. ADEBOGUN, Olayinka B., is lecturer, Department of Political Science and International Relations, Caleb University, Imota, Lagos. He studied Political Science at Lagos State University, Ojo, Lagos and Babcock University with Specialty in Public Administration, and currently a PhD student in Babcock University, Ilishan Remo. His research interests are Political Leadership, Governance, Political Culture and Election management. He has published in reputable Journals.

2. AGBU, Jane-Frances Obiageli is Associate Professor, Clinical Psychology, Faculty of Health Sciences, National Open University of Nigeria (NOUN). She obtained her PhD in Clinical Psychology from the University of Lagos, Nigeria and has published on Body Dysmorphic Disorder, Type A Personality, Technostress, Retirement stress, Post Traumatic Stress Disorder and the Psychology of Open Education/Open Educational Resources (OER).

3. AFOLABI, Omotayo works at Phillips Consulting Limited in Lagos State, Nigeria. She has MSc in Business Administration from Babcock University, Ilishan-Remo Ogun State. She is a PhD candidate in Babcock University. Her area of specialization is Human Resource Management.

4. AKARARA, Ebierinyo Ayebaemi, is lecturer, Department of Economics, Niger Delta University. Akarara holds a master degree in Monetary Economics and currently a Ph.D. student. His interests are Econometrics, Monetary Economics and Quantitative Economics. He has published in reputable journals.

5. AKPA, Victoria Ozioma is Senior Lecturer, Department of Business Administration and Marketing, Babcock University, Ilishan–Remo, Ogun State, Nigeria. She holds a PhD in Business Administration (Human Resource Management) from Babcock University. Her main research interest is Human Resource Management (HRM). She has published locally and internationally on leadership, economic, marketing, management and HRM.

6. ANDOHOL, Jerome Terhemba, is lecturer, Department of Economics, Benue State University, Makurdi, Benue State. He holds a Ph.D in Economics and an MBA degree with specialization in Marketing. Andohol is a budget analyst who trained with Mississippi Consortium for International Development where he understudied four different State Parliaments in the USA. His research interests
are public policy and finance, econometrics, development studies, macroeconomics theory and practice.

7. **AROGUNDADE, Lanre**, received a masters degree in Peace and Conflict Studies, University of Ibadan. He is the Director of International Press Centre (IPC) and Editor-In-Chief of its online news portal and media resource, Nigerian Democratic Report. He is author, among others, of *Journalism in Nigeria: Issues and Perspectives*, and was chairman, Lagos State chapter, Nigeria Union of Journalists. He is also a member, Nigeria Guild of Editors (NGE), and Investigative Reporters and Editors (IRE).

8. **EGUNJOB, Titilayo Adenike**, is senior lecturer, Department of Economics, University of Lagos. She obtained her PhD in economics from the University of Lagos, Akoka. Her research interests are development economics, economic theory and public sector economics. She was the pioneer head of the Department of Economics and Business Studies, Redeemer’s University, Ede.

9. **GEORGE, Kayode**, is lecturer, Department of Criminology, Security, Peace and Conflict Studies, Caleb University, Imota, Lagos. He holds a Ph.D., Peace and Conflict Studies, University of Ibadan. He attended the University of Ulster training on Peace Making and Peace building in Northern Ireland, UK. His research interests are conflict studies, mediation, youth and conflict, religious propagation, inter religious peace building.

10. **IKECHI-EKPENDU, Chioma Victoria** is a lecturer, Department of Political Science and Public Administration, Babcock University Ilisan-Remo Ogun State, Nigeria. She holds a PhD in Political Science and Public Administration from Babcock University. Her main research interests are political leadership, politics and media reporting, governance and voters’ behaviour. She has published locally and internationally.

11. **INOKOBA, Preye Kuro**, is lecturer, Department of Political Science and International Relations, Niger Delta University, Wilberforce Island, Bayelsa State. He holds a PhD in International Relations. His research interests are foreign policy of African States, governance and democracy, gender, conflict and Security studies. He has published locally and internationally.

12. **IREWUNMI, Banwo A.**, is lecturer, Department of Political Science and International Relations, Caleb University, Imota, Lagos. He holds BSc and MSc Political Science from University of Jos and University of Ibadan. His research
interests are development studies, public administration, democracy, governance and political economy. He has published in reputable local and international journals.

13. **JOHNSON**, Babatunde Solomon holds B.Sc. in Economics from Babcock University, Ilishan-Remo, Ogun State, Nigeria. He is an Associate member of the Institute of Chartered Accountants of Nigeria. His research interest and publications are in development economics.

14. **KWEN**, Solomon Sooter works with First Bank of Nigeria. He holds M.Sc. Economics, Benue State University, Makurdi. He is a recipient of the Tony Elumelu Legacy Prize for the Outstanding student in Economics and the Best Graduating Student of Faculty of Social Sciences of Benue State University, Makurdi in 2012.

15. **MAGAJI**, Nanle is Lecturer, Department of Business Administration and Marketing, Babcock University, Ilishan–Remo, Ogun State, Nigeria. She holds a PhD in Business Administration (Human Resource Management) from Babcock University. Her main research interest is Human Resource Management (HRM). She has published locally and internationally on leadership, economic, marketing, management and HRM.

16. **OGUNNIYI**, Matthew Babatope, is lecturer, Department of Economics, University of Lagos. He holds a PhD in Economics, University of Lagos. His main research interests are mathematical economics and development economics. He has published in industrial, monetary and development economics.

17. **OJOMOLADE**, Dele Jacob, is lecturer, Department of Accounting and Finance, Caleb University, Imota, Lagos. He is on his PhD at Lead City University, Ibadan. His research interest is finance and management.

18. **OKUMOKO**, Tubo Pearce, is Senior lecturer, Department of Economics, Niger Delta University, and holds a Ph.D degree in Development Economics, University of Calabar. His research interests are rural development, human capital development, sustainable development, health economics, industrial economics, and policy economics. He has published locally and internationally.

19. **OMOJOLAIBI**, Joseph Ayoola, is Senior Lecturer, Department of Economics, University of Lagos, Nigeria. He holds a PhD in Economics, University of
Ibadan, Nigeria. He teaches Environmental Economics and Climate Change Policy at the Centre for Petroleum, Energy Economics and Law (CPEEL), University of Ibadan, Nigeria, and is also a Senior Research Fellow at the Centre for Economic Policy Analysis and Research (CEPAR), University of Lagos. His main research interests are economic theory, energy, environmental and ecological economics, public finance and spiritual economics. He has published in reputable journals.

20. **OMOYENI**, Ibukunoluwa Akorede, is on national service as a member of the National Youth Service Corps (NYSC), Nigeria. He holds BSc in Economics from the University of Lagos, Akoka. His research interests are microeconomics, econometrics and development economics.

21. **ONAKOYA**, Adegbemi Babatunde is Associate Professor (Macro-economics), Department of Economics, Babcock University, Ilishan-Remo, Ogun State. He holds a PhD in Economics, and has published in local and international journals on development economics.

22. **ONI**, Oluwasola, is lecturer, Department of Economics, Caleb University, Imota, Lagos. He is a PhD student in the Department of Economics, Covenant University, Otta, Ogun State. His research interests are Econometrics, Behavioral and Monetary Economics.

23. **OSAH**, Goodnews lectures in the Department of Political Science and Public Administration, Babcock University, Ilishan-Remo, Ogun State. He holds a PhD in Political Science (Peace and Conflict Studies). His research interests are conflict prevention and resolution, post-conflict peacebuilding, oil and gas in world politics. His articles have been published in reputable local and international journals.

24. **PEDRICK**, Eluan A. is currently a M.Sc. student in the Department of Economics, Niger Delta University. His research interest is development economics and has private and public work experience.
Guidelines for Authors

Caleb Journal of Social and Management Sciences is a multi-disciplinary peer-reviewed journal of the College of Social and Management Sciences, Caleb University, published twice a year. It is dedicated to a broad range of researches carried out by scholars in the Social and Management Sciences. It emphasizes original research – with a clear research gap and formidable research questions to be addressed during the discussion – and serves as a purveyor of discourse on contemporary social and management issues, especially from an African perspective.

Contributions are welcome from scholars, specialists and policy makers, and should be written in English (British English) spelling format. Manuscripts submitted for consideration in the Caleb Journal of Social and Management Sciences should not exceed 7000 (seven thousand) words or twenty (20) pages typed double-spaced on size A4 paper. Book Reviews should not exceed four (4) pages typed double-spaced on size A4 paper, while Review Articles should not exceed eight (8) pages. Manuscripts should be sent through electronic mail to the Editor, Caleb Journal of Social and Management Sciences (CJSMS), Caleb University, Imota, Lagos. The electronic mail addresses are editor_CJSMS@calebuniversity.edu.ng, cosomas@calebuniversity.edu.ng; cosomas.calebuniversitylagos@gmail.com

Statistical tables should be clearly labelled, and the reader should be able to understand the content of the tables with ease. Units of measurement, base-dates for index numbers, geographical area covered, and sources should be clearly stated. Contributors are fully responsible for the accuracy and cross-check of the data and results. Diagrams should be clearly drawn and labelled and accompanied by the basic statistics that were used for their preparation. coloured diagrams are allowed, thus, authors should ensure that the messages on the diagram are conveyed properly in black and white.

Structure
Every article should begin with introduction. There is no specific format of writing, but each author must address the following questions:

What is this article about?
How and in what ways is this work original?
What is new about the article?
On what research method is it based?
How important is the article to stakeholders on the subject?
Who is going to benefit from the article?
How will the argument of the article be anchored?
Thereafter, you decide on the structure and form your article will take. There are various ways of doing this, but you can take a cue from the following:
The **Chronological structure**: this is historical, it unfolds like a series of time

The **Funnel structure**: This begins with a wide focus and narrows to the specific aspect of the phenomenon.

The **Thematic structure**: The author takes a phenomenon of interest and uses various themes to drive the argument.

The **Comparative case study**: The author identifies a phenomenon of interest and then explores its diverse manifestations in the academic literature, thereafter, the author uses case study or case studies to deepen the discussion showing the crisscrossing patterns and processes in the cases studied and how they relate to the established knowledge in the academic literature.

References and citations in the CJSMS should conform to the APA format. Short format should be used to refer to works already cited. Citation should include more recent references from the last three years. The ideal reference should have the author’s surname, initials, year of publication, title of work, place of publication and publisher in that order. References are reflected in-text and should bear author’s surname, and year of publication. See samples below:

**Book**

**Edited Book**

**Chapter in an Edited Book:**

**Journal Article**


Newspaper Article

Working Paper/Discussion Paper: