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ABOUT THE JOURNAL

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The Journal publishes empirical articles, critical reviews and case studies that are of interest to policy makers, scholars and practitioners in any field. The Journal puts particular focus upon issue that are of concern to the Third World. It is the goal of the Journal to advance knowledge in any field. It therefore provides a platform through which scholars and practitioners can share their views, findings and experiences. Articles submitted must be new, original and should not be under consideration for publication elsewhere. Contributions that discuss issues at the national, regional and global level are essentially welcome.

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Performance Appraisal: A Veritable Management Tool for Improving Employee Productivity in Organizations

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Abstract

Various scholars held difference views with regards to the use of performance appraisal in organizations. Some have argued that failure to carry out performance appraisal had led to the failure and low productivity of some organizations. And that the inability of some managers to perform their duties and create conducive environment for employees to work and meet their personal desire demoralizes them and reduce their level of performance thereby affecting the organizational level of productivity. This paper therefore examines the role of performance appraisal in organization as well as the principles and techniques of appraisal. In carrying out the research, various relevant literatures were utilized to elicit data and information for the study. The study reveals that management appraisal of employees serve as a tool to many organizations with a view to increasing workers performance and productivity leading to the attainment of organizational goals and objectives.

Key words: performance, appraisal, tool, employees, productivity, organization.

Introduction

Performance appraisal implies the evaluation or assessment of the individual employees in organizations in terms of their job performance. This task requires quality of managerial judgement which places a considerable responsibility on the managers and supervisors involved. It is a delicate as well as complex task to accomplish. Performance appraisals are essential for effective management and evaluation of staff employees. Appraisals help to develop the individual employees, improve organizational performance, and feed into business planning. Formal performance appraisals are generally conducted annually for all staff in the organization. Each staff member is appraised by their line manager. Directors are appraised by the Chief Executive Officer (CEO), who is appraised by the chairman or company owners, depending on the size and structure of the organization. Annual performance appraisals enable management to monitor the standards, expectations and objectives, and delegation of responsibilities and tasks. Employee performance appraisals also establish individual training needs and enable organizational training needs analysis and planning. Performance appraisals also typically feed into organizational annual pay and grading reviews, which often coincide with business planning for the next trading year.

Performance appraisals generally, review each individual employee's performance against the set objectives and standards for the trading year, agreed to at the previous appraisal meeting. Performance appraisals are also essential for career and succession planning for individuals, crucial jobs, and for the organization as a whole. Performance appraisals are important for staff motivation, attitude and behavioural development, communicating and aligning individual and organizational aims, and fostering positive relationships between management and staff. Performance appraisals provide a formal, recorded, regular view of an individual's performance, and a plan for future development. Job performance appraisals – in whatever form they take – are therefore vital for managing the performance of people and organizations.

Review of Literature

Performance appraisal can be defined as the process of assessing the performance of an employee on his job. Appraisal can be used for salary reviews, training need analysis and job improvement plans. Performance appraisal can also be defined as the process whereby the company assesses staff only for what they have done within a defined period. It is an important management tool that helps organization to grow and thereby improving the overall productivity (Aibieyi, 2009).

Within any organization, staff employees are always assessed taking into consideration two different dimensions; the past and future. The assessment

focuses on the past. It tries to analyze the possibility that one staff could perform, within an established period, different activities from those he is currently doing and if he would be able to cover areas of greater responsibilities, and commitment.

The purpose of this exercise is to ensure that all staff are appraised in the most objective way, so that each employee could be promoted, rewarded or trained in a manner consistent with both their capabilities and the company's needs. Supervisors, Heads of Departments and all managerial position holders who have the responsibility for the assessment are strongly involved in this exercise during the period under review, since the performance appraisal is continuous and not only a moment in which supervisors are requested to fill the forms. Performance appraisal is the basis for determining development because, if a manager's strengths and weaknesses are not known, it will be difficult to determine whether developments are aimed at the right direction or not. Appraisal should be an integral part of a managing system. If an organization is to reach its goals effectively and efficiently, ways of accurately measuring management performance must be found and implemented. Effective performance should recognize the legitimate desire of employees for progress in their professions. On the way to integrate organizational demands and individual needs, is through career management which can be a part of performance appraisal (Aibieyi, 2010).

There is increasingly a need for performance appraisals of staff and especially managers, directors and CEOs, to include accountabilities relating to corporate responsibuility, represented by various converging corporate responsibility concepts including: the 'Triple Bottom Line ('profit people planet'); corporate social responsibility (CSR); sustainability; corporate integrity and ethics; fair trade, etc. the organization must decide the extent to which these accountabilities are reflected in job responsibilities, which would then naturally feature accordingly in performance appraisals, more about this aspect of responsibilities is in the director's job descriptions section. Significantly also, while this appraisal outline is necessarily a formal structure this does not mean that the development discussed with the appraisee must be formal and constrained. In fact the opposite applies. Appraisals must address 'whole person' development – not just job skills or the skills required for the next promotion (Drucker, 1959).

Appraisals must not discriminate against anyone on the grounds of age, gender, sexual orientation, race, religion, disability, etc. all appraisals procedure are aimed at developing people and organizations by using information about change in their behaviour by:

a. **Evaluation:** To enable the organization to share out the money promotions and pre-requisites apparently fairly.

b. **Auditing:** Discover the work potential, both present and future of individuals and department.

c. **Constructing Succession Plans:** For manpower, departmental and corporate planning.

d. **Discover Training Needs:** By exposing inadequacies that could be corrected by training.

e. **Motivating Staff:** This brings about reaching the organizational standard and objectives.

f. **Developing Individuals:** By advise information and attempts at shaping their behaviour by praise or punishment.

g. **Checking:** The effectiveness of personnel procedures and practices.

Drucker (1967) emphasized that "to appraise a subordinate and his performance is a part of the manager's job indeed. In other words, managers motivate their men to work at such a level as to be able to achieve the predetermined results. This is an exercise that requires co[operation and team effort on the part of the manager and the employees under him. The first thing a manager does is to decide with his men the objective of his department within the frame work of the corporate objectives. In associating the men with the objectives of the department, each of them will understand the part he has to play in the achievement of those objectives. Once the individual objectives have been agreed upon, employee has something to work towards – he has his targets. A good appraisal system is fundamental to the management of people in any organization and that cannot be ignored.

Reasons for Appraisal

There are several reasons why appraisals are carried out in organizations. They include:

(a) To identify an individual's current level of job performance

(b) To identify employee strengths and weaknesses

(c) To enable employees to improve their performance

(d) To provide a basis for rewarding employees in relation to their contribution to organization's goals

(e) To motivate individuals

(f) To identify training and development needs

(g) To identify potential performance

(h) To provide information for succession planning, among others

The most likely reason for the adoption of staff appraisal is to draw attention to present performance on the job in order to reward people fairly, and to identify those with potentials for advancement or transfer. Drucker's view on appraisal is that managers are responsible for achieving results. These results are obtained from the management of human, material and financial resources, all of which should be monitored – monitor means setting standards, measuring performance and taking appropriate action. In respect of people, this entails taking action to improve performance by means of training and help, i.e. 'management development.'

Appraisal is very essential in making some attempt at measurement of performance if the appraisal ids to be taken seriously into account as a factor which influences salaries. Appraisal helps the 'whole person' to grow in whatever direction he wants to, not just to identify obviously relevant work skills training. Increasingly, the best employers recognize that growing the 'whole person' promotes positive attitudes, advancement, motivation, and also develops lots of new skills that can be surprisingly relevant to working productively and effectively, in any sort of organization.

Developing the whole person is also an important aspect of modern corporate responsibility, and separately (if you needed a purely business-driven incentive for adopting these principles), whole-person development is a crucial advantage in the employment market, in which all employers compete to attract the best recruits, and to retain the best staff. Therefore in appraisals, be creative and imaginative in discussing, discovering and agreeing 'whole-person' development that people will respond to, beyond the usual job skill-set, and incorporate this sort of development into the appraisal process.

If you are an employee and your employer has yet to embrace or even acknowledge these concepts, do them a favour at your own appraisal and suggest they look at these ideas, or maybe mention it at your exit interview prior to joining a better employer who cares about the people, not just the work.

Appraisal help people understand their natural potential and strengths and help managers understand this about their people, too. There are a lot of people out there who are in jobs which don't allow them to use and develop their greatest strengths, so the more we can help folk understand their own special potential, and find roles that really fit well, the happier we shall all be (Dessier, 2001).

If we accept that staff performance appraisal is a legitimate activity in organizations, what are the difficulties concerning both accuracy and fairness? Briefly, they boil down to:

- The construction of the appraisal documents

- The style in which the appraisal is approached
- The culture of the organization

Taking the last point, the 'culture' or value-system, of the organization will act as the major determinant of both the appraisal scheme adopted and the way it is introduced. For example, if the culture is one which favors control and measurement of people then it is likely that a system will be imposed on the participants, but that it
Will at least contain some which individual performance will be judged, as well as of the ratings or measures to be used (Cole, 2002).
Forms which seek information about the person rather than about their performance on the job are typified by an emphasis on:

- Generalized criteria
- Generalized ratings of performance
- Individual qualities rather than results
- Box-ticking as method of describing performance

The table below provides an illustration of such a form, which could be employed by any organization.

Appraisal Form on Individual Qualities

Personal Attribute	
Leadership	1. Always at the centre of activity 2. Capable of leadership smallish 3. Has no real leadership
Initiative	1. Always acts on own initiative 2. Will act on own initiative in minor ways
Technical attributes	
Technical Knowledge	1. Wide technical knowledge of company's products with specialists knowledge 2. Limited technical knowledge but useful practical Ability 3. Very little required knowledge
Quality of work	1. Always careful, rarely makes mistakes 2. Sometimes makes mistakes 3. Work characterized by carelessness
Diligence	1. Consistently hard worker 2. Occasionally needs reminding about time-

wasting	3. Makes no great effort when working
Cost consciousness	1. Fully appreciates the importance of cost control 2. Gives some though to costs 3. Tends to be wasteful, rarely considers costs

Source: Cole (2002) Human Resource and Personnel Management, London: Book Power

The first difficult with the above approach is that of measurement. How can a manager fairly assess qualities of leadership or judgment, for example? The second difficulty is that of relevance. How centr4ral to success are diligence and cost consciousness, for example? Hard work is not synonymous with effective work, awareness of costs may be disadvantageous if it discourages initiative or decision-making. The third difficulty is that the managers completing the form have to rely on subjective impressions instead of concrete evidence. Fortunately, the senior management of the company concerned found it too difficult to operate such a generalized instrument and eventually substituted a result-oriented system.

The first objective of performance appraisal is to provide an opportunity for the manager and his subordinates to review the latter's work in the light of objectifies set. The employee will be told how he has performed on the job, and this will involve a discussion of his areas of strength and weakness. It is advisable not to emphasize the weakness as this tends to demoralize the subordinates. What is necessary here is guidance and encouragement.

The second objective is to encourage the supervisor to be analytical about his subordinate, as individual and human being, so that he will understand them better and thus be able to base the planning of work in his department n an appreciation of each individual's competence and suitability.

Thirdly, it provides an opportunity for the individual employee to realize his or her potential and what he needs to look at, if he is going to develop in his present job and perhaps be considered at a later date for promotion.

The Principles

Appraisal should be focused on the performance of the employee rather than on the employee himself. Concentration should be on results, on what he has achieved on the job for which he is paid. It is true that in certain career, the personality of his job is considered. But this should be related to. And associated with those things that made the employee either achieve or not achieve results. An appraisal is not an acquisition; it is a means of developing the employee on the job. Consequently, appraisal should be approached with the intention of

strengthening the strong point of the employee and enabling him to improve on the weak points.

The Appraisal Process

Any systematic approach to performance appraisal will commence with the completion of an appropriate appraisal form this preparatory stage will be followed by an interview, in which manager discusses progress with the member of staff. The result of the interview is some form of agreed action, either by the staff member alone or jointly with his manager. The action generally materializes in the shape of a job improvement plan, promotion to another job or to a salary increase, for example. The expression 'performance appraisal' usually relates to the assessment of staff or managerial performance and not to that of manual workers. There are two main categories of appraisal.

- Informal, and
- Formal

Informal appraisal is the continuing assessment of an individual's performance by his manager in the normal course of work. This kind of assessment is of ad hoc nature and is as much determined by intuitive feelings as by factual evidence of results. It is a natural by product of the day-to-day relationship between manager and subordinate (Carter, 1989).

Formal appraisal is altogether more rational and orderly than informal appraisal. In this paper, when we refer to performance appraisal we mean formal appraisal, that is an assessment of employee performance in some systematic and planned way. Once a program of managing by verifiable objectives (VO) is operating a major phase of appraisal, it is a fairly easy step. Supervisor determines how well managers set objectives and how well they have performed against them. Where appraisal by result has failed, his failure has occurred especially because management by objective (MBO) was seen only as an appraisal technique. The system is not likely to work if used only for this purpose. Management by objective must be a way of managing, a way of planning and also a key to organizing staffing, leading and controlling. When this is the case, appraisal boils down to whether or not managers have established adequate but reasonably attainable objectives and how they have performed against them in a certain period. In assessing the accomplishment of goals, the evaluator must take into consideration whether the gaols are reasonably attainable in the first place, whether actors beyond a person's control unduly helped or hindered in accomplishing goals. The reviewer should also know whether an individual continued to operate against absolute goals when situations changed and revised goals wer4e called for. On widely used approach to employee's appraisal is the system of evaluating employee performance against the setting and accomplishing of verifiable objectives.

Through the twelve months period, prior to the performance review, supervisors take into consideration all that the performance appraisal items will record – any pertinent information, facts and data on the employees performance. Any systematic approach to performance appraisal will commence with the completion of a appropriate form. This separating stage will be followed by an interview in which the manager discusses the process with the members of staff. The result of the interview is a form of agree action, either by the staff member alone or jointly with his manager. The action generally materializes in the shape of a job improvement plan, promotion to another job or to a salary increase. Once the direct superior has completed the appraisal form, score and explained it, he discusses the result of the assessment frankly with the staff being appraised.

Appraisal Interview

The appraisal interview is the formal face-to-fact meeting between the employee and his manager at which the information on the appraisal form is discussed and after which certain key decisions are made concerning salary, promotion or training.

When interviewing, it is important to let the appraisee know that you are not assessing him as a staff, but by his performance on what he has done in the past and not who he is. This step is deemed important as well as the entire appraisal, being an opportunity for both the direct superior and subordinate to clarify the results expected and discuss facts, data and information connected with the past to analyzed problems and define possible initiatives aimed at improving the performance and overcoming problems. When all departments have completed their own assessment, an appraisal meeting will be held and the panel will be required to give a final overall performance rating to each employee. The panel will also take decision on which kind of actions should be taken to the company amongst those foreseen inaction section of the form. Since this; particular meeting is one of the few occasions in which the company, through the panel has the opportunity of discussing in-depth with such a member of staff, (even if the performance appraisal exercise does not take into consideration facts and data related with staff's potential development) the panel is allowed to identify those who are to be considered for further specific analysis.

During the final performance appraisal meeting, all training needs should be highlighted, discussed and certified by the panel. With all these information the training department will take adequate actions aimed at defining the objectives and contents of each proposed training initiative. In this phase, the departments which have nominated employee for training, reward or promotion, should be at his disposal for further inquiries.

Frequency of Performance Review

Progress toward goals should be fairly and frequently reviewed, since it may be dangerous to limit appraisal to liking at performance once a year. Performance should be reviewed and appraised in fair detail quarterly and more broadly in the light of probable accomplishment for three or four additional quarter in the future. Some organizations wishing to set absolute objectives naturally prefer to have both goals setting and evaluation to be regular activities and certainly, some managers will not want to wait for too long to know how their subordinates are doing. These frequent reviews of per5formance do not necessarily involve much additional work by superior. It is merely carrying on the function of managing, and actual appraising becomes a relatively easy by-product of the process on the concentration on objectives.

The improvement of performance of people in their existing jobs should be the main aim of any active staff appraisal scheme. People go into organizations with something between the minimum and optimum amount of capacity and inclination to perform their appointed jobs. One of the features of an effective manager is the way the reviews of the performance of his staff are conducted. It can be argued that the main job of any manager is to develop his own staff. When this is done the organization cannot fail to become effective.

Perhaps these are ground roots of all organizational development procedures, and an essential accompaniment to any shaping of the organizational structure. For most staff, more frequently reviews of their performance would be desirable, not just to let them know where they stand but also to give them feedback on their strength and weakness and thereby helping them to improve their performance. A frequent performance review procedure must result in either development step or productivity growth.

Productivity Growth

Performance review is to bring about an increase in inclination to work. As a result of review, any blockage, or other source of frustration detracting from the individual workers performance are noticed and removed or their effects are lessened. In addition, the needs and expectation of member staff are observed. Arrangements are made for the needs to be met as soon as possible, so that an increase in the productivity to work is achieved. This objective is called productivity growth. The assumption is that there is either something standing psychologically in the way of an individual members of staff increased performance or some needs or expectation which if met would make him ore satisfied with his job and want to work harder on it.

Conclusion

This paper discussed related issues on performance appraisal as a veritable management tool for improving employee productivity in organizations. It dealt on the meaning of performance appraisal, the reasons for utilizing appraisals form in the assessment of individual employee in organizations, as well as the principles and process of appraisal. The study reveals, that appraisal helps in so many ways in mitigating and increasing employees' performance and productivity in every organization. It helps in discovering workers areas of strength and weaknesses, and training and development needs. It also identify individual current level of performance, provides information for succession planning, and provide a basis for rewarding employees in relation to their contribution to organization's goals and objectives. It has become obvious that performance appraisal if properly handled can motivate workers towards higher performance and productivity.

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Strategies for Managing Organizational Conflict

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Abstract

This paper examined the effectiveness of conflict resolution in organization through Strategic management. There are different causes of conflicts within organization and impact of conflicts on organization performance. The past decade researches identify the negative relation of conflict with employee performance. The research methodology was case study approach of SHERWIN-WILLIAMS an American and globally established company. The aim of study is to lessen conflicts in organization through strategic management for enhancing organizational performance and managing change in order to attain competitive advantage in this dynamic era. This paper covers the role of strategic management in resolving and minimizing conflict that brings positive impact on organization. Conflict in the workplace just seems to be a fact of life. The fact that conflict exists, however, is not necessarily a bad thing: As long as it is resolved effectively, it can lead to personal and professional growth. Conflict in the workplace is a painful reality and a key reason for poor productivity and frustration. Conflict does not magically go away and only gets worse when ignored. So, to resolve conflicts strategic management is important.

Keywords: Conflict, Conflict resolution, Strategic management practice, Organizational performance.

Introduction

Conflict is inevitable among humans. When two or more social entities have different attitudes, values, beliefs, and skills there would be conflict. Small irritating events such as negative attitudes occur repeatedly over time and can cause people to strike out at each other. In many cases, conflict occurs at the senior level of the organization. Conflict is a normal and natural part of our workplace. Conflict can be helpful in making necessary changes within the home or work environment. However, unresolved conflict can result into feelings of dissatisfaction, unhappiness, hopelessness, depression, and other emotions. It can result into behaviors such as physical or emotional withdrawal, resignation from jobs, termination of personal relations, anger, and even violence.

In these situations, some kind of intervention is needed. Anything that interrupts the office, impacts on productivity or poses a threat to other employees needs addressing. The degree to which one tolerates a situation before intervention may vary. A manager may not feel that it is necessary to intervene when a minor exchange of words occur between employees unless such an incident becomes a daily occurrence and expands beyond the employees initially involved. However, a situation where one employee threatens another requires immediate action.

Statement of research problem

Ample evidence points out that workplace conflict that is not handled well has heavy direct and indirect costs for employers, employees, and organizational effectiveness and efficiency. Research notes that more performance problems result from strained relationships than from shortages in skills or motivation. (Dana, 2001) exit interview data documents that 50 percent or more of voluntary resignations relate directly to unresolved conflict and show that "conflict is a decisive factor in at least 90% of involuntary terminations excluding cases of staff reduction due to downsizing, mergers and restructuring". Additional studies more specifically document the psychological effects of unmanaged conflict due to hostile work environments (Bloom, 2006). As organizations become conscious of costs and bottom-line calculations, attention must be directed to conflict management systems and strategies. (Dana, 2001) proclaims, "The means by which organizations manage conflict might very well be one of the most significant factors they currently face in regards to costs, efficiency, effectiveness and employee retention".

Conflict

Conflict is the perception of differences of interests among people.

Another definition of conflict is "A process of social interaction involving a struggle over claims to resources, power and status, beliefs, and other preferences and desires. The aims of the parties in conflict may extend from simply attempting to gain acceptance of a preference, or securing a resource advantage, to the extremes of injuring or eliminating opponents".

Conflict in organizations

Organizations are living systems consisting of interacting units performing tasks in a mutually dependent manner within a structure of scarce resources. It seems commonplace to suggest that conflicts would be present in such a setting. The parties in an organization may have a conflict about the distribution of resources, or they may have a more fundamental conflict about the very structure of their organization and the basic nature of their interaction. Once the parties are in a situation of goal incompatibility, their conflict develops in a dynamic fashion, initiating valuable and much-needed constructive changes or leading to intensifying strategies and destructive consequences.

Process of conflict

The Process of conflict consists of 4 stages or levels according to which the development of relationships between the sides involved in conflict is shown.

Latent stage: This is the stage in which certain characteristics, like communication, structure and personal variables, can lead to conflict. It is important to point out that it is not necessary to have the immediate occurrence of all three factors, but occurrence of just one. Communication in organization is very important, in case there is lack of communication in the organization this can lead to conflict. But also, too much communication, as well as obstacles in communication, possible lack of understanding or noise in the communication channel can produce conflict as a consequence.

Cognition and personalization: This stage represents the outcome of the impact of first phase factors.

There are two sub stages in this stage:

Perception of the participants in conflict which does not mean that conflict has occurred, Not until there has come to articulation of feelings and expression of awareness of conflict, can we say that the conflict itself occurs

Conflict manifestation: There is hostile behavior among participants in conflict and we say there comes to the so called open disagreement.

Conflict outcome: The last stage in this process of conflict is the conflict outcome which shows the further relationship development of the participants in conflict and consequences of conflict. Consequences of conflict can be manifested through increased working efficiency of the organization in whole or quite the contrary, the decrease of working efficacy.

Types of conflict

Conflicts that originate in the individual person, conflicts that have their basis in the relationship between individuals, and conflicts that occur as a result of interactions between groups. These may be described as: Intrapersonal conflict, Interpersonal conflict, Interdepartmental conflict.

Intrapersonal conflict: Intrapersonal conflict is internal to the individual and is perhaps the most difficult form of conflict to analyze and manage. Intrapersonal conflict is basically a conflict between two incompatible tendencies. It arises when a stimulus evokes two different and incompatible tendencies and the individual is required to discriminate between these tendencies.

In such a situation it is common for individuals to experience frustrations and to allow their conflict situation to be expressed in a range of behavioral strategies ranging from laziness and boredom to absenteeism, excessive drinking or destructive behavior.

Interpersonal conflict: Interpersonal conflict emphasizes the interaction of human factors in an organization. There are two classes of factors as conflict sources. a. Personal: Individuals are not identical, constant or consistent. When two individuals are brought together and kept together, each with his own qualities, needs and skills, a conflict may arise if their attributes are not engaged together in a coordinated way. Interaction between individuals with different attitudes, values and needs can produce conflict behavior and affects organizational performance.

b. Functional**:** Individuals in organizations have roles which are expected sets of behavior associated with their position. In theory, individuals are not expected to engage in any optional behavior. Such specification would be consistent with organizational preferences for consistency and predictability. In practice, however, role specifications tend to be ambiguous and incomplete, and in their interaction with others, some individuals often feel dissatisfied with their role or position, or they may feel that their aspirations for higher positions are being frustrated.

Interdepartmental conflict: The third major cause of organizational conflict is structural. Organizations are designed around product lines, regions or technical specialties. These activities are assigned to departments that often have mutually exclusive structured interests and goals and that interact within a framework of

scarce resources and task dependence. When resources are relatively fixed and when one department's gain is at the expense of another, conflict should be expected. (International Journal of Sciences: Basic and Applied Research (IJSBAR), 2014)

Factors which affect the interaction structure between departments and create the conditions for interdepartmental conflict include:
a. Different attitudes between line and staff units
b. Organizational size (directly related to level of conflict)
c. Standardization (inversely related to conflict)
d. Physical or communicational barriers between departments
e. Unequal access to authority rewards or organizational resources
f. Ambiguity or uncertainty in assigning tasks or rewards to different departments.

Conflict management

A moderate amount of conflict, handled in a constructive fashion, is necessary for attaining an optimum level of organizational effectiveness. Unfortunately, there are still people who recommend conflict elimination. Conflict management skills are important for managers and that
managers are interested in learning more about organizational conflict and its management.

Leadership in organizational conflict management

A good leader recognizes the sustaining presences of conflict underlying the course of all decision-making, communication, and human interaction (Lipsky, Seeber, & Fincher, 2003). The role of a good leader is not to end all conflicts (Cheldelin, 2002), which is virtually impossible. The sound leader must be able to recognize and use skills and processes that move interaction through the conflict dynamic and towards a positive and valuable outcome for all those involved. In essence, it is more effective to manage conflict well. To do so, the leader must understand the elements and normative processes associated with the conflict interaction, recognize the symptoms of conflict opportunity as early as possible, and undertake a process that moves people through any conflict toward higher levels of interaction or resolution (Moore, 2001). Through accepting the idea that conflict is an essential constituent of all human interaction and developing the essential skills necessary to address it well, the executive actually begins to reduce the incidence of all resolvable conflict in the workplace. The challenge for the leader then is not so much whether conflict is present, but when recognized in the communication process, the leader deals with it well and a resolution results (Turner, 2001). Within organizations, individuals who

manage conflict effectively are perceived as competent communicators and capable leaders. Indeed, those who are unable to manage conflict effectively may have trouble reaching organizations goals (Nicotera, 1995), Journal of Bus mess and Leadership: Research, Pracuce. and Teaching maintaining positive relationships and cohesiveness (Canary, Cupach, & Messman, 1995; Coser, 1956), and solving problems (Hall, 1986). individuals who have difficulty handling conflict are also more likely to be dissatisfied with their jobs (Infante & Gordon, 1991; Infante, Anderson, Martin, Herington, & Kim, 1993). Thus, it is imperative that researchers determine how competent various leadership styles of conflict management are perceived to be. Rahim ' s (1985; Rahim & Bonoma, 1979) work has uncovered five leadership styles used in organization: avoiding, compromising, dominating, integrating, and obliging. These styles associate with a variety of organizational variables. (Rahim, 1985, 1986; Rahim & Bonoma, 1979), such as organizational position, organizational climate, job burnout, job satisfaction, gender, and education (Lee, 1990; Posner, 1986; Rahim, 1990).

Conflict-handling models

When people find themselves in conflict, their behavior can be described in terms of where it lies along two independent dimensions assertiveness and cooperativeness. Assertiveness is the degree to which you try to satisfy your own concerns, and cooperativeness the degree to which you try to satisfy the other person's concerns. In order to survive, a company must focus its efforts on generating revenue in the face of competition. According to Ryan Bannerman Associates, sometimes the need to focus on beating the competition can get disrupted by internal organizational conflict. In order to keep your employees focused on being productive and bettering the competition, it is necessary to understand the causes of organizational conflict. To handle conflicts, Sherwin-Williams has put together, a set of strategies that are the most common in many organizations, like the above figure points it out we have; competing, collaborating, compromising, avoiding and accommodation.

Competing

Competition operates as a zero-sum game, in which one side wins and other loses. Highly assertive personalities often fall back on competition as a conflict management strategy. The competitive strategy works best in a limited number of conflicts, such as emergency situations. In general, business owners benefit from holding the competitive strategy in reserve for crisis situations and decisions that generate ill-will, such as pay cuts or layoffs.

Collaborating
Collaboration works by integrating ideas set out by multiple people. The objective is to find a creative solution acceptable to everyone. Collaboration, though useful, calls for a significant time commitment not appropriate to all conflicts. For example, a business owner should work collaboratively with the manager to establish policies, but collaborative decision-making regarding office supplies wastes time better spent on other activities.

Avoiding
The avoidance strategy seeks to put off conflict indefinitely. By delaying or ignoring the conflict, the avoider hopes the problem resolves itself without a confrontation. Those who actively avoid conflict frequently have low esteem or hold a position of low power. In some circumstances, avoiding can serve as a profitable conflict management strategy, such as after the dismissal of a popular but unproductive employee. The hiring of a more productive replacement for the position calms much of the conflict.

Compromising
The compromising strategy typically calls for both sides of a conflict to give up elements of their position in order to establish an acceptable, if not agreeable, solution. This strategy prevails most often in conflicts where the parties hold approximately equivalent power. Business owners frequently employ compromise during contract negotiations with other businesses when each party stands to lose something valuable, such as a customer or necessary service.

Accommodating
The accommodating strategy essentially entails giving the opposing side what it wants. The use of accommodation often occurs when one of the parties wishes to keep the peace or perceives the issue as minor. For example, a business that requires formal dress may institute a "casual Friday" policy as a low-stakes means of keeping the peace with the rank and file. Employees who use accommodation as a primary conflict management strategy, however, may keep track and develop resentment.

Making conflict management a strategic advantage:
Building conflict management skills
Once individuals learn their styles, training and coaching can help them develop three levels of skills to supplement the skills they already have.

Choosing the right conflict mode

The most fundamental conflict skill is the ability to select the conflict mode that will be most productive for a given situation. For example, if there are personality conflicts in organization they have strong negative consequences in organizations and should be avoided. Conflicts become personalized when people focus their energy and attention on what is wrong with each other rather than on substantive conflict issues. People become irritated with each other, engage in blame, express anger, and otherwise behave negatively toward each other. This negative emotionality interferes with decision making, undermines cohesiveness, reduces job satisfaction, and increases turnover. So, to solve any conflict related issues in organization management should choose the right conflict mode.

Implementing a mode effectively

The second level of skill involves successfully implementing the conflict-handling mode you have chosen. Because collaborating is especially important for decision quality, conflict management programs tend to ensure that people learn key skills for collaborative problem solving.

Reducing the costs of a mode

The third level of skill involves reducing the costs, or negative consequences, of the mode you have chosen. Managers who are less skilled at conflict management often accept some collateral damages normal or inevitable, rationalizing that "You have to break some eggs to make an omelet." In contrast, more skilled managers find ways to minimize these costs. For example, managers can learn how to compete when necessary without antagonizing people, how to avoid an issue without being evasive, how to accommodate without looking weak, and so on.

Involving top management

Human resources departments can take responsibility for training programs on conflict management, and these programs alone will help an organization. Looking at organizations that have made conflict management a core competency, however, it is clear that top management must also be actively involved in building openness into the organization's culture and modeling constructive conflict management.

Building openness into the culture

Each organization's culture has a built-in mind-set about conflict. As a result, different cultures seem to favor different conflict modes. The prevailing mind-set in some organizations is that conflict is a threat to relationships and team co-

hesiveness, so people should do what they can to accommodate others‟ views and needs. Some organizations view conflict mostly as a potential drain on time and energy, so conflict issues should be avoided whenever possible. Other organizations see conflict as a challenge to one's credibility and authority, so one needs to counter it strongly that is, take competitive stand and protect one's position. Still other organizations see mutual concessions and compromise as the only pragmatic way to settle conflicts.

Improving strategic decision making

When top managers manage conflict constructively, they do more than provide examples for others. They also improve their strategic decision making.

Smoothing strategy

It is one that involves avoiding conflict. The smoothing strategy rates low on assertiveness and high on cooperativeness, de-emphasizes differences and highlights points common to both parties. This strategy may also result in positive work behavior and attitudes. Withdrawal strategy involves the tendency of a party to a conflict to abstain from and ignore the conflict altogether rather than trying to directly resolve it. This strategy has the tendency to engender counterproductive work behavior.

1.6 Findings

In addition to the data presented in the above chapter, few other discoveries where made throughout the process of conducting this study. These discoveries involve:

1.6.1 Causes of organizational conflicts

Conflict as mentioned in the background of our study, is a natural situation among human beings, but still it a result of many other aspects not in accordance with the entire concerned party. Some of the causes of conflicts in a workplace are;

Managerial expectations

It is the job of an employee to meet the expectations of his manager, but if those expectations are misunderstood, conflict can arise. Managers need to spend time clearly communicating their goals to employees and then confirming those goals in writing. A manager should also encourage her employees to ask questions about their goals and hold regular meetings to discuss the goals and how best to reach them.

Breakdown in communication

If a department requires information from another department in order to do its job, and the second department does not respond to the request for information, a conflict can arise. Some interdepartmental disagreements might trigger a non-responsive attitude that can quickly become an internal conflict. Another way of creating this sort of conflict is by giving a circular response such as an issue be-

ing perpetually "under review." When people or departments are late in responding to information requests, or they are withholding information on purpose, it is best to address the situation immediately with a personal meeting with both sides to resolve the situation.

Misunderstanding the information

According to mediation expert Robert D. Benjamin, writing on Mediate.com, internal conflict can sometimes arise as the result of a simple misunderstanding. One person may misunderstand information, and that can trigger a series of conflicts. In order to deal with this kind of situation, it is best to have the person admit her misunderstanding and work with the affected parties to remedy the situation. For example, if the production manager misunderstands the product manufacturing goals, then the sales manager may not have enough product to sell. Taking responsibility for a mistake can quickly defuse a potential organizational conflict.

Lack of accountability

Organizational conflict might arise from frustration. One source of frustration is a lack of accountability. If something has gone wrong, and no one is willing to take responsibility for the problem, this lack of accountability can start to permeate throughout the entire company until the issue is resolved. One way to combat a lack of accountability is to have anyone who comes into contact with a document sign his name to it and include the date. The paper trail may sometimes find the source of the problem, which can then be addressed. In any situation involving more than one person, conflict can arise. The causes of conflict range from philosophical differences and divergent goals to power imbalances. Unmanaged or poorly managed conflicts generate a breakdown in trust and lost productivity. For small businesses, where success often hinges on the cohesion of a few people, loss of trust and productivity can signal the death of the business. With a basic understanding of the five conflict management strategies, small business owners can better deal with conflicts before they escalate beyond repair.

Examples of conflicts and resolutions in the Workplace

Conflict is inevitable in workplace settings, and conflicts can arise between coworkers, supervisors and subordinates or between employees and external stakeholders, such as customers, suppliers and regulatory agencies. Managing conflict is a key management competency and all small business owners should study and practice effective conflict management skills to maintain a positive workplace environment.

Discrimination issues

Discrimination can be a source of heated conflict, potentially ending in legal trouble for a company or its owners. Discriminatory conflicts can arise from personal prejudices on the part of employees or perceptions of mistreatment of employees. As an example of a discrimination-related conflict, imagine a minority employee in a team setting who feels that he is consistently assigned the most unskilled work tasks in the group. This employee may begin to harbor resentment against team members and managers, eventually lashing out through decreased productivity or outright verbal conflict. To resolve this issue, a manager could sit down with the whole team and discuss the way in which job tasks are assigned, making changes as necessary to ensure that tasks are divided equitably.

Performance review conflicts

No employee likes to receive a negative performance review but giving negative feedback in a review can be unavoidable based on the employee's own actions during the review period. Employees may become angry over not receiving expected pay raises, promotions or other performance-related incentives, and may lash out by spreading discontent through gossip and a negative attitude at work. Employees may argue directly with supervisors during performance reviews, creating sensitive situations that require tactful communication. To resolve a conflict arising from a negative performance review, work directly with the employee to create a solid, time-bound plan of action to improve her performance, and tie the completion of these goals to guaranteed incentives. Allow employees a voice when setting goals to increase their dedication to achieving the goals.

Conflicts with customers

Sales and customer service employees can experience conflict with customers on a fairly regular basis, depending on the industry. A common conflict experienced by salespeople is a dissatisfied customer who feels personally cheated by an individual salesperson. For example, if a car salesman sells a used car without a performance guarantee or warranty and the car breaks down on the buyer, the buyer may return to furiously confront the salesperson and demand a refund. The best first step to solve these conflicts is to involve a manager who has the 16 right to offer refunds, discounts or other conciliatory gestures to the customer unless you are in a situation where employees are empowered to make these kinds of decisions.

Leadership conflicts

Personality clashes between managers and subordinates can cause a range of interpersonal conflicts to arise. Employees may feel intimidated or pushed by more authoritarian managers, or may perceive a lack of guidance from more hands-off managers. Managers with type-A personalities may set goals that are too ambitious for their subordinates, setting them up for failure and inevitable conflict. To handle these personality mismatches, first try to gather an understanding between the manager and the subordinate so that each understands the others' perspective in the situation. Never treat conflict management situations as disciplinary hearings, as if managers are inherently right and employees are inherently wrong; this is a reliable way to lose good employees. If the two cannot come to an understanding, place the employee under the supervision of another manager if possible.

Conclusion

From the discussion thus far, it is quite evident that conflicts occur in organizations as a result of competition for supremacy, leadership style, scarcity of common resources, etc. This reduces staff satisfaction about the job and also reduces productivity or service rendered. Thus, early recognition of the conflict and paying attention to the conflicting parties is very important. Negotiation between parties involved is the best way to resolve conflict while force should not be used at all. Darling and Fogliasso (1999). Conclude that it is impossible to eliminate conflict totally. Managers who try to eliminate conflict will not last long, while those who manage it well will typically experience both institutional benefits and personal satisfaction**.**

Recommendations

Arising from the findings and conclusion of this study, the following are herewith recommended for organizations:

i. Organizations should make adequate room for decision making.

ii. For proper running and optimum productivity, staff welfare should be taken into consideration.

iii. To avoid rumor mongering, organizations should develop a proper system of information dissemination to all and different.

iv. Managers should learn to practice delegation of authority to members of staff in the lower unit.

v. Participatory, rather than oppressive style of management, should be encouraged by organizations.

vi. There should be adequate interaction and information flow in conflict resolution.

vii. Competition for authority should not be the priority of the staff of organizations but rather working together in peace and unity to achieve a common goal for the good of the organization.
viii. And Training workshops should be organized for staff of organizations on conflict resolution procedure.

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The prospects and Challenges of Globalization in International Human Resource Management in Third World Countries

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Abstract

This paper is focused on the merits and demerits of Globalization in international human resource in third world countries. Some of the merits noted in this paper includes: development of international trade and companies, enhancing information speed, reducing the occurrence of conflicts/war, increased free trade, eradication of cultural barriers, and increased liquidity of capital, greater flexibility and spread of democratic ideas. The demerits that have been cited includes among others; greater dependence of countries on one country, decrease of environmental integrity, unemployment, limitation of cultural expression, increased likelihood of economic disruption in one country affecting the rest, threat of world media control, corporate influence of nation states far exceeding that of civil society and extinction of small scale industries.

Introduction

Globalization is the process by which different economies, societies and the people of the world are unified into a single society and functions together (Nilson 2010). Globalization is often used to refer to economic integration of national economies into the international economy. This is done through trade, foreign direct investment, capital flows, migration, and the spread of technology.

Globalization also refers to the interaction of an economy with all the other economies of the world. This kind of interaction can be from financial transaction, trade, politics, education, production and so on.

Globalization according to sociologists, it's an ongoing process that involves interconnected changes in the economic, cultural, social and political spheres of society.

It's simply a process of economic, political and cultural integration and unification, which involves many /a number of countries and majority of huge enterprises.

Evolution of Globalization:

Globalization is not a recent phenomenon. For thousands of years, people and later corporations have been buying and selling products to each other in lands at great distances, such as through the famed Silk Road across Central Asia that connected China and Europe during the Middle Ages. Likewise, for centuries, people and corporations have invested in enterprises in other countries. However, the twentieth century saw unparalleled growth when global per capita income increased more than five times. But this growth was not steady. During the interwar period, most of the countries believed in closed economies and protectionism. It was only after the end of the World War II that there was more talk about globalization.

Globalization intensified at the end of the Cold war due to certain specific reasons. Firstly, the end of the cold war greatly reduced the significance of ideology in international relations thus paving the way for more economic interconnectedness between nations. States began to give priority to economic development and economic cooperation than competing for power among themselves.

At the same time countries that were lagging behind in economic development took advantage of the ongoing scientific and technological advancement, began to open up their economies for trade purposes. This resulted in flow of global capital, technology, services and labour. For example, since 1950, the volume of the world trade has increased by twenty times, and just from 1997 to 1999 flows of foreign investment nearly doubled, from $468 to 827 billion. Distinguishing this current wave of globalization from the earlier ones, Thomas Friedman said

that today globalization is ‘farther, faster, cheaper, and deeper.
Though there was unprecedented growth in income, it was quite obvious that the progress was not evenly dispersed. There was a wide gap between the rich and poor countries and also between the rich and poor people within these countries. The rich are becoming richer while the poor are becoming poorer.

There are four main parameters/components of globalizations:

- ❖ The free flow of goods and services between countries is due to the reduction of trade barriers.
- ❖ Creation of an environment for capital flows and inter-state investment.
- ❖ The free flow of technology from one country to another.
- ❖ The free movement of labor among nations.

In reality, globalization can only be achieved if all the four components are present. However, globalization has some advantages and disadvantages as discussed below:

Advantages:

- o **Increased employment opportunities**: as globalization grows, more and more companies are building businesses in other countries. This, in turn, increases employment opportunities in places where people redeem themselves. People can get better jobs without having to move to other countries to find better jobs. Today, many multinationals, such as Microsoft, Google and Toyota, have offices in the seven continents.

- o **Easy access to better Education:** with the increase of globalization, it is easier for people to cross national borders to get better education in different parts of the world. This has led to cultural integration where People from underdeveloped countries often move to developed countries to receive better education. For example students from the third world countries have the opportunity to cross boundaries in search for higher education in countries such as Britain or the United States of America, Canada to mention but few.

- o **The rise in free trade:** the increase in free trade opens the door for rich-world investors to invest money in third world countries thus improving on their economy. Large companies in developed countries have the freedom to operate in less developed countries. As a result people in the third world countries are most likely to be in position to get better jobs with those large companies.

- **Rapid information Flow:** information flows directly from one part of the world to another, leading to the world being bundled together. Important information can be shared at a very fast rate between individuals and companies. It also helps to improve the facilitation of transport personnel and goods in the third world countries. And because of the advancement in technology for example the use of internet, videoconferencing and Email has helped the traders to order goods on online through the use of E-procurement all over the world.

- **Decrease in prices of goods and services**: As the competition in the market gradually increased due to rapid globalization, producers have to price their products competitively in order to remain in the market. This has become a great advantage for the consumer as he/she can get better quality products at cheaper price.

- **Reduction of cultural barriers**: As people move from one country to another, barriers between cultures tend to diminish. This has led to tolerance and openness to other cultures. This has also facilitated communication between different cultures, thus facilitating communications among nations. This has also led to the reduction of war, as we live today in one of the most peaceful periods in human history.

- **Attracts foreign capital and technology:** globalization greatly contributed to the poor countries, through infusions of foreign capital and technology, with the chance to develop economically and by spreading prosperity, creates the conditions in which democracy and respect for human rights may flourish.

- **Globalization creates Peace and stability**: Globalization leads to peace and stability between nations as no country would remain isolated in this new world. For example the relationship between Africa and China, United States, and United Kingdom has changed dramatically as their trade partner status has increased over the years. Since most of the third world countries import goods and services from those developed countries in turn creating peaceful co-existence.

- **Economic prosperity and opportunity:** It is claimed that globalization increases the economic prosperity and opportunity in the developing world. Through trading with different Nations there will be an increase in

the economic prosperity because business men from all over the world will be in position to import and export commodities hence leading to the economic prosperity in the their countries.

- **Greater range and access to different products:** Through the existence of globalization customers will have access to different products coming from different countries around the globe. As such, consumers will be able to get quality products at cheaper price to all the final consumers.
- Increased spread of democratic ideas.
- Increased environmental protection through more awareness creation.
- Increase free trade i.e. removal of trade embargos on the participating countries.

Disadvantages:

- **Environmental degradation:** Developed countries can take advantage of weak regulatory regulations on environmental protection in underdeveloped countries. A company may want to build factories in other countries because environmental laws are not strict as they are at home. Poorer countries have to cut down ties for the investors to build industries in turn leading to environmental degradation in the third world countries.

- **Unfair working conditions**: Many multinationals are accused of social injustice for exploiting labor in underdeveloped countries to reduce costs. The labor force provides unhealthy working conditions leading to health hazards. Many large companies have also been accused of using child labor in factories in the less developed countries. Nike's widespread use of child labour in Indonesian factories is a good example of poor working conditions and low wages.

- **Declining employment growth**: while the idea of promoting technological progress and productivity improvement has become the cornerstone of globalization, in the past few years such progress has led to the reduction of employment growth in some developing economies. This can also be attributed to the fact that when workers in a country begin to demand better wages, companies move production facilities from one place to another to find cheaper labor.

- **The widening gap between the rich and the poor**: 86% of the world's resources are said to be consumed by the world's richest 20% people. This means that 80% of the poverty will only consume 14% of the world's resources. This is a direct result of globalization, with some activists thinking that globalization will only serve the rich and that the poor must confront its disadvantages.

- **Small-scale industries face extinction**: Small-scale industries in a particular locality are endangered because they do not have the resources and the power of multinationals. As a result, these small industries cannot compete with big companies. One example is the bamboo furniture industry in India. Manufacturers went out of their homes, working hard, making furniture out of bamboo. These workers cannot compete with large companies that sell cheap plastic furniture, so their industries are facing extinction.

  The rapid spread of deadly diseases: fatal diseases, such as AIDS or other communicable diseases can be spread by travelers quickly or by the direct consequences of globalization. For that matter, our traders are most likely to be infected with such diseases and as a result traders are greatly affected both health wise and economically.

- **Globalization enforces competition:** For example competition between the superpowers as such encouraging other countries seek Hegemony. For example countries like United States of America, China, India, among others. This means that globalization doesn't favor the third world countries instead it favors the developed countries as far as economic development is concerned.

- **Unemployment:** globalization causes unemployment in industrialized countries because firms move their Factories to places where they can get cheaper labor. Therefore, more and more people in developed countries are losing their Jobs because companies are out sourcing in the low developing countries.

- **Limits cultural expressions:** globalization may limit cultural expression because most people in the low developing countries will tend to adapt western culture hence forgetting about African culture. For example, the way we dress, languages, taboos and Norms will disappear in favor of western culture or the developed countries.

- Great dependence of one country on another: It's true that, Most African countries until today still depend on the developed countries for better services. In the third world countries most goods and services are being imported from developed countries such as U.S.A, UK, CHINA and these goods may range from Computers, Vehicles, Second hand clothes, Medical services, hiring expatriates such as Engineers and Doctors. For example recently Uganda imported Doctors from Cuba.

- **Extreme pollution of the environment:** It's believed that many Industries have been established in several parts of the third world Countries and due to the establishment of various Industries different parts of Africa, it has greatly contributed to the extreme pollution of the environment. For instance Pollution from these different manufacturing companies may lead to global warming, health hazards which might affect the health of Innocent people living in Industrial Areas.

- **Trade barriers:** Globalization is supposed to be about free trade where all barriers are eliminated but there are still many barriers. For instance161 countries have value added taxes (VATs) on imports which are as high as 21.6% in Europe and the U.S. does not have VAT. This becomes so difficult for the traders in the third world countries to import goods and services.

- Increased likelihood of economic disruptions in one country affecting the other countries as well.

- It causes a threat of peace disruption as reactions against globalization in line with cultural preservation can turn out to be violent.

- Corporate influence of nation states far exceeds that of civil society organizations and average individuals.

- Moral decay due to spread of a materialistic lifestyle and attitude.

Recommendations

- Developing countries should promote and adopt a common culture of awareness and a mutual sense of responsibility within the global community.

- Developing countries should affirm and endorse practices and policies that facilitate free & open exchange of information.

In conclusion, globalization is an important aspect to be adopted as it positively impacts on the societies that embrace it to a greater extent, as it allows economic growth, connections(inter relations), diverse employment opportunities, and increases the level of innovations and creativity since global companies need comprehensive strategies for their survival.

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Influence of product attributes on consumers' purchase decision in the Malt market in Enugu state, Nigeria

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Abstract

The study examined "influence of product attributes on consumers purchase decisions in the malt market in Enugu State". Products attributes basically are the evaluative criteria used by consumers to assess and select a product or service to purchase. Consumers considers several attributes and make trade-offs between them when they choose products. Since consumers use certain product attributes as cues, it is therefore imperative for marketers to identify which attributes influence consumers and develop a robust marketing strategies to convert potential customers to actual ones. Thus, the main objective of the study is to empirically investigate which product attributes influence consumer purchase decision towards buying malt drinks. Survey research method was employed. The population of the study comprises malt consumers in Enugu. Convenience sampling method was adopted and the sample size was 323 consumers. Questionnaire was the research instrument used and cronbach's alpha coefficient was used to test the reliability of the instrument. Regression and pearson's correlation were used in analyzing and testing the stated hypotheses. The findings revealed that brand name, attractive packaging and celebrity endorsement significantly influence purchase decision. We therefore, recommend that marketers should carry out a periodic survey with a view to identifying which attributes consumers evaluate prior to purchase, strategically engage celebrities for instant recognition and transfer of goodwill to the product and budget enough for packaging because it keeps consumers in a positive frame of mind about the product whilst it is in the store.

Keywords: *Product, attributes, trade-offs, consumers, endorsement, celebrities.*

Introduction

Product attributes and their importance ratings are of significant interest to marketing researchers, as these are the very criteria by which consumers evaluate products prior to making purchase decisions. Indeed, the purchase decision process is often viewed as one in which consumers evaluate alternative products on the strength of various attributes (Antie 2010).

Early researchers' defined product attributes as the physical properties of a product that were quantitative and objectively measurable (Gwin, 2003). In more recent years the accepted definition has expanded to include all evaluative criteria, including objective or physical properties such as price, brand name, subjective properties such as quality and other aspects of the product that a consumer may perceive as providing benefit or value (Ahmed and Johnson, 2004).

Product attributes have been dichotomized as being either intrinsic or extrinsic in nature. Intrinsic attributes are specific to a product, unalterable, and include physical attributes such as shape, ingredients, flavour, colour and aroma. Extrinsic attributes are not an integral part of the physical product itself and thus include cues such as price, brand name, (Akaah and Yaprakim, 2003). Researchers have sought to understand the importance of both intrinsic and extrinsic product attributes during the consumer decision making process. An early study, using a small sample of female students and three examples of hosiery, reported that intrinsic product attributes had a greater effect on perceptions of product quality than did the extrinsic cues of price and store image (Alsulaiti and Baker,2008). Other authors have also stated that intrinsic attributes are more important than extrinsic cues as evaluative criteria to consumers (Gwin 2010) argued that the importance of intrinsic versus extrinsic attributes depended upon the product and the situation. For example, intrinsic attributes will be important quality indicators if they are accessible and can be evaluated at the time of purchase, but in many cases they will be absent until consumption and therefore extrinsic attributes will be evaluated instead. Other authors have also argued that extrinsic cues, such as the country of origin, will be especially important when consumers are evaluating products for which intrinsic information such as product quality are not known (Auriteille and quester, 2002). This is likely to be true for a product such as malt, where intrinsic attribute such as taste are not available to be evaluated by consumers during the purchase decision process; and indeed several previous studies have reported that extrinsic attributes such as price (Batt & Dean, 2000; Halstead, 2002; Hoffman, 2004; Rasmussen & Lockshin, 1999).

Statement of Problem

In the contemporary marketing environment, it has always been a difficult task to exactly point out the attributes that influence a consumer to prefer a brand of product to another. Often, marketers have fallaciously been myopic on these attributes which are salient as the determinants of consumer preference for their brands (Beverland and Lindgreen, 2002). The effect is the failure of the products to make much impact in the market place especially where multiple brands such as malt drinks are competing. Consumers perceive products as bundles of attributes that determine their choice of products (Engel, Blackwell & Miniard, 1995; Howard & Sheth; 1970). The multi-attributes approach assumes that consumers make trade-offs between product attributes when they choose products (Bikey and Nes 2017). A critical understanding of search and experience attributes as indicators of product quality cannot be ignored (Blonch, 1981). The problem that motivated this study was that whilst consumers purchase and consume malt drinks, it is not clear what triggers them to prefer a particular brand to others.

There have been intensive studies on the influence of product attributes in recent years (Bush and Hair 2017). These studies have all made important contributions to our understanding of the complex nature of consumer purchase behavior, although they were conducted in different countries and cities with different cultural terrain. Their reporting was contradictory, controversial and divergent as no consensus was reached on the attributes that influence consumer preference for malt drinks. It is therefore important to identify which attributes triggers consumer preference for malt in Nigeria context using Enugu State as a study.

Objectives of the Study

The broad objective of this study is to empirically investigate product attributes that influence consumer purchase decisions towards buying malt drinks.

Specifically, this study seeks:

a. To ascertain the effect of price on consumer purchase decisions.

b. To determine the effect of brand name on purchase decisions.

c. To examine the relationship between attractive packaging and purchase decisions.

d. To ascertain the effect of celebrity endorsement on purchase decision.

e. To determine the effect of taste on consumption of malt drinks.

Hypotheses of the Study

In developing hypotheses, researchers typically frame relationships in either "null" or alternative format. The null hypotheses are the one that is tested by statisticians and market researchers (Hair, Bush and Ortinau, 2009).

The following null hypotheses were developed and tested.

H_1: There is no significant relationship between price and purchase decisions.

H_2: There is no significant relationship between brand name and purchase decision.

H_3: There is no significant relationship between attractive packaging and purchase decision.

H_4: There is no significant relationship between celebrity endorsement and purchase decisions.

H_5: There is no significance relationship between taste and purchase decisions.

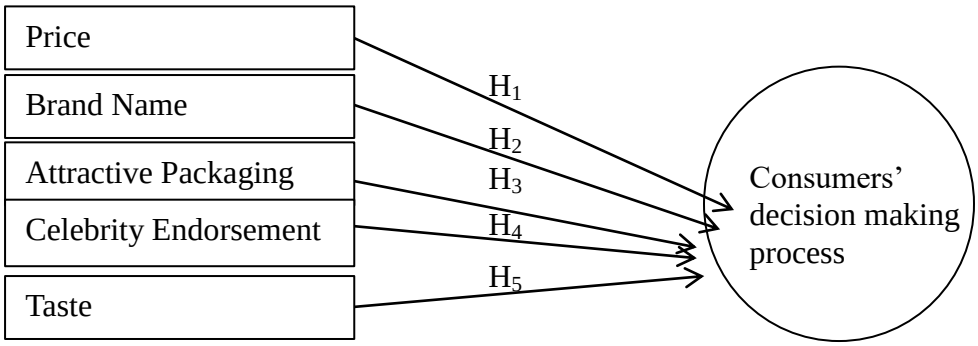
Scope of the Study

The subject scope of this study is delimited to the area of influence of product attributes on consumer purchase decisions in the malt market in Enugu State. The variable scope is delimited by the constructs developed from the literature review, which are price, brand name, attractive packaging, celebrity endorsement and taste. The geographical scope of the study is Enugu, capital of Enugu State Nigeria.

Theoretical framework and review of related literature

The study is rooted on Brisks (2009) economic theory. The theory posits that consumers prefer products whose attributes provide the highest perceived utility. Linking the theory to the study, marketing is eclectic (Marian, 2014) First, choice is taken axiomatically to be the essence of the economy. In economics, choice making is most influenced, rational to maximize utility (Assael, 1995). Second, we live in an atomistic world of individuals, each with an individual identity and autonomy (Mooi and Sarstedt 2011). However, the utility theory based on attributes suggests that goods and services singly or in combination are evaluated according to utility and indirectly through values assigned to the underlying attributes.

Besides, consumer behaviour theories also argue that consumers perceived products as bundles of attributes that determines their choice of products (Nelson , Tunji and Gloria, 2012)



Model Specification:

A model is a simplified representation of the complex reality of the world (Nwaizugbo, 2015).

We used the attributes under study to arrive at the multi-regression model involving a dependent variable and two or more independent variables.

Specifically, the multiple regression models for the study take the form below:

$y = \beta_o + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$ ---------- (1)

y = Consumer purchase decision process (dependent variable)

X_1 X_2 = Predictor / independent variable

β_o = the constant of the equation/intercept of the regression

Where

X_1 = Price

X_2 = Brand name

X_3 = Attractive packaging

X_4 = Celebrity endorsement

X_5 = Taste

e = Stochastic error term (a term that is added to a regression equation

to introduce all the variations in y that cannot be examined by the e included X's.

e = is the error term capturing other explanatory variables not

explicitly included in the model

B_1 b_2 b_3= are the coefficient of the regression.

Bo = Intercept of the regression.

Product Attributes

Product attributes are the evaluative criteria used by a consumer to assess and select a product to purchase, these include physical properties as well as other aspects which are perceived to provide benefit or value (Nwaizugbo, 2015).

Marian (2014), Darby and Karni (1973) distinguished between search and experience attributes. Search attributes can be ascertained by the buyer at the time of purchase (e.g. colour, size, shape, label "country of origin"). Experience attributes can be ascertained only after purchase and consumption (e.g. taste, texture, flavor). The search attributes consumers use prior to purchase and consumption in order to form quality expectations (Nwaizugbo, 2015), it can be either extrinsic (example packaging labels) or intrinsic (example, size, colour) to the product (Sounders, Lewis and Thornhill,2009). Intrinsic cues are attributes that are product-specific built-in to the product itself, whereas extrinsic cues are those characteristics that can be motivated without influencing the product directly, serving as generalized quality indicators across brands, products and categories (Sounders, Lewis and Thornhill, 2009.

The following considerations are important when studying product attributes. First, it is important to distinguish between a product's objective attributes and consumers' perception of these attributes. Even if the objective attributes remain the same, perception may differ among individuals. As a rule it is the perception that affect behaviour, not the attributes itself (Sounders, Lewis and Thornhill, 2009). Consumers perceive attributes through the lens of their motivations, emotion, measurement knowledge and expectations (Sounders, Lewis and Thornhill, 2009). The benefits sought when purchasing products vary across consumer so a product's attributes are not to equally important or value to all consumers (Sounders, Lewis and Thornhill, 2009)

Attributes influencing consumers to purchase Malt drinks

There are myriads of factors that influence consumers to purchase product, but we selected five factors after reviewing extant literatures in the field of consumer behavior as it concerns Nigerian environment. These factors are as follows:

a. Price

Price is a key factor in stimulating consumers to purchase (Sounders, Lewis and Thornhill, 2009).Consumers opinions are governed by price consciousness. This means that consumers are unwilling to pay a higher price for goods and particularly pay attention to lower prices Taff (2010) argues that only luxury branded products lose their rarity and exclusivity characteristics if they are not priced high. Luxury products are expensive in relative and absolute terms.

b. Brand name

Brand names communicate attributes and meaning (Belch & Belch, 2009) and help consumers remember a key attribute or benefit. For example, the name Amstel Malt helps consumers remember the malt's key benefit, which is the low sugar.

Besides, a brand name that is shared may lead consumers to make inferences about one product based on what they already know about another.

According to Brassington and Pettitt (2013), Okpara (2002), Nwaizugbo (2010); brand name identify a company's product and differentiate them from those of the competitors.

c. Attractive packaging

Packaging is another product attribute that has become increasingly important. It is the container or wrapper for a product item and the extent to which the package protects and facilitates product use increases the package's sales and promotional value (Bech & Belch; 2009; Kotler & Armstrong, 2013). Packaging is a perfect illustration of the principles that attributes can have sub-attributes. The finished products have form attributes such as shape, size, weight and texture (Parry & Lovell, 2001). Several studies have found that there is a relationship between attractive packaging and purchase decisions (Sounders, Lewis and Thornhill,2009) because it is the silent salesman meaning that the way a product is packed determines how it is priced and bought, who priced and bought it, when and where it is priced and bought (Sounders, Lewis and Thornhill,2009)

d. Celebrity endorsement

The use of celebrity endorsement has functional effects in brand communication when they trust that endorser has actual involvement with product rather than sensual gain (Belch & Belch, 2009). Diverse studies have found that the attachment of celebrities in advertisement shows powerful results on credibility, communication invoke, recall and acceptability of the advertisement and finally on purchase intention (Belch & Belch, 2009) Other studies in celebrity endorsement research has revealed that consumers are more likely to choose products and services endorsed by celebrities than those without such endorsement.

e. Taste

Taste is an intrinsic cue built-in-to the product specific itself, it describes the ways in which a product performs its functions. Several studies have shown that "taste" and sensory responses to products tend to be rated very highly as an influence.

Taste is only experience or evaluated post purchase unless of course samples are given to consumers prior to purchase.

The Consumer decision-making Process

Consumer decision making pertains to making decisions regarding product and service offerings. Thus, the consumer decision making is defined as a step-by-step process which a consumer undergoes in deciding whether to buy, what to buy, how to buy, when to buy and from whom to buy (Nwaizugbo, 2015). It involves a model of five steps (Carlson & Paladini, 2014; Hawkins & Mookerjee, 2009)

a. Problem recognition: This begins when consumers recognizes a problem or need; in other words, the consumer recognizes a difference between their actual state and some desired or ideal state (Carlson, Paladini & O'Cass; 2014). An actual state is the way that a person perceives his or her senses and situation to be at the current time, and a desired state is the way that a person wants to feel or be at the current time (Quester; 2007). Problem recognition may come from an internal stimulus (such as hunger), or it may come from an external stimuli (such as an advertisement). Either way, marketers need to make consumers aware of unsatisfied or even dormant needs by using appropriate marketing messages(Carlson & Paladini, 2014 A need could be triggered off by internal or an external stimulus Carlson, 2014).

b. Information search: Once problem recognition occurs, consumers begin to search for information and solutions to fulfill unmet needs. Blackwell (2001) pointed out that consumers can search for information from both internal and external sources. An internal search includes information stored in memory while external search is acquired through decision-relevant information from the environment (Carlson & Paladini, 2014), placed consumer information sources into four groups:

* Personal sources (family, friends, neighbors and acquaintances).
* Commercial sources (advertising, sales persons, dealers and displays).
* Public sources (mass media, consumer rating, organizations) and
* Experiential sources (examining and consuming the products).

(Carlson & Paladini, 2014 noted that consumers gather information about the various brands, various alternatives and product categories. As consumer received more complete information, they will become more informed and have greater control over information search stage of their decision making process (Quester, 2007).

c. Evaluating of alternatives: This refers to the process by which available alternatives are evaluated and selected to meet consumers' needs (Engel Kollate & Blackwell, 1995). Consumers use search and used attributes to evaluate products. Search attributes are those attributes that a consumer evaluated before

the purchase of a product (Carlson & Paladini, 2014), while used attributes are those product characteristics that can only be evaluated after consumption and beliefs are formed about them.

Once the consumer has gathered the necessary information, he compares the different alternatives available on certain criteria (Carlson & Schiffman, 2013). This criterion involves:

Generation of choice alternatives: A consumer moves from an evoked set towards the choice set (Cant, 2006).

Evoked set/consideration set: Are those brands or products consumers will evaluate for the solution of a particular consumer problem (Carlson, 2014 and Nwaizugbo, 2004) the group of brands consumers assembled for consideration.

Choice set: This comprises the final set of one or two brands from which the consumer finally decides.

There is no single evaluation process used by all consumers or by one consumer in all kinds of purchases . Blackwell (2001) found that the choices consumer evaluates are influenced by both individual and environmental influences. Individual influences; motivation and involvement, consumer resources while environmental influences include; culture, social class, family and situation.

d. Purchase decision: Having evaluated different alternatives with information available, a consumer makes rational decision on what to purchase.

* **Affective choice process:** This evaluation is generally focused on the way consumers will feel as they use the product or service. Affective choice is mostly triggered when the main motive is consummatory rather than instrumental. Consummatory motives drives behaviors that are rewarding and pleasing to the individual involved. Instrumental motives means that consumers learn by means of trial and error process in which some purchase behaviors result in more favourable customers (Carlson & Paladini, 2014).

It behooves marketers to regularly study affect based decisions because such decisions requires different strategies than the cognitive decisions. For those decisions that are likely to be triggered by consummatory motives, marketers should help consumers visualize how they will feel during and after the consumption experience.

* **Attitude-based choice processes:** It involves the use of general attitudes, summary impressions, intuitions to make a purchase choice, when information is difficult to find, consumers face time pressure, they have a tendency to make attitude base choice (Hawkins, 2014).

* **Attribute-base choice processes:** Attributes base choice processes require the knowledge of specific attributes at the period of purchase and it in-

volves attribute evaluations and comparisons. This process requires more efforts and time than affective and attitude based choice. The decision also tends to be closer to the idea choice. Consumers with high purchase involvement and motivation are more likely to make attribute based choice.

e. Post-purchase behaviour: Once the consumer has made a purchase, post-purchase evaluation will occur and further actions are made based on their satisfaction. According to (Carlson & Paladini, 2014) the post purchase outcome and reactions contains two stages. Stage 1 comprises post purchase cognitive dissonance. This is a feeling of tension and anxiety that a consumer experiences after the purchase of a product. The consumer begins to have a feeling of uncertainty with respect to the performance of the product and begins to doubt his purchase decision "whether the decision was the right one" . Stage II comprises product usage and reaction, after the purchase, the consumer uses the product and reevaluate the chosen alternatives in the light of its performance viz-a-viz the expectations (Carlson & Paladini, 2014) identified that this phase is significant as it (i) acts as an experience and gets stored in the memory; (ii) affects future purchase decisions, (iii) acts as a feedback.

Empirical review

Some empirical studies have been conducted on the influence of products of attributes on consumer purchase decision. Some of these include the works of Malasi (2012), Akpoyomare (2012), Gwin & North (2003), Lancaster (1990), Gwin & Gwin (2003), Lancaster (1990), Gwin & Gwin (2003).

Malasi (2012) in Kenya at United States International University, Nairobi empirically investigated the influence of product attributes on mobile phone preference among undergraduate students. Using stratified random sampling method to select the elements of the population, found out that product attributes such as packaging decision, visible name, labels, advertising significantly influence undergraduates preference on mobile phones. The study concluded that students are at position to differentiate between mobile phone offerings hence they decide which best suits their needs using the attributes.

Okeke (2009) in Nigeria investigated the correlates of consumer purchase behaviour in the cocoa market using nine attributes with a sample of 120 respondents. Using interviews and questionnaires approaches in data collection, the study discovered that attributes are strong predictors as they are significant of various levels, and that consumers recognize what they see about brands, which in turn helps in shaping and determining brand preferences. The study concluded that knowledge of attributes beliefs and strength will assist a great deal in crafting advertising messages.

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Gwin & Gwin (2003) empirically investigated the influence of product attributes on consumer purchase decision in Nigeria food and beverage industry. They adopted SPSS version 17 as method of data analysis with 400 questionnaires, and their result revealed a positive correlation between product attributes and consumer purchase decision. The study however concluded that attributes plays a vital role in the consumer decision making processing since consumers evaluates and compare competitive products based on attributes and that beverage industries can craft their advertising strategy based on attributes where the marketer can either promote one attribute, two or even three attributes to further distinguish his product from competitors.

Gwin & Gwin (2003) examined attributes of products in the United States of America. Using his utility model, he discovered that attributes have been included as a critical determinants of consumer choices of food. The study also revealed that understanding why consumer chooses a product based upon its attributes help us to understand why some consumers have preferences for specific brands.

Gwin and North (2003) in Los Angeles investigated religious choice using a product attribute model application. Using data from two surveys of Baylor University's 2006 Longitudinal Survey of Religious Behaviours and Values (LSRBV), which was funded by the John Templeton Foundation and the Rev. Forum on Religious Landscape Survey. The study discovered that some varieties of attributes including measure of participation belief and intensity or commitment are highly correlated. The study concluded that religious choice can be viewed as an attribute base selection process, and that the results across the two surveys showed that belief and intensity are both key dimensions for consumer choice of religious denomination. The belief factor assesses personal views of God, religious salvation, and other central elements such as Heaven and Hell, Angels and Demons. The intensity or commitment factor represents the activities and contributions by the consumer to his or her church. The paper use "consumer" to describe the respondents since the focus is on their consumption and

choice of religion. Trade-offs are involved because consumers make trade off in terms of church attendance.

METHODOLOGY

Research design

The study adopted survey method because of its distinguishing features of the need to collect data, record responses, ask questions from large sample of people in order to achieve the objectives of study (Hair Jr, Bush & Ortinau, 2009).

Population of the study

The population of the study comprised of malt consumers in Enugu State. The population is not known (infinite) because we could not obtain a sample frame of malt consumers in the area of study.

Sampling technique

The researcher used convenience sampling technique. Convenience sampling is the non-probability sampling techniques where subjects are selected because of their convenient, accessibility and proximity to the researcher (Hair, 2014, Re-source, 2012, Okeke, 2015).

Sample size determination

Since the population of this study is infinite, we adopted the fomular for infinite population (Nwaizugbo, 2013; Churchill & Brown, 2009; Okeke, 2010).

$$n \frac{(Z^2 P Q)}{e^2}$$

Where

n = Sample size

Z = Standard error (1.96)

P = an estimate of the proportion of success who agree with the variable of interest.

Q = Proportion of respondents not agreeing with variable of interest (1 – P)

e = error margin

The researcher did a pilot test of ten respondents. Seven out of the ten gave good and convincing reasons for product evaluation, thus, product attributes forms the P (i.e. success rate), while Q = 10 – 7 = 3 (failure rate).
Therefore for this study,

Z = 1.96 (see table of normal distribution)

P = 70% or 0.70
Q = 30% or 0.30
e = 5% or 0.05
:. n = $\frac{1.96^2 \text{ X } 0.70 \text{ X } 0.30}{0.05^2}$ = 323

Sources of data

We made use of primary and secondary sources of data. Questionnaires were used to collect primary data with maximum reliability . Secondary sources were also used to review some related literature.

Research instrument

Questionnaire was the instrument for data collection. The questionnaire comprised of two sections, namely section A and B. Section A was on demographic variables of respondents while section B was based on the constructs of the study i.e. influence of product attributes on purchase decision in Enugu State. A five-point likert scale, ranging from strongly agree to disagree was used in the questionnaire design.

Validity and reliability of research instrument

Validity of research instruments refers to the extent which the instrument measures correctly what it purports to measure, (Saunders, Lewis & Thorhole). The designed instrument was given to the supervisor. Face validity was used in the validation of the instrument designed for the study. According Gwin & Gwin (2003). face validity of a survey instrument of this nature is considered adequate when the instrument has been subjected to rigorous assessments by experts. Some of the questions were said to be ambiguous in respect to length and construction, and not sufficient. Some questions were reconstructed for clarity, others added to increase the number and some reduced to manageable sizes.

Method of data analysis

Different statistical techniques were used to test the study's hypotheses and to answer the study's questions by using Statistical Package for Social Science SPSS Version 17, these techniques are: cronbach's alpha (□) used to test the reliability of the scale. Descriptive statistical measures used to describe the study sample characteristics and multiple regression analysis used to find the effect of the independent variables on the dependent variable.

Data analysis and results

This section is for the careful breaking down of relevant information into meaningful parts for critical examination, extraction of otherwise hidden information and making inferences about the relationships existing among the parts. A total

of 323 questionnaires were distributed out of which 300 were properly filled and returned.

Table 1: Summary of instrument used for analysis

Number of Questionnaire Administered	Total Number Returned	Total Number Not Returned
323 = 100%	300 = 93%	23 = 7.12%

The above table reveals that from the total of 323 sampled populations that were given questionnaires, 23 copies of questionnaires representing 7.12% were not returned. A total of 300 copies representing 93% were properly completed as requested and were used for analysis.

Table 6: Response on how often respondents consume Malt drinks

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Frequently	270	90	90	90
Less Often	30	10	10	100
Total	300	100	100	

The data above shows that 90% of respondents frequently consume malt drink while 10% of them less often consume malt drinks.

Table 7: Descriptive information of the sample

	N	Minimum Score	Maximum Score	Mean	Standard Deviation
Price 1	300	1.00	5.00	4.1827	.96237
Price 2	300	1.00	5.00	4.3344	.92563
Price 3	300	1.00	5.00	4.2353	.89879
Price 4	300	1.00	5.00	4.0588	1.16880
Price 5	300	1.00	5.00	4.3870	.77745
Brand Name 1	300	1.00	5.00	3.9567	1.12757
Brand Name 2	300	1.00	5.00	4.0372	1.18158
Brand Name 3	300	1.00	5.00	4.4830	.62717
Brand Name 4	300	1.00	5.00	4.5418	.81176
Brand Name 5	300	1.00	5.00	4.4458	.62505
Attractive Packaging 1	300	1.00	5.00	4.1269	1.00896
Attractive Packaging 2	300	1.00	5.00	4.0526	1.09786

Attractive Packaging 3	300	1.00	5.00	4.0217	1.11852
Attractive Packaging 4	300	1.00	5.00	3.8885	1.09202
Attractive Packaging 5	300	1.00	5.00	4.1362	1.13116
Celebrity Endorsement 1	300	1.00	5.00	2.9381	1.42816
Celebrity Endorsement 2	300	1.00	5.00	2.8452	1.34933
Celebrity Endorsement 3	300	1.00	5.00	3.4241	1.21698
Celebrity Endorsement 4	300	1.00	5.00	3.2446	1.23066
Celebrity Endorsement 5	300	1.00	5.00	2.6966	1.23146
Taste 1	300	1.00	5.00	4.1053	1.12898
Taste 2	300	1.00	5.00	3.4644	1.45570
Taste 3	300	1.00	5.00	3.5418	1.50381
Taste 4	300	1.00	5.00	3.9412	1.20285
Taste 5	300	1.00	5.00	3.8142	1.22202
Purchase Decision 1	300	1.00	5.00	4.2353	.80007
Purchase Decision 2	300	1.00	5.00	4.2817	.80635
Purchase Decision 3	300	1.00	5.00	4.0898	.84588
Purchase Decision 4	300	1.00	5.00	3.6347	1.29367
Purchase Decision 5	300	1.00	5.00	3.5449	1.48083
Valid (N)	300				

Table 8: Instrument Reliability Test

Cronbach's Alpha	N of Items
0.789	30

Hypotheses testing

In testing the hypotheses, multiple regressions were used and statistical package for social science (SPSS) version 17 was also employed to analyze the responses.

Table 9 below shows the model summary results which sought to establish the explanatory power of the independent variable (price, brand name, attractive packaging, celebrity endorsement and taste) for explaining and predicting the dependent variable consumer purchase decision). R_1 the multiple correlation coefficients (i.e. the linear relationship between the observed and model predicted values of the dependent variable) showed a value of .448 showing a positive correlation. R square which is the coefficient of determination (i.e. the squared value of the multiple correlation coefficients) showed a value of .501 (about 50.1%) of the variation in the dependent variable (purchase decision) is accounted for by the variable in the dependent variable.

Model summary

Model	R	R. Square	Adjusted R Square	Std. Error of the Estimate
	.448[a]	.501	.688	2.88335

a Predictors (constant) price, brand name, attractive packaging celebrity endorsement taste.

b. Dependent variable (purchase decision)

Source: SPSS Version 17

ANOVA

Model	Sum of Squares	DF	Mean Square	F	Sig
Regression	662.808	.5	132.362	15.945	.000[a]
Residual	2635.452	317	8.314		
Total	3298.260	322			

a Predictors (constant) price, brand name, celebrity endorsement taste.

b. Dependent variable consumer purchase decision

Source: SPSS Version 17

Coefficient

	Unstandardized Co-efficient		Standardized Co-efficients		
Model	B	Std. Error	Beta	t	Sig.
1(Constant)	17.382	1.937		8.973	.000
Price	- 078	.060	-069	-1.294	.196
Brand Name	.430	.071	.336	6.027	.000
Att. Packaging	.128	.050	-140	-2.549	.011
Celebrity En-dorsement	.206	.036	-289	-5.668	.000
Taste	.030	.040	.040	-744	.457

a. Dependent variable (consumer purchase decision)

The table above showed the beta coefficients, which gives the contributions of each independent variables to the model while t-values revealed the effect of the variable and the critical ratio and the p-values respectively.

In the above model, price ($t = -1.294$, $p = .196 > .05$) we reject the alternative hypothesis that price has a significant effect on consumers purchase decisions.

Brand Name ($t = 6.027$, $p = .000 < .05$) we accept the alternative hypothesis that brand name has a significant relationship with consumers' purchase decision.

Attractive packaging ($t = -2.549$, $p = 0.11 < .05$) we accept the alternative hypothesis that attractive packaging has a significant on consumers' purchase decisions.

Celebrity endorsement ($t = -5.668$, $p = .000 < 05$) we accept the alternative hypothesis that celebrity endorsement has a significant effect on consumers' purchase decision.

Taste ($t = .744$, $p = .457 < 05$) we therefore reject the alternative hypothesis and conclude that taste has no significant effect on consumers' purchase decision.

Thus, the conceptual model used as a basis for regression is as follows:

Con. = Pr + Bn + ap + ce + Tse + e

Discussion of findings

Based on the test results, brand name has a significant effect on consumer purchase decisions. This is supported by the studies carried out by Belch & Belch

(2009) Parry (2001) Brassingston & Pettite (2013). This may be as a result that brand name help consumers to remember a key attribute or benefit and identify a company's product, differentiate them from those of competitors.

Besides, the tests revealed that attractive packaging has a significant effect on consumer purchase decision. Packaging is a silent salesman, (Donadini & Porretta, 2008).

Lending credence equally to attractive packaging, studies conducted by Gwin & Gwin (2003). and Boyce (2008) found out that there is a significant statistical effect of packaging in protecting the products and consumers perception of product quality at the point of purchase. They further revealed that protecting the product and consumer is a key and important role of packaging and that packaging that fails to fully protect the product has the potential to result in excess damage and wastage, diminished shelf life and lose of flavour or efficacy.

The findings of this study also revealed that celebrity endorsement has a significant relationship with consumer purchase decisions.

A five stage model for consumer purchase decision making process was developed (Miniard & Engel, 2006, Quester, 2011)
However, Tatt (2010), Hauser and Urban (1986) supported the findings when they observed that in looking at choices across product categories, price is appropriate as a dimension when price itself carries utility, such as in conspicuous consumption of when perception of quality are based on price. Otherwise, consumers prioritize choices base on other product attributes over price.

Conclusion and recommendations

The conclusion that can be drawn from the results is that product attributes are the characteristics or features that a product may or may not have. Benefits are the positive outcomes that come from attributes. Consumers seek products that have attributes that will solve their problems and fulfills their needs. For most of the consumers, they considered various product attributes as key in determining the nature of malt drinks they would like to purchase before considering price.

This finding will help the academia to widening the frontier of knowledge in the area of research paradigm – motivational research. Also, it will help organizations in Nigeria, particularly in Enugu State to reposition their brands and form a

robust marketing strategies. The result will also help consumers evaluate and compare competitive products based on their attributes.

Based on the available literature, the following recommendations were made.

* That marketers should periodically carry out a survey with a view to identifying which attributes consumers use most in product evaluation prior to purchase.
* That companies should strategically engage the service of celebrities as it will help the highly involved customers instant recognition and transfer of goodwill to the product.
* That enough financial resources should be allocated to product packaging. This is because many consumers do not buy a particular product only for the services but besides how they are packed and even after consuming the core benefit or service of the core product, still keep the package for other uses.
* That market research should be embarked on to enable companies constantly identify products whose attributes will provide the highest perceived utility.

Lastly, lean financial resources used for various statistical analysis due to the size of sampling and short period of investigation. Above all, these constraints were surmounted hence the applicability of the study.

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Environmental innovation on the productivity of the Selected Agro-allied Businesses in Nigeria

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Abstract

This study determines the effect of creativity and environmental innovation on the productivity of agro-allied businesses in Nigeria of selected agro-allied businesses in Nigeria. The researcher adopted survey design. Data were collected by structured questionnaire in Five Point Likert Scale format. The source of data was through primary source. The target population of the study comprised of 1,584 owners/managers of all agro-allied businesses in North-central, Nigeria. Sample size of 320 was derived from the population with the application of Taro Yemane's formula for finite population while Bowley's proportional allocation method was adopted to determine the allocation of questionnaire to each organization. A Cronbach Alpha method was used to determine the reliability of questionnaire which gave a reliability coefficient result of .74. Five hypotheses were formulated and tested through Ordinary Least Square Regression and Z-test at 05 level of significance. The findings revealed that creativity and environmental innovation significantly affect the productivity of agro-allied businesses in North central Nigeria. The study concluded that despite the changes in legislation and regulations to protect the environment, Nigeria and various other countries are still facing many environmental problems, e.g., climate change, population growth, overflowing landfills, water scarcity, fuel shortages, and water and air pollution. If we are to solve these problems, the study concluded that creativity and environmental innovation are a major part of the answer. The study recommended that the Nigeria government could do much to strengthen external forces, especially with respect to establishing national standards for the quality of environment and the implementation of these regulations. Further, ecopreneurs, government and society at large could tap international standard in order to support the phasing-out of products and processes that are known to contribute to global warming and ozone depletion. They could also strengthen the consumer movement in the country. Since environmental sustainability promote business growth. Hence, it was recommended that agro-allied business needs to build more on their sustainability concerns as it affect agricultural goods.

Keywords: creativity, environmental innovation, businesses productivity, agro-allied businesses

1. Introduction

Environmental degradation is perhaps the most prominent global issue of the 21st century. Academics, policymakers, non-governmental agencies and governments are all Concerned about the increasing levels of land degradation, soil erosion, deforestation, and industrial toxins (Volery, 2012). In addition, there are very serious concerns about the negative consequences of ozone depletion, climate change, nuclear radiation, and the destruction of biodiversity (Intergovernmental Panel on Climate Change (IPCC), 2007; United Nations Environment Programme (UNEP), 2004, World Resources Institute, 2004). A recent joint report by the World Resources Institute, the World Bank, and the United Nations show the diminishing capacity of five of earth's most critical ecosystems.

In a market system, sustainable development requires sustainable innovations and Intrepreneurs are those who can achieve environmental goals with superior innovations that are successful in the marketplace. Market innovations that drive sustainable development do not occur by accident; they have to be created by leaders who put them into the core of their business activities. Actors and companies making environmental progress in their core business may be called 'ecopreneurs'. They generate new products, services, techniques and organizational modes that substantially reduce environmental impacts quality of life.

Companies contribute most to the overall environmental progress of an economy and society if their core business deals with environmental solutions and environmentally superior .products and if their innovations substantially influence the mass market. This is the main thesis for the empirical investigation, outlined in the penultimate section of this paper and the basis for the definition of what is called ecopreneurship.

Computers and the Internet have changed the world in a more fundamental way than have most political programmes. To be innovative means to provide organizational and technical improvements that can be sold successfully in the marketplace. In order to create innovations a firm must overcome thresholds. Technology trends seem to come and go with frightening regularity, some have a lasting impact on business. These are ones that change the way businesses operate and provide dramatic improvement for those that adopt them. Such technologies help organizations become operationally lean, agile and responsive, increase effectiveness and improve outcomes. Innovative technology empowers executives, managers and workforces to operate their businesses mere effectively.

For a company to have a positive environmental influence it must make a real and substantial contribution to environmental progress. A real improvement can be created only if the production processes, products and services are environmentally superior. A substantial contribution requires that the company exert significant market influence by gaining a large market share or by influencing competitors and other market actors (such as suppliers) to 1 adopt superior envi-

ronmental solutions. (Ecopreneurs run companies that fulfill both requirements. Ideally, ecopreneurship pulls the whole market towards more environmental progress. Ecopreneurs strive for business success through environmental solutions for the mass market. To measure how well a company has •done, the dimensions of ecopreneurship can be further subdivided. The priority of environmental goal ranges from low priority (environmental protection is regarded as a trustee duty), to medium priority (environmental issues are seen as supplemental to ^conventional business issues) and high priority (environmental issues are regarded as an integral part of core business activities). The market effect of the company and its businesses can be small (i.e. the alternative scene), medium or large (i.e. through a strong influence on the mass market).

Much of the work that has been done to date on ecopreneurship and environmental issues has largely taken the form of anecdotal reports and case study analysis. Large sample studies are needed to demonstrate how ecopreneurship may or may not enhance the innovative ability land performance of organizations. The present study aims to bridge the gap by examining the implications of ecopreneurship activities in sustaining innovative performance in a sample of ;selected agro-allied businesses in Nigeria.

The business activities of agro-allied businesses in Nigeria are not without some inhibiting problems emanating from their various environmental factors such as land degradation, soil (erosion, deforestation, industrial toxins, ozone depletion, climate change, nuclear radiation, | and the destruction of biodiversity. Today, these problems are posing serious challenges to their operational capabilities, survival and "performances. A cursory analysis of some of these **problems** prompted the crucial need for embarking on this proposed study. The environment **factors in** the agro-allied industry' in Nigeria tend to be harsh on indigenous firms and their **operational** activities nowadays. This has brought such consequences as low productivity, **increasing risks,** low profitability, and tensed competition, heavy investment on equipment, **increased** operational cost and high rate of business failures with many other threats.

In Nigeria, many local agric-businesses and small and medium scale enterprises have failed **to fully** imbibe the spirit of ecopreneurship in order to shun out those products that will be environmentally friendly and socially responsible. Only multinational enterprises have put **this issue** into concern in their want satisfying operations. Most agriculture related organizations complaint on lack of realistic estimates on how to successfully implement eco-m**arket** systems particularly in the area of agricultural related business have adversely af**fected** the environment by failing to deal with negative environmental externalities and **undervaluing** natural resources, leading to their over-exploitation and depletion. Governments **have** sought to deal with the problem through a mix of command-and-control and market- **based** instruments, with limited success. One of the most potent

alternatives for dealing with **such** market failures is ecopreneurship, which refers to a process by which entrepreneurs **introduce** eco-friendly (or relatively eco-friendlier) products and process into the market **place.**

It is in the light of these problems that this work seeks to examine creativity and innovation as determinants of innovative performance of agric-allied businesses in Nigeria. The following research questions guided the study: What effect would creativity and innovation have on the productivity of agro-allied businesses in Nigeria?

2. Conceptual framework

Creativity is sometimes used to mean innovation. This study does not however view creativity as innovation; instead it sees creativity as a start point for innovation. Creativity by individuals and teams is a starting point for innovation. She further opined that creativity being the starting point for innovation is a necessary condition but not a sufficient condition. According to her innovation is the successful implementation of creative ideas within an organization and successful innovation also depends on other factors as well and it can stem from not only from creative ideas that originate within the organization but also from ideas that originated from elsewhere for example technology transfer.

Innovation contributes to achieving a competitive advantage tin several aspects. The most important characteristics of innovations include: A strong relationship between market performance and new products. New products help maintain market shares and improve profitability.

Growth also by means of non-price factors (design, quality, individualization, etc.). Ability to substitute outdated products (shortening product lifecycles). Innovation of processes that lead to production time shortening and speed up new product development in comparison to competitors. Developing successful technological innovations is essential for creating and sustaining an organization's competitive advantage. The expenditures on research, development and introduction of innovations are the determining characteristics for gaining a dominant part of the market. The 'importance of the role of the regional innovation and they argue that organization must have original strategies and support the knowledge flows from and to organization. It is supported by results of Autant-Bernard (2001). Producing innovations on an ongoing basis, it risks that it lag behind and the initiative will be taken over by other entities. Schumpeter (Tidd et al,. 2006) asserted that entrepreneurs attempt to use technological innovation - a new product or service or perhaps a new process M the course of their production - provided they thus gain a strategic competitive advantage. This creates competition that does not attack profit margins or the outputs of existing organizations, but their essence and their existence as such.

With respect to the above said it is important - within the frame of innovations - that are a necessity in today's knowledge, information and innovative society -

to follow large Organizations that engage in innovation and set the direction for others. The present concept of innovations is that they represent an open approach that reaches beyond the threshold of an organization and thus exploits not only inspections and changes in the internal environment, but also changes in the external environment. The internal environment of an organization needs to have a suitably preset innovative culture, since this Type of culture is characterized by the transience of organizational structures, utilization of specialists and temporary teams, mobile offices, the necessity of speedy and flexible changes responding to new opportunities, which increases the innovative potential of such organizations. There is no place for standardization; each project is unique. Its characteristic features include flexibility, openness to changes, searching for - information and resources in the external environment, anticipation, creativity, experimenting and informal communication. Checks in organizations with

Baranano (2005) argued that innovation is a complex technological, sociological, and economic process that involves a highly intricate set of interactions, both within the firm and between it and its economic, technical, social, and competitive surroundings. Success is therefore not expected to be satisfactorily justified by one or two factors alone. According to the author, no element can be effective by itself and, thus, no single management tool or technique will be able to create an environment that is conducive to innovation. What is actually found is a set of different (though strictly inter-related) factors that must work in an integrated manner to create and reinforce an environment that fosters the success of technological innovation in the company.

The Social Change Theory was postulated by Veblen in 1967. The theory is essentially a technological theory of history. Veblen believes that the society's state of the industrial arts, that is, the availability of technology to a society determines the character of such society's culture. Invention was the mother of necessity. Yet this influence of technology, while crucial, was to Veblen by no means immediate and direct. A new technology does not automatically bring forth new systems of laws, new moral attitudes, or new types of education. Rather, it challenges old institutions and evokes their resistance. Institutions are products of the past process, adapted to past circumstances, and are therefore never in full accord with the requirements of the present. Those who have a "vested interest" in the old order will bend every effort to maintain old institutions even when they are no longer in tune with technological developments. The characteristic attitude of those advocates of the status quo "may be summed up in the maxim: 'What-ever is, is right;' whereas the law of natural selection as applied to human the axiom: 'Whatever is, is wrong." In the end, Veblen believed, new ideas, overcomes vested interests, and reshapes institutions in accord with its needs. But this process may take considerable time, and in that time lag - when, for example, an industrial society is still governed by legal and moral

rules dating from the handicraft era - society suffers from the waste that is brought about by the lack of correspondence between its institutions and its technology.

3. Empirical Review

Hamsa (2014) studied the Impact of Innovation and Managing Technology based business entrepreneurs and explained that both technological innovation and entrepreneurship ices mainly two areas: the organization, development, and commercialization of logy-based innovation in existing firms; and the formation, development, and growth technology-based new enterprises. Technology and innovation businesses also cover a fc range of industries. The paper is a qualitative paper and its study is based on the secondary data collected from different sources and it highlights problems faced by the entrepreneurs globally regarding businesses to stimulate technological innovation and highlight the role of small business in meeting research and development needs and increase its participation in this role. The study recommends that businesses may focus on activities such as researching and developing new products or providing innovative solutions natural ingredients with green technology, produce approved chemical which do not harm or pollute the environment, caused no environmental hazards and do not posed dangers to the environment. The study shows that green marketing is crucial in preventing eco-harm and environmental degradation. The study made some applicable recommendations for business enterprises to produce ecological products which must not only pollute the environment but should protect it, sustain the environment and even liquidate existing environmental damages.

Zainab and Shafaat (2015) carried out a study on "Green activities: Environmental concern and customer satisfaction". The study empirically examined the level of awareness of green issues and whether green products are fulfilling their needs apart from benefiting their living environment and to create awareness about green products and green marketing. The imitative research technique was employed in the study and the questionnaire method adopted. The study revealed that green marketing is helping to save the environment. That product with green features plays a significant role in helping to save the environment. The Study also showed that using green products can help to reduce environmental problems. The study recommends that; companies should be transparent in describing what they are actually living for green marketing and their policy should be consistent with their work about environmental friendliness. Furthermore, government should develop policies to take strict actions against those companies that produce products that are harmful to the environment. A paper work titled 'Impact of Innovation and Managing Technology Based Business for entrepreneurs' conducted by Hamsa (2010), who explains that technological innovation and entrepreneurship embraces mainly two areas: the organization, development,

and commercialization of technology-based innovation in existing firms; and the formation, development, and growth of technology-based new enterprises. Technology and innovation businesses also cover a wide range of industries. These businesses may focus on activities such as researching and developing new products or providing innovative solutions to ^existing processes. This paper highlights problems faced by the entrepreneurs globally Regarding businesses to stimulate technological innovation and strengthen the role of small business in meeting research and development needs and increase business participation in this role. This is a qualitative paper and its study is based on the Secondary Data collected torn different sources.,a work conducted by Mutura, Nyairo, Mwangi and Wambugu (2016), titled 'Analysis of Determinants of eco-systems among Firms in Lower Central Kenya', The study analyzed the determinants of eco-practices among small holder of dairy farmers in Lower Central Kenya and discover that such practices lead to high gross margins, influences choice of marketing channel and improves market participation, encouraging commercialization of dairy smallholder farming. A logit regression model was used to determine the likelihood of a household to introduce eco-practices in its dairy enterprise. A multistage sampling technique was used, and data was collected from 288 small holder dairy farmers in Kiambu County. Processing and analysis of the survey data were carried out using SPSS version 20 and STATA version 12. Fixed investment cost, storage type, milk cost share, the percentage of milk sold and dairy enterprise turnover were hypothesized to be key factors in explaining a household's likelihood to eco-practices into its dairy enterprise. An increase in total fixed investments, turnover and volume of output contribute to the probability of a household integrating vertically. The paper recommends that farmers should establish and strengthen existing associations and practices ecological activities more than before.

3. **Methodology: Model Specification**

Model specification, the general formula for the Regression Analysis is:

$Y= a+ \beta X + e$

.

where;

Y = Dependent Variable, X= Independent Variable
a = constant
β = coefficient of X
e = error margin.

Model to be estimated is functionally stated as

PRO = f(INC)
PRO=a+βINC+e
Where,
PRO= productivity,
INC= innovation and creativity

4. Results and discussions

5. One-sample statistic

	N	Mean	Standard deviation	Standard error mean
Decision on Creativity/innovation and Productivity	309	31.1100	21.16231	5.41121

Source: SPSS analysis of field data

The analysis in the above table revealed the grand mean of 28.41 and standard deviation of 22.12.
One-sample Z-test: Test value =0

					95% confidence interval of the difference	
	Z	DF	Sig.2-tailed	Mean difference	Lower	Upper
Decision on Creativity/innovation and Productivity	28.220	308	0.003	31.110	20.8800	54.1900

Source: SPSS analysis of field data

The result of the Z value at 28.220 is higher than the Z critical value. the alternate hypothesis which states that 'creativity and innovation would have positive influence on the competitive advantage of agro-allied businesses in Nigeria' is therefore accepted. This Z value is significant at 0,003 because it is less than 0.05. In line with the data analysis, the following are the major summary of findings:: Creativity and environmental innovation significantly affect the productivity of agro- allied businesses in North central Nigeria.

Discussion of Findings

Findings revealed that creativity and environmental innovation affected the productivity of agro allied businesses in Nigeria. This result is in line with the work of Cohen and Winn(2007),McEwen(2013), Oskamp(2000)who recommended that the creativity and invention in the delivery of agroallied product have longrun effect on the market position and size of firm.This also extends to the result of the study of Gbadeyan and Omolekan (2015), which indicated that competitive advantage of launching innovative agricultural products. Although, the findings of some studies such as Zainab and Shafaat (2015) supported Mutura, and Wambugu (2016) suggested that agricultural invention may not for long sustain firms productivity due some of hidden problems such as the problem of imitation and cloner. This study result also dissociate from Dorsey and Boland (2009) findings. This study counters this stance based on the findings of this research which suggests that using creativity to boost performance is not always reliable in the agricultural setting.

6. Conclusion and recommendation

After a critical consideration of the finding and discussions so far, the following recommendations were offered: The Nigeria government could do much to strengthen external forces, especially with respect to establishing national standards for the quality of environment and the implementation of these regulations. It could also take more proactive measures through the state-level cleaner production centres. This will encourage the ecopreneurs to develop more environmentally friendly goods and as well enhance their level of involvement in green product. Ecopreneurs, government and society at large could tap into international standard in order to support the phasing-out of products and processes that are known to contribute to global warming and ozone depletion. They could also strengthen the consumer movement in the country. Since environmental sustainability promote business growth, it is recommended that agro-allied business needs to build more on their sustainability concerns as it affect agricultural goods During the next decade, the agro allied business in Nigeria will most certainly be marked by further disaggregation and reaggregation due to the described shifts in the sector's value chain. In order to keep their status quo, agro-allied business must consider continued invention, innovation and creativity as the most viable method to get instant access to industry- or operations-specific knowledge and keep abreast with the pace of technological change. Non-innovative in nature may provide benefits to such firms only in the short term. Therefore, in the long-term an articulated developed ecological friendly innovation will control rival and give firms a sustainable and non-imitable competitive advantage.

Ecopractices must not just be a back runner is agro-allied organizations anymore. It is the critical aspect of organizational turn-around and must be given its rightful place during policy making and through this process that ecopreneurs can enjoy the long-run benefits without undue pressures and inconsistencies in Nigerian. Agro firms must therefore engage their managerial team, through training and development to know, understand, and apply, the principles of ecopreneurship practices and ecological management in their daily decision making, especially as it concerns agro-allied operations.

In the final analysis, it is the education of producers, consumers and regulators that will pave the way for a major transformation of agricultural industry. This will stimulate the ecopreneurs to develop more ecoprenerial practices that would not only give them competitive advantage but will also go a long way in developing the sector.

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Ecopreneurship Practices and Innovative Performances of Selected Agro-Allied Businesses in Nigeria

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Abstract

The study investigated ecopreneurship practices and their effect on innovative performances of selected agro-allied businesses in Nigeria. The researcher adopted survey design. Data were collected by structured questionnaire in Five-Point Likert Scale format. The source of data was through primary source. The target population of the study comprised of owners/managers of all agro-allied businesses in North-central, Nigeria. Sample size was derived from the population with the application of Taro Yemane's formula for finite population while Bowley's proportional allocation method was adopted to determine the allocation of questionnaire to each organization. A Cronbach Alpha method was used to determine the reliability of. The hypotheses were formulated and tested using Ordinary Least Square Regression and Z-test at .05 level of significance. The findings revealed that ecopreneurial practices have influence on the competitive advantage of agro-allied businesses in north central Nigeria. The study concluded that despite the changes in legislation and regulations to protect the environment, Nigeria and various other countries are still facing many environmental problems of climate change, population growth, overflowing landfills, water scarcity, fuel shortages, and water and air pollution and that the Nigeria government should strengthen external forces, especially with respect to establishing national standards for the quality of environment and the implementation of these regulations as well as tap international standard in order to support the phasing-out of products and processes that are known to contribute to global warming and ozone depletion.

Keywords: ecopreneurship, innovative performance, agro-allied business

1. Introduction

Environmental degradation is perhaps the most prominent global issue of the 21st century. Academics, policymakers, non-governmental agencies and governments are all concerned about the increasing levels of land degradation, soil erosion, deforestation, and industrial toxins (Volery, 2012). 'The business activities of agro-allied businesses in Nigeria are not without some inhibiting problems emanating from their various environmental factors such as land degradation, soil (erosion, deforestation, industrial toxins, ozone depletion, climate change, nuclear radiation, | and the destruction of biodiversity. Today, these problems are posing serious challenges to their operational capabilities, survival and "performances. A cursory analysis of some of these problems prompted the crucial need for embarking on this proposed study. The environment factors in the agro-allied industry' in Nigeria tend to be harsh on indigenous firms and their operational activities nowadays. This has brought such consequences as low productivity, increasing risks, low profitability, and tensed competition, heavy investment on equipment, increased operational cost and high rate of business failures with many other threats.

In Nigeria, many local agric-businesses and small and medium scale enterprises have failed to fully imbibe the spirit of ecopreneurship in order to shun out those products that will be environmentally friendly and socially responsible. Only multinational enterprises have put this issue into concern in their want satisfying operations. Most agriculture related organizations complaint on lack of realistic estimates on how to successfully implement eco Market systems particularly in the area of agricultural related business have adversely affected the environment by failing to deal with negative environmental externalities and undervaluing natural resources, leading to their over-exploitation and depletion. Governments have sought to deal with the problem through a mix of command-and-control and market- based instruments, with limited success. One of the most potent alternatives for dealing with such market failures is ecopreneurship, which refers to a process by which entrepreneurs introduce eco-friendly (or relatively eco-friendlier) products and process into the market place. It is in the light of these problems that this work seeks to examine ecopreneurship practices as **a** determinant of innovative performance of agric-allied businesses in Nigeria.

2. Conceptual and Theoretical Framework

Aliu (2010) stated that there exist features that are peculiar to innovation, though some products catch on immediately, whereas others take a longer time to gain acceptance. He listed these features as relative advantage which is the degree to which innovation appears superior to existing product, compatibility which is the degree to which the innovation can go with existing product of the organization, complexity which defines the degree to which the innovation is

relatively difficult to understand, divisibility which defines the degree to which the innovation can be tried on a limited basis, and communicability which is the degree to which the beneficial results of usage are observable or describable to others. All products and services in the market must have gone through new product development process or program as a result of the fact that organization need to grow their revenue, market share and build their sales level by developing new products and expanding into new markets. In order to do these, organizations then put product innovation as well as process innovation in all they do?

For the purposes of this study, ecopreneurship means entrepreneurial action that contributes to preserving the natural environment (Pastakia, 2008; Schaper, 2002). Ecopreneurs are, therefore, entrepreneurs who found their businesses based on the principle of sustainability (Kirkwood and Walton, 2010). They are a new breed of eco-conscious change agents who are redefining the way business is conducted and are introducing eco-friendly ideas and innovations in the marketplace (Pastakia, 2008). Ecopreneurship is distinguished from social entrepreneurship which focuses on enhancing the social wellbeing of the society (Zahra, *i*Gedajlovic, Neubaum, Shulman, 2009). Ecopreneurship is also different from sustainability entrepreneurship which integrates the three strands of the triple bottom line (economic, social; and environmental). Tilley and Young (2009) argued that sustainability entrepreneurship goes further than "environmental" or "social" entrepreneurship as it encompasses a more comprehensive range of the triple bottom line.

Most researchers agreed that there are two categories of environmental entrepreneurs -those who have a profit or economic orientation and those who have the sustainability orientation and want to help change or improve the environment (Taylor ecA alley. 2003: Isaak, 2002; Koester, 2011). Schnick, Marxen&Freiman, (2002) refer to the categories as the two ends of the ecological orientation continuum. At one end are ecopreneurs who constantly adopt environmentally- friendly practices and at the other end are entrepreneurs who give no ecological consideration to the businesses at all. In other words, environmental entrepreneurs are either starting green businesses or making their businesses green (OECD, 2011). Environmental Conscious Develops innovations that either reduces resource and impact or improve cost efficiencies. Green Entrepreneurs aware of environmental issues and has their businesses in the environmental marketplace.

Innovative opportunist is a financially oriented entrepreneur who spots a green niche or business opportunity that happens to be green Ad hoc or accidental entrepreneur Spots opportunities that are green, rather than seek out a niche in green spaces Visionary Entrepreneur Built their businesses based on sustainability principles. Advocates nature-oriented enterprises e.g old life habitat preservation, eco- tourism etc; low desire to change the financial drive i.e. Opportunist

involved in environmental technology to help businesses and communities reduce environmental load on water, air and soil. They have a low desire to change the world and high financial drive. Green Business: Entrepreneur did not start green business from scratch, but later discovered the advantages of greening their existing businesses. Green-Green Business: Entrepreneurs designed business to be green in its products and processes from Scratch One criticism of the ecopreneurship typologies is that they do not account for the changes that might occur among entrepreneurs, e.g., could ecopreneurs move between different typologies, and which drivers mainly guide their behavior (Bruin& Lewis, 2005 in Gibbs, 2009). In response, Isaak (2008) argued that the various types of ecopreneurs are not pure forms but represent reference points for broad changes within businesses. The process theory of entrepreneurship supports Isaak's viewpoint, which emphasizes the fact that "you can't pin people down to one type, because entrepreneurs are always in the process of becoming something.
Ecopreneurship is also important because eco-innovations, according to Klimova and Zlek, j2011) will be the future competitive advantage of companies and countries. They argued that if companies and countries want to be successful in the international market, they cannot rely on having low cost as their competitive advantage; but rather on new and innovative environmental technologies, services and processes which will be the more important sources of competitive advantage. The long-term sustainability of our economic system does not depend only on quantitative growth, but also on the ecological aspects of the growth and enable development problems.

First, our finite resources, for example fish, minerals or gas are limited in their supply. Once consumed, many of them cannot be recreated and we will be left with diminishing or no natural resources, if we do not sustain them. Also, because of economic activity and consumption, most of our resources become waste. As a result, we have the problem of pollution, which seriously affects humans and the ecosystem and could lead to greenhouse gas accumulation and potential climate change (Volery, 2012). To sustain them, ecopreneurship is important to constantly look for alternatives, e.g. recycling or new sources of energy, such as wind, water, and solar. (Arber &Speich, 1992; Barnes, 1994).
Second, the global population growth is also influencing ecopreneurship. The world population is expected to increase by 50% by 2050 and with it will come an increase in consumption (World Business Council for Sustainable Development, 2002). Although part of this consumption is important for relieving poverty in many emerging countries, most it will be done by affluent consumers and can have a negative impact on the ecosystems (Volery, 2012). Ecopreneurship is therefore important to find the new technologies to protect the environment, and to ensure that there are enough resources to fill the needs of both the current

population and future generations (Volery, 2012). *Third,* biodiversity loss also justifies entrepreneurial action to solve environmental problems. According to Volery*(2012),* "the rates of takeover of wild life habitat, and of species extinction are the fastest they have ever been in human history and are accelerating."
Goodland (2001) also reported that tie tropical forest, me world's richest species habitat, has already been 55% destroyed and the need for environmental sustainability, there is need for a new ktr.d c: entrepreneur who will incorporate environmental concerns into the consideration of their bottom- ne Yolery. 2012).
The relationship between business and the environment is not new. There was an upsurge of interests in environmental degradation during the 1960s, in Western Europe and North America because of the incidents of heavy smog in London caused by business activities. At that time, people became more aware of the negative environmental consequences of business activities. Business response to the environmental concerns was antagonistic, with little care about the cost of business activities to the environment. They saw the environmental concerns as a nuisance to their businesses and opposed any effort to control performance (Tillery, 1999).
Ecopreneurship literature is still comparatively young (Linnanen, 2002; Pastakia, 1998; Schaltegger, 2002). The growth so far has heen supported by various consumer groups as well as the strong demand for green products, especially in the developed countries (Schaper, 2002). Ecopreneurship has thus become a market-based approach for identifying; opportunities for improving the quality of life through sound environmental practices.
Given the growth of ecopreneurship, the question now is, how do we harness the innovative potential of ecopreneurs to exploit the opportunities within environmental degradation? In other words, how do we foster the development of new entrepreneurial firms that will create the innovations necessary to solve environmental problems? According to Shane and Venkataraman (2000), "entrepreneurial action is created at the nexus of two phenomena: the presence of enterprising individuals and the presence of lucrative opportunities". Ecopreneurs are the enterprising individuals. Some are motivated by profit and; start businesses that happen to be green, while others have a sustainability orientation and are motivated by environmental needs. Their businesses are founded on the principle of sustainability and they seek to combine environmental awareness with conventional entrepreneurship (Schnick, et al. 2002). Lucrative entrepreneurial opportunities exist within the environmental degradation e.g. the problems of climate change, pollution, energy, etc.
According to Shane (2003), the nexus is the place where the entrepreneur interacts with the environment, e.g. environmental degradation, to identify opportunities. How they interact and whether opportunity recognition and exploitation take place depends on the resources the entrepreneur has at his or her disposal

and the resources available in the environment. Given that the entrepreneur-environment interaction is so critical to creating entrepreneurial action necessary for developing environmental innovations, what should be done to stimulate ecopreneurship, provide high quality and reliable information to ecopreneurs; facilitate collaboration and networking among ecopreneurs and innovation intermediaries; refocus the publicly funded environmental technologies (Research**&**Development); Increase the speed of commercialization of environmental technologies?

Availability of funding and other incentives are critical for environment; establish clear policy on government procurement of green products; *Provide incentives;* Promote flexible labor market policies and support worker skills training programs (OECD, 2011) and assessing Ecopreneurship in the Developing Economy:

Schumpeterian Theory provides the theoretical basis for environmental entrepreneurship. According to Schumpter (1942), entrepreneurs are the innovators and as society's needs evolve the entrepreneur provides the innovation or "creative destruction" that gives society a new way of addressing problems. He argued that "environmental problems are inherently calling for ' innovation, as most of them are caused by the outdated applications of old, polluting and inefficient technology". Given that the current solutions to our environmental problems are ; inadequate for sustainability, there is need for entrepreneurial action to develop something new, whether it is a production method, technological development, product/service distribution system, or even a new organizational form

Empirical review

According to Cohen and Winn (2007), in the study 'Ecopreneurship and Performance on agrobusiness', the study which survey 332 sample of respondents in Holland through an ministered questionnaire and interview schedules found out that ecopreneurs have the potential to resolve our environmental problems and to gradually improve the earth's |system. The paper began by reviewing the major environmental challenges facing the's ecosystems and the need for entrepreneurial action to deal with the challenges. It recommends that the only way out of poor business performance is by considering eco-novation, eco-commitment. McEwen (2013), conducted a study on ''Ecopreneurship as a solution to environmental problems: Implications for college level entrepreneurship education' and explain that given : the present environmental problems facing the world, it is clear that past strategies used to f address these challenges have failed to prevent environmental degradation. He further explained that therefore time to pay attention to the role that entrepreneurs can play in solving ; our environmental problems. The paper which uses exploratory design focuses on how to i harness the innovative potential of environmentally conscious entrepreneurs,

called eneurs, to encourage more startups that would create the environmental technologies (needed to address our environmental problems. It recommends that the role of : entrepreneurship education in promoting ecopreneurial behavior and presented an outline for possible ecopreneurship course that could be integrated into college-level entrepreneurship education.

(2014), studied the Impact of Innovation and Managing Technology based business Entrepreneurs and explained that both technological innovation and entrepreneurship ices mainly two areas: the organization, development, and commercialization of logy-based innovation in existing firms; and the formation, development, and growth technology-based new enterprises. Technology and innovation businesses also cover a fc range of industries. The paper is a qualitative paper and its study is based on the diary data collected from different sources and it highlights problems faced by the entrepreneurs globally regarding businesses to stimulate technological innovation and heighten the role of small business in meeting research and development needs and increase participation in this role. The study recommends that businesses may focus on levities such as researching and developing new products or providing innovative solutions natural ingredients with green technology, produce approved chemical which do not harm or pollute the environment, caused no environmental hazards and do not posed dangers to the environment. The study shows that green marketing is crucial in preventing eco-harm H & D environmental degradation. The study made some applicable recommendations for business enterprises to produce ecological products which must not only pollute the environment but should protect it, sustain the environment and even liquidate existing environmental damages.

4. Methodology: Sample size determination

Model specification, the general formula for the Regression Analysis is:

$Y= a + \beta X + e$.

where;

Y = Dependent Variable

X= Independent Variable

a = constant

β = coefficient of X

e = error margin

The model to be estimated is functionally stated as

CMA = f(EPR)

This can be stated in econometric form as

CMA=a+BEPR+e

Where,

CMA= competitive advantage,

EPR=ecopreneurial practice of the agroallied small businesses

This is the interaction effect of ecopreneurial practice on the competitive ad-

vantage of agroallied small businesses in Nigeria

5. Results and discussions

Model summary

Model	R	R square	Adjusted R square	Standard error of estimate
1	0.918a	0.891	0.823	30.46883

A Predictors Constant), ecopreneurial practices

ANOVAb

Model	Sum of square	DF	Mean square	F	Sig
Regression	20670.151	1	20670.151	21.265	0.002a
Residual	2785.049	339	928.350		
Total	24655.200	340			

a Predictors□constant), Ecopreneurial practices

b Dependent variable: ompetitive advantage

Table: Coefficients

	Unstandardised coefficient		Standardised coefficient		
model	B	STD Error	Beta	T	Sig
Constant	116.031	47.649		2.215	0.00.00803
EP	1.964	0.416	0.939	4.619	

a. Dependent variable: Competitive Advantage

The F value at 21.265 is higher than the critical f value of 1.698, leading to acceptance of alternatve hypothesis that 'Ecopreneurial practices would have positive influence on the competitive advantage of agro-allied businesses in Nigeria' .This value is significant at 0.002 less than 0.05. The R square at 0.891 indicates that ecopreneurial practices accounted for 89.1% increase in the competitive advantages. In line with the data analysis, the following are the major summary of findings: Ecopreneurial practices have influence on the competitive advantage of agro-allied businesses in north central Nigeria

The finding from the tested hypothesis revealed that ecopreneurial practices influence the competitive advantage of agro-allied businesses in Nigeria. the implication of this is that ecopreneurial activities and practices have a positive influence on competitive advantage of agro- allied businesses in Nigeria. This is in line with the study of Oskamp (2000), and Jones and Misky(2007, supported by

Hamas (2010)which showed that if a firm partake in ecopractices it has a full control of its costs handling and sales revenue which have competitive edge in a keen environment. The findings also gave nod to the work of hunold, Roller and Stahl(2012)wro explained the longrun business effectiveness of ecopreneurial activities.

Conversely, gbadeyan and Omolekan(2015)queried the impact of ecopreneurial practices on competitive advantage of a Firm performance and explained that it is not a feasible strategy useful in a volatile competitive environment. The result also negates the outcome of the finding of McEwen(2013)who elucidated on the pitfalls of ecopractices on business arguing that many people never attached relevance to ecopreneurship.

6. Conclusion and recommendation

The focus of this study was to harness the effect of ecoprenuership practices on innovative performance of the selected agro-allied firms in Nigeria mainly to take the advantage of the entrepreneurial opportunities within the environmental degradation and to explain the role of eco-practices in environmental sustainability. Based on our review of the literature, most researchers agree that environmental problems do present entrepreneurial opportunities. Despite the changes in legislation and regulations to protect the environment, Nigeria and various other countries are still facing many environmental problems of climate change, population growth, overflowing landfills, water scarcity, fuel shortages, and water and air pollution. If we are to solve these problems, ecopreneurship is a major part of the answer.

Theoretically, the existence of any one or more of the activities described in this work can trigger change and promote ecopreneurship. However, whether such change can be sustained over longer periods of time will depend on the support gained from key forces most especially the government and society at large. In the case of Nigeria, we find five activities strong enough to bring about the independent and dependable and their proxies, the theoretical framework and eventually the empirical review of relevant journals, all in chapter two, while chapter three, discussed the process of collecting, analyzing and interpreting observation under study. It also explained the various methods of data collection that the used and as well explain the sampling procedures that was employed. Validity and reliability of the research instruments was also captured in this chapter. Chapter four, focused on presentation, analysis and test of validity underlying relevancy substituting among a set of variables using tables, simple averages and statistical method highlighted in chapter three. The analysis is basic on the responses obtained from administered questionnaire distributed to selected agro-allied firms in Northern Nigeria. Tables are used to present the variable followed by brief analysis of the results and linear regression and z-test were employed in testing all the hypotheses change—namely, the green products, cre-

ativity and environmental innovation, ecopreneurial practices and to a lesser extent, the ecosystem 'control and environmental sustainability. However, as of now, the competitive and economic advantages of going green are not very strong and hence it may take some time for geological values to express themselves in the agricultural business arena. At the grass-roots level, where economic stakes are not very high, expression of such values seem to be less inhibited - a situation that also applies to the upper end of agricultural sector and industry, where large industrial houses and multinationals have to meet international standards to remain competitive. For the bulk of Nigeria's small and medium-sized agro-allied firms, however, it is business as usual.

After a critical consideration of the finding and discussions so far, the following Recommendations were offered: The Nigeria government could do much to strengthen external forces, especially with respect to establishing national standards for the quality of environment and the implementation of these regulations. It could also take more proactive measures through the state-level cleaner production centres. This will encourage the ecopreneurs to develop more environmentally friendly goods and as well enhance their level of involvement in green product.

Ecopreneurs, government and society at large could tap into international standard in order to support the phasing-out of products and processes that are known to contribute to global warming and ozone depletion. They could also strengthen the consumer movement in the country. Since environmental sustainability promote business growth, it is recommended that agro-allied business needs to build more on their sustainability concerns as it affect agricultural goods

During the next decade, the agro allied business in Nigeria will most certainly be marked by further disaggregation and reaggregation due to the described shifts in the sector's value chain. In order to keep their status quo, agro-allied business must consider continued invention, innovation and creativity as the most viable method to get instant access to industry- or operations-specific knowledge and keep abreast with the pace of technological change. Non-innovative in nature may provide benefits to such firms only in the short term. Therefore, in the long-term an articulated developed ecological friendly innovation will control rival and give firms a sustainable and non-imitable competitive advantage. Ecopractices must not just be a back runner in agro-allied organizations anymore. It is the critical aspect of organizational turnaround and must be given its rightful place during policy making and through this process

thatecopreneurs can enjoy the long-run benefits without undue pressures and inconsistencies in Nigerian. Agro firms must therefore engage their managerial team, through training and development to know, understand, and apply, the principles of ecopreneurship practices and ecological management in their daily decision making, especially as it concerns agro-allied operations.

In the final analysis, it is the education of producers, consumers and regulators that will pave the way for a major transformation of agricultural industry. This will stimulate the ecopreneurs to develop more ecoprenerial practices that would not only give them competitive advantage but will also go a long way in developing the sector.

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Governance in Nigeria: Its Attendant Conflicts, Terrorism And Insecurity

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Abstract
The paper examined Governance in Nigeria, its attendant conflicts, terrorism and insecurity. The paper sets objectives to be pursued in the discourse as to examine the concept of governance; the origin of conflicts in Nigerian governance as well as issues of terrorism and security in the Nigeria nation. In pursuit of the above, the paper examined various issues in the nation's history and expressed disappointment in the Nigeria governance, noting that Nigeria has not toed the fertile ground for stability, unity and security of the country having traced the background to conflicts and terrorism in Nigeria.

The study reveals the various possible causes of conflicts and terrorism in the Nigeria political system which has resulted in the threat to security of the nation since independence. The issue of ethnic supremacy was fingered along other issues responsible for conflicts and terrorism following a carryover from the governance of Uthman Dan Fodio which started in 1804 to conquer Nigeria from the North to the sea in the South. The pursuit of that governance by those wishing to actualize the aspiration was found to have inexorably brought about security invasion in the country. It is the opinion of the paper that anyone or group pursuing the hidden agenda to "Conquer…" the country by destroying the life of others must be anathematized for it.

The paper concluded and recommended that all forms of discrimination among Nigerian citizens should be eliminated in order to create room for national development; no one ethnic group should see itself as being superior to others in the same country; governance must work for the survival, unity, stability, peace and security of the country, among others.

Keywords: *Governance, terrorism, conflicts, security, political system, government and citizen*.

Introduction

Between 1967 -1970, Nigeria was in the throes of a bitter civil war in the premise that Nigeria may be one. That was the symbol of the war which eventually came to an end in 1970 and was declared a "No Victor, No Vanquished" by those who prosecuted the war.

Those who were in the fore-front of the negotiation for a cease fire then to end the war, advocated for a "United Nigeria that will ensure all forms of security to all citizens" (Cervenka, 1977: 105).

It is no gain saying the fact that Nigeria since independence has really not walked on a fertile ground for peace, unity and security. This arises from the various agitations for control of power of the nation as a result of misplaced priority. In that vein, so many things happened leading to the crises of 1966 which eventually culminated into civil strife, and then of course, the unavoidable war which claimed millions of lives with property destroyed. All the crises was based on the struggle for power which also has a base on the unhealthy amalgamation of the North and South into an entity called Nigeria by the ill-famous administration of Lord Fredrick Lugard in 1914.

The history of the Nigeria political system had been very turbulent leading to several crises in the nation. For instance, the crises the nation experienced in 1966-1970 arose from the 1964-1965 election riots in various sections of the country.

According to the narrations of Tonwe (1995: 383) and (Orobator, 1996: 17), politics during the First Republic was very turbulent. The Western Region during the period was particularly very volatile because the interested parties tried to take advantage of the situation to install their political interests.

Nigeria conducted a federal election full of heavy malpractices with the attempt to place the Northern based Nigerian National Alliance (NNA) party in power in 1964. Then the Western Region elections of 1965 spiraled along the line of the 1964 election placing the West Regional based Nigerian National Democratic Party (NNDP) a junior partner in the NNA alliance as the winner, even though there was a protest from the Southern based United People's Ground Alliance (UPGA) which was a merger of the National Council of Nigeria Citizens (NCNC) and the Action Group (AG). These elections were embroiled with widespread bloody communal riots resulting in the death of several innocent citizens while the Federal Government appeared incapable to quell the crises (Orobator, 1996).

This paper lock into governance in Nigeria: its attendant conflicts, terrorism and security. In pursuit of the above, the objectives of the research are as follows:

1. To define governance,

2. To examine the origin of conflict in Nigeria governance, and
3. To analyse issues of terrorism and security in Nigeria governance.

The Concept of Governance:

Governance according to Webster Dictionary (2001) is the exercise of authority, the giving of a direction and control. Governance is that aspect of politics which aims to formulate and manage the rules of political arena in which state and civil society actors operate and interact to make authoritative decision (Hyden, 1999). In the views of Dozie (1999) governance relates to the totality of the process entailed in the exercise and management of the collective will of a people or group as embodied in the visible organs or constitution of a state.

Oarhe and Aghemelo (2003:379) agreed with Hyden (1999) that governance is synonymous with good government. Erhomosele and Obadare (1996) pepped that the salient trapping of good governance include accountability, predictability, organizational effectiveness and competition.

Good governance, Oarhe and Aghemelo have argued, must guarantee socio-political stability, as well as economic growth of the nation and the well being of the individual citizens.

A good government must not only sustain the stability of the nation, but also the security of her citizens.

Conflicts in Nigeria Governance:

Conflict is the pursuit of incompatible interests and goals by different groups (Francis, 2009). Armed conflict is the resort to the use of force and armed violence in the pursuit of incompatible and particular interests and goals. The worst forms of armed conflict include mass murder and genocide against unarmed civilians (Francis, 2009).

As stated earlier, major conflicts in Nigeria has origin in political struggle to control power through elections. Nigeria is a volatile mix of insecurity, instability, corrupt political institution, poverty and ethnic supremacy. Corrupt political institution and poverty are fertile grounds for conflict and terrorism to thrive.

Governance and Political Conflicts in Nigeria: The Origin

On October 1, 1960 Nigeria gained her independence from the British government. The nationalists in nascent state decided to try their hands in politics to run the country. There were three (3) regional based political parties for the control of the society. The three parties were the National Council of Nigeria and Cameroon (NCNC) headed by Dr. Nnamdi Azikiwe of the Easter region. In the Northern region was the Northern People's Congress (NPC) led by Sir Ahmadu Bello, the Sarduana of Sokoto himself while in the Western region

was the Action Group (AG) led by Chief Obafemi Awolowo.

All the political parties as they were had their political philosophies reflecting their regional beliefs and interests/culture which became a barrier to break through the cultural and geographical boundaries with a view to embracing national feelings, interests and patriotism (Otoghagua, 2007: 49). Sir Ahmadu Bello was protecting the interest and culture of the Northern people. Chief Obafemi Awolowo on the other hand was also defending the Yoruba's interest, the same with Dr. Nnamdi Azikiwe of the Eastern region. Although these parties existed, it was only in form based on their regional philosophies without national interest. Sir Ahmadu Bello who was holding on the political power in the North was an ardent follower and a patriot defender of Utman Danfodio's religious philosophy and Sir Abubakar Tafawa Balewa who also maintained the same faith and belief. These two political gurus in the North were much willing to follow and achieve the philosophy of their master (Utman Danfodio) started in 1804 "to conquer Nigeria from North down to the sea" (Otoghagua, 2007:50) (meaning the South in this respect). Expectedly this type policy and philosophy would certainly incense the minds of the Southerners as a whole. This is the background to all the inflammatory statements heard during politics in Nigeria.

All the inflammatory utterances made by political party members were born out of accumulation from the previous mistrust and resentments from both parties: the NPC and NCNC, build up against each other, especially with readiness of the Nationalists from the Eastern and Western regions demanding for independence from the British government. Under the circumstance, no inflammatory statements were more threatening from both sides of the NPC and NCNC political parties than a statement credited to the organizing secretary of NPC, Malam Yufus Dantfoso, on 20th June, 1960, that "although the NPC and NCNC were running the Federal Government, the NPC does not regard the NCNC as a reliable partner". In this vein he called on the NPC supporters "to prepare for any eventuality" (Otoghagua, 2007: 50).

The above lend credence to the submission that such inflammatory remarks were a carry-over from the spirit of mistrusts and resentments the NPC as a party held against the NCNC party led by Dr. Nnamdi Azikiwe, especially for the roles the Nationalists from Eastern region played which he was a part in the agitation for the British to grant the request for independence to Nigeria even though it was made clear by the North that they were not ready for it.

In view of the above, the partnership entered into between the NPC and NCNC to form government was woven in circumstances of mutual mistrust and resentment between the members of the parties in the coalition government coupled with the "hostility created by the unfavourable socio-political imbalance in the post independence Nigeria."

This was the position, a situation where the three parties of the NPC and NCNC in coalition government with Action Group in the opposition, were on each other's throat until the collapse of the first republic in 1966 (Otoghagua, 2007:51) and the eventual" war which started in July 1967 and ended on January 1, 1970.

The rest of the republics were not left out of the political skirmishes and conflicts as it were.

For instance, the second republic experienced political violence. According to a report, "in the second republic, politics turned physical, not intellectual, warfare or other means. Political violence was on the increase. There were clashes upon clashes. The NPN against the UPN, NPN against the NPP, and NPN against the GNPP, the NPN being the only recurring decimal in these political battles" (Dele, 1985).

Whereas in the 1979 constitution, section 207 provides inter alia:

> *"No association shall retain, organize, train or equip any person or group of persons for the purpose of enabling them to be employed for the use of display of physical force or coercion in promoting any political objective or interest or in such manner as to arouse reasonable apprehension that they are organized or trained or equipped for that purpose".*

Each party contravened this aspect of the constitution, 1979, as entrenched. For example, each of the parties was having home-groomed army of criminals and thugs being paid by them. These were fully armed and deployed against opponents. There were about four of such armed groups by the parties, namely: Shagari Movement, Okpara Brigade, Jim's Vanguard and Ikemba Front. In the West, there were acts of thuggery and the destruction of lives and property at different locations became the hobby of the youths. In 1965, this was exactly the case. There is no gain saying the fact that the fire of violence was not only carried out in the ancient Oyo but also in Ondo. In the same vein, Akure "was on fire", Owo was not left out as the spark of the crisis which pervaded towns and villages as well.

There were reports of party members of NPN and UPN being burnt to death, houses set ablase. Such dastard acts were carried out by thugs of the prevailing parties, NPN and UPN in the above mentioned places. Beside Oyo, Ondo, Kaduna, Niger was also engulfed in the violence. By the time the Federal Government tried to step up action to curb the situation by banning public gathering as well political meetings and processions in states where violence was most prevalent, great damage had already been done.

Having traced the origin of conflict in Nigeria governance, we shall now

proceed to the discourse of terrorism in governance.

Terrorism in Governance

The definition of the term "terrorism" has never been an easy one. It has been as thorny as there have been several attempts to define the word. Till date, there has not been an accepted definition. An attempt to define the term has always met with stiff disagreement as the term was seen in different perspective in the academic circle. Argument about the definition is still raging (Alika and Oviasuyi, 2016). It is perhaps due to the subjective nature the word "terrorism" has been defined, that it became difficult to have a universally accepted meaning of terrorism. As Imobighe (2006) put it:

> *"The word has been treated to various interpretations of the term, so much so, that there is an apparent confusion as to what really constitute terrorism".*

Terrorism as it is, is an act that need to be prevented and that was the reason in 1937 the international community came forth with a convention to prevent and punish acts of terrorism as a crime against humans. With the convention, terrorism was seen as "all criminal acts directed against the state, intended or calculated to create a state of terror in the minds of a particular person or group of persons, or the general public". In defining terrorism proper, the 1937 convention added in its definition of terrorism as "all acts as well as attempts that cause death or bodily harm to heads of state or government, their spouses and other public figures, that cause damage to public property; that endanger the lives of the public; and the deal with arms and ammunition for the commission of any of these offense in any state" (Imobighe, 2006).

Terrorism therefore is an act perpetrated in the sense of imbalance, directed against the individual person or group of persons in a particular area of a country, or their interest, with a view to causing pains, fear or bodily harm and create panic in the minds of the public, in order to coerce the target to submit to the dictates of the terrorists.

This is what terrorists do to achieve their wish or demand whether at the local, national or international level.

Coming down home in Nigeria, the use of terrorism within the last decade is frightening. The method of carrying out an act of terrorism everywhere is the same. The intention is the same, to achieve a purpose.

In a constitutional democracy such as ours, if we have it, everyone knows that major decisions are made by one-person-one vote under due process. Winners and losers could come from all over the place under designed checks and balances. In a functional democracy, fair-vote losers do not feel like losers and are never likely to lose tempers out of pique at losing as often experienced in Nigeria body politic.

It is expected that maturity and democracy, not conflict or terrorism, are the reason democracy is often chosen as decision-making of best resort for all people as well as for the people in any nation. But Africa-Nigeria is different. Why? In governance, what should occupy the minds of those in the herm of affairs is to focus on the things to do for the people in order to make the people great and happy and not what should divide and kill us.

Sometimes people might think that those in poverty might feel propelled into terrorism but that is not true. Terrorism is sponsored by the affluent in the society not necessarily by those in poverty. Well, it is not yet known what poverty might mean to some people so as to equate it with terrorism. it is possible poverty ridden minds might be used to carry out an act of terrorism, otherwise they do not have the means and resources to do so without sponsorship as in the case of Nigeria.

It is the argument of this paper that what is propelling terrorism in governance in Nigeria of today is nothing but power imbalance. Power is not balanced in Nigeria as it were, but terrorism does not appear to be coming from those in disadvantaged position in the issue of power balancing. Rather it is coming from those in hegemonious position. And it is the hand of Esau (Britain) in the unfair creation of Nigeria. Great Britain created the hegemony we are seeing in the Nigeria of today. Since independence of this country, Britain's attitude toward or in the affairs of Nigeria has been very inimical. It was Britain under Prime Minister Harold Wilson, that fuelled the Nigeria Civil War that ravaged the country between 1966 – 1970.

As it is reported in Cervenka (1977: 97), Britain supplied the most decisive war weapons valued at £10 million while the war raged with the intention to wipe out a segment of the country. Great Britain is the hand of "Esau" over Nigeria. They refused to put a stop to the war rather they encouraged it.

Let that be said. In the present day Nigeria, we now have the National Assembly comprised of the House of Representatives and the Senate which have the power to decide or preside over issues affecting Nigeria but they appear to be mute over important issues and so Nigeria is boiling with terrorists activities all over. Instead of acting up, they are lining millions and billions of Nairases in their pocket at the detriment of the nation.

This might be the reason for the call for "restructuring" though a thorning issue in Nigeria governance. And that might be the only way out for the country to laugh and not to cry.

One important issue as noted in Alika (2018: 167) is the issue of ethnic supremacy which is strongly responsible for terrorism and the mass killing of innocent and unarmed citizens in the country, a situation where certain ethnic group claimed supremacy over others in the same country. Terrorism in Nigeria

as of today, has a semblance of what happened in Europe between 1791 – 1794 usually referred to as "Reign of Terror" during the French Revolution. Jacobin was behind the mass killing of people when he was running the state. The terrorists acts carried out against the citizens was state sponsored. Since Jacobin runs the state, those responsible for the massive killing were never referred to as "terrorists". (Alika, 2004: 23).

Terrorists acts in the present day Nigeria has similarity with the French Revolution of 1791 – 1794 where the state sponsored terrorism waged against the citizens. Those who sponsored acts of terrorism never regard or call it terrorist activities and hence the state by implication, the Federal Government of Nigeria under President (Gen) Mohammadu Buhari (Rtd), refusal to declare Boko Haram and the Herdsmen killers waging acts of terrorism against Nigerian citizens as "terrorist group" though the state had been severally called upon to declare the group "a terrorist group" in the country.

Having placed on record the possible causes of terrorism in Nigeria governance almost a decade ago, the next thing is to shift the discourse to security in governance.

Security in Nigeria Governance

Security is the state of being secure; especially, freedom from danger, risk, care, or apprehension, etc (Webster, 2010). By this definition, we shall proceed to discuss security in Nigeria governance.

Every individual of the Nigerian society is expected to be safe, free from danger of any sort and no life is to be put into risk unnecessarily by any other. The safeguard for life and property in any given nation, is the ability to provide security – through good governance. Good governance guarantee security for all within the nation. Security bothers on care and the alleviation of suffering.

Sometimes security may be seen as a collective responsibility but it is mostly entrusted and thus concentrated in the hands of those elected into governance. Good governance and security go together.

For decades, sustainable peace and security had continued to be elusive in Nigeria governance. Nigeria has experienced civil war; it has severally passed through turbulence of political crises more than any other incidence all because of failed governance or lack of good governance.

Under failed governance anything goes; arms are freely acquired illegally without recourse to law. The proliferation of arms threatens security especially where a segment of the society has the privilege to carry arms while others are precluded to own one. Under the scenario the security of those not privileged to own arms will most certainly be at risk. If government felt the need to grant the privilege to own arms, it should be granted to the whole and not just only a part.

There is no segment of the nation that does not require security. All citizens in the country need protection, of course, they are hungry for security, they are thirsting for security, therefore they should not be starved of this need.

In the face of insecurity confronting the entire nation, security for all should be made paramount in governance of the country. If it is legal for a section of the country to carry arms, it should be legal too for the rest to do so.

As it is there is a great threat to security in Nigeria. This is observable all over. There is need to eliminate whatever is leading to threat to life by governance. Almost all the constitutions in the world guaranteed right to life, The Bible and the Quran also guaranteed same and respected the sanctity of life. For instance, the Bible says. "Thou shall not kill" (Exodus 20:13); the Quran says. "[Do not] kill (or destroy) yourselves, for verily God hath been to you most merciful if any do that in rancor and injustice, soon shall We cast them into fire…" (Surah IV: 29 – 30).

In the views of Mohammed Abed al-Jabiri and Mohammed Mahmoud El-Imam (1995: 67). "Life is a gift from God to man. It is his right and he is obliged to safeguard its physical and spiritual components. No one is to violate a person's life, either physically or spiritually".

In keeping with the above, Nigeria government must do everything within its power to put a stop to the threat to security of the nation and the individual citizens.

At this point, it is germane to state that a true adherent of Islam does not kill because he tenaciously believe in the Quran injunction. "Do not kill or destroy yourselves" (IV:29). It is also true that he believes in the freedom of belief as it is written:

> *"Let there be no compulsion in religion; truth stands out from error…" (Surah II:256).*

The Holy Quran also stressed that if it were the will of the Lord, all would have believed in the same religion and it states thus:

> *"If it had been thy Lord's will, they would have believed, all who are on earth. Will thou then compel mankind, against their will to believe?" (Surah X:99).*

Mohammed and Mohammed (1995: 68) concluded that "God would have forced them to believe, but as it is He left it a matter of choice".

At this juncture, it would appear inappropriate to compel or force anybody to convert to Islam or become a Muslim. To do so would strongly be against the spirit and practice of Islam as stated above.

If members of the National Assembly made up of men and women who are strong adherent of the Bible and Quran, are sincere to serve their country Nigeria, they ought to be able to advocate or do something understood to be fair

and effective for everyone; something potential to the saving of life and property in the nation. It is yet to be understood, of course, illogical, how we can talk about security without war being outlawed reliably and politics pledged to eliminate everything capable of causing war. As it is today, war drum beat is sounding to the ears of all Nigerians while the Senators and Representatives appear to play the lamedock without doing something to arrest the situation, except those few who are really concerned about Nigeria as their only country and no other.

It is the opinion of this paper that the only way to ensure peace and security without conflicts in Nigerian governance is to have a Federal Government that is responsive to the security need of all citizens. That not being done, security may likely be elusive and evasive.

It is pertinent to ask why National Assembly of this country cannot debate how to restructure politics capable of abolishing certain situations, beliefs and attitudes that threaten all of us equally in this nation? Then let us study, communicate and debate outlawing war squabbles and deal successfully with its causes. Governance must consider this is an era where security must be taken as an imperative and everyone knows the importance of security and how devastating war is. One thing we must realize is that when there is outbreak of war in modern day Nigeria, no one and no place would be spared. So something must be done by those in governance.

Conclusion

Ethnic cleasing or mopping as noticed in the country is embedded in the bad blood and mutual mistrust arising from the past events in the nation. The mistakes of the past should not be allowed to take root as to lead to the disintegration of the nation. Any one or group, therefore in the pursuit of a hidden agenda to "conquer…" others in the same country where the right to life is constitutionally guaranteed as enshrined and also in the Holy Bible and the Holy Quran, must be anathematized for it.

The constitutions of the Federal Republic of Nigeria, 1979 and 1999, particularly section 41(1) and chapter IV, section 42(1) guaranteed the right to life and the freedom to reside in any part of choice within the country, without discrimination. The constitution placed Nigeria as a secular state not to be ruled by a particular religion in the spirit of oneness.

What is experienced in the present day Nigeria is a reversion; a situation where citizens from other states of the federation have been discriminated against as expatriates, killed or maimed, property own destroyed at one point or the other in a country presumed to be one entity. This is also at variance with the spirit to "keep Nigeria one", a reoccurring voice during the civil war. Nigeria can be one if all acts of terrorism and discrimination are eliminated in

governance by all means and at all events.

As has been pointed out, terrorism in Nigeria has a semblance of t he 1791 – 1794 "Reign of Terror" in Europe in which Jacobin was in the hem of affairs of running the state. He was behind the mass killings of citizens during the French Revolution. Jacobin sponsored state terrorism against the citizens. The same is assumed in Nigeria of today where much innocent souls have been killed and property destroyed. There is no doubt that the dastard acts of killings in the country is state sponsored. Otherwise how do we explain the government silence over the years against terrorists activities in the country? What has also come to play in the incessant killings of the other citizens of the country is supremacy in race where certain group believed they are superior to others.

Ethnic supremacy is fingered in the acts of terrorism waged against other Nigerian citizens. While the phenomenon lasts, the Federal Government has continued to maintain silence over the killings going on in Nigeria. It is noteworthy that this is being done even at the hills of the call to the Federal Government to declare the killers in Nigeria as "terrorist group". The Federal Government has done nothing to put an end to the uncivilized killings on daily basis.

The silence and the refusal of the Federal Government to declare the killers in the country a "terrorist group" has lend credence to the fact that the whole exercise of terrorist activities in the country appears to mean that it is state sponsored. The irk of the incessant killings witnessed here and there in the country daily, has been responsible for the people calling for restructuring of the country perhaps to the old regional base as an option.

It is pertinent to state that if the current wave of conflicts and acts of terrorism threatening security in the nation continued, perhaps there is one option left, that is, the consequence of disintegration of the central government and the nation as a whole. It is a known fact generally that the existence of Nigeria as a State has been threatened vehemently and in the process Nigeria is fast becoming a failed State following poor governance. The imperative of the survival of Nigeria lies in good governance and leadership and as such should be pursued vigorously by those in the Nigeria governance.

International Law or the Law of Nations generally recognizes the sovereignty of a State. Sovereignty of a State is respected to the extent that no one State is permitted to intervene in the internal or domestic affairs of another State (Umozurike, 1995: 41). The idea of non-intervention in the internal affairs of a State was a proclamation of the USA during its independence war. This doctrine has since been reflected in the UN Charter. Article 2(7) of the UN Charter indeed for bids intervention in the domestic affairs of a State unless authorized by the UN Security Council. This is fair enough. The question is: should the enforcement or observance of this doctrine be done blindly as to

ignore a situation where it is observed that crime against humanity has been committed?

Regardless of the enforcement of this doctrine of non-intervention in domestic affairs of a State and because there are behaviours that are not in conformity to this rule or doctrine, especially acts of terrorism or genocide waged innocent citizens sponsored by the State, there has to be room for prompt intervention where such cases are reported. This is why serious recognition is accorded terrorism and genocide as evil to be rejected and discouraged by the big Powers. Following the rejection of genocide or acts of terrorism, that is why the rights to intervene in the internal or domestic affairs of a State where necessary is important in order to save lives and property from wanton destruction.

In this respect, though Article 2(7) of the UN Charter forbids intervention in the domestic affairs of States, the UN severally witnessed interventions by the big Powers in some States. (Umozurike, 1995: 41) till date where it is appropriate to do so.

In the case of Nigeria, acts of terrorism had been waged against innocent citizens. Genocide had been committed usually regarded in international law as crime against humanity yet no intervention by the big Powers to put an end to it in keeping with the international law. This is why wanton destruction of lives and property has continued in Nigeria. The non-intervention by the big Powers in the Nigeria case is not helping matters because it has created more opportunity for the genocide being committee so far to continue unabated.

In view of the above, the international community is called upon to see genocide committed in Nigeria as a crime against humanity and thus intervene.

Recommendations

In view of the foregoing, the following recommendations are made:

1) All forms of discrimination among Nigerian citizens should be eliminated in order to create room for development of the nation.
2) No one ethnic group should see itself as being superior to others in the same country.
3) Politics of bitterness should be avoided in Nigeria governance.
4) There should be sincerity of purpose in the heats of those in governance of the Nigerian nation.
5) Governance must work for the survival, unity, stability, peace and security of the country.
6) All forms of threats to security of Nigeria should be eliminated in governance.
7. The imperative of the survival of Nigerian nation should be pursued vigorously by those in governance.

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Ecosystem control and capacity utilization of the selected Agro-allied businesses in Nigeria

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Abstract

This study assessed the effect of ecosystem control on the capacity utilization of the selected agro-allied businesses in Nigeria. The researcher adopted survey design. Data were collected by structured questionnaire in Five Point Likert Scale format. The source of data was through primary source. The target population of the study comprised of owners/managers of all agro-allied businesses in North-central, Nigeria. Sample size was derived from the population with the application of Taro Yemane's formula for finite population while Bowley's proportional allocation method was adopted to determine the allocation of questionnaire to each organization. A Cronbach Alpha method was used to determine the reliability of questionnaire. The hypothesis was formulated and tested using Ordinary Least Square Regression and Z-test at .05 level of significance. The findings revealed that ecosystem control have positive effect on the capacity utilization of agro-allied businesses in north central Nigeria. The study concluded that despite the changes in legislation and regulations to protect the environment, Nigeria and various other countries are still facing many environmental problems of climate change, population growth, overflowing landfills, water scarcity, fuel shortages, and water and air pollution. The study recommended that the Nigeria government should strengthen external forces, especially with respect to establishing national standards for the quality of environment and the implementation of these regulations; and that ecopreneurs, government and society at large should tap international standard in order to support the phasing-out of products and processes that are known to contribute to global warming and ozone depletion.

Keywords: ecosystem control, capacity utilization, agro-allied businesses , agro-allied business

Introduction

Environmental degradation is perhaps the most prominent global issue of the 21st century. Academics, policymakers, non-governmental agencies and governments are all concerned about the increasing levels of land degradation, soil erosion, deforestation, and industrial toxins (Volery, 2012). For a company to have a positive environmental influence it must make a real and substantial contribution to environmental progress. A real improvement can be created only if the production processes, products and services are environmentally superior. A substantial contribution requires that the company exert significant market influence by gaining a large market share or by influencing competitors and other market actors (such as suppliers) to 1 adopt superior environmental solutions. (Ecopreneurs run companies that fulfill both requirement Ideally, ecopreneurship pulls the whole market towards more environmental progress. Ecopreneurs strive for business success through environmental solutions for the mass market. To measure how well a company has •done, the dimensions of ecopreneurship can be further subdivided. The priority of ^environmental goal range from low priority (environmental protection is regarded as a v trustee duty), to medium priority (environmental issues are seen as supplemental to ^conventional business issues) and high priority (environmental issues are regarded as an integral part of core business activities). The market effect of the company and its businesses can be small (i.e. the alternative scene), medium (i.e. the successful occupation of an eco- ipiche) or large (i.e. through a strong influence on the mass market).

Much of the work that has been done to date on ecosystem control and capacity utilization has largely taken the form of anecdotal reports and case study analysis. Large sample studies are needed to demonstrate how ecopreneurship may or may not enhance the innovative ability land performance of organizations. The present study aims to bridge the gap by examining the ^implications of ecopreneurship activities in sustaining innovative performance in a sample of ;selected agro-allied businesses in Nigeria.

‘The business activities of agro-allied businesses in Nigeria are not without some inhibiting problems emanating from their various environmental factors such as land degradation, soil (erosion, deforestation, industrial toxins, ozone depletion, climate change, nuclear radiation, | and the destruction of biodiversity. Today, these problems are posing serious challenges to their operational capabilities, survival and "performances. A cursory analysis of some of these problems prompted the crucial need for embarking on this proposed study. The environment factors in the agro-allied industry' in Nigeria tend to be harsh on indigenous firms and their operational activities nowadays. This has brought such consequences as low productivity, increasing risks, low profitability, and tensed

competition, heavy investment on equipment, increased operational cost and high rate of business failures with many other threats.

In Nigeria, many local agric-businesses and small and medium scale enterprises have failed to fully imbibe the spirit of ecopreneurship in order to shun out those products that will be environmentally friendly and socially responsible. Only multinational enterprises have put this issue into concern in their want satisfying operations. Most agriculture related organizations complaint on lack of realistic estimates on how to successfully implement eco Market systems particularly in the area of agricultural related business have adversely affected the environment by failing to deal with negative environmental externalities and undervaluing natural resources, leading to their over-exploitation and depletion. Governments have sought to deal with the problem through a mix of command-and-control and market- based instruments, with limited success. One of the most potent alternatives for dealing with such market failures is ecopreneurship, which refers to a process by which entrepreneurs introduce eco-friendly (or relatively eco-friendlier) products and process into the market place. t is in the light of these problems that this work seeks to examine ecosystem control as a determinant of capacity utilization of agric-allied businesses in Nigeria. The following research questions guided the study: What effect would ecosystem control have on the capacity utilization of agro-allied businesses in Nigeria?

1. Conceptual Framework

Human activities which can also be referred to as marketing activities are inter-related. This is because any activity of man is done on the environment and the resultant effect is either if positive or negative to man. Human activities are diverse. The negative effects of man arise from economic and domestic activities. For instance, agriculture requires pesticides that pollute the atmosphere and enter drainage system via run off and sewers. Other activities which lead to pollution include thermal power stations, burning of fossil fuels, exhaust fumes. All this emit harmful pollutants like sulphur dioxide, carbon fe monoxide, etc, that cause acid rain, global warming, and the malfunctioning of the human 'haemo-globin, etc. Human activities capable of causing| environmental nuisance and the degradation was categorized as: Destructive logging of the forests; Over grazing and over-cropping of arable lands. All these human activities have combined deplete the ear - resources, degrade the environment and cause loss of biodiversity. The environment in which these human activities take place is the outer physical and biological systems in which man and the outer organisms live. Although complicated, there are many interacting components. The environment is the complex of physical, chemical and biotic factors that act upon organisms or an ecological community : and ultimately determines its form and survival. The environment was categorized into air, water, noise, biological, cultural and socio-economic environment. These views are all embracing. However, in a physi-

cal sense, The physical environment is made of air, water and land. From all indications, human activities I impinge on the environment, which is noted earlier, may have either positive or negative on man. However, the positive effects may be well taken by man, but what are of concern are the negative effects especially as it concerns degradation.

Ecological Modernization Theory also provides the rationale for environmental entrepreneurship (Hajer, 1995; Mol, 1955). According to the theory, it is possible to promote economic growth by giving higher priority to the environment. It is no longer necessary to trade off economic growth for environmental quality (Tillery &Young, 2009). The capitalist system is seen as having the capacity to develop sustainable solutions to environmental problems; that capitalist drive for innovation can be harnessed to produce environmental improvements (Beveridge & Guy,2005). According to the environmental problems facing the world today, act as industrial activity and economic development". The theory calls for the modernization of the institutions of modem society. And as Joseph Huber the father of Ecological Modernization Theory sees it, entrepreneurs are the central point of change in that process of transformation to avoid an ecological crisis (Gibbs, 2009: Mol, 1995; Tillery& Young,2009). Entrepreneurial action, therefore, is the best solution to our environmental problems because this new generation of ecopreneurs are seeking to combine environmental awareness and conventional entrepreneurial activity to achieve entrepreneurial success (Anderson, 2008). Ecopreneurs have the potential to be a major force in the overall transition towards a more sustainable business paradigm (Schaper, 2002).

2. Empirical Review

The review of the work done by Oskamp (2000), agreed that the environment do present entrepreneurial opportunities. Despite the changes in legislation and regulations to protect the environment, the United States and various other countries are still facing many environmental problems, e.g., climate change, population growth, overflowing 511s, water scarcity, fuel shortages, and water and air pollution). The study found out that if we are to solve these problems, entrepreneurship is a major part of the answer.

3. **Methodology: Model Specification**

Model specification, the general formula for the Regression Analysis is:

$= a+ \beta x + e$

Where,

Y = Dependent Variable ,

X= Independent Variable

a = constant

β = coefficient of X

e = error margin

Model to be estimated is functionally stated as
CAU " = f(ESC)
This can be stated in econometric form as
CAU=a+ β ESC+e
Where,
CAU= Capacity utilization, ESC=ecosystem control

4. Results and discussions

One-sample statistic

	N	Mean	Standard deviation	Standard error mean
Decision on ecosystem control and Capacity utilization,	309	33.3100	28.34231	5.41121

Source: SPSS analysis of field data

One-sample Z-test: Test value =0

					95% confidence interval of the difference	
	Z	DF	Sig.2-tailed	Mean difference	Lower	Upper
Decision on ecosystem control and Capacity utilization	32.190	698	0.004	33.3100	20.8800	54.1900

Source: SPSS analysis of field data

The Z Value at 32.19 is higher than the critical Z value at 1.96 and therefore the null hypothesis is rejected to accept the alternative hypothesis that ecosystem control would affect the capacity utilization of agro allied businesses in Nigeria. This Z value is significant at 0.004 since it is less than 0.05.
In line with the data analysis, the following are the major summary of findings: Ecosystem control have positive effects on the capacity utilization of agro-allied businesses in north central Nigeria. This work revealed that ecosystem control has positive effect on capacity utilization among agro allied businesses in Nige-

ria. This shows that there is high positive impact of ecological control system on the capacity building among agro allied firms. This agrees with the study of Zainab and Shafaat (2015) who were of the opinion that ecological management do not only enhance the scale of operation but also on capacity enhancement in agricultural activities. The study also in consonant with the work of McEwen (2013) who asserts that eco management in competitive agricultural industry facilitates technological exploitation, Cohen and Winn (2007), explained that it builds, transfers and knowledge sharing and assists organizations in enjoying efficiency of operations.

On the contrary, studies such as Hamsa (2014) have questioned the credibility of ecological control by arguing that new scenarios are constantly evolving and uncertainties may be difficult to ascertain. Bhide (2001) has also criticized the ecosystem from the light of natural disaster and global warming issues which are often unexpected, ascertaining that that the application of ecosystem has received much criticisms on the basis that it is highly volatile and subject to environmental disasters. However, despite the pitfalls alluded to the eco management, Mutura, (2016) argued that ecosystem control is still a popular option for enjoying favourable opportunities exploitation in the Nigeria agricultural industry.

5. Conclusion and recommendation

After a critical consideration of the finding and discussions so far, the following recommendations were offered: The Nigeria government could do much to strengthen external forces, especially with respect to establishing national standards for the quality of environment and the implementation of these regulations. It could also take more proactive measures through the state-level cleaner production centres. This will encourage the ecopreneurs to develop more environmentally friendly goods and as well enhance their level of involvement in green product.

Ecopreneurs, government and society at large could tap into international standard in order to support the phasing-out of products and processes that are known to contribute to global warming and ozone depletion. They could also strengthen the consumer movement in the country. Since environmental sustainability promote business growth, it is recommended that agro-allied business needs to build more on their sustainability concerns as it affect agricultural goods

During the next decade, the agro allied business in Nigeria will most certainly be marked by further disaggregation and aggregation due to the described shifts in the sector's value chain. In order to keep their status quo, agro-allied business must consider continued invention, innovation and creativity as the most viable method to get instant access to industry- or operations-specific knowledge and keep abreast with the pace of technological change. Non-innovative in nature may provide benefits to such firms only in the short term. Therefore, in the long-

term an articulated developed ecological friendly innovation will control rival and give firms a sustainable and non-imitable competitive advantage.

Ecopractices must not just be a back-runner us agro-allied organizations anymore. It is the critical aspect of organizational turn-around and must be given its rightful place during policy making and through this process

That ecopreneurs can enjoy the long-run benefits without undue pressures and inconsistencies in Nigerian. Agro firms must therefore engage their managerial team, through training and development to know, understand, and apply, the principles of ecopreneurship practices and ecological management in their daily decision making, especially as it concerns agro-allied operations.

In the final analysis, it is the education of producers, consumers and regulators that will pave the way for a major transformation of agricultural industry. This will stimulate the ecopreneurs to develop more ecoprenerial practices that would not only give them competitive advantage but will also go a long way in developing the sector.

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Environmental Sustainability and Agricultural Business Growth of Selected Agro-allied Businesses in Nigeria

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Abstract

The study assessed the effect of environmental sustainability on agricultural business growth of the selected agro-allied businesses in Nigeria. The researcher adopted survey design. Data were collected by structured questionnaire in Five-Point Likert Scale format. The source of data was through primary source. The target population of the study comprised of owners/managers of all agro-allied businesses in North-central, Nigeria. Sample size was derived from the population with the application of Taro Yemane's formula for finite population while Bowley's proportional allocation method was adopted to determine the allocation of questionnaire to each organization. A Cronbach Alpha method was used to determine the reliability of questionnaire. The hypothesis was formulated and tested using Ordinary Least Square Regression and Z-test at .05 level of significance. The findings revealed that environmental sustainability positively affects the agricultural business growth of agro-allied businesses in north central Nigeria. The study concluded that despite the changes in legislation and regulations to protect the environment, Nigeria and various other countries are still facing many environmental problems of climate change, population growth, overflowing landfills, water scarcity, fuel shortages, and water and air pollution.. The study recommended that the Nigeria government should strengthen external forces, especially with respect to establishing national standards for the quality of environment and the implementation of these regulations, while the hands of the ecopreneurs, government and society at large should be on deck to tap international standard in order to support the phasing-out of products and processes that are known to contribute to global warming and ozone depletion.

keywords: Environmental sustainability , business growth , agro-allied businesses

1. Introduction

In a market system, sustainable development requires sustainable innovations and entrepreneurs are those who can achieve environmental goals with superior innovations that are successful in the marketplace. Market innovations that drive sustainable development do not occur by accident; they have to be created by leaders who put them into the core of their business activities. Actors and companies making environmental progress in their core business may be called ‘ecopreneurs’. They generate new products, services, techniques and organizational modes that substantially reduce environmental impacts quality of life. Companies contribute most to the overall environmental progress of an economy and society if their core business deals with environmental solutions and environmentally superior .products and if their innovations substantially influence the mass market. Traditionally, efforts to address this problem have focused on how and why existing firms can become greener (Cohen & Winn, 2007). These efforts have not led to solving our environmental problems. Schaper (2012) suggested that it is now time to pay attention to the role that entrepreneurs can play in solving environmental problems. Entrepreneurs can contribute to solving environmental problems by , creating new, more environmentally sustainable products and services (Cohen & Winn, 2007; Dean & McMullen, 2007; York &Venkataraman, 2010). Entrepreneurship may be the solution to many of our social and environmental problems and could be the action needed to put us on the path to a more sustainable future (Brown, 2006; Brugmann & Prahalad, 2007). Cohen and Winn (2007) supported the need for entrepreneurial action to solve our environmental problems and ' agreed that “the real gains will only be made by harnessing the innovative potential of entrepreneurs who will develop the innovative business solutions to deal with the environmental challenges.

For a company to have a positive environmental influence it must make a real and substantial contribution to environmental progress. A real improvement can be created only if the production processes, products and services are environmentally superior. A substantial contribution requires that the company exert significant market influence by gaining a large market share or by influencing competitors and other market actors (such as suppliers) to 1 adopt superior environmental solutions. (Ecopreneurs run companies that fulfill both requirement Ideally, ecopreneurship pulls the whole market towards more environmental progress. Ecopreneurs strive for business success through environmental solutions for the mass market. To measure how well a company has •done, the dimensions of ecopreneurship can be further subdivided. The priority of ^environmental goal range from low priority (environmental protection is regarded as a v trustee duty), to medium priority (environmental issues are seen as supplemental to conventional business issues) and high priority (environmental issues are regarded as an integral part of core business activities). The market

effect of the company and its businesses can be small (i.e. the alternative scene), medium (i.e. the successful occupation of an eco- ipiche) or large (i.e. through a strong influence on the mass market).

Much of the work that has been done to date on ecopreneurship and environmental issues has largely taken the form of anecdotal reports and case study analysis. Large sample studies are needed to demonstrate how ecopreneurship may or may not enhance the innovative ability and performance of organizations. The present study aims to bridge the gap by examining the implications of ecopreneurship activities in sustaining innovative performance in a sample of ;selected agro-allied businesses in Nigeria.

The business activities of agro-allied businesses in Nigeria are not without some inhibiting problems emanating from their various environmental factors such as land degradation, soil (erosion, deforestation, industrial toxins, ozone depletion, climate change, nuclear radiation, | and the destruction of biodiversity. Today, these problems are posing serious challenges to their operational capabilities, survival and "performances. A cursory analysis of some of these problems prompted the crucial need for embarking on this proposed study. The environment factors in the agro-allied industry' in Nigeria tend to be harsh on indigenous firms and their operational activities nowadays. This has brought such consequences as low productivity, increasing risks, low profitability, and tensed competition, heavy investment on equipment, increased operational cost and high rate of business failures with many other threats.

In Nigeria, many local agric-businesses and small and medium scale enterprises have failed to fully imbibe the spirit of ecopreneurship in order to shun out those products that will be environmentally friendly and socially responsible. Only multinational enterprises have put **this issue** into concern in their want satisfying operations. Most agriculture related organizations complaint on lack of realistic estimates on how to successfully implement eco Market systems particularly in the area of agricultural related business have adversely affected the environment by failing to deal with negative environmental externalities and undervaluing natural resources, leading to their over-exploitation and depletion. Governments have sought to deal with the problem through a mix of command-and-control and market- based instruments, with limited success. One of the most potent alternatives for dealing with such market failures is ecopreneurship, which refers to a process by which entrepreneurs introduce eco-friendly (or relatively eco-friendlier) products and process into the market place.

It is in the light of these problems that this work seeks to examine ecopreneurship practices as a determinant of innovative performance of agric-allied businesses in Nigeria. The following research questions guided the study: What influence will environmental sustainability have on agricultural business growth?

Conceptual Framework

There are several definitions of the term" Sustainability". While some have defined sustainability in relation to the ability of man to preserve the available natural resources and not over use the resources in a way that will be deficient in the future, others have defined it in relation to policy making. But the definition given by the UN commission in Economics Development in its 1987 Brudt land report seems to be generally acceptable. In its report titled *our common future*, Sustainability is defined as that which "meets the needs of the present without compromising the ability of the future generation to meet their own goals."

Although, some writers have found this definition to be problematic yet, most believed that it meets most aspects of sustainability in its wild applications. In his critique of the UN definition, Taylor (2002), argued that it is often difficult to determine the future needs of people in the next generation which may be the needs of people today. He further added that the way the developed countries view the concepts of needs is completely different from the views of that of the developing countries. However, even though the UN definition of sustainability may have raised some controversies, it still covers the two fundamental issues, the pressing problem of environmental degradation that result from economic growth, and the need for such growth to lighten poverty in the society.

Human activities which can also be referred to as marketing activities are interrelated. This is because any activity of man is done on the environment and the resultant effect is either if positive or negative to man. Human activities are diverse. Negative effects of man arise from economic and domestic activities. For instance, agriculture requires pesticides that pollute the atmosphere and enter drainage system via run off and sewers. Other activities which lead to pollution include thermal power stations, burning of fossil fuels, exhaust fumes. All this emit harmful pollutants like sulphur dioxide, carbon fe monoxide, etc, that cause acid rain, global warming, and the malfunctioning of the human 'haemoglobin, etc. Human activities capable of causing environmental nuisance and the degradation can be categorized as: Destructive logging of the forests; Over grazing and over-cropping of arable lands . All these human activities have combined deplete the ear - resources, degrade the environment and cause loss of biodiversity The environment in which these human activities take place is the outer physical and biological systems in which man and the outer organisms live. Although complicated, there are many interacting components .Environment is the complex of physical, chemical and biotic factors that act upon organisms or an ecological community: and ultimately determines its fonn and survival. The environment is categorized into air, water, noise, biological, cultural and socio-economic environment. These views are all embracing. However, in a physical sense, the physical environment is made of air, water and land. From all indica-

tions, human activities I impinge on the environment, which is noted earlier, may have either positive or negative on man. However, the positive effects may be well taken by man, but what are of concern are the negative effects especially as it concerns degradation.

Growth is an important phenomenon in small enterprises. In fact, their survival essentially depends on their power to participate in the market with other big companies. Growth decreases the possibility of closing small businesses. Strengthening is important not merely for the enterprises and their owners but for all stakeholders since *these companies* thrust forward the economy by underscoring diversity of products and *services.* The growth phenomenon of small enterprises had beer, widely analyzed within entrepreneurship. One motive is that most fail to expand during their life span and small businesses retrain from growing. Some enterprises do not desire growth and others desire slow growth. Growth is the product of an internal process in the development of an enterprise and an increase in quality and/or expansion. “Growth is defined as a change in size during a determined time span” A company's growth is essentially the result of expansion of demands for products or services. “It first results in a growth in sales and consequently in investments in additional production factors to adapt itself to new demands”. Entrepreneurs' ideas on growth are listed as: increase in sales, increase in the number of employees, increase in profit, increase in assets, increase in the firm's value and internal development. Internal development: comprises development of competences, organizational practices in efficiency and the establishment of professional sales process. This was the most important index for entrepreneurs that participated in the research. However, increase in the number of employees was not necessarily considered a sign of growth.

Growth may be related to new markets, especially in the case of technology firms, with reference to diversification. Another type of growth may be related to the combination of market-product .Growth is geographical expansion, increase in the number of branches, inclusion of new markets and clients, increase in the number of products and services, fusions and acquisitions”. According to these authors, growth is above all a consequence of certain dynamics built by the entrepreneurs to construct and reconstruct constantly, based on the assessment made on their firms and on the market. Entrepreneurs are not the sole vectors since there are many other agents involved, such as clients, kin, suppliers and others. In fact, growth is a “socially constructed factor” .Frontier progress in the milieu or expansion is the product of a constant dynamism since growth intentions change as a result of constant evaluations and re- evaluations that entrepreneurs make as agents. It may result in the displacement of the firm to another place and in fixing itself in the same place. It is the “growth dilemma” full of risks. It is easier to investigate the antecedent factors that affect growth and the consequences of growth (Leitch, 2010) and more difficult to investigate growth

dynamics or the manner firms grow (Mckelvie&Wiklund, 2010).

Four theories are best suited for this study. They are discussed in Schumpeterian Theory**.** This provides the theoretical basis for environmental entrepreneurship. According to Schumpter (1942), entrepreneurs are the innovators and as society's needs evolve the | entrepreneur provides the innovation or "creative destruction" that gives society a new way of addressing problems. He argued that "environmental problems are inherently calls for' innovation, as most of them are caused by the outdated applications of old, polluting and inefficient technology". Given that the current solutions to our environmental problems are inadequate for sustainability, there is need for entrepreneurial action to develop something new, whether it is a production method, technological development, product/service distribution system, or even a new organizational form (Lennox & York, 2011; Tillery& Young, 2009).

2. **Empirical Review**

On our review of the work done by Oskamp (2000), he agreed that environmental demands do represent entrepreneurial opportunities. Despite the changes in legislation and regulations to protect the environment, the United States and various other countries are still facing many environmental problems, e.g., climate change, population growth, over flooding, water scarcity, fuel shortages, and water and air pollution). The study found out that if we are to solve these problems, entrepreneurship is a major part of the answer.

Deyan and Omolekan (2015) conducted a study on the relevance of green marketing on environmental degradation. The study empirically examined the effect of green marketing on environmental degradation. The study employed the non-experimental research method and the data gathered for the study were analyzed. The study revealed that 80% of the consumers of products prefer products which are recyclable, reusable, and biodegradable, produce with

Zainab and Shafaat (2015) carried out a study on "Green activities: Environmental concern and customer satisfaction". The study empirically examined the level of awareness of green issues and whether green products are fulfilling their needs apart from benefiting their living environment and to create awareness about green products and green marketing. The imitative research technique was employed in the study and the questionnaire method adopted. The study revealed that green marketing is helping to save the environment. That product with green features plays a significant role in helping to save the environment. The Study also showed that using green products can help to reduce environmental problems. The study recommends that; companies should be transparent in describing what they are actually doing for green marketing and their policy should be consistent with their work about environmental friendliness. Furthermore, government should develop policies to take strict f actions against those companies that produce products that are harmful to the environment. A work titled 'Impact

of Innovation and Managing Technology Based Business for entrepreneurs' conducted by Hamsa (2010), explains that technological innovation and entrepreneurship embraces mainly two areas: the organization, development, and commercialization of technology-based innovation in existing firms; and the formation, development, and growth of technology-based new enterprises. Technology and innovation"businesses also cover a wide range of industries. These businesses may focus on activities such as researching and developing new products or providing innovative solutions to existing processes. This paper highlights problems faced by the entrepreneurs globally with regard to businesses to stimulate technological innovation and strengthen the role of small business in meeting research and development needs and increase business participation in this role. This is a qualitative paper and its study is based on the Secondary Data collected torn different sources. A work conducted by Mutura, Nyairo, Mwangi and Wambugu (2016), titled 'Analysis of Determinants of eco-systems among Firms in Lower Central Kenya', The study analyzed the determinants of eco-practices among small holder of dairy farmers in Lower Central Kenya and discover that such practices lead to high gross margins, influences choice of marketing channel and improves market participation, encouraging commercialization of dairy smallholder farming. A logit regression model was used to determine the likelihood of a household to introduce eco-practices in its dairy enterprise. A multistage sampling technique was used, and data was collected from 288 small holder dairy farmers in Kiambu County. Processing and analysis of the survey data were carried out using SPSS version 20 and STATA version 12. Fixed investment cost, storage type, milk cost share, the percentage of milk sold and dairy enterprise turnover were hypothesized to be key factors in explaining a household's likelihood to eco-practices into its dairy enterprise. An increase in total fixed investments, turnover and volume of output contribute to the probability of a household integrating vertically. The paper recommends that farmers should establish and strengthen existing associations and practices ecological activities more than before.

Significant premiums were found for a food processor and restaurant vertical integration or diversification strategies. Significant discounts were found for food wholesaler and retail supermarket integration or diversification strategies. Food processors were found to be involved toward retail supermarkets during this time period.

3. Methodology: Model Specification

Model specification, the general formula for the Regression Analysis is:

$Y = a + \beta X + e$

where;

Y = Dependent Variable , X=Independent Variable

a = constant

β = coefficient of X
e = error margin
Model to be estimated is functionally stated as
ABG = f(EST)
This can be stated in econometric form as
ABG=a+βEST+e
where,
ABG = agricultural business growth
EST= environmental sustainability

4. Results and discussions

One-sample statistic

Model	R	R square	Adjusted R square	Standard error of estimate
1	0.813a	0.724	0.823	30.11122

A Predictors constant), Environmental sustainability
ANOVA[b]

Model	Sum of square	DF	Mean square	F	Sig
Regression	22122.051	1	22122,051	16.122	0.001a
Residual	2533.149	339	1372.335		
Total	24655.200	340			

a. Predictors (constant), Environmental sustainability
b. Dependent variable: agricultural business growth

The above table revealed a F-value of 16.122. This interprets that the F-value is higher than the F-critical value of 1.698. This is because the decision rule says reject Ho if the calculated value of F is higher than the critical value and vice versa. Hence, we reject null hypothesis (Ho) to accept the alternative hypothesis that environmental sustainability affects agricultural business growth in Nigeria.The F value is significant at 0.001 because the value is more than 0.05. The R square at 0.724 shows that agricultural business growth accounted for 72.4% increase in the environmental sustainability of agro-allied businesses in Nigeria. Ho: The Z-value is significant .in line with the data analysis, the following are the major summary of findings: The environmental sustainability positively affect the agricultural business growth.
This finding shows that by being environmentally-friendly,agro-allied business have the chances of enjoying continued growth. This supports the work of Jone and Miskell(2007), who postulated that there is a considerable evidence for pursuing sustainability suppoet in business activities. Although, many sometimes

may not be welcome by the publics, because of lack of adequate orientation, this nevertheless does not jeorpadise the benefits associated with it. The study of Mutura, nyairo , Nwangi and Wambugu (2016) in support of the work of Mamman,Aminu and Adah(2013)also showed that business organization can lean on sustainability to enjoy favourable word of mouth from people. The findings also supported Zainab and Shafaat (2015) results which revealed that environmental friendly activities are best tactics to maximizing and building a business in a highly competitive industry.

On the other hand, Roller and Stahl (2012) argued that environmental sustainability may not necessarily have effect on performance and firms may end up presenting a production cost schedule in negative light, considering the conceived potential uncertainties associated with negative societal perception on ecoactivity. Further, our result diverges from the outcome of Dorsey and boland (2009) who explained that environmental sustainability has nothing to do with the firm's growth.

5. Conclusion and recommendation

After a critical consideration of the finding: and discussions so far, the following recommendations were offered: The Nigeria government could do much to strengthen external forces, especially with respect to establishing national standards for the quality of environment and the implementation of these regulations. It could also take more proactive measures through the state-level cleaner production centre. This will encourage the ecopreneurs to develop more environmentally friendly goods and as well enhance their level of involvement in green product.

Ecopreneurs, government and society at large could tap into international standard in order to support the phasing-out of products and processes that are known to contribute to global warming and ozone depletion. They could also strengthen the consumer movement in the country. Since environmental sustainability promote business growth, it is recommended that agro-allied business needs to build more on their sustainability concerns as it affect agricultural goods.

During the next decade, the agro allied business in Nigeria will most certainly be marked by further disaggregation and reaggregation due to the described shifts in the sector's value chain. In order to keep their status quo, agro-allied business must consider continued invention, innovation and creativity as the most viable method to get instant access to industry- or operations-specific knowledge and keep abreast with the pace of technological change. Non-innovative in nature may provide benefits to such firms only in the short term. Therefore, in the long-term an articulated developed ecological friendly innovation will control rival and give firms a sustainable and non-imitable competitive advantage.

Ecopractices must not just be a back-runner in agro-allied organizations any-

more. It is the critical aspect of organizational turnaround and must be given its rightful place during policy making and through this process that ecopreneurs can enjoy the long-run benefits without undue pressures and inconsistencies in Nigerian. Agro firms must therefore engage their managerial team, through training and development to know, understand, and apply, the principles of eco-preneurship practices and ecological management in their daily decision making, especially as it concerns agro-allied operations.

In the final analysis, it is the education of producers, consumers and regulators that will pave the way for a major transformation of agricultural industry. This will stimulate the ecopreneurs to develop more ecoprenerial practices that would not only give them competitive advantage but will also go a long way in developing the sector.

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Green Agricultural products and Continued Survival of the selected Agro-allied Businesses in Nigeria

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Abstract

The study examined the effect of green agricultural products on the continued survival of the selected agro-allied businesses in Nigeria. The researcher adopted survey design. Data were collected by structured questionnaire in Five Point Likert Scale format. The source of data was through primary source. The target population of the study comprised of owners/managers of all agro-allied businesses in North-central, Nigeria. Sample size was derived from the population with the application of Taro Yemane's formula for finite population while Bowley's proportional allocation method was adopted to determine the allocation of questionnaire to each organization. A Cronbach Alpha method was used to determine the reliability of questionnaire. The hypotheses were formulated and tested using Ordinary Least Square Regression and Z-test at .05 level of significance. The findings revealed that green agricultural products have significant effect on the continued survival of agro-allied businesses in north central Nigeria. The study concluded that despite the changes in legislation and regulations to protect the environment, Nigeria and various other countries are still facing many environmental problems of climate change, population growth, overflowing landfills, water scarcity, fuel shortages, and water and air pollution.. The study recommended that the Nigeria government should strengthen external forces, especially with respect to establishing national standards for the quality of environment and the implementation of these regulations and that eco-preneurs, government and society at large should tap international standard in order to support the phasing-out of products and processes that are known to contribute to global warming and ozone depletion.

Keywords: green agricultural products, businesses survival, agro-allied businesses.

1. Introduction

The business activities of agro-allied business in Nigeria are not without some inhibiting problems emanating from their various environmental factors. Today, these problems are posing so many challenges to their operational capability survival and performance. A cursory analysis of some of these problems prompted the crucial need for embarking on this proposed study. The environmental factors on the agro-allied industry in Nigeria tend to be harsh on indigenous firms and their operational activities nowadays. This has brought such consequences as how productivity increasing risks, low profitability and tensed competition, heavy investment on equipment, increased operational cost and the rate of business failures with many other threats.

In Nigeria, many local agro-business and small and medium scale entrepreneurs have failed to fully enable the spirit of entrepreneurship in order to shun out those products that will be environmentally friendly and socially responsible. Only multi-national entrepreneurs have put this issue into concern in their want satisfying operations. Most agro-related organizations sustainable complaint on lack of realistic estimates on how to successfully implement ecopreneurs. Market systems particularly in the areas of agric related business have adversely affected the environment by facing to deal with negative environment external and under valuing natural resource, leading to their one exploitation and depletion gents have sought to deal with the problem through a mix of command and control and market based internal with limited success, one of the most recent allegations for dealing with such market failures is ecopreneurial practice of green product management, which refers to a process by which entrepreneurs introduce eco-friendly for relatively products and process into the market place. It is in the light of these problems that this work seeks to examine ecopreneurship practices as determinants of innovative performance of agro-allied businesses in Nigeria. The following research questions guided the study: What effect would green agricultural products have on the continued survival of agro-allied businesses in Nigeria?

2. Conceptual framework

Green products are recyclable, reversible. Product, produced with natural ingredients and contains, non-toxic chemical. They are referred to as environmentally friendly (Muturasu, 2014), green products are those products whose function and ideas with the process of material retrieval, production, sales, utilization, reduced pollination and waste treatment available or recycling, reduced pollination and energy saving in the opinion of chain (2012),green product development address environs using t product design and innovation Green products have also been described as product that claim to offer an environmental benefit. (terra choice 2010). Example of green product are building materials furnishing, con-

sumer products electronics, washing machines, air conditioner, fridge, heath care products, organic and green foods (Tumon 2009, Wikipedia, 2015).

Durif (2010) also argued that green products can be referred to as environmental products .Green products are products with attentive designs such that less physical reasons are required during its life cycle i.e. products manufactured through green technology and causes no environmental hazards. Promotions of green products are necessary for conservation of natural resource and sustainable development. The following are faction that implies organization to go green: social responsibility, competitive advantage consumer awareness, government pressure and cost reduction.

Best (2009) noted business survival increases as market share index corporate image, promotional index, innovations, competitive advantage business opportunities, dimension, productivities and ecopreneurship.

The four theories best suited for this study are; Schumpeterian theory, ecological modernization theory, social change theory, theory of technology and social change. The Schumpeterian theory of Schumpter (1942) provides the theoretical bases for environmental entrepreneurship. The proponent behaves that entrepreneurs are the innovators and as society needs evolve the entrepreneurs provides the innovation or creative declaration that gives society a new way of addressing problems. He answered that environmental problems inherently calls for innovation, as canceled by the out dated application of old, pollution and ineffective technology. Given that the current solution to our environmental problems are inadequate for sustainability, these is need for entrepreneurial action to develop something new, whether it is a production method, technological development, product service distribution system or even a new organ form (Lennox and York 2011).

The ecological modernization theory of Hajar (1995) and Mol (1995)also provides the rationale for environmental entrepreneurs and state that is possible to promote economic growth by giving his/her promptly to the environment, according to Tilley and Young (2009), it is no longer necessary to trade-off econ growth. The capitalize system is seen as having the capacity to develop sustainable solution to environmental problems, that capitalist drive for innovation can be harnessed to produce environmental improvements (Beveridge and Gluy 2005). They argued that the environmental problem facing the world today, act as a driving force for future industrial activity and economic development. The theory calls for the progressive modernization of the institution f modern society. Gibbs (2009) observed that entrainment is the central assent of change in that process of transportation to avoid an ecological crisis. Anderson (2008) said entrepreneurial action is the best solution to our environmental problems because this new generation of entrepreneurs are seeking to combine environmental awareness and environmental entrepreneurship activity to achieve entrepreneurs

,hence the potential to be a major force in the overall transaction towards a more sustainable business paradism (scheper 2002).

The social change theory of Veblem: Thorgteinpounde (1967) is a essentially a technological theorem of history. The proponents behave that the society state of the industrial arts i.e the availability of determines the character of such society, culture investigation was the mothers of necessity.

The theory of technology and social change of Bernard and Pelto (1987) was built around the assumption that the pressure of human activities would optimize personal resound, access to sexual activity and satisfaction of others basic psychological activities exit at all ,were sustained under the exert for personal gain . Here the advantage of new technology gives nu to behavoural and culture change in the society

3. Empirical review

Gbadeyan and Omoke (2015) conducted a study on the relevance of green marketing on environmental degradation. The study empirically examined the effect of green marketing on environs degradation.

Zainab and Shafaac (2015) carried out a study on green activities environmental concern and customer satisfaction. The study empirically examines the level of awareness of green issues and whether green product is fully that their needs apart from benefiting their living environ and to create awareness about green products and green marketing. The quantitative research technique was employed in the study and the questioner method adopted. The study revealed that green marketing is helping to save the environment, that product with green features plays a significant role in helping to save the environs. The study also showed that using green products can help to reduce environmental problems the study recommends that compensates should be transparent in deseeding what they are actually along for green marketing and their problem should be consistent with the work about environmental friendliness. Furthermore government should develop polices to take straight actions against those companies tat produce products that are harmful to the environment. Dirsen and Doland (2009) under took a work on the impact of green product on food business firm value. The study analyses whether an image binding strategies in food processing wholesale grocery an retail supermarkets and restaurants. The study used progression. Food processors were found to be involved toward retail supermarket during this time period.

4. Methodology: Model Specification

Model specification, the general formula for the Regression Analysis is:

$Y= a+ \beta X + e$.

where;

Y = Dependent Variable, X=Independent Variable
a =constant
β =coefficient of X
e =error margin
Model to be estimated is functionally stated as
COS = f(GAP)
This can be stated in econometric form as
COS=a+βGAP+e
Where,
COS= continued survival,
GAP= green agricultural products

5. Results and discussions

Ho: green agricultural products have no effect on the continued survival of agro-allied businesses in Nigeria.
One-sample statistic

	N	Mean	Standard deviation	Standard error mean
Decision on green product and survival	309	28.4100	22.12101	4.91221

Source: SPSS analysis of field data

The analysis in the above table revealed the grand mean of 28.41 and standard deviation of 22.12.
One-sample Z-test: Test value =0

					95% confidence interval of the difference	
	Z	DF	Sig.2-tailed	Mean difference	Lower	Upper
Decision on green product and Survival	27.910	308	0.003	28.4100	17.7400	46.1500

Source: SPSS analysis of field data

The Z-value at 27.91 is higher than the Z critical value of 1.96. This reject Ho if the calculated value of Z is higher than the critical value and vice versa. Hence, we reject null hypothesis to accept the alternative hypothesis that green agricultural products have effect on the continued survival of agro-allied businesses in Nigeria. The Z-value is significant at 0.004 for it is less than 0.05. In line with the data analysis, the following are the major summary of findings: Green agri-

cultural products have significant effect on the continued survival of agro- allies businesses in north central Nigeria. This result is in consonance with the findings of Cohen and Winn (2007) .Gbadeyan and Omolean (2015) Oskamp (2000), and Mutura, and Wambusu 2016 and conversely contended by Jonas and Miskel (2007) Hamsa (2010).

Cohan Anwenn (2007) supported this findings suggested that the making of an effective environmentally friendly goods have a multiple object on both the performance of business and t main stimulate to finding is also in line with the work to Gbaayan and Omocekan 2015 who asserted that the making of the green product for the society so long way in contributing to the continued Opperation of firm in turbulent environment and it has implications for the development t of business growth in the shake of uncertainties. It also confirmed he findings of Oskemp (2000) as well as Mutura, Nyairo, Mwamge and Wambugu (2016) which showed that the business creation of green seeds allows such organizations to build on their internal competences and reliability. This shows that a good number of literature such as the studies stated above have clearly established a relationship between GNP and Organizational survival of a firm.

Conversely, Jonas and Miskell (2007) supported by William (2010) have contended that green products may not necessarily determine operational capabilities of any organization. This is so because to Hamas (2010) green products are not strategies derivation to consider in some situation

6. Conclusion and Recommendation

Based on the reviewed literature, most researchers agree that environmental problems also present entrepreneurs opportunities. Despite the changes in legislation and regulations to protect the environment, many countries are still facing many environmental problem of climate change, population growth overflowing land full, water scarcity, fuel shortage, and water and air pollination. If we are to solve these problems, Ecopreneurship practice of green products management is a major part of the answer.

Theoretically, te existence of ecopreneurship practice can trigger change and promote eco preneurship. However, whether such change can be sustained over longer period of time will depend on the support gained from key forces most especially the government and society at large. In the case of Nigeria, we find five activities strong amongst to bring above change namely: the green product, creation and environmental practice, and to lesser extent the ecosystem control and environmental sustainability.

However, as of now, the competitive and economic advantage of sowing green are not very strong and hence it may take some time for ecological values to express themselves in the agricultural business arena. At the grass root level, where economic states are not very harsh, expression of such value seem to be less inhibited, a situation that also applies to the upper end of agricultural sector and

industry, where large industrial houses and multinational have to meet international standards to remain competitive for the buck of ……. small and medium sized agro-allied firms.

After a critical consideration of findings and the discussions so far, the following recommendation were offered: The Nigerian Government should do more to strengthen extend forces with respect to establishing national standard for the quality of environment and the implementation of these regulations. It can take more progressive measures through the state-level cleaner production the eco preneurs to develop more environmentally friendly goods and as well enhance their level in green product. Eco preneurship, government and society at large should tap into international standard in order of products and process that are known to contribute to global warming and ozone layer depletion. They should also strengthen the country, since environmental sustainability produce business growth, it is recommended that agro-allied business needs to build more on their sustainability concerns as it affect Agricultural goods.

During the next decade, the Agro-allied business in Nigeria will most certainly be marked by further as aggregation and reaggregation due to the described sips in the section vaue chain. In order to keep their status quo, largo-allied businesses most consider continued intervention, innovation and creativity as the most raced method to get instantly access to industry or operation specific knowledge and keep abreast with the pace of technical change. Non-innovative in nature man provide benefits to such firms only in the short term. Therefore, in the long run, an articulated developed, enclosed friendly innovation will control rival and give firm a sustainable and non-initiable competitive advantage.

Eco preneurship must not be a back-runner in agro-allied organizations anymore. It is the most control aspect of organizational turn around and most be given to institute during policymaking and strategic decisions. It is only through this process that ecopreneurs can enjoy the long run benefits without undue pressure and inconsistency in Nigeria. Agro-terms must therefore engage their managerial team through tracing and development to know, understand and apply the principles of ecopreneurship practice and ecological management in their daily decision making, especially as it concerns agro-allied operations.

In the final analysis, it is the education of producers, consumers and regulators that will pave the way for a major transformation of agricultural industry. This will stimulate the ecopreneurs to develop more ecopreneurial practices that would not only give them competitive advantage but will go a long way in developing the sector.

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Foreign Portfolio Investment and Stock Market Performance in Nigeria

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Abstract

The study investigated the effect of foreign portfolio investment on the performance of the stock market in Nigeria. The study made use of annual data spanning a period of 1986 and 2016.The data were analysed using multiple regression analysis, augmented dickey fuller of unit root test, Cointegration test and error correction model. The study revealed that foreign portfolio investment has a negative but insignificant effect on the performance of the stock market. It was recommended that government should put facilities in place to lure more foreign portfolio investors, since it is very glaring that it boosts the economy and makes stock market more robust.

Keywords: Foreign portfolio investment, all share indexes, foreign direct investment.

Introduction

Capital inflow is the movement of capital resources in to a country for the purpose of investment, trade or business production. Global flows to Africa have increased rapidly since 1990s for all types of private investment and capital. Financial liberalization whose key factor is free movement of capital has been experienced in the last decade. In following years there has been a growing interest among researchers in the examination of effect of foreign investor transactions on emerging stock markets. Reason behind that interest could be the view which associates foreign investor transactions and financial crises for emerging markets. According to proponents of this view, foreign investor transactions lead emerging markets to become destabilized and expose them to financial crises.

Thus, many African countries are trying to attract private capital flows. With regards to the economic weight of African countries, net private capital flows remain high. Contrary to popular beliefs, bilateral donors and international institutions are no longer the main source of funding (capitals flows and transfer included) of investment and growth (Sayeh, 2011). With the increase of private investment on equity returns and economic growth in African countries hosting major stock markets?

Foreign investment flows are important to nations that are recipients of these flows as they have an opportunity to benefit from less expensive modes of financing. Nevertheless, they intensify a country's susceptibility to global economic meltdown which occurs during spontaneous reversals in foreign investment flows. The economic crisis of the 1980s, Latin American and the association of Southeast Asian Nations in the 1990s and Argentina in 2001-02, are examples of the adverse effects resulting from uncertainties in foreign portfolio flows (Chen and Quang, 2012). Although the economic turmoil in the united states of America (U.S.A) and some parts of the group of European nations in 2008-2009 may have been agitated on many issues such as bank failures, property bubbles and government fiscal deficit, the crises were transmitted to other nations through financial intermediaries. The meltdown in these advanced economies that were believed to be resilent exposed the vulnerability of developing countries that depended on foreign inflows and the global financial system as a whole.

Foreign capital brings credit, knowledge, and discipline to the host countries, which are thought to be essential for economic growth. In addition, access to foreign funds can enhance capital allocation efficiency and productivity, and thus growth in recipient countries (Ahmed and Zlate, 2014). Yet, a number of recent studies argue against such and the other positive benefits of capital inflows. For example, capital inflows can cause a transfer of economic resources

from tradable to non tradable sectors, which are often subject to slow productivity growth (Benigno and Fornaro, 2014; Reis2013). In addition, episodes of large capital inflows increase the possibility of a sudden stop which hurt economic performance (Calvo and Reinhart, 2000) and may trigger a shift of capital and labour out of the manufacturing sector to non manufacturing sectors (Beningo converse and Fornaro, (2015). All in all, the jury is still out on whether capital inflows are associated with better economic growth performance.

A close survey of the Nigeria economy indicates that Nigeria has recorded the trade imbalances in most fiscal years, indicating that total payments surpassed total receipts in relation to total imports and total exports. Overall balance of payments became worse in 1999, 2002 and 2008 mostly because of increased outflow from capital accounts (CBN, 2009). Most of the capital outflow must be attributed to increased importation, declining exports mainly non-oil subsector and particular due to external debt servicing required in meeting up with resource gaps. Essien and Onvioduokit (1999) and Ariyo (1999) described debt servicing and reserave creation as fluctuating variables that create dependence on foreign capital the flows into Nigeria through foreign investors' transactions. Investment inflows are a broad term which foreign direct investment (FDI) and foreign portfolio investment (FPI).

Portfolio investment is a recent phenomenon in Nigeria. Up to the mid-1980s, Nigeria did not record any figure on portfolio investment (inflow or outflow) in her balance of payment account. The nil return on the inflow column the account is attributable to absence of foreign portfolio investors in the Nigerian economy. This is largely because of non-internalization of the country's money and capital market as well as nondisclosure of information on the portfolio investments in foreign capital /money markets. Following a careful review of consequences of the Exchange Control Act of 1962 on the economy, after some 33years of its operation, Nigerian authorities came to the conclusion that the Act had not brought the economy any substantial benefits. The Act was judged inimical to a market driven economy. While equity trickled into Nigeria as a result of the Exchange Control Act of 1962, portfolio investments dried up, because portfolio investment required an investment climate, which guarantees speedy free entry and free exit of investment funds into and out of the country in a flash. The investment climate in Nigeria engineered by the Exchange control Act of 1962 did not guarantee the speedy mobility of funds across borders. It took the authorities more than three decades to realize that protection of the economy in a world striving to dismantle economic frontiers had not paid off., and that the capital market being the major player in the mobilization of funds for investment has to be liberalized and modernized to enable it capture enough resources for the economy from within and from outside. The Exchange control Act of 1962 was

identified as a major constraint on the growth of the Nigeria capital market. Accordingly, the Act was blown away with gale force in 1995,by the strong wind of deregulation which swept across the Nigerian macro-economic arena from the beginning of the last quarter of 1986 (Onoh, 2002). The deregulations of the securities pricing by SEC in 1993, the abolition in 1995 and the reorganization of the Nigerian stock Exchange to make more dynamic and mobile in the provision of adequate liquidity of investment bring up the operation of the Exchange to international standard and attract foreign portfolio investors. Accordingly, FGN in March 1996 set up a panel on the Nigeria stock Exchange and the panels term of reference include the reorganization of the Nigerian stock Exchange to make it more dynamic.; to recommend ways for modernizing the Exchange to bring it to international standard and to make other recommendations, which in the view of the panel, would strengthen the operation of the Exchange, and position it to deal with the domestic and international capital market challenges to the coming millennium(Onoh,2002).

Every investor wants to get better returns from investment .there are many investment opportunities around the globe, investment in stock market is one of them. The return on investment in stock market depends on various factors, the precise number of those factors is not known yet. All share index is mostly used to determine the growth of the market as it captures the overall performance of the market. NSE all share index captures all the other performance measures such as market capitalisation, liquidity and turn over ratios. It the major determinants of market size of any stock exchange. The size of the all share index and its growth rate pose a major influence on the growth and Development of the economy.

1. Conceptual Framework and Theoretical Framework

Foreign portfolio investments consist of securities and other fiscal resources inactively held by alien investors. Foreign portfolio investment does not provide the investor with direct ownership of financial assets, and thus no direct management of a company. This kind of investment is relatively liquid, depending on the volatility of the market invested in as is usually used by investors who do not want to manage a firm abroad. Foreign portfolio investment (FPI) is an important source of investment in flows to an economy. FPI investors usually make short term investment in domestic security of foreign country with expectation of earning return on it after weighing the expected risk. Nigeria in the last few years had clamored for foreign portfolio investment to the country as this is believed to be a facilitator of economic growth and development, which could lead to industrialization of the economy in the long run (Adeleke et al, 2004).

Foreign private investment is an investment made by a private individual or a private entity in a foreign country. This type of investment differs from other investments made by a foreign public or governmental entity in another country for the fact that it is made by an individual or a private entity. It can either be direct or indirect in nature, that is, foreign direct investment and foreign portfolio investment. Foreign direct investment (FDI) is a direct investment into production or business in a country by an individual or company by another country, either by buying a company in the target country or by expanding operations of an existing business in that country. Foreign direct investment is in contrast with portfolio investment which is a passive investment in the securities of another country such as stocks and bonds (Adeleke, Olowe, and Fasesin, 2014).

The stock market is common feature of a modern economy and it is reputed to perform functions that promote the growth and development of the economy. It is an institution that promotes efficiency in capital formation and allocation.

The capital market has been identified as an institution that contributes to the economic growth and development of emerging and developed economies. The stock market, through the provision of long term funds, enhances capital accumulation that is seen as significant tool in the process of economic growth and development. The stock market has basically been viewed as a predictor of the direction of national economy. It is a fact that if significant occurs in the share (stock) price, they are reflective of an impending recession while if significant increase occurs in the share (stock) price they are suggestive of a future economic boom (Uremadu, 2008).

Capital market is defined as the market where medium and long term finance can be raised (Akugbohungbe, 1996). It offers a variety of financial instruments that enable economics agents to pool liquidity and risk characteristics, as well as encourage savings in financial form. According to Al-Faki (2006), the capital market is a network of financial institutions, series of mechanisms, process and infrastructure, that in various ways facilitate the bringing together of suppliers and users of medium to long term capital for investment in economic development projects.

The Markowitz Efficient Frontier Model: Markowitz (1952, 1958) conveyed two significant insights with regard to modern portfolio theory. Firstly, he realized that the mathematics could not out a single optimal portfolio but rather could only identify a set of efficient portfolios. Secondly, he recognized that the appropriate risk facing an investor was portfolio risk which led to a fundamental point that the riskiness of a stock should not be measured just by the variance of the stock but also by their covariance. Markowitz discovered that it was the covariance that determines the risk of a portfolio and not the variance of individual

assets in the portfolio. The best portfolio would consist of assets which are perfectly negatively (inversely) correlated. However, according to Markowitz, the benefits of diversification need not only exist if the assets are perfectively negatively correlated. In fact, as long as the correlation coefficient between two assets was less than 1.0, there will be a reduction in risk by combing both assets in portfolio. Markowitz proposed that investors should instead consider variances of return along expected returns, and choose portfolio that offered the highest expected return for a given level of variance he called this rule the E-V maxim (Markowitz, 1959). In Modern portfolio theory, the Markowitz stock portfolio model is optimizing by minimizing the risk of the portfolio as measure by the variance of stock prices, subject to a given portfolio return. In reality, modern portfolio theory is a way to determine just how many eggs to put in each of several specified baskets.

Markowitz also demonstrated that for given level of risk, an investor can identify particular combinations of securities that maximize expected return. Markowitz referred to a continuum of such portfolio in dimensions of expected return and standard deviation as the 'efficient frontier'. According to Markowitz's E-V maxim, investors should restrict their choice of portfolio to those that are located along the efficient frontier. The efficient frontier considers a universe of risky investments. The notion of 'optimal' portfolio can be defined in one of two ways: for instance, for any level of risk (standard deviation), consider all the portfolios which have the level of risk. From among them all, select the one which has the highest expected return; and also for any expected return, consider all the portfolios which have that expected return. From among them all , select the one which has the lowest risk (standard deviation). Markowitz opined that the first definition produces an optimal portfolio for each possible level of risk while the second definition produces an optimal portfolio for each expected return. However the two definitions are equivalent as the set of optimal portfolio obtained using one definition is exactly the same set which is obtained from the other. The efficient frontier comprises a series of points each of which represents a particular allocation of assets across the clusters. Each allocation produces a specific return at a specific level of risks. In 1956, Henry Markowitz published the critical line algorithm for tracing out the efficient frontier given estimates of expected reruns, variances and covariance for any number of securities subject to various kinds of constraints. There are two restrictions in solving the efficient frontier. Firstly, the sum of the proportions of each assets represented in the portfolio must equal one, and secondly all assets must have positive or zero representation in the portfolio. Returns are varied between the minimum risk portfolio and the maximum risk portfolio.

2. Empirical Review

Ajayi, Adejayan and Obalade (2017) examined the impact of foreign private investment on the Nigerian capital market using time series data from 1986 to 2014. ADF unit root test, Johansen co-integration test and error correction mechanism were used for the purpose of analyses. Capital market development is proxies by market capitalization while foreign private investment is stationary at first difference and that there is a long run co-integration among market capitalization, foreign direct and portfolio investment. ECM results showed that, both types of private investment have positive impact on market capitalization but only the foreign direct investment is significant ($0.0015<0.05$) in determining market capitalization. The study concluded that foreign private investment has positive and significant impact on the development of capital market.

Koskei (2017) studied the effect of foreign portfolio equity outflow on stock returns of listed financial institutions in Kenya, the study of population was 21 financial institutions listed on the Nairobi securities exchange. The study adopted panel data regression using the ordinary list square (OLS) method where the data included time series and cross sectional. A unit root test was carried out to examine stationary of variables, because it used panel data which combines both cross sectional and time series information. Panel estimation result indicated that foreign portfolio equity outflow have no effect on stock returns of listed institutions kenya.

Ibrahim and Akinbola (2017) examined the relationship between foreign portfolio investment, democracy and economic growth in Nigeria. This was with a view to explore the nexus between foreign portfolio investment, democracy and economic growth in Nigeria. Secondary data were used in this study. Annual time-series data for the period 1986 to 2013 on foreign portfolio investment and maximum lending rate. Data collected were analyzed with both descriptive statistics and econometric techniques. Time series properties of the variables were examined using both Augmented Diskey Fuller and Phillip Peron tests. Co integration properties of the variables were also examined. Vector auto-regressive technique supported by variance decomposition and impulse response analysis were employed to empirically determine the relationship between foreign portfolio investment and economic growth in Nigeria. The results showed that foreign portfolio investment inflow was more stable in democratic periods between 1999 and 2013 than the military periods between 1986 and 1998 and that the correlation between economic growth and foreign portfolio investment is positive and very significant. The result showed that in the long run foreign portfolio investment had positive and significant effect on the economic growth in Nigeria ($t=3.7$, $p<0.05$). it also showed that democracy had a positive and significant

effect on economic growth (t=2.7, p<0.05), while it has positive but not significant effect on the relationship between foreign portfolio investment and economic growth(t=1.92, p<0.05). this study therefore concluded; the impact of foreign portfolio investment on economic growth significantly and positively but democratic government had no significant effect on the relationship between foreign portfolio and economic growth.

Onyeisi, Odo and Anoke (2016) studied the impact of foreign portfolio investment inflows on stock market growth in Nigeria from 1986 to 2014. The study used co-integration, vector error correction model and granger causality econometric tools. The results obtained includes the following; the trace statistics indicates one co-integrating equation at 5% level of significance, the vector error correction model indicates long run significant impact of foreign portfolio investment on stock market growth in Nigeria and the granger causality shows there is no causality between foreign portfolio investment and stock market growth in Nigerian economy.

Okafor, Ezeaku and Eje (2015) examined the effect of foreign investments (disaggregated into foreign direct investment and foreign portfolio investment) inflows on economic growth in Nigeria with a view of ascertaining the better contributor, using time series data from 1987-2012. The OLS and the granger causality procedures were employed in analyzing the data. The result displays that both foreign direct investment and foreign portfolio investment have positive and significant effect on economic growth though the partial correlation coefficient show that foreign portfolio investment is the better contributor.

Okpoto (2015) analyzed the impact of foreign private investment on the Nigerians economic growth from 1980-2013 using Augmented Dickey Fuller (ADF) and ECM to analyze the long run relationship between real GDP and other variables in the model. In order to actualize this, the relationship between real GDP and foreign private investment, inflation, exchange rate and interest rate were considered. The findings revealed that the activities in Nigeria within the period of study.

Baghebo and Apere (2014) in an attempt to ascertain the impact of foreign portfolio investment (FPI) On Economic growth as well as the long run determinant of FPI in Nigeria, it was discovered that foreign portfolio investment, market capitalization and trade openness has a positive long run relationship with real gross domestic product in Nigeria using Augmented Dickey Fuller unit root test. The variables considered were foreign portfolio investment, inflation rate, market capitalization, trade openness.

Ozurumba (2012) investigated the impact of stock market returns on foreign portfolio investment in Nigeria. Data were collected from central bank of Nigeria (CBN) statistical bulletin. The data were consequently analyzed using E-views statistical package. The methodology used was multiple linear regression analysis to capture the impact of foreign portfolio investment and inflation rate on stock market returns as well as granger causality tests to determine the direction of causality between the variables. The results showed that foreign portfolio investment has a positive and significant impact on stock market returns while inflation rate has positive but insignificant impact on stock market returns. In the case of causality test, evidence of the result showed that there is a unidirectional causality running from stock market returns to foreign portfolio investment in the economy, while in turn will foster stock market returns in Nigeria.

Olotu and Jegbefume (2011) in their study of the place of foreign capital flows in the Nigerian economic growth equation with a bias in the foreign portfolio investment, the result indicates that domestic investment is not statistically different from zero, openness has a negative value. They also found a close relationship between FDI and the real nonoil GDP.

Duasa and Kassim (2009) in their study examined the relationship between foreign portfolio investment (FPI) and Malaysias economic performance. In particular, the study analyses the relationship between FDI and real GDP using the widely adopted granger causality test and the more recent Toda and Yamamotos (1995) non-causality test to establish the direction of causation between the two variables. Similar method is also applied on the relationship between volatility of FPI and the real GDP. Additionally, the study used an innovation accounting by simulating variance decompositions and impulse response functions for further inferences. Using quarterly data covering the period from 1991 to 2006 the study found evidence that economic growth causes changes in the FPI and its volatility and not vice versa. Also, Ekeocha (2008) submitted that the volatility nature of foreign portfolio investment does not affect its role as an important source of fund to support investment in any economy that has a wide saving-investment gap like Nigeria.

In a study by Prasad, Raghuran and Subramanian (2007) on foreign capital and economic growth, they highlighted that among developing countries, there exists positive correlation between current account balances (surpluses, not deficit) and growth. The correlation is quite strong because it is present in cross-sectional as well as in panel data; it is not very sensitive to the choice of period or countries examined. It cannot be attributed simply to aid flows and it survives some other robustness tests. The went further to reveal that among industrial countries, those that rely more on foreign finance seem to grow faster. So it is probable that

when facing improved domestic investment opportunities and related higher incomes, poor countries do not have financial systems are particularly unlikely to utilize foreign capital to finance growth.

Sethi and Patnaik (2005) researched on the impact of international capital flows on Indians financial market and economic growth. By using monthly data, they find that FDI positively affects the economic growth, while the effect of foreign portfolio investment is negative. This result is in line with the study of Durham (2003) on the effects of foreign portfolio investment and other foreign investment on economic growth using cross-country data observes that FPI has no effect on economic growth and does not correlate positively with macroeconomic vitality. Knill (2003) studies the impact of the FPI on small firms and finds that it helps to bridge the gap between the amount of financing small firms need and that which they can access through the capital markets. Particularly, he finds that FPI is linked with an increased capacity to issue publicly traded securities for small firms in all nations.

3. Model Specification:

1. Multiple Regression Model

Functionally, ASI=f(FDI,FPI,EXR),
Mathematically, $ASI=B_0+B_1FDI+B_2FPI+B_3EXR+e$
Converting the above equation into log-linear form, we have:
$LogASI=B_0+B_1logFDI_t+B_2logFPI_t+B_3logEXR_t+e_t$
The a-priori expectation of the slope coefficient is:
$B_o>0$; $B_1>0$; $B_2>0$ and $B_3>0$.

2. Error Correction Model

$dASI=B_0+B_1dFDI_{t-1}+B_2\ dFPI_{t-1}+B_3\ dEXR_{t-1}+ECM+e_t$

3. Augmented Dickey Fuller Model

$dY_t=a_0+a_1Y_{t-1}+\ b_1dY_{t-1}+e_t$
where,
ASI=All-share index proxy for stock exchange performance
FDI=foreign direct investment
EXR=exchange rate
B_i=coefficient parameters of the variable or a_i
e=stochastic error term
d=change
ECM=error correction model

In order to have a first insight into the nature and trend of the individual variables , descriptive analysis was conducted for this study and the result presented below:

Table 1: Descriptive statistic result

Variables	observations	Mean	Maximum	Minimum
ASI	31	15623.95	57990.2	163.8000
FDI	31	404861.4	1360308	735.8000
EFI	31	299735.8	2687233	151.6000
EXR	31	90.31806	305.0000	1.75OO

Source: E View Version 8

In order to have an first insight into the order of integration of the individual variables ,Augumented Dickey Fuller unit root test was conducted for this study and the result presented below:

Table 2: Unit Root Test

VARIABLE	ADF at level	ADF at first difference	Order of integration
ASI	-2,631672	-3.803834***	1(1)
FDI	-2.385838	-8.802471***	1(1)
FPI	0.050594	-6.026549***	1(1)
EXR	-2.518820	-5.527176***	1(1)

Source: E View Version 8

Note: Test critical value at i% =-3.67, 5%=-2.96, and at 10%=-2.62.
Asterisks *,**,and *** represents 10%,5%, and 1%.
The ADF unit root test result above showed that all the variables were not stationary at level as their values in absolute terms are less than their critical value at 5% level of significance. However, all the variables became stationary after the first difference.
The result of the dependent variable ASI indicates that its mean value during the period under study is 15623.95, maximum value 57990.20 and minimum 163.800. On the other hand, FPI shows an average of 299735.8 during the period under study with the maximum and minimum of 2687233 and 151.600 respectively.

Table 5: Parsimonious Result for the study

Dependent variable: D(LogASI)
Method: Least squares
Date:10/11/2018< Time:9:30amSample(adjusted): 1987-2016
Included observations: 30 after adjustments

Variable	Coefficient	Standard error	t-statistic	Prob.
C	1.376784	0.407807	3.376066	0.0024
LOGFDI(-1)	-0.145135	0.069501	-2.088236	0.0471
LOGFPI(-1)	-0.037256	0.027100	-1.374368	0.1814
LOGEXR(-1)	0.222378	0.104130	2.135585	0.0427
ECM(-1)	-0.355236	0.117651	-3.019413	0.0058
R squared	0.464488	Mean dependent variable		0.170010
Adjusted R squared	0.378806	S.D. dependent Variable		0.309931
S.E. of Regression	0.244275	Akaike Information criterion		0.169967
Sum squared residual	1.491757	Schwarz criterion		0.403500
Log Likelihood	2.450489	Hannan-Quinn criterion		0.244677
T-statistic	5.42068	Durbin-watson criterion		1.707625
Prob.(t-statistic)	0.002770			

Source: E View Version 8

$ASI=B_0+B_1FDI+ B_2FPI+B_3EXR+e$

ASI=1.38-0.15FDI -0.04FPI+ 0.22EXR+e

The above table showed that there exists a negative but insignificant relationship between one-year lagged FPI and stock market performance, proxies in ASI in Nigeria. This means that 1% increase in FPI leads to $% decrease in in stock market performance. The probability value of FPI (0.180) is greater than the test significant level (0.05).With this, we conclude that FPI has significant effect on stock market performance in Nigeria in the short run. This collaborates with the study of Koskei (2017), who found out that FPI has no effect on stock returns of listed institutions in Kenya.

Furthermore, an important feature to notice is the coefficient of error correction term. This carries the correct sign and it is statistically significant at 5% level with the speed of adjustment to equilibrium of 36%. This implies that in the short run, the economy adjusts by 36%of the past years deviation from equilibrium. This indicates that the speed of adjustment to equilibrium is relatively low. This is essential for maintaining long run equilibrium to reduce the existing disequilibrium over time. This result justifies the use of an ECM specification of the model in the study.

The coefficient of determination measured by adjusted $R^{2,}$ showed that 46% of the variations in stock market performance, proxies by LogASI are explained by changes in independent variables (FPI,EXR). Hence, the remaining 54% of the variations are due to other factors(which may be qualitative), not included in the model.

Finally, the Durbin-Watson statistic (1.70) which is approximately 2, showed that there is no presence of autocorrelation being that 2<=DW>=4. Most interestingly, the Durbin Watson statistic exceedsthe R-squared value ($DW>R^2$) which indicates that the regression result is not spurious.

4. Conclusion and Recommendation

The study found out that foreign portfolio investment has a negative and insignificant effect on stock market performance in Nigeria. The study investigated the effect of foreign private investment inflows on the stock market performance in Nigeria. Foreign direct investment and foreign portfolio investment were chosen as proxies for foreign private investment inflows. Exchange rate was introduced as an explanatory variable while all share index of the Nigeria stock exchange served as the proxy for stock market performance. The study made use of annual data spanning 1986 to 2016. Findings showed that foreign direct investment has a negative and significant effect on stock market performance. In conclusion, the study argued that foreign investment inflows have significant effect on stock market performance in Nigeria. The study recommends that inflow of foreign portfolio investment should be encouraged, even though it has negative and insignificant effect on the stock performance in Nigeria.

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Exchange Rate and Stock Market Performance in Nigeria

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Abstract

The study investigated the effect of exchange rate on the performance of the stock market in Nigeria. The study made use of annual data spanning a period of 1986 and 2016.The data were analysed using multiple regression analysis, augumented dickey fuller of unit root test, cointegration test and error correction model. The study revealed that exchange rate has a positive and significant effect on the performance of the stock market. It was recommended that government should fashion out ways of holding the movement of exchange rate such that it does not spiral into threshold of which it starts to undermine stock market investments in Nigeria.

Keywords: Exchange rate, All share index, foreign direct investment.

1. Introduction

Capital inflow is the movement of capital resources in to a country for the purpose of investment, trade or business production. Global flows to Africa have increased rapidly since 1990s for all types of private investment and capital. Financial liberalization whose key factor is free movement of capital has been experienced in the last decade. In following years there has been a growing interest among researchers in the examination of effect of foreign investor transactions on emerging stock markets. Reason behind that interest could be the view which associates foreign investor transactions and financial crises for emerging markets. According to proponents of this view, foreign investor transactions lead emerging markets to become destabilized and expose them to financial crises.

Thus, many African countries are trying to attract private capital flows. With regards to the economic weight of African countries, net private capital flows remain high. Contrary to popular beliefs, bilateral donors and international institutions are no longer the main source of funding (capitals flows and transfer included) of investment and growth (Sayeh, 2011). With the increase of private investment on equity returns and economic growth many African countries are hosting major stock markets.

Foreign investment flows are important to nations that are recipients of these flows as they have an opportunity to benefit from less expensive modes of financing. Nevertheless, they intensify a country's susceptibility to global economic meltdown which occurs during spontaneous reversals in foreign investment flows. The economic crisis of the 1980s, Latin American and the association of South East Asian Nations in the 1990s and Argentina in 2001-02, are examples of the adverse effects result in from uncertainties in foreign portfolio flows (Chen and Quang, 2012). Although the economic turmoil in the united states of America (U.S.A) and some parts of the group of European nations in 2008-2009 may have been agitated any many issues such as bank failures, property bubbles and government fiscal deficit, the crises were transmitted to other nations through financial intermediaries. The meltdown in these advanced economies that were believed to be resilient exposed the vulnerability of developing countries that depended on foreign inflows and the global financial system as a whole.

Foreign capital brings credit, knowledge, and discipline to the host countries, which are thought to be essential for economic growth. In addition, access to foreign funds can enhance capital allocation efficiency and productivity, and thus growth in recipient countries (Ahmed and Zlate, 2014). Yet, a number of recent studies argue against such and the other positive benefits of capital inflows. For example, capital inflows can cause a transfer of economic resources

from tradable to non-tradable sectors, which are often subject to slow productivity growth (Benigno and Fornaro, 2014; Reis2013). In addition, episodes of large capital inflows increase the possibility of a sudden stop which hurt economic performance (Calvo and Reinhart, 2000) and may trigger a shift of capital and labour out of the manufacturing sector to non-manufacturing sectors (Beningo converse and Fornaro, 2015). All in all, the jury is still out on whether capital inflows are associated with better economic growth performance.

A close survey of the Nigeria economy indicates that Nigeria has recorded the trade imbalances in most fiscal years, indicating that total payments surpassed total receipts in relation to total imports and total exports. Overall balance of payments became worse in 1999, 2002 and 2008 mostly because of increased outflow from capital accounts (CBN, 2009). Most of the capital outflow must be attributed to increased importation, declining exports mainly non-oil subsector and particular due to external debt servicing required in meeting up with resource gaps. Essien and Onvioduokit (1999) and Ariyo (1999) described debt servicing and reserve creation as fluctuating variables that create dependence on foreign capital the flows into Nigeria through foreign investor's transactions. Investments inflows are a broad term which foreign direct investment (FDI) and foreign portfolio investment (FPI).

Portfolio investment is a recent phenomenon in Nigeria. Up to the mid-1980s, Nigeria did not record any figure on portfolio investment (inflow or outflow)in her balance of payment account. The nil return on the inflow column on the account is attributable to absence of foreign portfolio investors in the Nigerian economy. This is largely because of non-internalization of the country's money and capital market as well as nondisclosure of information on the portfolio investments in foreign capital /money markets. Following a careful review of consequences of the Exchange Control Act of 1962 on the economy, after some 33years of its operation; Nigerian authorities came to the conclusion that the Act had not brought the economy any substantial benefits. The Act was judged inimical to a market driven economy. While equity trickled into Nigerians a result of the Exchange Control Act of 1962, portfolio investments dried up, because portfolio investment required an investment climate, which guarantees speedy free entry and free exit of investment funds into and out of the country in a flash. The investment climate in Nigeria engineered by the Exchange control Act of 1962 did not guarantee the speedy mobility of funds across borders. It took the authorities more than three decades to realize that protection of the economy in a world striving to dismantle economic frontiers had not paid off., and that the capital market being the major player in the mobilization of funds for investment has to be liberalized and modernized to enable it capture enough resources for the economy from within and from outside. The Exchange control Act of 1962 was

identified as a major constraint on the growth of the Nigeria capital market. Accordingly, the Act was blown away with gale force in 1995,by the strong wind of deregulation which swept across the Nigerian macroeconomic arena from the beginning of the last quarter of 1986 (Onoh, 2002). The deregulations of the securities pricing by SEC in 1993, the abolition in 1995 and the reorganization of the Nigerian stock Exchange to make more dynamic and mobile in the provision of adequate liquidity of investment bring up the operation of the Exchange to international standard and attract foreign portfolio investors. Accordingly, FGN in March 1996 set up a panel on the Nigeria stock Exchange and the panels term of reference include the reorganization of the Nigerian stock Exchange to make it more dynamic.; to recommend ways for modernizing the Exchange to bring it to international standard and to make other recommendations, which in the view of the panel, would strengthen the operation of the Exchange, and position it to deal with the domestic and international capital market challenges to the coming millennium(Onoh,2002).

Every investor wants to get better returns from investment .there are many investment opportunities around the globe, investment in stock market is one of them. The return on investment in stock market depends on various factors, the precise number of those factors is not known yet. All share index is mostly used to determine the growth of the market as it captures the overall performance of the market. NSE all share index captures all the other performance measures such as market capitalisation, liquidity and turn over ratios.it the major determinants of market size of any stock exchange. The size of the all share index and its growth rate pose a major influence on the growth and Development of the economy.

2. Conceptual and Theoretical Framework

Foreign private investment is and investment made by a private individual or a private entity in a foreign country. This type of investment differs from other investments made by a foreign public or governmental entity in another country for the fact that it is made by an individual or a private entity. It can either be direct or indirect in nature, that is, foreign direct investment and foreign portfolio investment. Foreign direct investment (FDI) is a direct investment into production or business in a country by an individual or company by another country, either by buying a company in the target country or by expanding operations of an existing business in that country. Foreign direct investment is in contrast with portfolio investment which is a passive investment in the securities of another country such as stocks and bonds (Adeleke, Olowe, and Fasesin, 2014).

Foreign portfolio investment consists of securities and other fiscal resources inactively held by alien investors. Foreign portfolio investment does not provide

the investor with direct ownership of financial assets, and thus no direct management of a company. This kind of investment is relatively liquid, depending on the volatility of the market invested in as is usually used by investors who do not want to manage a firm abroad. Foreign portfolio investment (FPI) is an important source of investment inflows to an economy. FPI investors usually make short term investment in domestic security of foreign country with expectation of earning return on it after weighing the expected risk. Nigeria in the last few years had clamoured for foreign portfolio investment to the country as this is believed to be a facilitator of economic growth and development, which could lead to industrialization of the economy in the long run (Adeleke et al, 2004).

The stock market is common feature of a modern economy and it is reputed to perform functions that promote the growth and development of the economy. It is an institution that promotes efficiency in capital formation and allocation.

The capital market has been identified as an institution that contributes to the economic growth and development of emerging and developed economies. The stock market, through the provision of long term funds, enhances capital accumulation that is seen as significant tool in the process of economic growth and development. The stock market has basically been viewed as a predictor of the direction of national economy. It is a fact that if significant occurs in the share (stock) price, they are reflective of an impending recession while if significant increase occurs in the share (stock) price they are suggestive of a future economic boom (Uremadu, 2008).

Capital market is defined as the market where medium and long term finance can be raised (Akugbohungbe, 1996). It offers a variety of financial instruments that enable economics agents to pool liquidity and risk characteristics, as well as encourage savings in financial form. According to Al-Faki (2006), the capital market is a network of financial institutions, series of mechanisms, process and infrastructure, that in various ways facilitate the bringing together of suppliers and users of medium to long term capital for investment in economic development projects.

Capital Flow Liberalization Theory: Cited in Miguel and Paul (2006) argued that early and middle 1990s saw a rough consensus the openness to capital flows has salutary effects on economic growth. According to Miguel and Paul, (2009), subsequence to the Asian crisis of 1997 and the Russian crisis of 1998, the consensus unravelled. Strong and opposing views are feasible because hypothesized relationship between financial openness and future growth do not assert themselves strongly in statistics. They stated that at this point, it is not clear whether or not (and under what conditions) capital account openness and/or liberalization lead to economic growth. Also, that openness is a continuous economic concept

that has most often been measured with discrete or categorical policy variables with attendant loss of statistic power. Furthermore, the argued that early studies of this issue access financial openness using single indicator variable summarizing government policies. More so, the cited Bekaert, et al (2002) which adopted measures of openness that consider richer information, such as political environment and information in stock market time series. These measures retained the featurethat openness is non-decreasing over time within most of the samples that have been studied. According to Bekaert et al (2002),the assessment of liberalization focus on time of a breakout in capital flows in an upward direction in determining liberalization occurs. Baier et al. (2004) studied investment and productivity before and after the establishment of a stock exchange. Taylor (2006) showed that policy openness is only one aspect of actual openness. These finding suggested that a more flexible measure might be useful. Data in cross-border investment flows are one possibility. Though henry (2000) showed that net investment flows are strongest on average immediately after liberalizations, there is considerable variation in the cross-section. Also, gross invested flows (i.e. inflows and outflows together) also exhibited substantial variation across countries but, on average; tend to grow slowly following liberalization. Finally, gross flows are much larger than net flows, so outflows of funds are significant consequences of openness. Defenders of capital flow liberalization argue that foreign portfolio investment tends to increase the liquidity and the efficiency to local markets. They claim that the long-run, the expected return decreases as a result of market integration. Henry (2000) and Bekaert and Harvery (2000) address this issue and the abnormal after market liberalization. These studies argue that, with more foreign investor, start-up companies as well as existing companies are raised capital easier. The entrance of foreign investors also increases the liquidity of local market, and makes the base of investors broader, increasing the risk sharing.

3. Empirical Review

Exchange is the price of a unit of a given currency in relation to other currencies. The performance and profitability of industries and companies that are major importers or heavy users of imports are considerably affected by the exchange rate of the Naira against major currencies of the world (Osamwonyi 2003). Exchange rate is a product of a country's external trade and directly related to the balance of payments. Balance of payments deficit and the level of external reserve usually influence exchange rate. There is paucity of literature on the effect of exchange rate on stock price behavior. The theoretical postulation states that there is a positive relationship between exchange rate and stock returns. Maku and Atanda (2010) shows that stock returns and depreciating Naira rate are positively related.

4. Model Specification:

1. Multiple Regression Model

Functionally, ASI=f(FDI,FPI,EXR),
Mathematically, $ASI=B_0+B_1FDI+B_2FPI+B_3EXR+e$
Converting the above equation into log-linear form, we have:
$LogASI=B_0+B_1logFDI_t+B_2logFPI_t+B_3logEXR_t+e_t$
The a-priori expectation of the slope coefficient is:
$B_o>0$; $B_1>0$; $B_2>0$ and $B_3>0$.

2. Error Correction Model

$dASI=B_0+B_1dFDI_{t-1}+B_2\ dFPI_{t-1}+B_3\ dEXR_{t-1}+ECM+e_t$

3. Augmented Dickey Fuller Model

$dY_t=a_0+a_1Y_{t-1}+\ b_1dY_{t-1}+e_t$
where,
ASI=All-share index proxy for stock exchange performance
FDI=foreign direct investment
EXR=exchange rate
B_i=coefficient parameters of the variable or a_i
e=stochastic error term
d=change
ECM=error correction model
The result of the dependent variable ASI indicates that its mean value during the period under study is 15623.95, maximum value 57990.20 and minimum 163.800. On the other hand, EXR shows an average of 90.31806 during the period under study with the maximum and minimum of 305.000 and 1.75000 respectively.

In order to have an first insight into the order of integration of the individual variables ,Augumented Dickey Fuller unit root test was conducted for this study and the result presented below:

Table 2: Unit Root Test

VARIABLE	ADF at level	ADF at first difference	Order of integration
ASI	-2,631672	-3.803834***	1(1)
FDI	-2.385838	-8.802471***	1(1)
FPI	0.050594	-6.026549***	1(1)
EXR	-2.518820	-5.527176***	1(1)

Source: E View Version 8

Note: Test critical value at i% =-3.67, 5%=-2.96, and at 10%=-2.62.
Asterisks *,**,and *** represents 10%,5%, and 1%.
The ADF unit root test result above showed that all the variables were not stationary at level as their values in absolute terms are less than their critical value at 5% level of significance. However, all the variables became stationary after the first difference.

4. Result and discussions

In order to have a first insight into the nature and trend of the individual variables, descriptive analysis was conducted for this study and the result presented below:

Table 1: Descriptive statistic result

Variables	observations	Mean	Maximum	Minimum
ASI	31	15623.95	57990.2	163.8000
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Source: E View Version 8

Note: Test critical value at i% =-3.67, 5%=-2.96, and at 10%=-2.62.
Asterisks *,**,and *** represents 10%,5%, and 1%.
Johansen cointegration test

Table 3: Panel A: Trace statistic

Hypothesized No. of CE	Eigen value	Trace statistic	.05 critical value	Prob.**
None*	0.569316	59.52236	47.85613	

0.0028			
At most 1*	0.544593	35.09333	29.79707
0.0112			
At most 2	0.251711	12.2830015.49471	0.1439
At most 3*	0.125048	3.8739963.641466	0.0490

Source: E View Version 8

Table 3: Panel B: Max-eigen statistic

Hypothesized No. of CE	Eigen value	Max-eigen statistic	.05 critical value Prob.**
None*	0.569316	24.42903	27.58434
0.1204			
At most 1*	0.544593	22.81033	21.13162
0.0288			
At most 2	0.251711	8.409003	14.264600.3386
At most 3*	0.125048	*3.8739963*.841466	0.0490

Source: E View Version 8

Note: Max-Eigen value tests indicate 2 cointegrating equation at the 0.05 level of significance

- Denotes rejection of the hypothesis at the 0.05 level

Table 5: Pasimonious Result for the study
Dependent variable: D(LogASI)
Method: Least squares
Date:10/11/2018< Time:9:30amSample(adjusted): 1987-2016
Included observations: 30 after adjustments

Variable	Coefficient	Standard error	t-statistic	Prob.
C		1.376784	0.407807	3.376066
0.0024				
LOGFDI(-1)		-0.145135	0.069501	-2.088236
0.0471				
LOGFPI(-1)		-0.037256	0.027100	-1.374368
0.1814				
LOGEXR(-1)		0.222378	0.104130	2.135585
0.0427				
ECM(-1)	-0.355236	0.117651	-3.019413	0.0058
R squared			0.464488	Mean dependent variable
0.170010				
Adjusted R squared			0.378806	S.D.dependent Variable

0.309931			
S.E. of Regression	0.244275	Akaike Information criterion	0.169967
Sum squared residual	1.491757	Schwarz criterion	0.403500
Log Likelihood	2.450489	Hannan-Quinn criterion	0.244677
T-statistic	5.42068	Durbin-watson criterion	1.707625
Prob.(t-statistic)	0.002770		

Source: E View Version 8

$ASI=B_0+B_1FDI+ B_2FPI+B_3EXR+e$
ASI=1.38-0.15FDI -0.04FPI+ 0.22EXR+e

The above table showed that there exists a positive and significant relationship between one-year lagged EXR and stock market performance, proxies in ASI in Nigeria. This means that 1% increase in EXR leads to 22% increase in stock market performance. The probability value of EXR (0.042) is less than the test significant level (0.05).With this, we conclude that EXR has significant effect on stock market performance in Nigeria in the short run. This collaborates with the study of Koskei (2017), who found out that FPI has no effect on stock returns of listed institutions in Kenya.

Furthermore, an important feature to notice is the coefficient of error correction term. This carries the correct sign and it is statistically significant at 5% level with the speed of adjustment to equilibrium of 36%. This implies that in the short run, the economy adjusts by 36%of the past years deviation from equilibrium. This indicates that the speed of adjustment to equilibrium is relatively low. This is essential for maintaining long run equilibrium to reduce the existing disequilibrium over time. This result justifies the use of an ECM specification of the model in the study.

The coefficient of determination measured by adjusted $R^{2,}$ showed that 46% of the variations in stock market performance, proxies by Log ASI are explained by changes in independent variables (FPI,EXR). Hence, the remaining 54% of the variations are due to other factors (which may be qualitative), not included in the model.

Finally, the Durbin-Watson statistic (1.70) which is approximately 2, showed that there is no presence of autocorrelation being that 2<=DW>=4. Most inter-

estingly, the Durbin Watson statistic exceeds the R-squared value ($DW>R^2$) which indicates that the regression result is not spurious.

5. Conclusion and recommendation

The study also found out that exchange rate has a positive and significant effect in stock market performance in Nigeria exchange rate was introduced as an explanatory variable while all share index of the Nigeria stock exchange served as the proxy for stock market performance. The study made use of annual data spanning 1986 to 2016. Findings showed that foreign direct investment has a negative and significant effect on stock market performance. In conclusion, the study argued that foreign investment inflows have significant effect on stock market performance in Nigeria.

The study recommends that the government should fashion out ways of holding the movement of the exchange rate such that it does not spiral into thresholds in which it would start to undermine stock market investment in Nigeria.

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Foreign Direct Investment and Stock Market Performance in Nigeria

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Abstract

The study investigated the effect of direct investment on the performance of the stock market in Nigeria. The study made use of annual data spanning a period of 1986 and 2016.The data were analysed using multiple regression analysis, Augumented dickey fuller of unit root test, Co-integration test and error correction model. The study revealed that foreign direct investment has a negative but significant effect on the performance of the stock market. It was recommended that government should put facilities in place to lure more foreign direct investors, since it is very glaring that it boosts the economy and makes stock market more robust.

Keywords: Foreign direct investment, all share index, portfolio investment

1. Introduction

Capital inflow is the movement of capital resources in to a country for the purpose of investment, trade or business production. Global flows to Africa have increased rapidly since 1990s for all types of private investment and capital. Financial liberalization whose key factor is free movement of capital has been experienced in the last decade. In following years there has been a growing interest among researchers in the examination of effect of foreign investor transactions on emerging stock markets. Reason behind that interest could be the view which associates foreign investor transactions and financial crises for emerging markets. According to proponents of this view, foreign investor transactions lead emerging markets to become destabilized and expose them to financial crises.

Thus, many African countries are trying to attract private capital flows. With regards to the economic weight of African countries, net private capital flows remain high. Contrary to popular beliefs, bilateral donors and international institutions are no longer the main source of funding (capitals flows and transfer included) of investment and growth (Sayeh, 2011). With the increase of private investment on equity returns and economic growth in African countries hosting major stock markets, foreign investment flows are important to nations that are recipients of these flows as they have an opportunity to benefit from less expensive modes of financing. Nevertheless, they intensify a country's susceptibility to global economic meltdown which occurs during spontaneous reversals in foreign investment flows. The economic crisis of the 1980s, Latin American and the association of Southeast Asian Nations in the 1990s and Argentina in 2001-02, are examples of the adverse effects resulting from uncertainties in foreign portfolio flows (Chen and Quang, 2012). Although the economic turmoil in the United States of America (U.S.A) and some parts of the group of European nations in 2008-2009 may have been agitated by many issues such as bank failures, property bubbles and government fiscal deficit, the crises were transmitted to other nations through financial intermediaries. The meltdown in these advanced economies that were believed to be resilient exposed the vulnerability of developing countries that depended on foreign inflows and the global financial system as a whole.

Foreign capital brings credit, knowledge, and discipline to the host countries, which are thought to be essential for economic growth. In addition, access to foreign funds can enhance capital allocation efficiency and productivity, and thus growth in recipient countries (Ahmed and Zlate, 2014). Yet, a number of recent studies argue against such and the other positive benefits of capital inflows. For example, capital inflows can cause a transfer of economic resources from tradable to non-tradable sectors, which are often subject to slow productivi-

ty growth (Benigno and Fornaro, 2014; Reis2013). In addition, episodes of large capital inflows increase the possibility of a sudden stop which hurt economic performance (Calvo and Reinhart, 2000) and may trigger a shift of capital and labour out of the manufacturing sector to non-manufacturing sectors (Beningo converse and Fornaro, 2015). All in all, the jury is still out on whether capital inflows are associated with better economic growth performance.

A close survey of the Nigeria economy indicates that Nigeria has recorded the trade imbalances' in most fiscal years, indicating that total payments surpassed total receipts in relation to total imports and total exports. Overall balance of payments became worse in 1999, 2002 and 2008 mostly because of increased outflow from capital accounts (CBN, 2009). Most of the capital outflow must be attributed to increased importation, declining exports mainly non-oil subsector and particular due to external debt servicing required in meeting up with resource gaps. Essien and Onvioduokit (1999) and Ariyo (1999) described debt servicing and reserve creation as fluctuating variables that create dependence on foreign capital the flows into Nigeria through foreign investors transactions. Investments inflows are a broad term which foreign direct investment (FDI) and foreign portfolio investment (FPI).

Portfolio investment is a recent phenomenon in Nigeria. Up to the mid- 1980s, Nigeria did not record any figure on portfolio investment (inflow or outflow) in her balance of payment account. The nil return on the inflow column the account is attributable to absence of foreign portfolio investors in the Nigerian economy. This is largely because of non-internalization of the country's money and capital market as well as nondisclosure of information on the portfolio investments in foreign capital /money markets. Following a careful review of consequences of the Exchange Control Act of 1962 on the economy, after some 33years of its operation, Nigerian authorities came to the conclusion that the Act had not brought the economy any substantial benefits. The Act was judged inimical to a market driven economy. While equity trickled into Nigeria as a result of the Exchange Control Act of 1962, portfolio investments dried up, because portfolio investment required an investment climate, which guarantees speedy free entry and free exit of investment funds into and out of the country in a flash. The investment climate in Nigeria engineered by the Exchange control Act of 1962 did not guarantee the speedy mobility of funds across borders. It took the authorities more than three decades to realize that protection of the economy in a world striving to dismantle economic frontiers had not paid off., and that the capital market being the major player in the mobilization of funds for investment has to be liberalized and modernized to enable it capture enough resources for the economy from within and from outside. The Exchange control Act of 1962 was identified as a major constraint on the growth of the Nigeria capital market. Ac-

cordingly, the Act was blown away with gale force in 1995,by the strong wind of deregulation which swept across the Nigerian macro economicarena from the beginning of the last quarter of 1986 (Onoh, 2002). The deregulations of the securities pricing by SEC in 1993, the abolition in 1995 and the reorganization of the Nigerian stock Exchange to make more dynamic and mobile in the provision of adequate liquidity of investment bring up the operation of the Exchange to international standard and attract foreign portfolio investors. Accordingly, Federal Government of Nigeria in March 1996 set up a panel on the Nigeria stock Exchange and the panels term of reference include the reorganization of the Nigerian stock Exchange to make it more dynamic; to recommend ways for modernizing the Exchange to bring it to international standard and to make other recommendations, which in the view of the panel, would strengthen the operation of the Exchange, and position it to deal with the domestic and international capital market challenges to the coming millennium(Onoh,2002).

Every investor wants to get better returns from investment .there are many investment opportunities around the globe, investment in stock market is one of them. The return on investment in stock market depends on various factors, the precise number of those factors is not known yet. All share indexes is mostly used to determine the growth of the market as it captures the overall performance of the market. NSE all share indexes captures all the other performance measures such as market capitalisation, liquidity and turn over ratios.it the major determinants of market size of any stock exchange. The size of the all share index and its growth rate pose a major influence on the growth and Development of the economy.

2. Conceptual Framework and Theoretical Framework

Foreign private investment is and investment made by a private individual or a private entity in a foreign country. This type of investment differs from other investments made by a foreign public or governmental entity in another country for the fact that it is made by an individual or a private entity. It can either be direct or indirect in nature, that is, foreign direct investment and foreign portfolio investment. Foreign direct investment (FDI) is a direct investment into production or business in a country by an individual or company by another country, either by buying a company in the target country or by expanding operations of an existing business in that country. Foreign direct investment is in contrast with portfolio investment which is a passive investment in the securities of another country such as stocks and bonds (Adeleke, Olowe, and Fasesin, 2014).

Foreign portfolio investment consists of securities and other fiscal resources inactively held by alien investors. Foreign portfolio investment does not provide the investor with direct ownership of financial assets, and thusno direct man-

agement of a company. This kind of investment is relatively liquid, depending on the volatility of the market invested in as is usually used by investos who do not want to manage a firm abroad. Foreign portfolio investment (FPI) is an important source of investment in flows to an economy. FPI investors usually make short term investment in domestic security of foreign country with expectation of earning return on it after weighing the expected risk. Nigeria in the last few years had clamored for foreign portfolio investment to the country as this is believed to be a facilitator of economic growth and development, which could lead to industrialization of the economy in the long run (Adeleke et al, 2004).

The stock market is common feature of a modern economy and it is reputed to perform functions that promote the growth and development of the economy. It is an institution that promotes efficiency in capital formation and allocation.

The capital market has been identified as an institution that contributes to the economic growth and development of emerging and developed economies. The stock market, through the provision of long term funds, enhances capital accumulation that is seen as significant tool in the process of economic growth and development. The stock market has basically been viewed as a predictor of the direction of national economy. It is a fact that if significant occurs in the share (stock) price, they are reflective of an impending recession while if significant increase occurs in the share (stock) price they are suggestive of a future economic boom (Uremadu, 2008).

Capital market is defined as the market where medium and long term finance can be raised (Akugbohungbe, 1996). It offers a variety of financial instruments that enable economics agents to pool liquidity and risk characteristics, as well as encourage savings in financial form. According to Al-Faki (2006), the capital market is a network of financial institutions, series of mechanisms, process and infrastructure, that in various ways facilitate the bringing together of suppliers and users of medium to long term capital for investment in economic development projects.

Developing economy like Nigeria has realized the important of infusing foreign capital into domestic economy and accordingly foreign investors are being lured with financial and fiscal incentives. Host economy get benefited by positive effect in terms of productivity gains, technology transfer, introduction of new process, international production network, and acess to market (Encarnation and Wells, 1985). Besides these direct effects of foreign capital, their spillover effects also contribute significantly towards economic growth of the host country (Alfaro et al, 2004). Although, theoretically foreign investment inflows has positive impact on host economy but empirical evidences at nation level and firm level reported in literature induce ambiguity in its benefits. Aitken and Harrison

(1990) observed small improvement in overall productivity of plant due to foreign direct investment. They also report that productivity of plant using foreign capital increases but it decreases for plant not using foreign direct investment funded firms and pure domestic firms is very high in Nigeria. going by the international standard, it is expected to converge in lond term (Romer, 1993). This convergence is emerging economy like Nigeria is issue of interest for researchers.

Capital Flow Liberalization Theory: In this study there are two theories that we discussed the effect of foreign private investment inflows of stock market performance, but this study is anchored on capital flow liberalization theory, owing to the fact that this study has a lot to do with capital movement from one economy to another.

Cited in Miguel and Paul (2006) argued that early and middle 1990s saw a rough consensus the openness to capital flows has salutary effects on economic growth. According to Miguel and Paul, (2009), subsequence to the Asian crisis of 1997 and the Russian crisis of 1998, the consensus unraveled. Strong and opposing views are feausible because hypothesized relationship between financial openness and future growth do not assert themselves strongly in statistics. They stated that at this point, it is not clear whether or not (and under what conditions) capital account openness and/or liberalization lead to economic growth. Also, that openness is a continuous economic concept that has most often been measured with discrete or categorical policy variables with attendant loss of statistic power. Furthermore, the argued that early studies of this issue access financial openness using single indicator variable summarizing government policies. More so, the cited Bekaert, et al (2002) which adopted measures of openness that consider richer information, such as political environment and information in stock market time series. These measures retained the featurethat openness is non-decreasing over time within most of the samples that have been studied. According to Bekaert et al (2002),the assessment of liberalization forcus on time of a breakout in capital flows in an upward direction in determining liberalization occurs. Baier et al. (2004) studied investment and productivity before and after the establishment of a stock exchange. Taylor (2006) showed that policy openness is only one aspect of actual openness. These finding suggested that a more flexible measure might be useful. Data in cross-border investment flows are one possibility. Though henry (2000) showed that net investment flows are strongest on average immediately after liberalizations, there are considerable variation in the cross-section. Also, gross invested flows (i.e. inflows and outflows together) also exhibited substantial variation across countries but, on average; tend to grow slowly following liberalization. Finally, gross flows are much larger than net flows, so outflows of funds are a significant consequences of

openness. Defenders of capital flow liberalization argue that foreign portfolio investment tends to increase the liquidity and the efficiency to local markets. They claim that the long-run, the expected return decreases as a result of market integration. Henry (2000) and Bekaert and Harvery (2000) address this issue and the abnormal after market liberalization. These studies argue that, with more foreign investor, startup companies as well as existing companies are raised capital easier. The entrance of foreign investors also increases the liquidity of local market, and makes the base of investors broader, increasing the risk sharing.

3. Empirical review

These finding have implications on fiscal policy, monetary policy and exchange rate.

Okafor, Ugwuegbe and Ezeaku (2016) investigated the relationship between foreign capital inflows and economic growth in Nigeria for the period of 1981-2014. In this study, foreign capital inflows were proxied by foreign direct investment, foreign portfolio investment and foreign aid while economic growth was proxied by gross domestic product (GDP). The study employed annual data generated from CBN statistical bulletin and Toda Yamamoto test of causality was used to determine the relationship between foreign capital inflow and economic growth in Nigeria. The result revealed that there is bi-directional causality running from GDP to FDI as well as from FDI to GDP. It also indicated that there is unidirectional causality between FPI and GDP with causation running from FA to GDP. Finally, the joint causation between all the components of foreign capital inflow i.e FDI, FPI, FA and GDP indicates that increase in foreign capital inflow causes positively.

ChigbuUbah and Chigbu (2015) examined the impact of capital inflows on economic growth of developing economies, the case of Nigeria, Ghana and India from 1986-2012. Augmented Diskey Fuller unit root test was employed to evaluate the stationary of the data while Johansen co-integration was used to estimate the long-run equilibrium relationship among the variables. The causal relationship was teste using Granger causality and ordinary least square method was used to estimate the model. The findings revealed that capital inflows have significant impact on the economic growth of the three countries. In Nigeria and Ghana, foreign direct and portfolio investment as well as foreign borrowing have significant and positive impact on economic growth.

Odili (2015) investigated the impact of exchange rate volatility and stock market performance on the inflow of foreign direct investment to Nigeria using time series data from 1980 to 2013. It employed the ordinary least square technique and error correction mechanism in its estimations. The result revealed that ex-

change rate volatility has negative and significant effect on the inflow of foreign direct investment to Nigeria both in the long run and un the short run. It further revealed that market capitalization, proxy for stock market performance was positively signed and statistically significant. Apparently, a stable and well-developed capital market will definitely attract direct foreign investment in Nigeria.

Nkoro and Uko (2013) evaluated the nature of causality between foreign capital inflows and real economic growth and also, the effect of foreign capital inflows on GDP in Nigeria. The result of the variance decomposition was in consonance with that of co integration analysis of causality, which revealed the causality runs from foreign direct investment (FDI) and foreign aid to real GDP (growth). In addition, the result of the error correction model indicated that there is a significant positive effect of FDI on the real GDP. Again, Mojekwu and Ogege (2012) studied foreign direct investment and the challenges of a sustainable development in Nigeria and finds that gross capital formation has a positive and significant relationship with economic growth in Nigeria.

Ramzan and Kiani, (2012), in their empirical study used the econometric technique of error correction methods (ECM) Inanalyzing the relationship between FDI, trade openness and economic growth in Pakisan. As a necessity, the study employed annual data set covering the period 1975-2011, while employing the Augmented Dickey Fuller (ADF) to test for unit root on each variables unit. The findings explained that FDI and trade advance growth of real sector of economy of Pakistan. In a related study, Khan and Khan (2011) empirically studied the nexus between industry-specific foreign direct investment and output over the period 1981-2008. The granger causality and panel co-integration for Pakistan were utilized. The results revealed that FDI has positive effect on real output in the long run. Moreover, in the short run, there was evidence of two-way causality between FDI and GDP.

Okodua (2009) examined the FDI-growth relationship in Nigeria using the Johansen co-integration framework and a multivariate VAR within a VEC model. It was revealed that a long-run equilibrium relationship exist between economic growth and FDI inflows, and that a unidirectional causality runs from FDI and economic growth in Ireland. The empirical results found significant positive impact of foreign direct investment on economic growth in both short-run and long term run. Granger causality results indicated that foreign direct investment granger causes economic growth.

Duasa, (2007) utilized GARCH and pairwise granger causality tests to ascertain the impact of FDI on the stability of GDP and causal link between FDI and economic growth respectively. The result revealed that there is no strong causal re-

lationship between FDI and economic growth. But it was observed that foreign direct investment flows contribute negligibly to the instability of economic growth and vice versa. An empirical study of the relationship between FDI flows and economic growth in China by Sahoo, et al (2002) the regression show that there is a long-run relationship between variables such as GDP, FDI and change in domestic capital formation.

4. Model Specification:

1. Multiple Regression Model

Functionally, ASI=f(FDI,FPI,EXR),
Mathematically, $ASI=B_0+B_1FDI+B_2FPI+B_3EXR+e$
Converting the above equation into log-linear form, we have:
$LogASI=B_0+B_1logFDI_t+B_2logFPI_t+B_3logEXR_t+e_t$
The a-priori expectation of the slope coefficient is:
$B_0>0$; $B_1>0$; $B_2>0$ and $B_3>0$.

2. Error Correction Model

$dASI=B_0+B_1dFDI_{t-1}+B_2\ dFPI_{t-1}+B_3\ dEXR_{t-1}+ECM+e_t$

3. Augmented Dickey Fuller Model

$dY_t=a_0+a_1Y_{t-1}+\ b_1dY_{t-1}+e_t$
where,
ASI=All-share index proxy for stock exchange performance
FDI=foreign direct investment
EXR=exchange rate
B_i=coefficient parameters of the variable or a_i
e=stochastic error term
d=change
ECM=error correction model

4. Results and Discussions

In order to have a first insight into the nature and trend of the individual variables , descriptive analysis was conducted for this study and the result presented below:

Table 1: Descriptive statistic result

Variables	observations	Mean	Maximum	Minimum
ASI	31	15623.95	57990.2	163.8000
FDI	31	404861.4	1360308	

735.8000			
EFI	31	299735.8	2687233
151.6000			
EXR	31	90.31806	305.0000
1.75OO			

SOURCE: E VIEW VERSION 8

The result of the dependent variable ASI indicates that its mean value during the period under study is 15623.95, maximum value 57990.20 and minimum 163.800. On the other hand, FDI shows an average of 404861.4 during the period under study with the maximum and minimum of 1360308 and 735.8000 respectively.

In order to have an first insight into the order of integration of the individual variables,Augumented Dickey Fuller unit root test was conducted for this study and the result presented below:

Table 2: Unit Root Test

VARIABLE	ADF at level	ADF at first difference	Order of integration
ASI	-2,631672	-3.803834***	1(1)
FDI	-2.385838	-8.802471***	1(1)
FPI	0.050594	-6.026549***	1(1)
EXR	-2.518820	-5.527176***	1(1)

SOURCE: E VIEW VERSION 8

Note: Test critical value at i% =-3.67, 5%=-2.96, and at 10%=-2.62.
Asterisks *,**,and *** represents 10%,5%, and 1%.
The ADF unit root test result above showed that all the variables were not stationary at level as their values in absolute terms are less than their critical valye at 5% level of significance. However, all the variables became stationary after the first difference.

Johansen cointegration test: In order to have an insight into the long run relationship of the individual variables , Johansen cointegration test was conducted for this study and the result presented below:

Table 3: Panel A: Trace statistic

Hypothesized No. of CE	Eigen value	Trace statistic	.05 critical value	Prob.**

None*	0.569316	59.52236	47.85613
0.0028			
At most 1*	0.544593	35.09333	29.79707
0.0112			
At most 2	0.251711	12.28300	15.49471
0.1439			
At most 3*	0.125048	3.873996	3.641466
0.0490			

SOURCE: E VIEW VERSION 8

Note: Trace test indicates 3 cointegrating equations at the 0.05 level
*denotes rejection of the hypothesisat the 0.05 level.

Table 3: Panel B: Max-eigen statistic

Hypothesized No. of CE	Eigen value	Max-eigen statistic	.05 critical value Prob.**
None*	0.569316	24.42903	27.58434
0.1204			
At most 1*	0.544593	22.81033	21.13162
0.0288			
At most 2	0.251711	8.409003	14.26460
0.3386			
At most 3*	0.125048	*3.873996*	3.841466
0.0490			

SOURCE: E VIEW VERSION 8

Note: Max-Eigen value tests indicate 2 cointegrating equation at the 0.05 level of significance

- Denotes rejection of the hypothesis at the 0.05 level

To investigate the existence of longrun equilibrium relationship among the variables, two statistics were adopted: Trace and Max-eigenstatistics.The trace statistic indicates thatthereexists 3 cointegrating equations at 5% level of significance. From the result, the Trace statistic value (59.52236) is greater than the critical value(47.85613). The Trace statistic value (35.09333) is greater than the critical value(29.79707). Also, The Trace statistic value (3.873996) is greater than the critical value(3.641466).

Moreso ,when we apply the cointegration test based on Max-eigen test , the results indicates that there is 2 cointegrating equations at 5% level of significance. From the result, the max-eigen statistic value (22.81033) is greater than the criti-

cal value(21.13162) ; Again,(*3.873996*) is greater than (3.841466). This is an indication that the variables of the model are related in the longrun and as such reliable.

Table 5: Parsimonious Result for the study

Dependent variable: D(LogASI)
Method: Least squares
Date:10/11/2018< Time:9:30amSample(adjusted): 1987-2016
Included observations: 30 after adjustments

Variable	Coefficient	Standard error	t-statistic	Prob.
C	1.376784	0.407807	3.376066	0.0024
LOGFDI(-1)	-0.145135	0.069501	-2.088236	0.0471
LOGFPI(-1)	-0.037256	0.027100	-1.374368	0.1814
LOGEXR(-1)	0.222378	0.104130	2.135585	0.0427
ECM(-1)	-0.355236	0.117651	-3.019413	0.0058
R squared	0.464488	Mean dependent variable		0.170010
Adjusted R squared	0.378806	S.D. dependent Variable		0.309931
S.E. of Regression	0.244275	Akaike Information criterion		0.169967
Sum squared residual	1.491757	Schwarz criterion		0.403500
Log Likelihood	2.450489	Hannan-Quinn criterion		0.244677
T-statistic	5.42068	Durbin-watson criterion		1.707625
Prob.(t-statistic)	0.002770			

SOURCE: E VIEW VERSION 8

$ASI=B_0+B_1FDI+ B_2FPI+B_3EXR+e$
ASI=1.38-0.15FDI -0.04FPI+ 0.22EXR+e
From the result above, all the variables are stationary after first difference and thus OLS method gives consistent estimates. From the parsimonious result above, it is evident that one-year lagged FDI has a negative and significant rela-

tionship with stock market performance, proxies by ASI in Nigeria.This implies that a 1% increase in FDI leads to 15% decrease in stock market performance in Nigeria. The probability value of FDI (0.047) is less than the test significant level (0.05). Hence, we conclude that FDI has a significant effect 0n stock market performance in Nigeria. This finding supports the views of Kunai and Kunai (2017which found out that FDI) has negative and significant effect on stock market performance.

Furthermore, an important feature to notice is the coefficient of error correction term. This carries the correct sign and it is statistically significant at 5% level with the speed of adjustment to equilibrium of 36%. This implies that in the short run, the economy adjusts by 36%of the past years deviation from equilibrium. This indicates that the speed of adjustment to equilibrium is relatively low. This is essential for maintaining long run equilibrium to reduce the existing disequilibrium over time. This result justifies the use of an ECM specification of the model in the study.

The coefficient of determination measured by adjusted $R^{2,}$ showed that 46% of the variations in stock market performance, proxies byLogASI are explained by changes in independent variables (FPI, EXR). Hence,the remaining 54% of the variations are due to other factors (which may be qualitative), not includedin the model.

Finally, the Durbin-Watson statistic (1.70) which is approximately 2, showed that there is no presence of autocorrelation being that 2<=DW>=4. Most interestingly, the Durbin Watson statistic exceedsthe R-squared value ($DW>R^2$), which indicates that the regression result is not spurious.

5. Conclusion and recommendation

The results showed that foreign direct investment has a negative but significant effect on stock market performance in Nigeria. The study investigated the effect of foreign private investment inflows on the stock market performance in Nigeria. Foreign direct investment and foreign portfolio investment were chosen as proxies for foreign private investment inflows. Exchange rate was introduced as an explanatory variable while all share index of the Nigeria stock exchange served as the proxy for stock market performance. The study made use of annual data spanning 1986 to 2016. Findings showed that foreign direct investment has a negative and significant effect on stock market performance. In conclusion, the study argued that foreign investment inflows have significant effect on stock market performance in Nigeria.The study recommends that the government should put facilities in place facilities in place so as to lure more foreign direct

investors, since it very glaring that foreign direct investment help to boost the economy and also make stock market more robust.

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Globalization And National Economic Development: The Nigerian Experience

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Abstract
The paper discussed the relevance of globalization through integration that creates room for increasing interaction of people through the growth of international flow of money, ideas and cultures etc. It stated that globalization involves goods and services, economic resources including capital and technology being moved to other areas. The paper however, postulated that the benefits of globalization have not fully been transmitted to the developing nations due to the fact that globalization itself is a concept being enunciated by the Western nations for their own economic integration and development, while the gap between the rich and poor continues to get wider and wider every day. The paper observed, that if globalization is anything to go by, it has not really affected the growth of the Nigerian and most third world nations' economy. That globalization has not succeeded in using the abundant Nigerian natural resources to push it to the international market. It concluded that whether globalization is good or bad to the African and most third world nations, the experience so far is that there is unequal power and recognition in terms of international trade between the developed and the developing nations and if this is not controlled it could further increase the level of poverty and underdevelopment in the less developed countries. The paper recommended interalia, that Nigeria and most third world nations should find a way of competing favourably in the global process so as not to be left behind in the field of events and also try to reduce the level of poverty, corruption and underdevelopment.

Keywords: *Economic recovery, Growth, Development, Globalization and Underdevelopment*

INTRODUCTION

Globalization is an economic process which tends to unite and integrate states into global economic system. It creates room for increasing interaction of people through the growth of the international flow of money, ideas and culture etc (David, 2009). The whole essence of globalization is for economic growth and National development especially that of the underdeveloped countries such as Nigeria. Globalization involves goods and services and the transportation of economic resources including capital and technology. Wolf (2014) stated that today the importance and relevance of globalization have not been fully accepted and noticed in the minds of most third world nations especially Nigeria.

There are various reasons why the relevance of globalization has not been fully appreciated among the developing nations and in Africa. Upon the whole noise about globalization and its integration, the experience of the third world nations has remained the same. This is attributable to the fact that globalization itself is a concept which is enunciated by the western capitalist industrialized nations for the purpose of their economic integration and development. Its relevance has not been seriously felt in the third world nations. It is mainly serving the interest of those who credited it. Another reason why the concept has not really been appreciated in this part off the world is because the gap between the north and the south is still very wide. The rich western nations are becoming richer while the third world nations are becoming very poor and even poorer. Igudia (2003) posits that through this concept, many have tried to create some few impact in the third world nations like Nigeria, while the impact and gap between the rich and poor is still very wide and moreover there is nothing serious to show that Nigeria has entered into a global integration of economic development. The truth is that globalization is still on the advanced countries who coined the concept for their own benefit and growth. The point is that the relevance of globalization has not affected the economic growth of Nigeria. Example is the recent study given by the internet users from the International Telecommunication Union (ICT) (2005) to (2016) estimated the following by regions:

	2005	2010	2016
Africa	2%	10%	25%
America	36%	49%	65%
Arab state	8%	26%	42%
Asia and pacific	9%	23%	42%
Europe	46%	67%	79%

Source: International Telecommunication Union.

From the figure, it showed that Africa is the list and the smallest in the table of places where internet information is available. The truth is that the

impact of globalization is yet to be experienced in Nigeria and other third world nations. If globalization is for economic growth and development, why has it not affected growth of Nigerian industry and creates impact on trade transaction and economic growth and development in Nigeria as a state?

STATEMENT OF PROBLEM

According to Abati (2007), and library of congress (2008), the abundant natural resources inherent in Nigeria is capable of making it the most affective state in the sub-Saharan African. Even Nigeria is the sixth largest oil producer in OPEC, with an estimated proven oil reserve of 36.2 billion barrels. Nigeria is the tenth largest in the world, the eight largest exporter of oil and the United States being fifth largest source of its imported oil. Nigeria has limited natural gas reserve of about 182 trillion cubic feet, the seventh largest in the world. The country has a recoverable coal reserve amounted to 209 million short tons (mmst) but produced less than one percent because the coal industry suffers from extremely low productivity and high transport costs (Library of Congress, 2005). This is not the outing one, Nigeria's 75 percent of land is arable, of which 40 percent is cultivated in 2002, and oil and gas exports accounted for more than 98% of export earnings and about 83% of federal government revenue.

The point here is where is the place of Globalization in this context? One would think that with globalization in the face of these abundant natural resources, Nigeria should heve been actively propelled into the international market and thus reduce or close the widening gap between her and the rich countries.

Today, there is a collapse of basic infrastructure and social services, Nigeria's per capital income has reduced tremendously. Globalization has not been able to help reduce massive corruption in the Nigeria State.

Agriculture has equally suffered much more than other sectors of our economy due to mismanagement and poor policies. Agriculture was formerly the bedrock of the Nigerian economic development but with the discovery of oil in the early 70s, agriculture was abandoned in place of oil. Nigeria is no longer a major export of cocoa, groundnut and palm oil. (National Planning Commission, 2004). Corruption has taken over every aspect of the country's development. According to Arowolo (2004), corruption continues to drain the country's revenue and developmental potential. Moreover, it is undermining the willingness of ordinary Nigerian to endure the pain of economic adjustment. The questions being asked by most economic observers and foreigners are whether in the midst of this economic downturn and failures whether globalization can help change or review the development strategies in Nigeria and whether the perception of Nigerians towards globalization can change to make way for economic development. This is in the backdrop of the fact that people have not

really seen positive effects of Globalization in the economic development of Nigeria. This is because globalization which supposed to bring about increasing interaction of people through the growth of the international flow of money, ideas and culture which is more or less an intensification of worldwide interaction and environmental changes have not really been seen in Nigeria and most third world nations. No wonder most of the African Authors like Aluko (2003), have stated that Globalization has failed since it has not been able to reconcile the differences and interests of the economically rich and developed nations with that of the poor and under-developing nations of Africa. In the presence of Globalization, we continue to witness a very wide gap between the rich and the poor nations. Exploitation and corruption continue to grow and increase unabated. Most of these rich capitalist nations continue to encourage the leaders of these poor countries to siphon the money of their nations and give them safe landing in their countries. The leaders of African countries embezzle and steal money of their countries and send it to them, while the poor people continue to suffer. To them, globalization means corruption enrichment, money laundry and safe deposit of stolen money for safe and secured keeping abroad. A good example is the report of the Nigeria Economic Society (NES, 2003) that most of the Africa and third world trade and contracts with the Advanced countries have caused a decline and collapse of the external purchasing power of the currencies of their governments. It has equally weakened them and their position in international and global economic competitiveness since 1980. Aigbokhan (2003) has also supported Aluko (2003) and concluded that since 1983 and 1986 Nigeria embarked on the restructuring of her economy by joining WTO, the economy instead of improving, the structural Adjustment programme has not helped to reduce the economic downturn in Nigeria. The globalization programmes such as liberalization and deregulation of the economy have succeeded in worsening the Nigerian economic condition. Globalization therefore can be seen as a temporary process of change which underpins a transformation in the organization of human affairs by linking together and expanding human activity across different Nations. The benefits of globalization are only skewed to their rich advanced countries and not the poor nations. To the poor Nations of Africa, one can say globalization presents a temporary show of relief but it deepens the rate of economic exploitation of the poor nations for the benefit of the rich ones.

CONCEPTUAL CLARIFICATION AND ETYMOLOGY

The word Globalization came from the word “Globalize” which is seen to have arrived as an international network of economic programme (Etymology Dictionary 2012). It was also used in 1930 in a publication entitled, “Towards new education” (Oxford English Dictionary, 2009). However, the earlier concept and usage was by Charles Taze Russell who coined the word

corporate giants. He was a minister in the watch tower Bible and tract society in 1897, though the concept was used by the economist since 1981 but it did not take a wide acceptance until the 1990s. Recently, credit could be given to Levitt for popularizing and making it to gain wider acceptance. From the 1980s, the term Globalization has become increasingly used as a household term which has generated lot of controversy in the area of definition, explanation and interpretations. For Wolf (2001) globalization is "all those processes by which the people of the world are incorporated into a single world society". The concept can equally be seen in the area of transformation, cultural practices and tradition. While Gidden (1999) sees globalization as the intensification of worldwide social relational which link distant localities in such a way that local happenings are shaped by events occurring many miles away ordinarily. The term represents a form of widening, deepening and speeding up of global interconnections (Casali, 2004:115). But James and Paul (2005) define Globalization in a direct contextual form as the extension of social relations across world-space. Those in Economics have taken the term to another level. According to Fotoponlos (2001), economic globalization is the opening and deregulation of commodity capital and labour markets that led towards the present Neorhberol globalization. They also identified what they called the political globalization to refer to the emergence of a transnational elite and a phasing out of the nation state.

Mclean and McMillan (1996) have a different meaning of globalization which includes a universal process(es) which generate multiplicity of linkages and interconnections, which transcend the states and societies which make up the modern system". It involves a dramatic increase in the density and depth off economic, ecological and societal interdependency, with density referring to the increased number, range and scope across border transactions and depth to the degree to which that interdependency affects and is affected by the ways in which societies are organized domestically. In order words, it refers to the relationship between communities and states including cultures and how they came to being through geographical spread of ideas and social norms at local and regional levels.

The creation and origin of globalization can be addressed in three main ideas. The first represents how the adaptative and implementation of system principles from the Eastern origin without the ideas from the East. The second idea shows that the interactions among states were not on a global scale but however were continued to Africa and Asian countries, while the third shows the interdependence, stability and regularity and how this mutual relationship affects one another. This is the power and force behind global connection without which trade and globalization would not have come to being.

The old globalization is distinguished from modern globalization from

the point of view of expansionism, through trade and information exchange till the annual new commodities including slave trade. The modern globalization came into being around the 19th century as a result of individual revolution which gave room for the standardization of commodities using economies of scale. By this time, globalization was shaped by the European imperialism on African and Asian nations and increased the rate of goods and services.

Finally, globalization means free movement of goods, services and people across the world in interactive manners. It can be seen as a result of the opening up of the global economy and the resultant increase in trade information and discoveries. Globalization will take place anytime nations decide to open up their economies for increase in trade with other foreign Nations. Recently, Globalization has come to mean when nations decide to open up their economies and liberalize their import duties and allow foreign investment into sectors off their main economy. It could equally come in the area of Liberalization of their Visa protocols and rules so as to permit the free flow of people from one country to another. When these occur, the unproductive sectors may be opened up to investment and the productive sectors to export related areas.

THEORETICAL FRAMEWORK OF ANALYSIS

Looking at the reasons for Nigerian failure in the midst of plenty, Patron-client and Conflict Theories will be more appropriate to analyze this study on globalization and National economic development, the Nigeria experience. The conflict theory according to Otomar (2002) is of the opinion that the society or organization functions in pattern of struggle and conflict in order to achieve its purposes and services. In this manner of struggle, each individual participating in its group struggle to maximize their benefits, which inevitably contributes, to social change, while the Patrol-Client politics according to Coser (1996) is of the opinion that political events are viewed from the ethnic points of view, thereby constraining and aggravating the choice of political elites. The consequence is the intense struggle for ownership and control over the spoil of office. The various nationalities laced unanimity of purpose thereby making policy and ethic consideration pervade policy and political process. In this situation, the struggle and contention will be for the control of the good things of office. This is the reason why majority of the Nigerian citizens are subjected under poverty while the few minorities who constitute the white and godfathers control the wealth of the nation. You can only benefit from the wealth of the nation unless you are close to them (African Report 2006). This is the reason why political process in Nigeria is characterized by corruption and continued electoral malpractices together with intercommunal clashes and killing of the innocent citizens. The leaders of the Nigerian state because of corrupt enrichment have hijacked the political powers and reduced

the rest of the citizens to second class citizens. This is the reason why there is abuse of power and the inability of the state to ensure good governance. The electoral promises are hardly fulfilled, coupled with high level of corruption, bribery, nepotism and the emergence of militants in some regions of the state. The resultant effect is the killing of many innocent citizens in the country. The ruling elite took advantage of the lucrative and large deposit of oil to manipulate the nation's public policy to their own advantage and fortunes. Arolowo (2006) was of the opinion that these problems were responsible for the crisis in the Niger Delta areas where it is believed that the government has taken over $320 billion worth of crude oil in its bowels since 1970 and is one the largest producing oil countries. Infact, the sixth world largest producer of oil in the world while the area they produce this oil has nothing to show for it or has been neglected in terms of serious and reasonable development. The proceeds from the oil is used to develop other parts of the regions in Nigeria. According to Ebuka (2005), the central bank of Nigeria report for the year 2005 stated that Nigeria received up to 99% of its total export revenue from oil, making it the most oil dependent economy in the world. Of the total of $5.547 trillion earned in 2005 according to Ebuka (2005), there was nothing that the Nigeria elite did with money, yet hunger and poverty are ravaging the country and this hunger and poverty have given room for the emergence of many regional militia under different names (Agba & Okeke, 2017).

The liberal point of view was of the opinion that underdevelopment is a stage that has to give way for another state to take place, but in the case of Nigeria poverty, hunger and underdevelopment have continued to strive and grow wings flying in Nigeria. Liberalism believes that politics and economics should exist side by side for the interest of efficiency, growth and development giving room for the consumer or citizens to make choice in the market economy. This view of the liberalism contends that no country should remain in the state of underdevelopment because it is a stage where most countries pass through and become what they are today. It is an experience for managing the market economy so as to achieve greater efficiency and economic growth. If this theory is true, why is it that the Nigeria and most Africa's economy has remained stagnant and underdeveloped over a long period of time with corruption and nepotism being the other of the day. In Nigeria, there is complete lack of respect for the rule of law, lawlessness in many ways are celebrated. According to Lawel (2006), the former speaker of the house of representative in Nigeria, Honourable Aminu Bello Masari attributes this to the circumstances that led to the emergence of a leader into political power. As he puts it, most of Nigeria leaders and those who commit lawlessness were products of rigged electoral processes. He went on to state that most politicians who rigged their way into power were responsible for the poor performance of some elected officials (Ebiri, 2016).

THE NIGERIAN EXPERIENCE

Globalization tends to increase the number off interactive relations among nations which gives room for the abilities and reduction of the level of import tariffs, renewal of export taxes, export subsidies, elimination of non tariff barriers and devastation of the local currency (Obadan 1990:20). However, this positive benefit notwithstanding, the trade liberalization was what gave room for Nigeria's Structural Adjustment Programme (SAP). This free flow of import was part of what dealt a blow and hindered the growth of local industries in a very serious extent. It affected Nigeria negatively in that it reduced the level of production and brought about serious devaluation of the Nigerian currency without considering its implication to production and performance of the local industries. Many workers lost their jobs and unemployment became very rampant. It never helped the export off local manufactured products but rather facilitated import of all kinds of luxury goods to the disadvantages of the local ones. In terms of integration, some developing countries like Malaysia, Hong Kong and Singapore are more integrated to the world economy than Nigeria (Obadan, 2001). The very poor and non-performance of non-oil export was the major reason for the downward and low performance of Nigeria's share in global export.

Secondly, the truth is that most poor countries like Nigeria cannot involve themselves in this liberation process because they are not properly established to involve or participate and compete in this international competition of the global economy. Nigeria cannot claim to be involved in the sense that it does not produce anything that it wants to sell outside. What has it to compete with other nations in the international market in the absence of oil? The most dangerous aspect of it is that Nigeria as import dependent nation, liberation has tended to ruin domestic industries and destroy supply capacity due to this prohibitive aspect of imported input costs. The danger and most unfortunate aspect of this is that, the liberalization continues to give room for massive importation of foreign made goods to flourish in Nigeria at the detriment of locally produced ones. Most of the local industries in Nigeria have closed up because of this in flow of the foreign produced ones (Igiebor & Arasomwan, 2017).

This liberation process has not really helped the Nigerian economy to grow. Egonmwan (2000) stated that a report from ILO estimated that in sub – Sahara Africa, the proportion of the population living in abject poverty will increase to over 50% by the year 2010. He went on to state that more than 50% of Nigerians currently live below the poverty line with the closure of most industries as a result of lack of competition with the foreign made ones while most people are out of jobs and unemployment is equally increasing. This kind of trade liberation has not helped the Nigerian economy well.

Most people were off the view that globalization tend to increase level of inequality within and among the countries. It also increases unemployment and threatens the level of standard of living. Some people were of the opinion that globalization and trade liberalization have succeeded in creating debt problems while the global banking has brought increasing impoverishment in the less developed countries through borrowed loans (The south commission report 1990). They were of the opinion that the trade protection policy together with devaluation and removal of subsidies have tended to lower capacity utilization in industries and gradually contributed to the collapse of most industries in Nigeria. Some were of the opinion that globalization can have stagnant effect on the economy, because this protectionisms can have adverse effect and depression on the GDP and development.

Finally, in a corrupt society if globalization is not controlled, it could further increase the level of poverty and underdevelopment. However, it is not all bad and negative, globalization and trade liberalization also have some positive effects (Owenorisiede, 2017).

CONCLUSION

The point here is not whether globalization is good or bad. To Africans and most third world nations the experience so far is that there is unequal power and respect in terms of international trade between the developed and the underdeveloped countries of the world. The argument here is that there is a wide gap between the rich and the poor nations, and this gap continues to get wider and widening every day. Globalization has only succeeded in granting power or handing over power and resources of the nations to the top big nations hence they themselves continue to remain backward, beggars and visitors at the table of economy. Many of the Africans and third world nations who produce little or nothing at the international market only succeed in becoming a prey to the big ones. Globalization only favours the nations who occupy the advantaged position in the international market. Hence most of the African nations cannot benefit here because they are monoculture with low domestic investment. Nigeria in particular cannot accept its problems because of low export prices, monoculture products and heavy burden on external debt servicing.

WAY FORWARD

However, other factors not withstanding, the truth is that Nigeria cannot close up its doors to globalization and trade liberalization in this modern times, rather what it should do is to try to follow what is lawful and right way like other nations of the world to succeed and participate favourably in the global process so as not to be left behind in the field of events. It should find a way to competing favourably to enhance the growth of its economy and reduce its incidence of poverty, corruption and underdevelopment.

Despite the fact that some like Allege (2004) and the commission report of 1990 have revealed that globalization and trade liberalization create debt problems as a result of global banking which brought increased impoverishment in the south global loan to the south which increased in the 1970s and the borrowed sums have rarely generated long terms viable enhancement of the general welfare. According to this report, the south external debt grew fourteen fold between 1970 and 1994. The present system has not really helped most of the third world countries because the gap between the rich and the poor is still very wide. The Africans should find a way that could increase their economic potentials, using the modern technology that will lead to high value added products for export to the international market that will be beneficial to them (Shafaeddin, 1994).

Another potential factor is for the third world nations to seek a better alternative way of maximizing the benefit of globalization and minimize the risks of destabilization of their economy and promote growth. What we are saying is not to avoid the free trade, but effort should be made to integrate in such a way that the free trade should be on equal trade basis.

African countries Nigeria inclusive that parade themselves with monocultural products, until they move way from this single monocultural commodity act, they can not compete favourably in the international market with this commodity that has very much less percentage in the international market.

The most important factor to tackle before globalization can become meaningful to the third world countries is the issue of corruption; globalization cannot succeed in an environment of massive corruption, increased rate of poverty and underdevelopment.

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Impact of Government Expenditure on Economic Growth in Nigeria

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Abstract
This study examined the relationship between government expenditure and economic growth in Nigeria using a co-integration and granger causality test for the period 1981-2014. A time-series data was obtained from the Central Bank of Nigeria for the analysis. The outcome of the ADF unit root test indicated that all variables included in the model were non-stationary at their levels but integrated of order one, I (1). From the long-run analysis, the results revealed a positive and significant linear relationship between the two categories of government expenditure and Economic growth (measured by real GDP), The result of the Pairwise Granger Causality test in a Vector Error Correction Model indicated a unidirectional (one-way) causality, running from economic growth to capital expenditure and recurrent expenditure to economic growth, while bi-directional causality runs from capital expenditure to recurrent expenditure and vice versa. Therefore, the study recommended the need to stimulate economic growth by allocating appropriate proportion to capital expenditure of government in the national budget.

Keywords*:* Government, Expenditure, Economic Growth, Nigeria
JEL Classifications:

Introduction

Economic growth refers to increase in a countries potential GDP, although this differs depending on how national product has been measured. Economic growth must be sustained for a developing economy to break the circle of poverty; countries usually pursue fiscal policy to achieve accelerated economic growth. Over the past decades, the public sector spending been increasing in geometric term through government various activities and interactions with its ministries, department and agencies (Niloyetal 2003). Although, the general view is that public expenditure either recurrent or capital expenditure, notably on social and economic infrastructure can be growth enhancing. Hence, financing expenditure provides essential infrastructural facilities. The size and structure of public expenditure will determine the pattern and form of growth in output of the economy.

The structure of Nigerian public expenditure can broadly be categorized into capital and recurrent expenditure. The recurrent expenditure are government expenses on administration such as wages, salaries, interest on loans maintenance etc, whereas expenses on capital projects like roads, airports, education, telecommunication, electricity generation etc., are referred to as capital expenditure. One of the main purposes of government spending is to provide infrastructural facilities (Taiwo, and Abayomi 2011).

Nurudeen and usman (2010) added that in Nigeria, government expenditure has continued to rise due to the huge receipts from production and sales of crude oil, and the increased demand for public (utilities) goods like roads, communication, power, education and health. Besides, there is increasing needs to provide both internal and external security for the people and the nation. Available statistics, according to show that total government expenditure (capital and recurrent) and its components have continued expenditure (capital and recurrent) and its components have continued to rise in the last three decades. For instance, government total recurrent expenditure increased from N3, 819.20 Million in 1977 to N4, 805.20 million in 1980 and further to N36, 219.60 million in 1990. Recurrent expenditure was N461, 600 million and N1, 589270.00 million in 2000 and 2007 respectively. In the same manner, composition of government recurrent expenditure shows that expenditure on defense, internal security, education, health, agriculture, construction and transport and communication increased during the period under review. Moreover, government capital expenditure rose from N5, 004.60 million in 1977 to N10, 163.40 million in 1980 and further to N24, 048.60 million in 1990. The value of capital expenditure stood at N239, 450.90 million and N759, 323.00 million in 2000 and 2007 respectively. Furthermore, the various component of capital

expenditure (that is, defense, agriculture, transported and communication, education and health) also show a rising trend between 1980 and 2007).

The effect of government spending on economic growth is still an unresolved issue theoretically as well as empirically. Although the theoretical positions on the subject are quite diverse, the conventional wisdom is that a large government spending is a source of economic instability or stagnation Empirical research, however, does not conductively support the conventional wisdom. A few studies report positive and significant relation between government spending and economic growth while several others find significantly negative or no relation between an increase in government spending and growth in real output.

Many researchers have attempted to examine the effect of government expenditure on economic growth. Such as Ranjan and Sharma (2008), Ahsan et al. (1989), Ram (1986), Holmes and Hutton (1990), Singh and Sahni (1984) concluded that public expenditure expansion has a positive significant effect on national growth. On the contrary, Barth et al (1990) and Laudau (1983, 1986) found that public expenditure expansion has negative effect on national income growth for both developed and less developed countries. Fajingbesin and Odusola (1999) empirical investigated the relationship between government expenditure and economic growth in Nigeria. Their econometric results indicated that real government capital expenditure have significant positive influence on real output.

This section highlights some basic theories that have been used to support the effect of public expenditure on economic growth. Generally economic growth deals with long-run growth trend of the economy or potential growth path (Bronson 2002). The Keynesian sees demand as a pre-requisite for growth. Therefore, their analysis concludes that aggregate demand management policies can and should be used to improve economic performance. On the other hand, Harrod-dommar model points out some dynamics of growth. For instance, to determine equilibrium growth rate in the economy, the balance between supply and demand for a countries output should be maintained.

Whilst acknowledgement the fact that the study is not the first of its kind using Nigerian data, however, it shall go a little further than earlier works to correctly capture all known composition of public expenditure during the years under review to assess the impact of public expenditure on economic growth.

This paper is structured into four sections. Section one is the introduction, followed by Literature review and theoretical framework in section two; section

three is the methodology of the paper; section four is the estimation techniques and result analysis while conclusion and recommendations forms the fifth section.

Literature Review

Government expenditures are the expenses which a government incurs for Its own maintenance

Society and the economy helping other countries (Bhatia 2002). Public expenditure represents the total government spending to attain the macroeconomic objectives. Governments have recorded a continuous increase over time in almost every country. Despite the fact the fact that there is continuous increase in government expenditure and in spite of its growing role and importance in national economies the area of public expenditure remains relatively unexplored unlike the attention on the theory of taxation. However, the classical have unfavorable thinking towards increasing public expenditure, positing that government lack capacity to decide and judge economic interests on behalf of others; hence it should limit its spending. The following are the kind of public expenditure:

i. ***Productive and unproductive expenditures:*** productive expenditures are in the nature of investment which helps the economy in improving its productive capacity while the unproductive versions are expenditures in form of consumption. The productive once are those that are committed to incur and maintain social overheads. The expenditures on administration, defense, justice, law and order and maintain ace of state are unproductive (Bhatia, 2002).

ii. Government expenditure is usually classified into two ***capital and recurrent expenditure:*** Recurrent expenditure is the expenditure that is incurred yearly for the implementation of the various functions of government. It includes general administrative expenses on defense, social and economic services. A capital expense refers to the expenses earmarked for specific projects that can last for many years. It includes investment in buildings, roads, airport, petrochemical project etc.

iii. ***Transfer and non-transfer expenditures:*** pigou champions this classification, A transfer expenditure is a payment without corresponding receipt of goods and services by the state e.g. interest payment on the acquired debt, old-age pensions, unemployment benefit and benefit/allowance paid to the disaster displace people etc. the non-transfer expenditure is that by which the state pays for its purchase or use of goods and services. Expenditure on **defense**, **agriculture**, **transportation and communication** and such like are all of non-transfer expenditure.

Theoretical Framework

Generally, economic growth theory deals with long-run growth trend of the economy, or potential growth path (Branson, 2002). The focus is on factors that lead to economic growth over time and analysis of the forces that allow some economies to grow rapidly, some slowly and others not at all. Early growth theories emphasized on different aspects of the economy. For instance, Mercantilists emphasized surplus balance of trade, Physiocrats emphasized agriculture as the source of all wealth while the Cameralists favoured taxation and state regulation for strong economy (Lombardini, 1996).

Within the framework of the classical models of Smith and Malthus, economic growth is described in terms of fixed land and growing population. But without technological change, increasing population eventually exhausts the supply of free land and triggers law of diminishing returns which results to declining real wage down to subsistence level at which point Malthusian equilibrium obtains. The Keynesians see demand as a prerequisite for growth. Therefore, their analysis concludes that aggregate demand management policies can and should be used to improve economic performance. In the Keynesian model, increase in government expenditure (on infrastructures) leads to higher economic growth. Contrary to this view, the neo-classical growth models argue that government fiscal policy does not have any effect on the growth of national output. However, it has been argued that government fiscal policy (intervention) helps to improve failure that might arise from the inefficiencies of the market.

Exploring the Keynesian framework, Harrod-Dommar model points out some dynamics of growth. For instance, to determine equilibrium growth rate in the economy, the balance between supply and demand for a country's output should be maintained. On supply side, saving is a function of the level of GDP. Investment is an important component of the demand for the output of an economy as well as the increase in capital stock. Therefore, the equilibrium rate of growth is given by matching proportionate change in output with the ratio of savings-output to that of capital-output. This sustains the economy along some warranted steady growth path.

Methodology

Data and Sources this study employed annual time series data that covers the period from (1981-2014) for Nigeria. To investigate how government spending could affect economic growth in Nigeria, a number of variable have been taken into consideration in this study. These variables consist of Real Gross Domestic Product (RGDP), Total Recurrent Expenditure (TRE), Total Capital Expenditure (TCE), and are defined in our model specification. All the variables are secondary data sourced from central bank of Nigeria (CBN), Statistical Bulletin, World Bank Development Indicators.

Model Specification

This study aim at establishing the dynamics property of the relationship between government spending and Real Gross Domestic Product (RGDP) in Nigeria over the years (1981-2014). The functional form on which our model was based employed a multiple regression equation in the analysis of the work. In an attempt to capture our essence of this study, and has on previous studies. The Real Gross Domestic Product (RGDP), Total Recurrent Expenditure (TRE), Total Capital Expenditure (TCE), was used to formulate our model. Thus, the model is represented in a functional form shown below:

RGDP=F (TRE, TCE,) ---- - (1)

Where;

RGDP= Real Gross Domestic Product (Dependent Variable)

TRE= Total Recurrent Expenditure (Independent Variable)

TCE= Total Capital Expenditure (Independent Variable)

In the mathematical model;

$RGDP=\beta_0+\beta_1 TRE+\beta_2 TCE$ - - - - - (2)

Where;

β_0= the intercept

β_1= Regression co-efficient of TRE

β_2= Regression co-efficient of TCE

Equation (1) and (2) above can be transformed into an econometric model as follows;

$RGDP=\beta_0+\beta_1 TRE+\beta_2 TCE+\mu_t$ - - - - (3)

Where;

μ_t= Error Term

The error term examines the interpretation of equation errors in time series econometrics. We contrast the view of errors as what is omitted from the statistical model with the view that the errors represent the shocks that are the important driving forces of model dynamics and it is said to be independently and identically distributed(N,I,I,D) around zero mean (0,1).

From equation (3) above;

$\beta_1 + \beta_{2>} 0.$

Therefore, β_1 is expected to be positive implying that TRE impact positively on RGDP (β_1>0), β_2 will also indicate a positive relationship between TCE and RGDP (β_2>.

Estimation Technique

Unit Root Test

A unit root test is a feature of process that evolves through time that can cause problems in statistical inference involving time series models. A unit root test, test whether a time series variable is non stationary using an autoregressive model. David dickey and Wayne fuller (1979, 1981) said and dickey (1984) have developed a method to determine whether a variable contain a unit root. For empirical process, a test for unit root is required because all other models can apply only to variables that are non-stationary in levels that is they contain a unit root. The tests are conducted including a drift term and both with and without a trend. The addition of a trend allows testing that whether the series is trend or different stationary.

The Cointegration Test

Co-integration implies identifying the co-integrating or long run equilibrium relationship. The methodology developed by Johnson (1991, 1995) is used in explaining the co-integration test. The central concept of integration is the specific of models that include the long run movements of one variable relative to others. Co-integration implies the idea that linear combination of non-stationary series can be stationary, implying a long run relationship that is it shows that the relationship between the stationary linear combination of non-stationary variable exist.

Granger Causality Test

Granger causality is a statistical concept of causality that is based on prediction. Its mathematical formulation is based on linear regression modeling of stochastic processes (Granger 1969). It determines the direction of causality between variables. This test would be carried out to show the causal relationship

between exchange rate volatility and international trade.

Results and Discussion

Unit Root Test Results

This involves testing for stationary of the individual variables using both the Augmented Dickey Fuller (ADF) and Phillips-Perron (PP) tests to find the existence of unit root in each of the time series. The result of both the ADF and PP tests are reported in table 4.1 (levels) and 4.2 (first difference) respectively.

Table 1: ADF Unit Root Test Results

Variables	ADF Level		ADF First Difference		Order of integration
	Intercept	C & T	Intercept	C & T	
InRGDP	0.924412	-2.632456	-3.292395**	-3.867236**	I (1)
InTCE	-1.027230	-1.003523	-5.746844*	-5.794098*	I (1)
InTRE	-1.217602	-1.861722	-7.827426*	-7.932025*	I(1)

Source: Computation from E-views 8.0

Note: * denotes 1% level of significant, ** 5% level of significant. I (1) mean that the series is integrated at first difference.

From the ADF test which is presented in table 4.1 above, it is clear that all the variables (RGDP, TCE, and TRE) are non-stationary at levels but were found to be stationary at first difference. This is because, at levels, the observed values of ADF statistics are less than their critical values in both intercept and linear trend. While at the first difference, the null hypotheses of all the variables are rejected, since the observed values of ADF statistics are greater than their critical values all at 1%, except for RGDP which is 5% significance level.

Table 2: PP Unit Root Test Results

Variables	ADF Level		ADF First Difference		Order of integration
	Intercept	C & T	Intercept	C & T	
InRGDP	1.724733	-2.567341	-3.254843**	-3.838714**	I (1)
InTCE	-1.025999	-1.196613	-5.766144*	-5.795754*	I (1)
InTRE	-1.151439	-1.737461	-7.827426*	-8.091917*	I (1)

Source: Computation from E-views 8.0

Note: * denotes 1% level of significant, ** 5% level of significant. I (1) mean that the series is integrated at first difference.

The PP test presented in table 4.2, further confirmed the non-stationary of the series at both levels and their stationary after differencing them once at first difference. At the level, the null hypothesis for unit root was failed to be rejected

for all the series because the observed PP values are less than the critical value. However, at first difference, none of the null hypotheses is failed to be rejected, because the observed values of PP statistics are greater than their critical values at 1% level of significant for TCE and TRE, which RGDP is rejected at 5% level of significance.

Evidently, both the two tests reveal that all the variables are characterized by the presence of unit root at levels but found to be stationary at first difference. Since all the series are integrated of order one i.e.

1. After differencing the variables once, then a combination of these variables may reveal the long run relationship. Therefore, the next step is to test if a long run relationship (co integration) exists among the variables.

Cointegration Test Results

After identifying the order of integration at levels and first difference using both ADF and PP test, the results from the two unit root tests suggested that the long run relationship among the variables may exist. Therefore, it is necessary to investigate if the individual variables of interest can actually converge in the long run. To investigate this, the study employed Johasen Multivariate Conintegration technique. The result of the cointegration test is presented in table 4.3 and table 4.4 for the Trace criterion and the Maximum Eigenvalue criterion, respectively:

Table 3: Johansen Cointegration Rank Test (Trace)

Hypothesized			**Trace**	**0.05**	
Ho	**Hi**	**Eigenvalue**	**Statistic**	**Critical Value**	**Prob.****
r=0	**r>0**	0.426134	30.26717*	29.79707	0.0441
r≤1	**r>1**	0.234352	12.49568	15.49471	0.1347
r≤2	**r>2**	0.116141	3.950644	3.841466	0.0468

Trace test indicates 1 cointegrating eqn(s) at the 0.05 level

* denotes rejection of the hypothesis at the 0.05 level

**MacKinnon-Haug-Michelis (1999) p-values

Table 4: Johansen Cointegration Rank Test (Maximum Eigenvalue)

Hypothesis			Max-Eigen	0.05	
Ho	**Hi**	**Eigenvalue**	**Statistic**	**Critical Value**	**Prob.****
r≤1	**r>1**	0.426134	17.77150*	21.13162	0.1386
r≤2	**r>2**	0.234352	8.545033	14.26460	0.3260
r=0	**r>0**	0.116141	3.950644	3.841466	0.0468

Max-eigenvalue test indicates 1 cointegrating eqn(s) at the 0.05 level

* denotes rejection of the hypothesis at the 0.05 level

**MacKinnon-Haug-Michelis (1999) p-values

From the two tables above, it can be observed that both Trace test and Maximum Eigenvalue test reject the null hypothesis (H0) of conintegration at 5% level of significance, implying presence of one cointegrating equation among the variables. Specifically, the trace test statistics indicates the existence of one co integrating equation, and equally the maximum Eigenvalue statistics reveals the same at 5% level of significance in both cases. Therefore, we can conclude that there is long run relationship among Real Gross Domestic Product, Total Capital Expenditure and Total Recurrent Expenditure variables.

The Long run Relationship

Base on the Johansson multivariate cointegration technique, the normalized co integration equation is obtained which shows the long run relationship among real gross domestic product, total capital expenditure and total recurrent expenditure. These can be presented on the normalized co integration coefficient table below:

Table 5: Normalized Co-integrating coefficients

InRGDP	**InTCE**	**InTRE**
1	0.313675	-0.574804
Standard Errors	(0.10304)	(0.09303)
Test Statistics	[3.04408]	[-6.17863]

Source: Computation from E-views 8.0

From the above table, the coefficients of the normalized co integration equation and the standard error in bracket alongside with the test statistics in parenthesis. The test statistics are computed by dividing the coefficient of each variable by its respective standard error. Using the normalized co integration coefficients

and their test statistics, we can observe that all the variables are highly statistically significant using the normalized co integration. The long run equation can now be constructed below:

InRGDP = -8.404790 + 0.313675InTCE – 0.574804InTRE
(0.10304) (0.09303)

The above shows the estimated long run relationship that exists among the two variables. As expected, there is a high statistical significant positive relationship between total capital expenditure (TCE) and economic growth (InRGDP). This implies that the total capital expenditure plays a vital role in the growth process of the Nigerian economy. However, total recurrent expenditure turn out with an unexpected negative sign which is contrary to the apiriori expectation, but however the variable is also highly statistically significant.

Given the fact that our model is log-linear model, we can interpret the coefficients of the long run equation as long run elasticity. Meaning each coefficient of the variables measures the contribution of variable to real GDP. For instance, a 1% increase in total capital expenditure will result in almost 4% increase in real GDP all things being equal. By this model, we can regard capital expenditure contribution as the most significant in the impact public expenditure and economic growth.

Granger Causality Results

The dynamic natures of the causal relationship between variables were analyzed through the use of Granger causality approach. Granger causality allows for several causal relationships to be identified in different alternative models. Table 4.4 shows the summary results of the Granger causality test.

Table 6: Pairwise Granger Causality Test

Null Hypothesis	**F-Statistic**	**Prob.**	**Decision Rule**	**Remark**
INTCE does not Granger Cau INRGDP	2.66800	0.0876	Reject H0	Unidirectional Causality
INRGDP does not Granger Cau INTCE	1.05238	0.3630	Do not reject H0	

INTRE does not Granger Cause INRG	5.9424 5	0.007 3	Reject Ho	Unidirectio nal
INRGDP does not Granger Cause INT	1.3813 6	0.268 4	Do not reject Ho	Causality
INTRE does not Granger Cause INTCE	0.9732 8	0.390 7	Do not Reject H0	No Causality
INTCE does not Granger Cause INTRE	1.0958 8	0.348 7	Do not reject H0	

Source: Computation from E-views 8.0

Table 6 above presents the results of pairwise granger causality among real GDP, Total capital expenditure, Total recurrent expenditure. The results shows that the null hypothesis that the capital expenditure does granger cause real GDP and could be safely accepted. This implies that unidirectional granger causality does not emanate from real GDP to capital expenditure. The result of the null hypothesis shows that, the recurrent expenditure does not granger cause real GDP is rejected. This means that a unidirectional causality runs from recurrent expenditure to economic growth, similarly, the null hypothesis TRE does not granger cause TCE and TCE does not granger cause TRE was also failed to be rejected indicating absence of causality among the variables. This is consistent with the expectation and with the realities in the Nigerian economy since the amount of recurrent expenditure is higher in the national budget.

The empirical findings of this study is similar to some of the previous empirical studies conducted in Nigeria for instance, fajingbesin and odusola (1999) empirical investigated the relationship between government expenditure and economic growth in Nigeria, their econometric result indicated that real government capital expenditure have significant positive influence on real output. Odedokun (1997) and shioji (2001) obtain a similar result as they find that public investment promotes economic growth.

Olugbenga and Owoye (2007) investigated the relationship between government expenditure and economic growth. The regression result showed the existence of a longrun relationship between government expenditure and economic growth. In addition, the authors observed a unidirectional causality from government expenditure to growth.

In contrast, Abu and Abdullahi (2010) revealed that, total capital expenditure; total recurrent expenditure has negative effect on economic growth. Ram (1986) model and regression on real GDP tested for the presence of stationarity in the variables using the Augmented Dickey-fuller, unit root test, and used the co-integration test to establish the long-run relationship among variables. These made it unique and different from other researches that mostly used the ordinary least square in conducting their research.

Conclusion and Recommendations

From the findings of this work, we could conclude that Nigerian huge public spending has little or no effect on the economic growth or on the people as a whole. It is pertinent to mention that the government while managing or relocating resources to various sectors has as a responsibility, the duty of maintaining law and order, protection of lives and properties, and also the provision of amenities to improve the living standard of the people. It is noticeable that Nigerian economic growth changes in response to the ever changing economic, social, and political environment. This calls for the need to device measures that will ensure the efficient monitoring of the economic activities and the supervisory authorities of all the sectors created with the aim of increasing economic growth.

Base on the findings, the study recommends the followings:

1. Effort should be made by the government to stimulate economic growth. This will have impact on the government goal of economic development through increased in public expenditure especially capital expenditure.
2. Government and its managers should ensure that a reasonable proportion should be allocated for capital expenditure in the budget. This will increase the volume of economic activities through multiplier effects.
3. Government should ensure that capital expenditure and recurrent expenditure are properly managed and administered in a manner that will raise the nation's production capacity and accelerate economic growth.
4. Transparency and accountability must be thoroughly pursued by the government to eliminate or minimize huge public expenditure in Nigeria.

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Boko Haram Insurgency in Nigeria and National Integration: Issues and Perspectives

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Abstract
Nigeria is a plural and segmented society in all its ramifications. The federation is composed of people with different ethnic, religious, racial and cultural backgrounds. This heterogeneous composition of the state has been responsible for the internal conflicts. The thrust of this study is an analysis of the nexus between national integration and the *Boko Haram* insurgency. Therefore, the study seeks to explain and analyse the nature and character of Nigerian state. It argues that, in the quest for national integration, the nation must contend with the problem of integrating her numerous and diverse ethnic groups that constitute the federation. Methodologically, the study adopts Social Identity Theory as its theoretical framework while relying on secondary sources as methods of data collection. In realistic context, the study establishes that, the internal conflict experienced by Nigeria since independence was as a result of socio-political, economic and ethnic cleavages caused by failed leadership. It concludes that, the state of insecurity in Nigeria, no doubt, threatened the very fabric of national integration and created the ecology of fear, disquiet and anxiety. To solve these problematic issues, it recommends that, national integration will be a mirage, unless and until, the political culture is well nurtured, intensive and extensive public enlightenment campaign is embarked on, adequate national orientation education is achieved when youth empowerment scheme is put in place and poverty problem is solved.

Keywords: *Boko Haram*, Ethnicity, Insurgency, National integration, Nigeria,

Introduction

Since her political independence in 1960, Nigeria has continued to grapple with the problem of national unity; such that she can be described as nation with a tripod stand, made up of three blocs; the North, the West and the East, that are in

a perpetual state of wobble. While national unity has continued to elude efforts that have been made to achieve it, such unity is considered necessary for development programmes to yield expected fruits (Ibodje, 2007: 119). One stimulating thing about the Nigerian state is its unity in diversity aside the naturally endowed resources that are scattered all over the country. The people of Nigeria are extra-ordinary in both physical and cultural characteristics. But, still, it is this diversity that is often the source of political, ethnic and religious violence (Arazeem, 2005: 144). The war in the North-East arising from the *Boko Haram* insurgency is not abating. Thousands of innocent people have been killed. Several other thousands have fled the region after their homes and properties were destroyed. The economy of the region has been destroyed. The abduction of over 200 innocent school girls since April 14, from their dormitory at Government Secondary School, Chibok in Borno State by *Boko Haram* raised the pitch in the fratricidal war. The conflict in North eastern Nigeria has ripple affects across the entire North in particular and the country in general (Onyekakeyah, 2014:17).

In fact, the co-ordinated attacks by the sect across the country have posed a serious security threat to lives and properties of Nigerian and endanger the unity and corporate existence of the Nigerian state. Terrorism was until the escalation of *Boko Haram's* heinous activities very alien to Nigeria. One of the most dreadful fallouts of *Boko Haram* bombings and killings was the fear that the hatred it has so far generated which ultimately endanger the continued existence of Nigeria as one nation. For instance, millions of non-indigenes in the traditional flash points of *Boko Haram* activities, especially the Igbos were desperate to return to their home states before they are killed. The Ibo resident in Kano is living with fear and apprehension. Though there are few of them who like to stay and defend themselves, the majority, particularly women and children numbering over three million are jostling to leave the north because the unfolding events indicate that the north is no longer safe for easterners. Pathetically, Ohanaeze Ndigbo, Kano, hereby calls on the governors of the eastern states and the south-south to provide means of transportation with adequate security to evacuate their brethren who would want to leave because human life is precious and should be protected as such. This is an indication that *Boko Haram* insurgency has not only threatened the polity hut also the very existence of the Nigerian nation.

Similarly, the northerners resident in the eastern states were also threatened in the wake of the wanton killings and destruction of property in many parts of the north and fled the areas with their families. Indeed, many National Youth Service Corp (NYSC) members of southern origin have been rejecting their post to north while those already serving there besieged the commission's headquarters in Abuja daily seeking re-deployment from states in the north.

Pathetically, *Boko Haram* offensives have targeted churches to exacerbate sectarian differences between the Christian south and Muslim north; The insurgency has increased insecurity across the country leading the former President Goodluck Jonathan to declare a state of emergency in December, 2011 covering 15 local government areas across the north. Also, in May, 2013, another state of emergency was declared in three states of Borno, Yobe and Adamawa in the north eastern Nigeria. This followed the increased tempo of *Boko Haram* hostilities in the affected states. Unimaginably, the situation has not changed for better. The emergence of General Muhammadu Buhari in the 2015 general election aggravated their operations. The sects had committed several untoward destruction of human lifes and properties.

It is based on this ugly development, that the paper seeks to examines Boko Haram insurgency in Nigeria and the implication for National integration. The paper is divided into five sections. Section one is the introduction. Section two examines the reality of federalism and the Nigerian state. In section three, the paper delves on conceptual discourses while section five highlights *Boko Haram* and the challenge of national integration. Section six focuses on the efforts towards engendering unity and national integration and section seven concludes the paper.

Federalism and the Nigerian State

Of all problems confronting Nigeria at independence, that of forging national unity and integration was particularly acute. The historical background to the attainment of Independence were such that one cannot really talk of Nigeria as one united nation. This was so in spite of the fact that there was much talk from the leading political figures about unity being a prerequisite for national development and integration. Despite, the contradictions that was prevalent at the birth of Nigeria independent, the founding father still felt that there was the need for togetherness. Clearly, some of these contradictions were quite fundamental, e.g. the disparity in the economies of the regions, the seeds of the neo-colonial economy already planted by colonialism. There was also the contradiction of a secular polity in a predominantly religious society, as well as the contradiction of religious pluralism and sectarianism (Umar, 1989:77).

Therefore, federalism as has been adopted in Nigeria found its way into the political arena during the colonial era. The concept is closely related to the various social base on coordinative, rather than sub-coordinative relationship. It emphasizes partnership among parties of equal claims to legitimacy who seek a common social order. Speaking about Nigeria federalism, two schools of thought emerged on its evaluation. The first school comprising of the nationalist believed that British imposed federalism on Nigeria in order to maintain the neo-

colonial control of the country after the lowering of the mantle. Chief Obafemi Awolowo (1968) a convinced federalist described the British imposed federal structure as an abominable destructive and divisive British heritage. He also believed that the colonial power made sure that there was enough structural imperfection left behind to bedevil inter-ethnic relations after independence. However, this view of imposition held by this school is not exactly objective as Nigerians involved gave consent for her to become a federal state. The second school of thought is of the opinion that historical and geographical factors determine the political evolution of Nigerian federalism. Nigeria, being a large and culturally variegated country could not have been governed for a long time from one centre (Akinyemi, 1979). This view is not quite correct, as it is time that factors of history and geography more than anything else determines the constitutional evolution of Nigeria.

Nigeria's present geographic boundaries were established in 1914 with the amalgamation of the two contiguous British Protectorates of Northern and Southern Nigeria. Designed largely to ensure the financial viability of the British colonial project through the economic unification of the relatively poor but larger-Northern Protectorate with its more prosperous southern neighbor, amalgamation did not engender genuine integration among the disparate communities encompassed within Nigeria's artificial boundaries. Rather, rising ethnic and regional antagonisms within the new Nigerian state necessitated the progressive decentralization of the polity, leading ultimately in 1954 to the establishment of a three –region federal system, which survived into independence in 1960. The three-unit federal structure was designed to grant regional autonomy and hegemony to the country's three major ethnic groups, namely, the Muslim Hausa-Fulani of the Northern Region, the Christian Igbo in the South east (Eastern Region) and the religiously bi-communal Yoruba in the Southwest (Western Region) (Suberu, 2004:3 – 4).

The three-region federal structure, which became a four-region structure with the creation of the Mid-West region in 1963, failed to secure Nigeria's unity in diversity, however. Rather, fundamental structural flaws in the design of the federal system contributed heavily to the collapse of Nigeria's first post-independence democratic republic (1960 – 66) and to bloody ethno-military infighting, including the outbreak of civil war in 1967. These flaws included: the overwhelming size, population, voting strength and political dominance of the Northern Region, which by official census data contained over half of the country's population and more than two-thirds of its territory; the division of the federation into only three or four large regions, which robbed the political system of the fluidity and flexibility that could have resulted from a larger number of smaller constituent units; the denial of constituent units to the ethnic

minorities, who constituted about a third of the population of each of the ethnic majority-dominated regions and who violently resisted their inequitable incorporation into regional system, as evidenced in the 1962-64Tiv riots in the Northern Region; and the erection of the federation's boundaries around the country's major tripartite ethnic fault-lines, leading to hegemonic ethnocentrism and secessionism on the part of the "big three" (Suberu, 2004: 4 – 5).

The General Yakubu Gowon administration dreamed of national integration through the establishment of unifying schemes: unity schools, two in each state of the federation (one for boys and the other for girls) with a view to bringing together young people of various ethnic groups so as to develop a bond of oneness and unity; and the National Youth Service Corps (NYSC). Successive governments have tried to maintain this effort even though the unity school scheme has generated problems in that there are discriminatory crime in favour of the so-called educationally disadvantaged states in the north. This has caused some ill-feeling but, despite this negative aspect, the schools still exist as part of the process of integration. The NYSC scheme started in 1973 with a view to making graduates of tertiary institutions have one-year service in states other than their own, so as to foster national unity and integration. This scheme has, to a large measure, justified its establishment and has helped in bridging manpower gaps in many states. In any act of war, the youth always suffer and the establishment of the NYSC scheme was partly for them to expedite reconciliation, which was to bring those who suffered the ravages of war back into the fold. Rehabilitation on its part involved the mobilization of human and material resources in a massive social programme geared toward deliberate enhancement of the quality of life of the affected citizens. As Adebayo Adedeji, the pioneer chairperson of the NYSC, has himself remarked:

> We had put a lot of emphasis on educating and re-educating Nigerians about the imperative of nation-building, national unity, our common heritage and the tremendous opportunities which our diversity offers, their civic responsibilities, the emergence of a Nigerian ideology based on a consensus on values such as human dignity and freedom; justice, fair play and respect for the law; honesty, integrity, transparency and accountability; and, toughness, determination, steadfastness in duty and resilient inner strength. These are the values and characteristics that make a nation great when they are commonly shared and practiced

> by the generality of its people and subsequently become internalized. But most fundamental to the growth of these values is the existence of an enabling environment and the right leadership at all levels of society whose examples motivate and inspire their followers. 'Do as I do, not as I say is the only basis for sound and honest leadership (Odunuga, 1999:250).

The military also evolved policies like "quota system" and 'federal character' for the purpose of admission into institutions and appointments into important positions of government, ostensibly to give every ethnic group a sense of belonging. But the policies were frequently manipulated or sometimes jettisoned in order to service narrow parochial political interests. The story is also the same for the handling of religious matters. While constantly echoing the secular nature of the Nigerian state, many of the military rulers were actually giving covert and overt support to a particular religion. This is best illustrated by Nigeria's membership of the Organization of Islamic Conference (OIC) (Ajayi, 1990:8). The fallout was frequent religious crises, which threatened to pull the country apart on several occasions. The ruthless application of the coercive powers at the disposal of military regimes has ensured some measure of stability. But this has not put an end to religious crises as they have even become more frequent and violent in recent times (Mimiko & Adeyemi, 2005:57).

Also, there is the National Sports Festival held among the different states of the federation. But arguably, these are mere cosmetic arrangements which are definitely too adventitious to ensure lasting unity. The fundamental issues of mistrust and intolerance among the various ethnic nationalities still very much defines the nature of political engagements in Nigeria. More importantly, the 'centrist federalism in practice in Nigeria has done more harm than good' there is structural imbalance as well as inequality. The centre has been made very strong at the expense of the constituent states, which should have been coordinates (rather than subordinates) of the centre (Mimiko & Adeyemi, 2005:57 – 58).

Despite this, the country has continued to witness unhealthy inter-ethnic relations as well as inter-sectional and inter-religious disharmony. In other words, decades after independence, Nigeria has not yet been able to harness its diversities and effectively deploy them for optimal national development. A consequence of these developments has been the inability to consolidate the process of nationhood. Understandably, a basic problem confronting ethnically diverse countries is how to have the citizens imbued with a sense of nationality,

ensure the attenuation of solidarity along primordial lines and foster increased loyalty to the nation, give to each citizens and group a sense of belonging and feeling of oneness among them: in essence, how to ensure national integration (Obiyan, 2010:293 – 294).However, Osaghae (2006:5) notes, and rightly too, that the mere fact that a country is diverse does not necessarily make it divided, troublesome or difficult to manage. He elucidates that a lot depends on the configuration of power, number and extent of equality or inequality among constituent groups, and why and how differences are mobilized and politicised to articulate grievances, seek redress and make contesting nationalist claims and demands including recognition and protection of identity (culture, language, religion) self-determination and political autonomy, on the state and other groups within it.

In actual fact, the underlying problem inhibiting Nigeria's national integration is the absence of 'self-sufficient political/ideological commitment to the primary concept or value of federalism itself' (Frank, 1968: 171). This is what Ayoade (Osaghae, 1984:143) calls "commitment to the ideology of federalism', or what Friedrich (1963:175) calls "federal spirit". Thus, Nigeria's political practice seems to be antithetical to the spirit of federalism. As posited by Emeka Anyaoku. (This Day, 2001:40), a former Secretary-General of the Commonwealth:

> At the heart of the several conflicts plaguing the Nigerian state today is the consequence of the failure of the practice of true federalism. The power –shift debate that characterized the politics of transition from military to civil rule and which has persisted several months after, rose largely out of the frustration of large segments of the population with the structure of the political system that has shut significant sections out of the corridors of power for most of the post-independence period.

Conceptual Discourses

National Integration

Defining national integration, Weiner (1965: 58) opines national integration to mean specifically to the problem of creating a sense of territorial nationality which overshadows or eliminate or subordinate parochial loyalties. Whereas, according to Ikime (1985), national integration is a process of cohesion, between two or more social units, whereby these units come together to constitute a

political whole which include among other things the joining of various parts of society into a functioning whole, the growth of obedience and loyalty to its pars and emergence of shared national values. It follows, that Nigeria would have received national unity where obedience and loyalties to the Nigerian state, transcend loyalties to its parts.

From another view, to Ake (1967:3), "integration is defined by the extent that the minimal units (individual political actor) develop in the course of political interaction a pool of behavior patterns legitimized by these norms. While from Nnonyelu's (1997:145) perspective, national integration is determined by the degree to which members and groups in plural society adapt to the demands of national existence while co-existing harmoniously …. Citizens are expected to respect the over-riding supremacy of the national government. National integration, therefore, is the bringing together of all divergent culture and groups so that they can work together. It is the process of making all the fragmented segments in a state to become accepted as a member of a social whole. In other words, this simply mean galvanizing unity in diversity for the development of the entire country.

Notwithstanding, Duverger (1976:177) defines integration along the line of conflict. According to him: "national integration appears to be the final result of political antagonism". He goes further to argue that some scholars believe that conflict and integration are not opposites but that "conflict naturally leads to integration and antagonisms tend, by their very development, to self-elimination and the subsequent bringing about of social harmony". Having explained what necessitates integration, Duverger (1976:220) explain further what integration is. In his words, it is "the establishment of a closer interdependence between the parts of a living organism or between the members of a society". In a nutshell, integration to him can be defined as "the process of unifying a society which tends to make it harmonious, based upon an order by members regard as equitably harmonious.

Insurgency

The term insurgency refers to "the organized use of subversion and violence to seize, nullify, or challenge political control of a region" (DADN, 2013: ix). Though the term is sometimes referred to as irregular war-fare, unconventional warfare, revolutionary warfare, guerrilla warfare, and terrorism. Because they operate outside the state and do lack adequate political and physical environments for attaining their objectives, insurgents (sometimes referred to as guerillas, terrorists, revolutionaries, violent extremists, and irregulars) usually adopt irregular warfare strategies aimed at weakening the political system or forcing the government to negotiate with them. In some cases, they seek to

overthrow the regime. In this respect, they use a combination of subversion, sabotage, political, economic, psychological actions and armed violence to attain their political objectives (Albert, 2017:7).On the other hand, according to Javaid (2010), insurgency:

> Is an organized, armed political struggle whose goal may be the seizure of power through revolutionary takeover and replacement of the existing government.

But, the perspective put to the complex but simple definition of insurgency by Aderinto (2014) is more apt to this discourse. In his view, insurgency is:

> The inabilities of government to meet Nigerian's basic needs such as security, good roads, water, health, reliable power supply, employment and education which gave rise to frustration and alienation that make sympathy for terrorism seem acceptable.

Boko Haram

The term "*Boko Haram*" comes from the Hausa word '*Boko'* meaning "Western or non-Islamic education" and the Arabic word '*haram'* meaning "sin". This literally means "Western or non-Islamic education is a sin" (Austin, 2010).

Theoretical Perspective

The study adopts Social Identity Theory as basis of analyses. Social identity is the knowledge that (one) belongs to certain social group together with some emotional and value significance of … the group membership (Tajfal, 1972). Social identity theory begins with the assumption that individuals exist in a society composed of many social categories that stand in relative power and status relationship to each other (Emily & Nadine, 2007). The theory seems to have emerged from the writings of collectivist theorists such as David Emile Durkheim and William MC Dongall that it is the portion of an individual's self-concept derived from perceived membership in social groups. Although social categories vary in terms of their scope and duration (e.g. from long-standing geopolitical nations to temporary work groups), all social categories have the potential to shape a person's self-concept (Turner, 1987).

Apparently, when individuals define themselves in terms of their belonging to a social category, a social identity is formed. Researchers developing and using

social identity theory largely have focused on social identity processes in terms of their consequences for intergroup relations, such as stereotyping and prejudice (Hogg, 1995). The theory itself constitutes a more general framework on group mediated social psychological phenomena. It is at this level of the theory that social identity theory has relevance for exploring process through which religious participation might promote individual psychology (Emily &Nadine, 2007). In a clear term, this theory states that, in every social relationship in which one person is dependent upon another, power is involved. Its major prepositions, according to its foremost theorist, Richard Emerson (1962:32), are as follows: That "the dependence of Actor A upon B" is:

(a) directly proportional to A's motivational investment in the goals mediated by B; and
(b) inversely proportional to the availability of A to achieve his goals outside of the A – B relationship.

The social identity theory is appropriate for the analysis of power relations. It proposes that social relationships involve an exchange of social commodities, which may or may not be desired by individuals. Such commodities include information, power, influence, hatred, love, acceptance, rejection, etc. Individuals involved in social relationships are rational beings who calculate and juxtapose their rewards or dividends with their investment of resources in a relationship. If, on the other hand, it is negative, he either discontinues or alters the relationship to a more favourable one (Olaoye, 2012:17). Viewed in this perspective, French and Bell (1992:281) argues: "giving someone power over us is the commodity we exchange when we are dependent on that particular person for something we want".

Boko Haram and the Challenge of National Integration

Undoubtedly, Nigeria is a plural and segmented society in all its ramifications. It is a country of 350,668sq miles and about 400 ethnic groups and nationalities subscribing to a multiplicity of religious faiths in a secular context. The country is indeed a complex country par excellence (Agbaje, 1999: 91). According to Suberu (1998: 277), Nigeria is one of the most ethnically diverse countries in all regions and climes of the world, and some of the ethnic groups are bigger than many states of contemporary Africa. In other words, Nigeria is essentially a plural society, its component groups are separated apart from each other by significant difference of language, ethnicity, and cultures of Nigeria created differences in attitude, outlook and character. Faced with these problems, Nigeria adopted federalism as a means of achieving its much needed goal of national integration. The federalism is adopted is expected to reduce the immensely aggressive inter-ethnic competition and tension, allay the usually

alleged fear of domination, bringing government nearer to the people and give the different groups more opportunities, thereby integrating the country.

Apparently, national integration is relation to national development is usually constitutes a platform for national development. This is because, Development can only be achieved in an atmosphere of cooperation and unity where citizens feel a sense of belonging and wants to contributes his/her own quota to the development of national goal. According to Aboyade (1976), in his book: Issues in the Development of Tropical Africa, he observed that development is essentially a continuous process of generating and more efficiently allocating resources for achieving greater social satisfying ends. While political development relates to the overall capacity of a people to govern them efficiently, this ability to govern relates to the capacity to extract resources, make and regulate behaviours. It also means the ability to resolve societal problems and manage conflicts. If the society is able to do all these things mentioned, it will certainly lead to economic development for that nation.

Contrarily, as posited by Ezeh (1998: 16) in a situation where the state has failed to coordinate the governance process, provide for the citizenry, and sustain the democratization process, conflict becomes inevitable. He (1998:17) argues further that:

> In a situation of generalized violence and ravages, with no state structures to protect individuals and groups, it must be expected that some social structures would emerge to provide some degree of protection. This degree of protection may become conflictual.

For a nation to successfully harness her abundant resources, there must be a secure and conducive atmosphere. It is in recognition of this that the preservation of the sovereignty of the country and the integrity of her assets is vital. It is therefore necessary to note that the primary objective of national security is to strengthen and secure the nation, advance her interests and objectives, curtail instability in whatever form, control crime, eliminate corruption, enhance genuine development, progress, growth and improved welfare and well-being of every citizens (Nleme, 2011: 221)

Boko Haram, a pejorative name that the *Jama'atAhlis – sunna Lid- Da'awat'wal – Jihad* (group committed to propagating the prophet's teachings and Jihad) bears in Nigeria, is a combination of Hausa and Arabic languages that, literally, translates into "Western education is forbidden". The group started as an Islamic sect with a puritanical, conservative literalist approach to Islamic theology sometimes in 2002 in Maiduguri, the north – eastern part of Nigeria (Katsina, 2011: 28). Thus, the emergence of *Boko Haram* insurgency in Nigeria is a direct consequence of government failure to provide the basic human needs of the

citizenry. The indicators of this failure include the prevalence of abject and dehumanizing poverty, bad governance, high rate of unemployment, hunger and disease, rising tides of social unrest which have created the breeding group for the dreaded sect sect who are believed to be committed to the propagation of prophet Mohammad's teachings and jihad. The origin and founder of *Boko Haram* is shrouded in uncertainty to some individual. Some scholars trace the origin of the sect to 1995 with Lawan Abubakar as its founder. It was when Abubakar left for further studies in Saudi Arabia that the sect then known as Sahaba that Muhammed Yusuf who is also regarded as the leader, took over the affairs of the sect. others trace the sect founder to ShehuSanni, a civil right activity in Northern Nigeria. Apart from the above, numerous expositions on the origin and founder of *Boko Haram* abound. It was under the leadership of the slained Muhammed Yusuf that *Boko Haram* became radicalized and enjoyed foreign collaboration especially with the Al-Qaeda in Islamic Maghreb.

Mohammed Yusuf (January 29th 1970 – July 30th, 2009) the founder of *Boko Haram* was born in Yobe State. As a student of Shaikh Gumi, he was a dedicated Salafi and was also deeply influenced by Ibn Taymiyyah. Yusuf's movement developed after 2002 and was successful enough to invest in educational infrastructure and other facilities in a nieghbourhood of Maiduguri. In 2009, the army surrounded and attacked the movement's facilities, crushing it (using tanks) and killing Yusuf later in a police cell. This major blow pushed the movement to transform itself into a network of underground cells with a hidden leadership – a situation that today makes any military solution illusory (Marchal, 2012:3). The group is credited to be the most dreadful of all the armed militia groups in Nigeria with links with al-Qaida. Since 2009, the group has claimed responsibility for several deadly attacked in the country. The group attacks targets state, federal and international organizations such as the United Nations. Also targeted are civilians, churches, mosques and travelers. Banks and motor parts also vulnerable (Iorhen, Tersoo & Member 2014:72). The situation would not have been what it is today if not for the extra-judicial killings carried out by government. Whilst *Boko-Haram* started as a non-violent breakaway group, persecution and aggressive crack-down from the security services brought about their violent response.

Undoubtedly, *Boko Haram* was at first a small and controllable problem, but the issue escalated in 2009 after heavy crackdowns were ordered by President Yar'Adua. The crackdown was brutal and disproportionate; around 700 innocent people were killed, some of them publicity executed in suspicions that they were *Boko Haram* (Sani, 2012). The killing of their leader, Mohammed Yusuf actually made the group increases its rate of violent activities (Ajah, 2011). Following the killing of their leader, the movement went underground but emerged a year

later with renewed attacks. Even at this point, the situation was controllable, yet the government response was again heavy-handed. Local people felt more intimidated by the soldiers deployed to fight *Boko Haram*, than they did of *Boko Haram*. This sentiment was compounded by the violent and indiscriminate responses of the security forces, which frequently caused the destruction of property and the loss of innocent lives.

Nevertheless, the Muslim – Christian conflict as framed by *Boko Haram* is primarily political. It relies on many different aspects. One is the staunch competition between evangelical churches and Islam in central Nigeria (Jos being the epicentre). Another is the impact that decentralization has had in the region, often increasing differences between communities: resentment is rooted in the perception that other communities get more than they deserve. This hostility has been reinforced by the 2011 elections outcome, which was criticized by many experts. The success of the former President Goodluck Jonathan (after two terms of Olusegun Obasanjo – a Christian – and the death of Umaru Yar'Adua – a Muslim) and the domination of his People's Democratic Party (PDP) generated bitterness in the Northern population for whom those victories threatened increased marginalization. This feeling is reinforced by the arrangements of the peace-settlement with the rebel group Movements for Emancipation of Niger Delta (MEND) that allocated, in the Northern view, disproportionate resources to an under-populated, but Christian area of the south (Marchal, 2012:4).

The infiltration of the group into government showed the seriousness of the challenge posed by the *Boko Haram* sect to national security and the survival of Nigeria as a corporate entity. It is a truism that without security hardly is anything possible. The insecurity situation in the country consequent upon the *Boko Haram* violence has led many to wonder if Nigeria has not returned to that historical epoch known as "state of nature" where according to Thomas Hobbes in Appadorai (1974), "life was solitary, hasty, brutish and short". The severe security threats to life and properly posed by *Boko Haram* across the country send wrong signals to the international community that Nigeria was not safe for investment. This is because insecurity is a risk factor, which investors dreads and makes them to move elsewhere. In a candid opinion of the Sultan of Sokoto, Alhaji Abubakar Sa'ad ll (2012) the members of *Boko Haram* are evil men, and he argued that maladministration was the harbinger that brought them about. Speaking largely the minds of Muslims, dialogue and amnesty are the only ways out of the threat posed to all Nigerians by *Boko Haram* (Daily Independent, 2013).

With *Boko Haram*, terrorism wreaking some of the worst forms of death and destruction man has ever known on the North, militant agitation straining virtually every cord of national unity in the south, and harsh economic

conditions getting even the most laidback of citizens more and more agitated, Nigeria is truly a troubled country. But optimism and belief that the troubled with Nigeria is mostly man-made and can, thus, be redeemed by a change of attitude are what have marked the character of the citizens in the face of all the adversity (Obia, 2016:69). Pathetically, politicians have been feasting on it to the detriment of national unity and cohesion. The 2012 attack on luxurious buses that were Eastern Nigeria bound during the Christmas Festival in Kano was read differently by Nigerians. For some, the terrorist attack was premeditated and it was targeted against the Igbos. Some others have read religious motives into it. The July, 2013 attack on some Yoruba traders in Maiduguri also generated disquietedness in the South-West, posing a threat to Nigerian unity. One immediate implication that can be drawn so far is that the thread of unity in Nigeria is being given a terrible blow by the unrestrained activities of the sect. The high number of deaths recorded among the southerners who live in the affected areas is encouraging discussion on reprisal attacks in some other parts of Nigeria. The country's unity and existence is daily assaulted by *Boko Haram* (Saliu, 2016: 225).

The cloud of uncertainly threatening the corporate existence of Nigeria, as a result of *Boko Haram* insurgence can be summed up with the opening verse of Charles Dickens Famous novel A Tale of Two Cities:

> …it was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us.

Already, the political temperature has risen due to the patterns of reaction to the menace. For the leadership of the Christian Association of Nigeria (CAN), the sect is a terrorist group that requires no sympathy. Negotiation with it is therefore not fancied by the Association. Its preferred option is to defeat the group militarily. The options of amnesty and dialogue being considered by the government were clearly detested by the apex Christian Association of Nigeria (Oritsejafor, 2012). However, as in other faiths, there are, of course, extremist elements in Islam who will in the name of Islam commit vile acts of terror against others (and often against Muslims who oppose them). Prophet Muhammad had in fact predicted the recurring appearance throughout the ages of these elements in the Muslim community. These elements are called the *Khawaarij* (those who exit the religion), and contemporary scholars have identified groups like *A1 – Qaidah* and *Boko Haram* sects as the Khawaarij of

this period. A description of these elements is given in a report from the third *Khalifah* of Islam, Ali bn Talib:

> "Ali said, 'O people! Indeed, the messenger of God say: There shall be a folk that comes from my *Ummah* and they will recite the Qur'an – your recitation will not be comparable to theirs, or your prayers or fasting to theirs. They will recite the Qur'an and believe it, supports them but (in reality) it is against them. Their prayers will not go past their throats. They will exit from the religion just as an arrow exits from a hunted game.

Towards Engendering Unity and National Integration

Nigeria attained the status of an independence country fifty eight years ago. Today, the country is still confronted with many problems associated with political development. Understandably, countries face several crises in the drive towards nationhood. And, as has been rightly observed by the International Social Science Research Council, all countries tend to experience four basic challenges of political development. These challenges are: the challenge of authority or state building; the challenge of unity or nation building; the challenge of participation; and the challenge of distribution. While, indeed, countries may be faced with these challenges in the process of political development, the tragedy of the Nigerian case is that, half a century after attaining independence, not only have we been unable to reach a broad consensus on how these challenges should be dealt with, they appear to be intractable (Obiyan, 2010:293).

Nonetheless, it has become obvious that Nigeria cannot make any meaningful progress in the absence of unity. Some founding fathers of Nigeria adopted federalism as a pragmatic instrument for the achievement of the goal of national unity. The rationale was to see if there could be unity in diversity which means that there could be ways of bringing diverse ethnic groups into a modern nation. As argued by Jinadu (1979:2007):

> … it is usually built as a form of government and constitutional structure deliberately designed by political architects to cope with the different task of maintaining unity, while preserving diversity.

However, amidst all the efforts, the goals of national integration are not yet possible owing to the numerous problems inherent in Nigeria federalism.

Unity, peace and progress are the central theme on the Nigeria's coat of arms.

The words were carefully selected as Nigeria's heritage to project national watch-word towards sustainable development and a virile nation devoid of rancor and violence. In spite of this, documented instances have shown that heterogeneity of Nigeria in term of myriad of religio-cultural backgrounds had seldom operated on the platform of negative interaction. The ethno-religious crises witnessed by the country have increasingly threatened the corporate existence of Nigeria as a country. Seeds of religious discords have been hypocritically nurtured at geometric rate through political propaganda and tribal affinity. These have caused intermittent conflicts and state of insecurity in the country.

Nigerians are on a daily basis striving to come up with ideas for the renewal of faith in themselves and their country. The World Peace Day, marked on Wednesday 21st September 2016, signals a strategic moment for deeper reflection by Nigerians on the things that have damaged relations, sowed fear, heightened suspicion, and disturbed the peace among the citizens. Fortunately, it coincides with the period for Nigeria's 56th independence anniversary, which another important time for critical thinking on the country's journey so far. The World Peace Day could not have come at a more opportune period. Celebrated worldwide on September 21 every year to remember the virtues of peace and good neighbourliness among the world's diverse peoples, the days was established in 1981 by the United National General Assembly. In 2001, the General Assembly voted to designate the day as a time of non-violence and cessation of hostilities. This year's World Peace Day holds a special significance for Nigeria. It offers an important opportunity for Nigerians to step up actions to dismantle anti-peace barriers that have been erected over the years by politics and dogmatism (Obia, 2016:69).

All in all, dialogue as applicable to religion is an ecumenical strategy to bring people of different faiths together on the platform of peaceful co-existence and interaction. The goal of establishing greater peace, stability and unity in the country would be well served if the devoted followers of the religions are: one, view their collective insights as multiple pathways to understanding ultimate reality, and; two, commit to identifying through open dialogue their combined, although individually limited, truths. The political leaders, too, need to be more attentive to the needs, aspirations, and complaints of the people, for the country to enjoy the permanent peace that everyone craves. Dialogue should always be the primary tool of engagement with people and groups having divergent views on how society should be run. It is only dialogue that can bring peace based on consent – which is the authentic peace that the country needs. Peace achieved through force is more often than not weak and uncertain (Obia, 2016:69).

Summary, Conclusion and Recommendations

Boko Haram, the militant group operating in Northern Nigeria has been described by many people in the region as a collection of different interests ranging from religious zealists to political operators, and common criminals. Muslims have been affected by *Boko Haram* attacks as much as (if not more) than other communities in Northern Nigeria. In addition, law-enforcement has also shown that some of the terrorist violence in the north have been carried out by non-Muslims. Thus, the *Boko Haram* threat has severe implications, not only for the Nigerian civilians population but also for the country's economy, political stability as well as its development. The emergence of *Boko Haram* insurgency in Nigeria is a direct consequence of nature and character of the Nigerian State.

Beyond military action to curtain, degrade and defeat *Boko Haram*, there is also the need to address underlying conditions that these groups seek to exploit. The conditions include poverty, unemployment, deprivation, illiteracy, social disenfranchisement and unresolved political and ethnic disputes. The Nigerian state should desist from addressing the symptom instead of the causes. The immediate solution is good governance with a robust institutional framework that ensures a prudent and effective management of resources to better the lot of its citizenry. To achieve this, there should be reprioritization of government expenditure in favour of poverty alleviation measures including the creation of job opportunities and other welfare packages.

The Nigerian state should build strong viable institutions that can proactively respond to the challenges of security. Security just like other elements in the business environment enhances and optimizes business activities but insecurity hinders these activities and so it constitutes a threat to business organizations. There is a strong skepticism that if the level of insecurity in the country is not scaled down, the vision to be among the best 20 countries of the world may be aborted. Hence, the government needs to put in place adequate measures that can guarantee sustainable peace and stability. To achieve this, the government, as a matter of urgency, must put an end to the culture of entrenched impunity and human right abuses; pursuing vigorous reforms of the judicial of civilian populations by improve the capacities of law enforcement agencies.

The government at all levels must encourage and facilitate dialogue among culture and religious groups on national issues with a view to understand and find a lasting solution to some of the contextual issues in the country.

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Decentralization and Good Governance in North Kivu, Democratic Republic of Congo (DRC).

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ABSTRACT

It is acknowledged that the performance of the public service in decentralized systems is an important consideration for sustained transformation to occur. This paper investigated the decentralization and good governance in Republic Democratic of Congo, particularly in North Kivu. The decentralization experiment in North Kivu took timid steps in the direction of concentration. Many reforms are taking place in the name of decentralization and they are setting up the basic institutional infrastructure upon which to base the positive outcomes promised by decentralization. Although the bulk of decentralization efforts in North were driven by "political motivations" and "consisted mostly of de-concentration of administrative functions, rather than the devolution of powers", evidence suggests that decentralization has made significant contributions to the way governments and their agencies provide services at the lowest possible units in the Provincial Government of North Kivu. The push towards decentralization is largely driven by the desire to improve the delivery of public services and to eradicate problems of poor service, poverty, high dependency and inefficient public systems in the province. It was therefore recommended that the Provincial Government of North Kivu with the DR Congo Central Government's support should create the capacity not only to contribute to change, but to lead change in an effective way to enhance an inclusive framework for all citizens. Based on the premise that one of the key tenets of decentralization is an improvement in service delivery to the citizens, a critical consideration in decentralization discourse should be taken in to consideration and look at how functions are shared between the Centre and the subnational unit.

Key terms: *Decentralization and Good governance*

BACKGROUND TO THE STUDY

Decentralization is not a new concept in international circles. However, there is now growing acknowledgment of the fact that state/sub-national interactions are taking place in a democratic context and that, while raising major economic, administrative and social issues, decentralization is basically political. Decentralization can serve as a means to maintain political stability when pressures arise from local groups and elites demanding more power. In Ethiopia decentralization was used as an instrument to diminish secessionist tendencies (World Bank, 2000). In Uganda and South Africa too, decentralization was used to consolidate national unity (UNCDF, 2000). In Mali, the government strengthened the territorial autonomy of Tuareg regions in 1992 as part of a peace negotiation with secessionists (Brock and Coulibaly 1999). Olowu (2001) sees decentralization as promising to help resolve conflicts in Angola, the Republic of the Congo, the Democratic Republic of the Congo, Morocco, Senegal and Sudan.

The World Bank (2000) points out that decentralization can serve as an institutional mechanism to bring secessionists and other subnational groups into a formal bargaining process with the government. Conyers (2000) argues that governments use decentralization to increase national cohesion and central control in three situations. First, decentralization can be a means of attracting back regions or ethnic groups that are threatening to form independent states, as in Nigeria. Second, strengthening regions can help reinforce or reconstruct national unity after social unrest or conflict, as in South Africa, Uganda and Zambia. Third, where there is risk of national disintegration, decentralization can be used to strengthen the ruling party's control over local-level activities, as in most one-party state decentralizations in the post- independence 1970s and 1980s. Conyers (p. 8) argues that to reinforce the role of the party at the local level is one of the main motives for states to decentralize. Rothschild (1994) also observes that decentralization is motivated by these kinds of pressures, explaining that countries prone to decentralize are those ready to respond to "claims for local autonomy in an effort to manage political conflict". He asserts that the ways in which decentralization unfolds are a function of these state-civil society relations.

According to Cohen, D. (2008), governance is the deliberate and conscious management of regime structures for enhancing the public realm. Governance can be viewed from social, political and economic perspectives. Indeed, good governance is pivotal to the development process. Development linked governance has been an issue much debated in the contemporary world. The term 'governance' has taken a much wider meaning and is no longer restricted to 'rule' or 'administration' but is used in a broader sense to imply the manner in which power is exercised. Since power can be exercised in any manner as desired, certain principles would be required in order to judge whether the discourse of the power has been made as per certain standards and norms. Such judgment can be based on several criteria participation of citizens, upholding the rule of law, transparency of the system, responsiveness of the authority, consensus oriented

policy, equity and inclusiveness of the policy, accountability of the system, strategic vision of the authority, etc.

In this regard, Plano (2012) sees good governance as the exercise of political power to promote the public good and the welfare of the people. He argues that good governance is the absence of lack of accountability in government, corruption, and political repression, suffocation of civil society and denial of fundamental human rights. He points out the attribute of good governance in any society to include: accountability, transparency in government procedures, high expectation of rational decisions, predictability in government behaviour, openness in government transactions, free flow of information, respect for the rule of law and protection of civil liberties, and press freedom.

The World Bank (2004) defines good governance as "..the one epitomized by predictable, open, and enlightened policy-making, a bureaucracy imbued with a professional ethos acting in furtherance of the public good, the rule of law, transparent processes, and a strong civil society participating in public affairs. Poor governance (on the other hand) is characterized by arbitrary policy making, unaccountable bureaucracies, un-enforced or unjust legal systems, the abuse of executive power, a civil society unengaged in public life and widespread corruption."

Politically, decentralization can be used for state legitimation. States can garner popular support, and meet the needs of individual political actors to establish themselves and their minis- tries (De Valk, 1990; Conyers, 2000). De Valk argues that in post-independence Zimbabwe, the demands on the state were that it establish a socialist regime; promote land reform; provide equitable access to social services; and facilitate greater political participation. But, given the high cost of social services and threatening fiscal crisis, "policies to strengthen regional planning through decentralization are seen to 'kill two birds with one stone': to establish legitimation without too much expenditure" (Gore, 1984, quoted in de Valk p. 5). The government of Ivory Coast also tried to use democratic decentralization as a means to revive the single ruling party. "It was hoped that the election of local councillors and mayors would bring new generations of cadres into politics, and address the perceived problem of public apathy" (Crook and Sverrisson 2001).

Deconcentration can be a tool to establish central power in outlying areas. In francophone West Africa, Mbassi (1995) pointed out that due to the weakness of the state, governments recommended that decentralization include deconcentration of services in order to maintain a central presence in the local arena. In Kenya, the district focus policy of the 1980s was un- apologetically "intended to increase efficiency of central government administration rather than promote local autonomy or popular participation" (Conyers, 1983). In district focus, therefore, deconcentration was used. After independence, President Mzee Jomo Kenyatta used provincial administrations to establish the ethno-regional base for his rule, and later President Daniel Arap Moi tried to build his political support through district administration (Therkildsen, 1993). Such use of decen-

tralized authority to manage the rural world is similar to the dynamics of decentralization throughout the colonial period (Mamdani, 1996).

Ikotun (2004) argues that the merit of good governance is based on the performance in the management of a nation's political, economic and social resources to enhance human capacity, social well-being and sustainable development in the society. In the same vein, Kofi Annan observes that good governance is vital for the protection of rights and the advancement of economic and social development (cited in Kim et al, 2005). Therefore, the purpose of good governance is to create a conducive climate for political and socioeconomic development and to increase the efficiency and effectiveness of development programmes in a society. He points out that the concept of good governance is used to characterize the interplay of the best practices in the administration of a state or nation for sustainable development. The foregoing shows the importance of good governance to development in a society (De Valk and Kadmiel, 1990).

The merits of decentralization depend on the perspective from which it is viewed. Nonetheless, there is general consensus about the potential role of democratic decentralization with respect to local development, and particularly, poverty reduction. There are reasons for the growth faith in democratic decentralization which may offer valuable benefits (such as improved human rights, political choice, and government accountability) that are also the basis of the citizen's acceptance of the existing political order. Suffice it to say that where bad governance entrenches corruption, mismanagement, and public service inefficiency, while at the same time, undermining the capacity to eradicate poverty and destitution; it is also supposed to efficiently address a large number of key issues (such as the severe limitations of centralized planning and management; the over-concentration of power, authority, and resources at the centre; the weak contact between government and local people, including civil society and the private sector; the lack of equity in the allocation of resources; the insufficient representation of various political, religious, ethnic and tribal groups in the decision- making process; the inadequate exchange of information; and the inefficiency of service delivery modalities) (Haider & Badami, 2010).

In the democratic republic of Congo, the political system is established by the constitution and subsequent legislation, is a decentralised system comprised of appointed, directly- and indirectly-elected posts. Although, local elections have yet to take place, the 2006-07 presidential, legislative and provincial elections resulted in the election of the governor, vice-governor and the provincial assembly members, who sit at the decentralised provincial level. In addition, senators and National Assembly members represent their province or local level constituencies (Smith, 2009). The 2006 Constitution redistributed the territory into 26 provinces. The most important provision is that tax collection is to be carried out at the source - by the provinces instead of the state. The implementation of both policies however is 'lagging behind and imply that decentralisation exists in theory but not so much practice' (p. 10). There is little progress in the implementation of the new provinces on the ground and this

remains unequal (for example, while North Kivu and South Kivu have functioning provincial assemblies, most new provinces only exist on paper) (Barrios & Ahamed, 2010).

In North Kivu, the administrative architecture is composed of three layers: the provincial layer, the intermediary layer and the community layer. The main political arena is the provincial assembly to which deputies are elected during local elections. The governor and the vice governor are elected by the provincial assembly, which also possesses powers to approve their programmes and/or to dismiss them. North Kivu has experienced a variety of provincial governments as they have been unable to build an autonomous local coalition capable of seriously tackling insecurity and development problems. Territorial administrators are meant to represent the state at the local level and supervise collectivities, but they are largely unable to function independently. At a lower level traditional powers are exercised by chieftaincies, also called collectivities. A number of traditional leaders have extended their powers beyond their community. Various new elites are a challenge to traditional authorities. Elites in North Kivu include career civil servants and politicians, church leaders, renowned intellectuals, businessmen and civil society members, army and various militia personnel (Mushi, 2013).

The Catholic Church's leadership during and after the war makes people see it as one of the most important institutions sustaining society, maintaining hope and helping to avoid the oppressive official state and working for the gradual renewal of the legitimate state. The social contract between the state and society has largely been re-established in the DRC. Partly, this is due to the powerful negative lesson of what the alternative represents. However sources of tension remain, for example in Kivu the informal ceding of the army to Rwanda phones is a source of conflict and insecurity.

STATEMENT OF THE PROBLEM

The major conceptual thread running through the paper is that decentralization is a process that provides good governance for democratic and peaceful development to be planned and implemented at local community level with the participation of the local people. It is an arrangement which can facilitate such activities only when it is appropriately designed and implemented and under the appropriate conditions, such as, political leadership will, bureaucratic commitment, and popular craving for empowerment. Decentralization succeeds best in situations where there is a strong central government (strong in terms of legitimacy and capacity) as well as an empowered population at local community level. Otherwise it contains no intrinsic value for being a natural promoter of peaceful development and democracy. The whole issue is also contingent on the environment and situation in question. Sometimes decentralization will mitigate conflict by allowing sufficient shared exercise of power among competing groups. At other times, centralization may mitigate violence by strengthening central government and enabling it to sustain a stable strong State.

Politically, citizen participation and good governance efforts at both local and national levels sustain peace and democracy in society (Morten, 2005). Furthermore, a decentralization policy continues to be perceived as the cornerstone for political and economic decision-making, and to support good governance, citizen participation, and economic prosperities (Treisman, 2007). Treisman also argued that decentralization, as compared to a centralized system of government, creates many opportunities to bring the government and the citizenry closer. Treisman continued to assert that decentralization process fosters and produces more development, nurtures civic virtue, protects liberty, exploits local information, and stimulates policy innovation.

Additionally, Haider and Badami (2010) argued that the core value of decentralization is the shifting of power from a centralized system to local government which is the key catalyzer for creating effective reforms in government system. However, despite the abundance of studies on the positive effects of decentralization, there are no yet investigations made how decentralization affected good governance in Republic Democratic of Congo as in examining the appropriate ways for the Congolese citizens to get directly involved in the governance of their country and whether there are obstacles to citizen participation in DR Congo. If yes, to suggest the solutions to these challenges. Thus, this study bridged the gap by providing knowledge on the effects of decentralization as a potential prescription to enhance good governance in Republic Democratic of Congo especially in North Kivu.

METHODOLOGY

The methodology will help to reveal those gaps. Therefore, if these gaps are not addressed, the study will be incomplete and has no impact or significance in the field of public policy and political leadership. This study took into consideration citizens live selected randomly in both rural and urban areas of North Kivu (Beni, Butembo and Goma) to be interviewed. The targeted population of 45 came from both government and private institutions that were knowledgeable of the subject. For this study, the sampling size was limited to only 20 to 25 persons that were selected purposively to be interviewed by me alone. The criterion set for the selection of these 20 participants ensured that they met the requirements of the study which was in line with Creswell (2007) views that in a case study, a small sample is generally deemed sufficient for the identification of themes and analysis. Therefore, the criteria set ensured that the selected participants had extensive knowledge and understanding of citizens' participation and good governance in North Kivu. A Face-to face interview is important in the Congolese society in North Kivu because Congolese's culture in this part of DRC is a high-context and communist society where women and elders receive special treatment and respect. Qualitative was used in this paper; as Stake (2010) and Yin (2012) claim that the nature of qualitative research is to provide knowledge and understanding of a phenomenon and not to generalize the study. In addition to this idea, Patton (2002) also asserted that there is no specific rule that govern the size of a sample in qualitative study since the sample size is dependent on what the researcher wants to gain. Thus, a small sample was selected and provided the data needed to gain adequate knowledge

which uncovered the research problem (Patton, 2002).

CONCEPTUAL REVIEW

As part of the efforts to promote the participation of the people in the decision-making processes as well as the development activities, the policy of devolution of power and authority to sub-national governments (generally referred to as decentralization) is increasingly adopted and applied in many countries as one of the tenets of "good governance". This is based on the premise that decentralized governance provides a structural arrangement and a level playing field for stakeholders and players to promote peace, democracy, and development. Many countries are promoting decentralized governance as a measure for democratization, people empowerment and poverty reduction. However, the efforts in this regard are not moving at the same pace, with the same political conviction, using equally competent capacities, and with the same success. Some countries have gone beyond political hesitation and put in place policies of decentralization but they lack the requisite capacities for the implementation. Others are still politically hesitant, not sure of the role of decentralized governance in democratization, people empowerment, and poverty reduction (John-Mary, 2005).

At policy level countries that have decentralized have done so in various ways and under different circumstances. Success in each case has been dictated by a number of factors, among them, the process through which the policies were formulated, debated and agreed; the structures that were put in place; the sharing of functions and resources (especially financial) between central governments and decentralized units; as well as in the way devolution, deconcentration, and delegation were balanced. Some countries have decentralized by establishing federal systems, some have established decentralized systems with strong doses of devolution, and there are many whose decentralization is mostly characterized by deconcentration. What is generally observed is that the process of consolidating decentralized governance is still on-going and needs strong support not only because the people prefer decentralization as a politico-administrative and structural arrangement for their empowerment, but also because it promises a lot in terms of democratization, people empowerment, and poverty reduction which are very much in line with the Millennium Development Goals (MDGs, 2001).

Consequently, decentralized governance is increasingly being favoured as the most suitable mode of governance through which poverty reduction interventions can be conceived, planned, implemented, monitored and evaluated. The assumption here is that the process of decentralization facilitates greater participation of communities in project identification, planning and implementation, which in turn increases ownership and the likelihood of sustainability. Decentralization is viewed as a policy of high priority and used as an instrument of people empowerment, a platform for sustainable democratization, a structure for the mobilization of resources for economic development, a veritable instrument of reconciliation, social integration and well-being in post-conflict environments, and a vehicle for the promotion of a

culture of political, economic, civic, and managerial / administrative good governance. There is also the expectation in some quarters that decentralization would offer opportunities for peace in situations where power sharing can mitigate severe ethnic, religious, and territorial conflicts inside a country. For all these reasons and perhaps even more, many development partners at local, national, regional, and international levels including intergovernmental bodies such as the United Nations Agencies are engaged in efforts at promoting decentralized governance in many countries (Ikotun, 2004).

Decentralization and Service Delivery

When properly designed, decentralization policies and programmes can impact positively on the performance of local governance institutions, service delivery agencies, and ultimately, on local economic growth and poverty eradication efforts. However, for this to happen, it is necessary that the policy instruments be designed in such a way that local governments are sufficiently empowered and motivated to identify poverty reduction priorities, and to allocate resources to pro-poor programmes; well-informed about local preferences, able and willing to provide services in response to the locally expressed preferences, and unrelenting in the search for efficiency and impact in the allocation of resources; equipped to handle and manage pressures from diverse civil society sources (compared to central agencies, local governments face pressure from councilors and their constituents; the demands construction and/or maintenance of feeder roads, health posts, primary school classrooms, and other facilities that favour the poor, and for investment on large-scale capital development projects such as trunk roads, referral hospitals, and airport terminals); capable of forging and strengthening institutionalized linkages with beneficiary communities and adept at acquiring, retrieving, applying, and updating data and information on local development issues and resources (Cohen, 2008).

Fiscal Decentralization

The inherent mismatch between the optimal decentralization of public expenditures and the optimal decentralization of public revenue collection is at the heart of the fiscal decentralization policy challenge. It is now generally agreed that few local governments outside large cities can finance their expenditures from their own resources and that they need central support (Olowu, 2001).

The specific goal of fiscal decentralization is to confer on local governments greater responsibilities for taxation and for resource allocation. A local government, with the autonomy to make independent fiscal decisions, should be considered as a necessary pre-condition for fiscal decentralization. This autonomy involves the power to levy taxation, explore independent revenue sources, and to decide on expenditure priorities. The alternative is to prolong the dependence on the center for grants, subventions, and other forms of transfers, and by so doing, striking at the heart of local self-government (Crook, Richard and James, 1998).

Local governments may be helped to assume responsibilities for their fiscal operations and for the improvement of their performance. Specifically, they need assistance in: Assessing current, and identifying potential, resources; Clarifying the fiscal responsibilities and obligations of local governments; Improving the management of transfers from the central government and improving the management of internally generated resources; Optimizing revenue collection methods and processes; Allocating resources among different levels and/or sectors of local development; Developing appropriate accounting systems; Designing information, management and auditing systems and training managers and leaders.

Decentralization and Management of Natural Resources

Over the last decade there has been increasing recognition that many environmental problems are grounded in institutional failure and poor governance, and that decentralized and democratic governance is a pre-requisite for sustainable development and poverty reduction.

The New Partnership for Africa's Development (NEPAD) initiative, for instance, cites poor political and economic governance as two of the root causes of much of the malaise afflicting Africa: they create general political and economic uncertainty, an unpredictable business environment, political unrest and sometimes even war, which all inhibit economic growth. Poor governance also creates an environment inimical to efficient investment in human and material resources, and undermines the formulation and implementation of policies and laws that could accelerate the process of economic growth and development (Mbassi, 1995).

From a wider perspective, decentralization (and democratic governance) in North Kivu will be of great interest to environmentalists because it can reshape the institutional infrastructure on which future local natural resource management will depend; while the use and management of natural resources are of interest to those advocating decentralization and local democracy because they are sources of revenue and power, and therefore of potential legitimacy for new local government authorities.

According to Haider & Badami (2010), environmental governance is about how societies deal with environmental problems; the interactions between formal and informal institutions and actors in society, and their influence on the identification and framing (or definition) of environmental problems; and the ways in which environmental issues reach the political agenda, policies are formulated and programmes implemented, at both global and local levels.

By analysing the different levels of governance mechanisms and understanding the links between them, environmental governance aims to provide a general framework that different actors at each level can use to improve their skills in environmental management. Environmental governance entails a substantial degree of decentralization of resource management functions to local NGOs and community-based organizations, and other local actors with interest in

environmental issues. It challenges the traditional 'environmental conservation' practices that exclusively favour land privatization. Through the devolution of environmental powers to local stakeholders, local environmental governance is also supposed to be socially redistributive and environmentally benign and sustainable. Thus, as an integral part of the wider notion of 'local governance' or 'democratic governance', the concept of local environmental governance defines the capacity of local stakeholders (particularly freely elected authorities) to manage local people's relationships with their physical environment in accordance with the principles of participation, transparency, efficiency, equity and accountability. This is in opposition to previous models of environmental governance based on the process whereby the state asserts its property rights and control over resources to the exclusion of other interests (Mbassi, 1995).

Environmental governance is based on sustainable development initiatives occur at the local level; Good governance is based on the identification of individuals and institutions that should be empowered to make decisions about natural resources and their management; local governance structures must be strengthened in order to fully assume environmental roles; communities should not only share the benefits arising from the use of natural resources, but also participate in decisions regarding their management and local stakeholders need to be individually and collectively empowered in order to adequately address sustainability issues (Haider, & Badami, 2010).

Decentralization as a process of balancing centripetal and centrifugal forces

In governance and public administration, decentralization is commonly regarded as a process through which powers, functions, responsibilities and resources are transferred from central to local governments and/or to other decentralized entities howsoever defined. In practical terms, the crafters of decentralization are engaged in a process of striking a balance between the claims of the periphery and the demands of the centre. Decentralization, when appropriately crafted, provides a structural arrangement through which critical issues (such as those of national unity and indivisibility, how to safeguard national interests and ensure coordinated and even development, equity in the distribution of resources, diversity, and local autonomy) can be reconciled (Gay, 1986).. Through decentralized structures, central governments, local governments, civil society, and local elite continuously engage in inter-group negotiations, and by so doing, maintain equilibrium in the socio-politico-economic atmosphere. Purposeful, well planned, and controlled decentralization is not conceived in terms of power struggle between central and local governments, but rather as part of a framework for state and public administration reform aimed at empowering local governments and communities legally, technically and financially to cater for their interests as the central government takes care of the higher missions of the State.

Decentralization is a generic term which covers a number of modes such as the following: (i) deconcentration which refers to the process of administrative decentralization whereby the central government designs a structure that enables its field agents and offices to work in close proximity to the local

people (ii) delegation which is the transfer of responsibilities from central government to semi- autonomous bodies that are directly accountable to the central government, (iii) devolution which is the process of transferring decision-making and implementation powers, functions, responsibilities and resources to legally constituted, and popularly elected local governments, (iv) delocalization which is the spatial distribution of central government socio-economic development facilities and activities such as schools, hospitals, etc in peripheral regions. There are scholars who include privatization in the locus of decentralization but for the purpose of this paper it will not be discussed (Mbassi, 1995).

In general terms, it is difficult to come across a country that has undertaken only one of the above different types of decentralization. All countries, centralized or decentralized, always seek to find an appropriate mix of these types, the central question always concerning how much decision-making power to transfer to local governments. This is directly linked to issues of political decentralization.

Political decentralization: a basis for local participatory decision-making

The general tendency is to understand political decentralization only from the aspect of local electoral practice whereby local people elect their leaders as well as their representatives in central government legislatures. However, political decentralization goes far beyond this narrow view. It is a process of transferring political power from central government to give citizens and/or their elected representatives more say in public decision-making in domains that extend beyond political governance to include general socio-economic development. Whether it is in matters of financial decision-making such as in deciding a local council budget as it is done in Participatory Budgeting" in Porto Alegre (Brazil), in issues of development planning such as designing a community development plan, in aspects of service delivery such as earmarking where a feeder road will pass, where a water well will be dug or where a school or a maternity centre will be constructed, if the power to take such decisions is passed on from the centre to local governments / people / communities, it is within the realm of political decentralization (Zander Navarro, 2002). The choice of leaders at elections is just a small component of political decentralization. Political decentralization could be another term for devolution, especially if its provisions are enshrined in legal documents.

Viewed in this light, political decentralization (being a process of transferring decision-making power and authority) becomes a strong vehicle for championing local diversity and local autonomy. Through it, local interests are articulated, and local socio-cultural systems are strengthened. Decentralization provides a structural and institutionalized venue through which local people can participate and exert "more influence in the formulation and implementation of policies" and the determination of their development in general (World Bank Group,http://www.worldbank.org/publicsector/decentralization/political.htm#2).

If it is taken that democracy means the rule of the people, then political decentralization, by facilitating participation of the people in decision-making, promotes democracy.

If it is accepted that democracy is not only premised on elections, then the most often expressed view that decentralization, especially devolution, enhances participation by providing political structural arrangement and legal provisions for voting to choose local leaders is just a small part of the requirements for full participation. For decentralization or any other structural arrangement to facilitate socio-economic and democratic participation, it must take into account the full range of the possibilities of participation. Certainly participation in the election of local leaders is one of the various components of political participation. However, for a people to determine their destiny, they need to participate in (i) deciding which problems concern them most and in what ways in order to set priorities on which to expend their energies and resources for their own benefit, (ii) planning the way their problems will be solved and their needs met, (iii) working to produce goods and services and to distribute them through engagement in a full range of economic, commercial and non-profit activities, (iv) paying for the goods and services which in essence underpins their participation in consumption. Elsewhere we have argued that "the biggest problem for developing countries is that because of their very low incomes, people expect to participate in consumption without participating in paying" (John-May Kauzya, 2003).

Decentralization as peace promoter

It is at the point of equilibrium between the forces for national unity and the forces of local diversity and autonomy that the linkage between decentralization and peace can be established. Conceptually, decentralization can be regarded as an instrument for peace building, and, especially in a situation where peace already exists, for sustaining and enhancing it. We deliberately exclude war or immediate post-war situations from this assertion because our experience in designing decentralized governance systems shows that in order for decentralization to succeed, it requires highly participatory processes, as well consultations devoid of suspicion. Clearly, neither participation nor consultation is possible at the height of a war or immediately after hostilities. It should also be noted that during civil war, or even after it, in some cases, there is no viable and accepted centre to 'transfer' power and resources, and therefore, decentralization would be an inappropriate term to apply. Taking Somalia for example, at this moment one would not be talking of decentralization simply because the regions regard themselves as autonomous and the centre capable of imposing its will across the entire country is yet to fully emerge. There is no centre from which to transfer power, authority, functions, responsibility and resources. On the contrary Somalia is currently trying to work out an arrangement for some form of centralized authority that can serve as a point of reference for a state called Somalia (UN Integrated Regional Information Networks, 2004). Whether the final arrangement will be federal or unitary, the process that is going on now is that of state reconstruction and "re-centralization", rather than of decentralization. It is a process of bringing together all the clans and traditional authorities that have remained dispersed and fighting one another since the fall of Siad Barre in 1991.

There is need to distinguish a situation where powers, responsibilities, functions, resources etc are transferred from the centre to local governments and / or communities during a period of peace, from a situation where, as part of post-war negotiated settlement, powers, responsibilities, functions and resources are taken away from central government and given / offered to a fighting group. In such a situation the central government is so weak and contested that it has little room to maneuver or to determine what is given and what is taken. This is why in most cases such negotiated settlements require a third party to mediate and pre-empt eruption of conflict.

Therefore the critical question that begs for an answer, especially in troubled states concerns whether really decentralization would put in place an institutional arrangement that can initiate and guarantee transition from war to durable peace. After examining historical records since 1945, David A. Lake and Donald Rothchild (1994) find no cases of decentralization following a civil war. Our contribution on this is that conceptually decentralization cannot by itself resolve the intractable war and post-war challenges.

In situations of war, before one can consider decentralization as a process that may lead to peace, one has to diagnose the deeper causes of the conflict and the issues at stake. It must be understood that in war, if what is contested is control over territory then territorial decentralization (where specific territorial parts of a country are put under governance of one warring faction) may contribute to peace. However, this would not be decentralization in the real sense because it actually represents a loss on the part of the central government and a win on the part of the warring faction. The loser is weak and the winner is strong. This is not a durable framework for peace. Decentralization strengthens both the central government and the local governments by creating a situation of shared engaged governance where the concern of every one is not who has power over whom but how the power is exercised for the well-being of all the people. This is why decentralization is good for sustaining peace when peace exists. It is a process that works best in win-win not win-lose situations.

THEORETICAL FRAMEWORK

The polarity of democracy model stated by Benet (2006, 2012 & 2013) was used in this paper. Johnson (1996) who first developed the conceptual framework of the model asserted that the aim of the model is to successfully maximize the positive outcomes while minimizing the negative outcomes. Based on this model, Benet (2006) created the polarities of democracy model and concluded that the model promotes and bettered democratization in order to overpower oppression, especially in the workplace and in society. Benet (2012) advanced the model by asserting that democracy has now become globally the cornerstone and intervention for many problems faced by society. The author further emphasized that people around the globe have embraced democracy to bring positive social change by addressing environmental, economic, and militaristic challenges. As Dinkelaker' s (1997) consistently argued that there is no universal agreement on a definition of democracy that can guide social change efforts; however, Benet argues that the polarities of democracy can offer that unifying

definition but did not negate that democracy over the years has not been fully achieved due to its misunderstanding. Benet continues by offering that part of the problem that leads to the misunderstandings and misinterpretations of democracy is that some research or literatures have characterized democracy solely in a Western context and culture. Thus, the strength of his polarities of democracy model is its universal application based on the evolutionary development concept beginning with its origin in Africa and not just out of Western context.

Arguably, there is no doubt that democracy is a very complex concept, especially from the international perspective (Dinkelaker, 1997). Therefore, it is offered that democracy should not be conceptualized universally considering the diversities of cultures, religions, institutions and governments around the world (Dinkelaker, 1997). Nevertheless, Benet (2012) and Johnson (1996) have argued that democracy itself is rich because it ought to hold government and institution to higher standard to provide and secure citizens' freedom, justice and equality which ultimately foster social change. In support of this view, Rawls (1985) offered that fundamentally, democratic concepts offer some major principles, and among these principles are few popular and basic forms of democracy and each of these must exist in a political system for it to be a true democracy. Thus, the principles of democracy involve direct, representative and constitutional participation (Rawl, 1955). Rawls continues that direct democracy is a form of government in which the right to participate in making political decisions is exercised directly by all citizens under majority rule.

FINDINGS

The central research question in this study was to examine the appropriate ways for the Congolese citizens in North Kivu to get directly involved in the governance of their country and whether there are obstacles to citizen participation in North Kivu, DR Congo. If yes, to suggest the solutions to these challenges. To respond to these objectives, several aspects of the issue were examined. Subsequently, on the issue of decentralization, most participants believed that decentralization was the solution for North Kivu to achieve prosperity and development. Based on the literature, decentralization was explained as the total involvement of citizens in all aspects of governance, which would give citizens the right to choose the type of development they wanted in their communities. This meant that citizens' participation must be important in decision making. According to Benet's (2012) polarities of democracy model, participation should not be confused with pseudo-participatory systems that merely create the illusion that people are participating, while actual decision-making power remains in the hands of authorities.

Based on this view, I can assert that the lack of citizens' participation and poor service delivery system are human rights issues associated with five interrelated pairs of the polarities of democracy which are: Freedom-authority, justice-due process, diversity- education, human rights-communal obligations, and participation-representation offered by (Benet, 2013). Thus, participation must give people control over decision-making so that participation in government

can impact human and community development. Additionally, it was clear that decentralization can lead to the rapid economic development of rural communities given the quality of services provided by the government. The findings revealed that if decentralization were implemented adequately, the issue of transparency and fair play would be the norm of the day.

However, considering the polarity model presented in this study, it is imperative to point out that the North Kivu's decentralization policy likewise has some major challenges and limitations: The lack of adequate participation and representation, low capacity at local government, corruption, abuse of power, mismanagement of power and public resources, oppression, lack of transparency as well as the mismanagement of the polarities of democracy were among the major challenges. In furtherance, the participants overwhelmingly agreed that it is true that North Kivu's democracy is improving steadily by the government's ability and effort to manage some level of democracy; however, there remains some major challenges that affect the people of North Kivu. Decentralization policy is still perceived as a matter of theory whereas local authorities are faced with challenges in implementing the development agendas of their respective communities. Moreover, inclusion, accountability, and transparency are considered abstract in the context of development as local and national authorities are seen by local communities as not being effective in disseminating proper and timely information to its citizenry on the utilization of development funds allotted for their communities.

CONCLUSION

All in all, this paper focused on the analysis of the decentralization and good governance in Republic Democratic of Congo, particularly in North Kivu. It observed that a proactive intervention can facilitate the transformation of the Provincial Government of North Kivu. In this province, the local and urban populations in the country continue to experience poverty, bad roads, poor educational and health systems, and unemployment, thus breeding potential conflict. Disputes over land and administrative boundaries, competition over natural resources (forests and minerals), governance and administrative structures at higher and lower levels resulting to a fair and good service delivery continues to surface. However, for the successful implementation of the decentralization policy in North Kivu to enhance citizens' participation and increase good governance, it must heavily rely on the proper management of the polarities of democracy to produce fiscal and political decentralization that will give local government the power to generate their own resources and have access to control and manage their resources. While political decentralization allows the locals to have their own local assembly and voting of key positions in the communities. Understandably, this has been done, but it requires regular capacity building program for the local government to solve these challenges and maintain capacity to sustain fiscal and political decentralization. Additionally, decentralization policy offers a transformative framework that empowers people and societies by putting citizens at the heart of decision-making and governance structures. Moreover, the revitalization of some of the

government's policies and approaches to service delivery will provide citizens the development they desire.

RECOMMENDATIONS

The people may believe that decentralization made might not be necessarily the solution to many problems of governance in the decentralized government; it is worth to acknowledge the Provincial Government of North Kivu for its gradual implementation since decentralization is a new phenomenon in DRC and this particularly in the decentralized government of North Kivu. Thus, this study offers are some recommendations for improvement and these include:

- ✓ The need for more advocacy, consultation, and participatory involvement of citizens, and partners in the implementation of projects or agencies buy foreigners' and local investors in order to create more jobs for the Congolese citizens;
- ✓ The need for careful consideration of the nature and scope of the policy at the design stage of the projects implemented, and assessment as to whether the government projects would in fact be the best possible means of contributing to successful decentralization policy implementation.
- ✓ The need for monitoring and evaluation mechanisms to be included in the model, with the necessary indicators for measuring and reporting success and the efficiency of the projects;
- ✓ Additionally, the need for adequate human and financial resources in the Provincial Government of North Kivu;
- ✓ The need for a strict accountability framework in the Provincial Government of North Kivu;
- ✓ And, the need to put in places a transition strategy for projects operations to be migrated to the public service after a specified period.

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