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ABOUT THE JOURNAL

Aims and Scope of the **Journal**

International Academy of Public Administration Review (IAPAR) ISSN: **2332-8398** is an open Access indexed journal at: www.intl-academypam.org

Objectives of the Journal

International Academy of Public Administration Review (IAPAR) ISSN: 2332-8398 is an interdisciplinary journal published bi-annually, in January and November, by the International Researchers Association, International University of East Africa Uganda www.intl-academypam.org

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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3. Notification of the result of review by E-mail.
4. The authors revise paper and pay publication fee
5. After publication, the corresponding author will receive a copy of printed journals.
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UNDERSTANDING THE LANDSCAPE OF BEHAVIOURAL FINANCE BIASES AND THE ADOPTION OF MATHEMATICAL MODELS IN STRATEGY FORMULATION

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Abstract

Persistent occurrences and phenomenon in the economic and financial systems about which there appears to be no sustainably effective solution are of concern to various stakeholders. Following the financial crisis of 2007-2008 there was a flurry of research activity geared towards explaining what the major causes of this and similar occurrences before were. Similar soul searching question occurs after every such phenomenon, as evidenced when the South Sea Bubble burst centuries ago and other such crises that have occurred in the financial markets. This paper reviews some of the theories and what, in behavioural finance, are referred to as biases. An emerging strand of research is the field of neuroeconomics according to which medical imaging technology now allows us to look at brain activity as decisions are being made. The approach helps us to understand the nature and reasons for certain behavioural biases. Recent scientific studies have demonstrated that individuals with brain lesions that impaired emotional decision-making were more likely to behave as rational investors than individuals

with normal brains. The paper reviews some of the quantitative or mathematical models used to explain behaviour underlying strategies used to make decisions in financial markets in particular and investment in general, namely, Prospect theory model, Quantitative Behavioural Model (QBM) and Igor's portfolio rule and investment strategies model.

Key words: Behaviour, Finance, Biases, Mathematical Models, Theories

Introduction

The use of mathematical and quantitative approaches as tools of explaining behaviour and phenomenon in finance has won admiration from academics and practitioners. Using probabilistic theory to quantify risks and quadratic programming to derive solutions to economic and finance questions, Markowitz is among the earliest and most notable contributors to neoclassical finance and economics. He is among others, credited for developing the mean–variance portfolio selection model (Markowitz, 1952). About twenty years later Black and Scholes of the option pricing theory fame, offered an alternative by way of Itoˆ calculus and partial differential equations to explain issues of finance and economic behaviour (Black, Scholes, 1973). Most specifically for behavioural finance, Daniel Kahneman, originally a psychologist deservedly won a Nobel prize in 2002 for his work on the prospect theory. However, evolving and application of mathematical and quantitative tools has been slow in behavioural finance, and this has been attributed to the fact that behavioural problems bring in highly unconventional and challenging features for which the known mathematical techniques have had very limited application, thus the need of new mathematical theories and approaches, instead of mere extensions of the existing ones (Xun Yu Zhou, 2010). Behavioural finance may also be viewed from the perspective of being micro or macro. Micro behavioural finance analyses behavioural biases identifying individual investors considered as totally rational economic beings, homo economicus. It questions the authenticity of the traditional rational decision-making theories. Its proponents argue that behavioural biases have a profound impact on decision-making and can make suboptimal decision- making and errors that directly contradict with traditional finance. Macro behavioural finance, on the other hand, analyses market anomalies that distinguish financial markets from efficient markets assumed by

traditional finance and it questions the informational efficiency of markets. According to this approach to behavioural finance, financial markets are impacted upon by behavioural influences, such as market anomalies, bubbles, excess volatility and limited arbitrage (Michal Stupavský, 2018).

Traditional approaches

The traditional approach to finance adopts a normative approach, outlining how the real world should function. However, it simplistically assumes players in the market to be rational Homo economicus, permanently seeking continuous dynamic optimization and equilibrium as postulated in accordance with the efficient market hypothesis. It is the basis of Modern portfolio theory, mean variance analysis (expected returns, volatility of returns), Capital Asset Pricing Model and such other models of positive approach, which attempt to describe how the real world conceivably functions. Dissatisfied with some of the theories and models, some researchers adopted the behavioural finance approach. It is based on academic research in cognitive psychology and adopting the thinking that unlike the rational Homo economicus of the traditional finance school, players in the real world market are more likely to display irrational behaviour, guided more by emotions, optimism, pessimism, greed and fear than by rationality.

A landmark development in explaining market behaviour in finance was the efficient market hypothesis (EMH) according to which in prices of securities or shares is impounded all available information at that point in time and that therefore such prices are optimal estimates of the true value of investment in these securities or shares (Fama, 1970). The hypothesis posits that there are three levels of efficiency. The first is the weak form, which is when the decision maker only has past prices and returns as a guide. The second is the semi-strong form, when the decision maker has all information that is publicly available. The third and desirable form is the strong form, that is, when the decision maker has all public and private information as well.

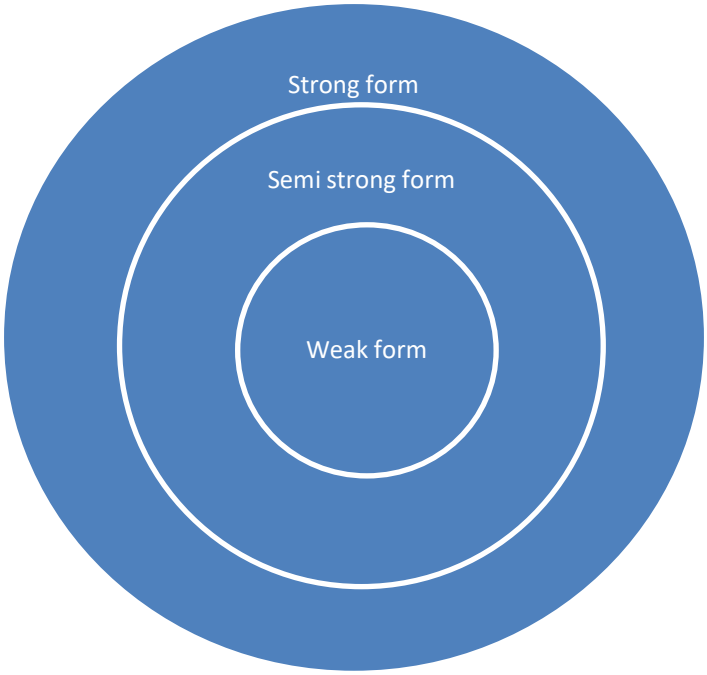


Figure I: Three Forms of Efficiency

Proponents of EMH premised their arguments on the key assumption that investors behave rationally on the basis of the information available and incorporated at the point in time, reinforcing this with the subsidiary arguments that there are incentives to gather and process information about securities and trade on the basis of the decision makers analysis until individual participant's valuation is similar to the observed market price and therefore that it can be concluded that when prices are thus determined, opportunities to earn above-normal rates of return on a consistent basis are limited.

The EMH principal and subsidiary arguments as well are diluted and proven fallacious in light of the fact that on a daily basis and globally, there is evidence of irrational behaviour in financial markets in particular and others in general. The traditional finance philosophy of rationality in decision making in financial markets is blurred by the inadvertent influence of beliefs, values and attitudes driven by socio-psychological and economic factors. These translate into behavioural biases which impact on the decisions eventually arrived at and this is so despite the multiplicity of financial models and technology available to facilitate decision making.

Furthermore it is practically impossible to have all information that can enable one to precisely make valuation similar to the observed market price because like Donald Rumsfeld observed regarding ambiguity *"Reports that say that something hasn't happened are always interesting to me, because as we know, there are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns — the ones we don't know we don't knowns.(Bradley Graham, 2009)"*

1. Multidisciplinary Approach to Behavioural Finance

The role of law, politics, ecology as well as science and technology as factors influencing decision making by investors cannot be underestimated. Similarly, suspicions and uncertainties created when there is friction between the major global economic powers or those generated to join or leave an economic or political grouping greatly impact on investor behaviour and decision making. Regarding ecology, climatic change and the resultant effect on flora and fauna greatly impact on the human activities including agriculture, trade, manufacturing as well as the resultant decisions to invest or not, productivity and production of sectors and the returns of ventures invested in.

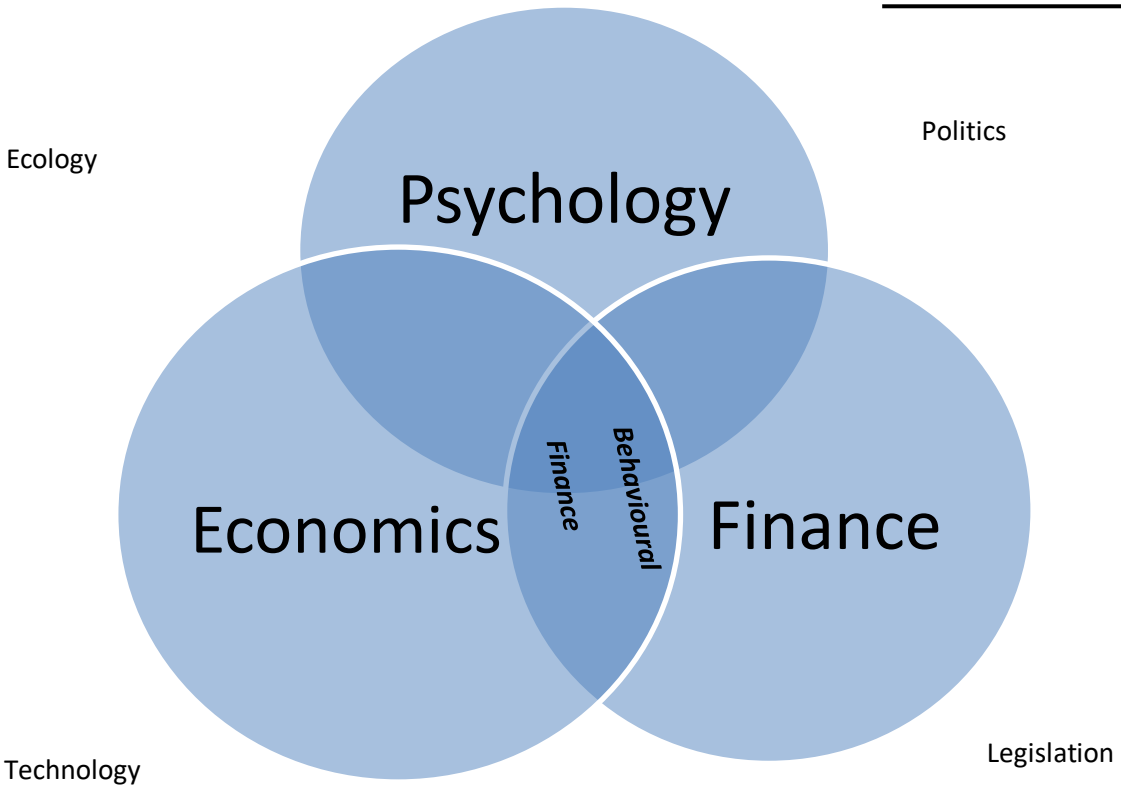


Figure 2: Multidisciplinary nature of Behavioural Finance

One emerging strand of research is the field of neuroeconomics. Medical imaging technology now allows us to look at brain activity as decisions are being made. This helps us to understand the nature of and reasons for certain behavioural biases. A recent study demonstrated that individuals with brain lesions that impaired emotional decision-making were more likely to behave as rational investors than individuals with normal brains. Other imaging studies have confirmed that the rational parts of our brain are in tension with the emotional or limbic sections of our brain (Shiv, Loewenstein, Bechara, Damasio and Damasio, 2005)

4 Theoretical Framework of Biases Heuristics

As the behavioural finance discipline evolves various theories, and what have been referred to as biases have been used to explain the decision-making process and mindset of investors to arrive at what they believe may be winning strategies. One such approach has been to categorise as either general-purpose heuristics and special purpose heuristics. Examples of general-purpose ones are availability, causality, fluency, similarity and surprise. The six special purpose heuristics

included attribution substitution, outrage, prototype, recognition, choosing by liking and choosing by default.

Another approach has been to divide biases them into four categories. The first category is that of those arising out of rigidity of opinion (cognitive dissonance) including conservatism, Status quo, confirmation, representativeness, illusion of control, disposition, belief perseverance and hindsight. The second category are those pertaining to information processing, namely, anchoring and adjustment, mental accounting, asset aggregation, framing, under-reaction and over-reaction, effect randomness, herding behaviour, and availability. The third category are emotional based biases including loss aversion, regret avoidance, prospect theory, over optimism, overconfidence, illusion of knowledge, self-attribution, self-control, loss aversion, status quo, endowment, regret aversion, escalation of commitment, gambler's fallacy and home bias.

In the sections that follow below some of these biases are discussed.

4.1 Rationality

When a person has consistent preferences, he or she is said to be rational. However, it is difficult to find such a person in the real world because choices and pay-offs are logically premised on priors such as beliefs and predictably human behaviour is characterised by individuals appearing to have inconsistent preferences much of the time. Human behaviour is the potential and expressed capacity for physical, mental, and social activity during different phases of one's life cycles. Behavioural finance has its roots in the need to provide a discipline with a multidimensional approach to explaining behaviour of players in the market on the one hand and market phenomenon like depressions, bubbles and bursts, scams and crashes on the other. It has been defined as a study of human psychology and the rationality of making financial decisions not blurred by the traditional assumptions of expected utility maximization as had been assumed in efficient market hypothesis (Gilovich Thomas and Griffin Dale, 2002).

In comparison with mainstream approaches to finance decision making, which assume a fully optimal and efficient market, behavioural finance has, as a major objective, enabling a practical

appreciation of financial decision-making and analysis as opposed to the former that assume that financial markets are inherently fully optimal and efficient. In recognition of its strategic and global importance of the behaviuoral finance discipline, the Behavioural Finance Working Group (BFWG) was established. It was from the brilliant works on cognition that Daniel Kahneman was awarded a Nobel Prize (Mydhili Virigineni & Bhaskara Rao, 2017).

Many of the behavioural finance biases are generally relative to the Bayes rule for updating our priors on the basis of new information which exists to influence the decision-making processes of players in the financial markets. The biases relate to how we process information to reach decisions and the preferences we have. As they are domiciled deep in our psyche it is pertinent that we appreciate not only their existence but also the potency with which they can impact on our decisions and eventually the results of our decisions. This way we may be able not only to reduce their influence and learn to work around them, but we may indeed be able to extrapolate the benefits or returns. Some of these are the subject of discussion below.

4.2 Prospect Theory

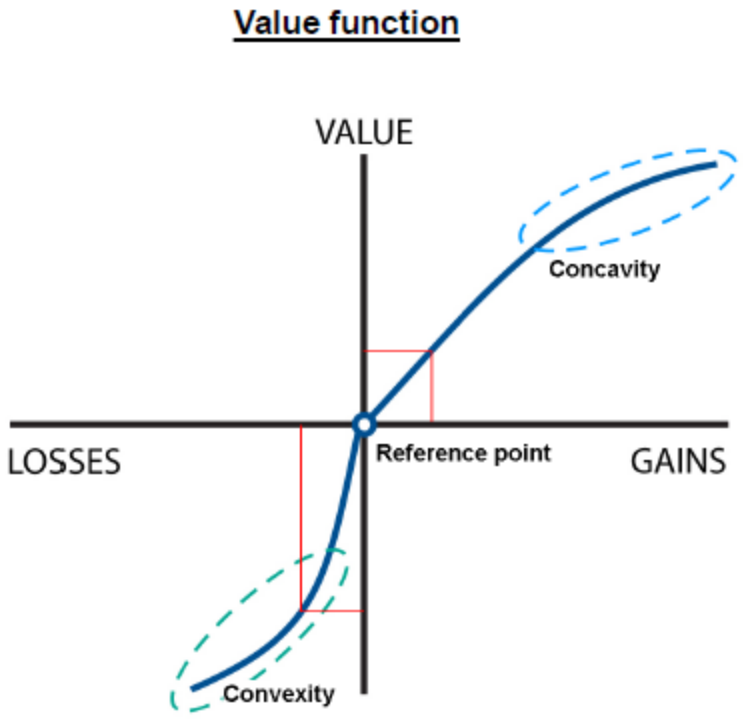
The likelihood of a certain outcome or outcomes resulting from an action or actions is a key driver or demotivator for a person acting in a certain direction or not. The prospects theory explains the apparent regularity in human behaviour when making decisions in situations of uncertainty. The theory states that individuals place much more weight on the outcomes that are perceived more certain than those that are considered merely probable. This aspect of the theory is referred to as the certainty effect. Accordingly, gambles are evaluated relative to a reference point, whereby decision makers analyse assumed gains and losses differently and that incremental value of a loss is larger than that of a gain, that is, the hurt of a $1000 loss is more painful than the benefit of a $1000 gain. The key conclusion of the prospect's theory is that misfortunes, losses and impediments have more prominent effect on inclinations than increases and preferences (Werner De Bondt De Paul et al, 2010).

Psychology regarding decision making has been categorised as being either intuitive and deliberate mental processes. Intuitive processes are effortless, implicit and often emotionally charged. Deliberate ones are effortful, explicit and consciously controlled. Two main cornerstone

features of the prospect theory are that value is assigned to gains and losses rather than to final assets (value function) and that probabilities are replaced by decision weight (weight function).

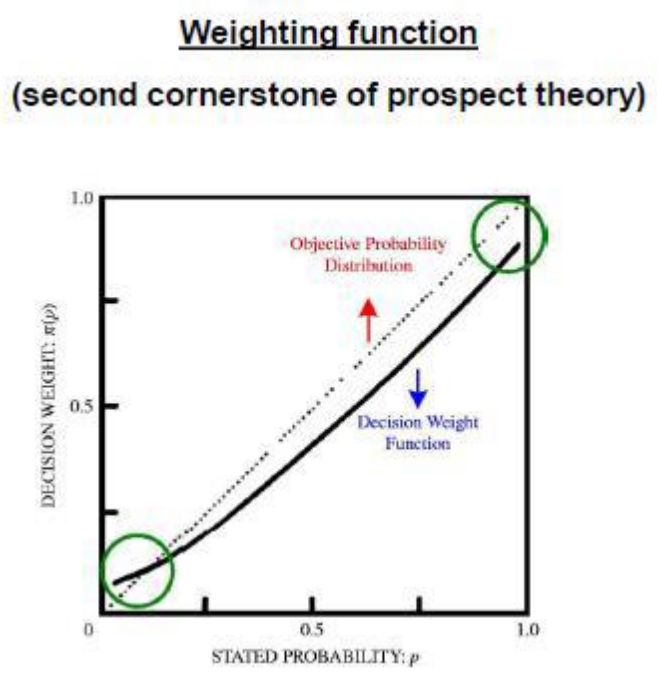
Figures 1 and 2 below give a graphic description of these features. Along the number line continuum gains and losses originate from a reference point and the vertical line represents values. The value function is defined on deviations from a reference point and is normally concave for gains (implying risk aversion), commonly convex for losses (risk seeking) and is generally steeper for losses than for gains (loss aversion). The about 2 times steeper curve (2x) for losses compared to x for gains confirms the thinking in prospects theory that people feel losses(convex). much more than gains(concave). It is the relative values that are of significance when making decisions rather than absolute values.

Figure 1 Value Function



Regarding weighting the tendency is to over weigh probabilities of the higher and lower magnitude and under weigh those in the middle of the continuum. Like for the value function this makes the middle probabilities more realistic and therefore more reliable.

Figure 2 Weighting Function



The experiments carried out in respect of the prospect's theory confirms a distinctive fourfold pattern of risk attitudes, namely, risk aversion for gains of moderate to high probability and losses of low probability, and risk seeking for gains of low probability and losses of moderate to high probability.

The function is normally concave for gains (implying risk aversion), commonly convex for losses (risk seeking) and is generally steeper for losses than for gains (loss aversion). The function predicts a distinctive fourfold pattern of risk attitudes: risk aversion for gains of moderate to high probability and losses of low probability, and risk seeking for gains of low probability and losses of moderate to high probability (Kahneman, & Tversky, 1979).

4.3 Cognitive Dissonance

The tendency to adjust beliefs to justify past actions is a psychological phenomenon termed as cognitive dissonance. Research findings indicate that investors differ in their propensity to rely on a quick, affect-based decision mode, with the conscious planning based mode being a main feature of choosing among a repertoire of strategies available to them. With regard to investment decisions, individuals seek to reduce by adjusting their beliefs about the efficacy of past investment choices in the context of investment decision-making, especially when they find that their convictions and suspicions defy their expectations. They will accordingly tend to disregard new data that negates known convictions and choices (Kahneman, 2003).

4.4 Loss Aversion

It is predictable and logical for investors not to wish for loss and therefore to engage in mental processes geared towards eliminating or reducing the psychological impact of loss. They therefore have a natural desire to avoid admitting an error and incurring a loss. Such tendency is referred to as regret or loss aversion. It is the reason behind investors holding on to losing positions too long and staying out of a market that has recently generated losses even when gainful investment bargains exist. For example, an investor who buys shares for £1,000, which rises quickly to £1,500 in a market would be tempted to sell it in order to lock-in the profit, whereas if the investment dropped to £500, the investor would tend to hold it to avoid locking in the loss. The assertions above have been confirmed by earlier researchers who concluded that investors are about twice as averse to taking losses compared to enjoying an equal level of gains. Thus, most would require an even (50/50) chance of a gain of £2,500 in a gamble to offset an even chance of a loss of £1,000 for the proposition to be attractive (Kennedy, Eberhart, 1955).

The implication is that the general tendency is for investors with losing positions to prefer breaking even, that is investors tend to be highly risk-averse when facing a profit-making prospect which results in their selling to lock in the sure gain. The reverse is inevitably true, with investors being more risk tolerant or risk seeking when faced with incurring a loss, and they therefore tend to hold onto the investment in the hope that the market prices will favourably

increase again. In some behavioural finance literature, the tendency for investors to sell a winning shares or stock and retaining a losing stock is called the *disposition effect*. It indicates that investors tend to sell winners and hold losers (Jack & Levy, 1992).

In a situation of what has been described as *myopic loss aversion*, too much importance is attached to routine daily fluctuations in the market, while it is sub optimal behaviour to abandon a long-term investment venture when faced with normal market behaviour. Accordingly, whereas risk aversion has for long been deemed to accurately describe investor behavior with gains. It is also true that when faced with a loss-making situation, investors often show risk seeking behavior.

4.5 Overconfidence

The tendency to believe that certain things are more likely than they really are is referred to as overconfidence. It is the complete opposite of many of the biases noted in behavioural finance research findings such as regret avoidance and loss aversion, among others. With that state of mind investors overstate their knowledge and competences, exaggerate their ability, under estimate and take risks in the hope that things will conform to their expectations.

At the extreme, either out of lack of knowledge or sheer recklessness, some investors do not diversify their investment. This stance is a result of an inflated view of their abilities. The quite common trait affects much of our lives with research indicating that most people rate themselves in the top third of the population. Indeed, many studies – of company CEOs, doctors, lawyers, students, and doctors' patients tend to overrate the accuracy of their views of the future (Special Issue, Jun., 1992).

Despite some shortcomings, this attitude enables people to overcome or recover from life's disappointments far faster than they would have done if they did not have the trait. Quite often they overlook traditional financial theory which argues for holding diversified portfolios as a means of risk management, and with what appears 'misguided conviction', the overconfident investors go for what they believe are good or even excellent prospects. Many go for major contractual bids with quite sophisticated "theoreticians" whom they beat with intuition and

displayed versatility! Overconfidence relates to how well individuals comprehend their own particular capacities and the points of confinement of their knowledge (Pachur and Spar, 2015).

4.6 Self attribution bias

Some investors are so highly motivated by the skill and luck which they attribute to themselves ('self-attribution bias) that when faced with a positive outcome following a decision, they will view that outcome as a reflection of their ability and skill. However, when faced with the prospect of a negative outcome, it is attributed to bad luck or misfortune. Unfortunately, this attitude blurs the feedback process as it allows decision- makers to block out negative feedback and the resulting opportunity to improve future decisions. Many psychologists have concluded that a large portion of the financial specialists tend to dangerously overestimate their capacity to make correct decisions.

4.7 Herding behaviour

In life there is general belief that there is security or comfort in numbers. It is therefore not surprising that investors and analysts scan the environment to observe the actions and reactions of other players, and in response, head in the direction where the majority are moving, rationally or irrationally. This is likened to the movements of herds of animals, whether domestic or wild. The herding behaviour theory has been often used to interpret and predict price movements as well as to explain economic phenomenon like bubble build ups and bursts and other financial or economic crises. In effect herding could be a contradiction of the overconfidence bias and of information efficiency. It predictably leads to market stress by pushing asset prices away from their fair values as supported by the economic fundamentals, hence driving up market volatility (Kahneman, 2011).

The subprime crisis in the US is the most recent experience of herding behaviour with great ramifications on the global financial system. Between 2000and 2007, real estate prices in the country skyrocketed on account of investor's herding behaviour. They borrowed loans to buy houses for short-term profits. The temptation was not only the preserve of low-income households but also institutional investors who went in droves throughout the country to acquire

mortgages. The relatively sophisticated institutional investors had the advantage of better access of information, which however was basically the same, and that was, that of historically low interest rate. Given the aversion bias in the context of stock market after bubbles, they homogeneously made decision to change their preference in housing investment. In their excitement banks heavily, and almost indiscriminately, lent out in the mortgage sector and their predicament was compounded by doing so on the basis of loose lending standards. Predictably this was followed by massive defaults, delinquencies and panic in the financial markets. Institutions ironically referred to as "too big to fail" had to be rescued through funding by government.

4.8 Groups and Crowds

It is important to appreciate how groups and crowds when, whether as natural persons or corporates are required to make decisions. Groups are typically appreciated on the basis of synergies which they are supposed to confer on the participants, including benefiting the competences or endowments of each participants. From the social point of view individuals prefer belongingness to isolation. In a 'ask the audience' feature of the Who Wants To Be a Millionaire quiz show research, the audience findings indicated that the range of knowledge and experience is diverse and that individuals give their opinion independently of the opinions of others (Imad Moosa and Vikash Ramiah, 2017).

According group-mind theory, individuals who became part of a crowd would lose all sense of self and responsibility when but they would gain a sentiment of invincible power due to their numbers (Khan, Tan and Chong, 2017).

4.9 Representativeness

It is logical to believe that a well-run company represents a good investment, which in turn implies that other factors follow accordingly. Therefore, representativeness is judgment based on stereotypes. The notion of 'representativeness bias reflects the case where decisions are made based on a situation's superficial characteristics (what it looks like) rather than a detailed evaluation of the reality. A common financial example is for investors to assume that shares in a

high-profile, well-managed company will automatically be a good investment. This idea sounds reasonable, but ignores the possibility that the share price already reflects the quality of the company and thus future return prospects may be moderate. Another example would be assuming that the past performance of an investment is an indication of its future performance.

In our psyche representativeness makes us believe that things that share similar qualities are quite alike. Players in financial markets especially technical analysts interchange a good company with a good investment and vice versa and when faced with firms having stocks characterised by a consistently good history of earning growth, they would tend to overvalue them. This is inherent in the various share or company valuation models such as dividend valuation and dividend growth models.

4.10 Framing

Unlike in traditional finance theory where it is recommended that all of an investor's investments should be treated as a single pool, or portfolio, such that risks of one or several cancel out with those of others through this diversification, in behavioural finance it is recommended that investors highly focus on the behaviour of individual investments , strategic business units or securities. Under this later approach the emphasised 'individualism' or 'narrow frames' heighten investor sensitivity to loss as opposed to 'aggregation' under which investors comfort themselves with the risk reducing covariance of the 'wide' frame, which enables investors to exhibit a greater tendency to accept short-term losses and their effects, with little consideration of the long term results. The main argument in favour of the behavioural finance approach is that there were justifications and merits for the investor to opt for a particular investment, strategic business units or securities and not others and have them as part of the portfolio. Record of the individual elements of the portfolio enable the investor to make more rational evaluation about whether individual securities or investments or market circumstances are changing so as to warrant change in the composition of the portfolio or strategy or both.

4.11 Hindsight Bias

The tendency to remember positive outcomes and repress negative outcomes is referred to as hindsight bias. There is therefore the temptation for investors to reminisce, with good memories, strategies that delighted them and not to dwell on the numerous times the strategy did not work. In statistical term an outcome's occurrence increases its perceived ex-ante probability of occurrence. The result is for investors to unambiguously violate rationality precepts in adjusting their estimates of the ex-ante probability of an outcome they know has occurred. This is if, but only if, they underestimate the possibility that the actual distribution of observed outcomes is a result simply of sampling error.

4.12 Mental Accounting

Mental accounting is a behavioural finance bias according to which there is a tendency for people to categorise their money into separate accounts based on a variety of subjective criteria such as the source of the money and the purpose for each account. It has also been referred to as the tendency to "put things in boxes" and track them individually. The mental accounting process involves three components. The first one involves establishing the intended outcomes of a decision or decisions and how subsequently these will be evaluated. Secondly the decision is made on as to what will be carried out in relation to specific accounts and how inflows and outflows relating to the activities relating to these accounts will be tracked. Finally, outcomes are periodically reviewed and balanced.

In our mindsets we separate wealth and allocate it into various buckets or pools according to our objectives of having it and the risks related thereto, quite often according to time horizons. In practice individuals have criteria according to which they use or allocate their money, say on a monthly basis one may, using their discretion, save 30% for precautionary measures, 20% for investment and the remaining 50% for subsistence. For businesses they may be divided into strategic business units and funds allocated accordingly. In doing all these, whether for individuals or businesses there is criteria or policy adopted whether formally or informally. This way the individuals or businesses allocate their cash into distinctive mental accounts based on a mixture of subjective criteria, similar to the source of the cash and reason for every account.

4.13 Asset Segregation

The tendency to look at investment decisions individually rather than as part of a group is referred to as asset segregation and it makes an investor concerned more about those individual holdings which perform below expectation even when majority in the portfolio excel.

4.14 Anchoring

When making numerical prediction, estimates may be made by starting from an initial value referred to as an anchor to arrive at final judgements or answers, which may be suggested by the formulation of the problem, or it may be the result of a partial computation. In making investment decisions**,** as an introductory point, investors tend to remember the price they paid for a stock, and this information influences their subsequent decisions about what price they charge their customers. In forecasting when there are previous periods, there will be a closing figure for the most last period which can be adjusted to yield the final answer, although this may be insufficient without well thought out assumptions (Barber and Odean, 1999). In the financial sphere, values such as market index levels can act as anchors. Round numbers such as 5,000 points on the FTSE 100 Index, seem to attract disproportionate interest, despite them being numbers like any other.

4.15 Availability bias

This is a judgmental heuristic in which a person evaluates the frequency of classes or the probability of events by availability. It refers to the ease with which relevant instances come to mind.' Accordingly, recently observed events are believed to influence decision. A witness of a disastrous passenger plane crash in the recent past is more likely be very cautious when offered an opportunity to invest in the airlines sector or will be sceptical to travelling by plane than one who has not done so. In business investors who have observed a particular sector experiencing difficulty or an unstable financial market are likely to be sceptical before engaging in it. Psychologists refer to this as the 'availability bias'. It leads to overestimating the chances of disaster (Shefrin, 2000).

4.16 Conservatism bias

Even with new information available in the business decision making environment, some investors may be slow in responding and making changes to their original decisions or at most they may only slightly or partially adjust. This behaviour bias is referred to as conservatism bias. Thus, investors who buy shares in a high-profile company may be slow to adjust their view of the company's prospects even after the company's profitability deteriorates or if another company whose profile, they are not sure of presents an attractive proposition.

5 Mathematical Models in Behavioural Finance

Over time, behavioural finance has graduated through a predominantly narrative discipline, to one whose theories are augmented by use of quantitative or mathematical models. Those explored here are the Prospect theory model, Quantitative Behavioural Model (QBM) and Igor's portfolio rule and investment strategies model

5.1 Quantitative Behavioural Model (QBM)

Based on the assumption there is a market and after observing the behaviour of each of the participant in a market, a researcher will have knowledge that in that market there are many participants whose behaviour is very different from each other and that the actual market price is an aggregation of all the participants' expectations in the financial market. The proportion of each participant (called weight) determines how important they are in influencing the direction of the market.

The representative Quantitative Behavioural Model (QBM) model is:

$$E(Y_{QBM}) = W_1 * E(Y_{Investors}) + W_2 * E(Y_{Speculators}) + W_3 * E(Y_{Retail}) \ldots\ldots\ldots \text{(i)}$$

$E(Y_{QBM})$ is the actual market aggregation, $E(Y_{Investors})$ that of investors, $E(Y_{Speculators})$ that of the speculators and $E(Y_{Retail})$ that of the retailors.

Because of difficulty in finding the weights (W_1 W_2, and W_3), the optimisation algorithm called Swam Particle Swam Optimisation (PSO) model technique, (adopted after studying the behaviour of schools of fish and flocks of birds), which is a type of a stochastic optimisation technique, was used to find the weights[25].

$Vi(k+1) = w(k).Vi(k) + C1.R1(k).(Pbesti(k) – Xi(k)) + C2.R2(k).(Gbesti(k) – Xi(k))$ (ii) $Xi(k+1) = Xi(k) + Vi(k+1)$ ……(iii)

Where Vi(k+1) is the velocity of (k+1) th iteration of *ith* individual, Vi(k) is the velocity of kth iteration of *ith* individual, w(k) is the inertial weight used as a trade-off between global and local exploration capabilities of the swarm. The objective function for the PSO algorithm is the root mean square error obtained from equation i. The parameters are W_1, W_2 and W_3. For the gold data, the proportion of long-term investors are about 52%, short term speculators are about 41% and stochastic retail investors are about 7 %, our weights predictions are consistent with the rarely available market data (Maribel Blasco, Liv Egholm Feldt and Michael Jakobsen, 2012).

The PSO algorithm is based on three principles. Given a swarm of size n., each particle Pi (i =1, 2, . . . , n) from the swarm is characterized by: 1) its current position Xi (k)∈Rd , which refers to a candidate solution of the optimization problem at iteration k; 2) its velocity Vi (k)∈Rd ;and 3) the best position Pbesti (k)∈Rd that is identified during its past trajectory. Assume the best global position found over all trajectories that are travelled by the articles of the swarm to be Gbesti (k)∈Rd. Each of n particles fly through the d-dimensional search space Rd with a velocity V (k) i, which is dynamically adjusted according to its personal previous best solution Pbesti (k) and the previous global solution Gbesti(k) of the entire swarm. The velocity updates are calculated as a linear combination of position and velocity vectors. The particles interact and move according to the following equations:

5.2 Igor's portfolio rule and investment strategies model

In his contribution to mathematics as a tool of behavioural finance, Igor V. Evstigneev focused on developing a new theory of market dynamics and equilibrium, which he believed was a plausible alternative to the classical General Equilibrium theory (Walras, Arrow, Debreu, Radner and others). The characteristic feature of his work was to combine systematic application of behavioural approaches with the evolutionary modelling of financial markets. He believed that his approach would provide answers to the fundamental questions and problems pertaining to

finance and financial economics, especially those related to equilibrium asset pricing and portfolio selection.

He assumed A vector $\Lambda^i_o \in \Delta^k$ and a sequence of measurable functions with values in $\Delta K.\Lambda^i_t$ (S^t, H^{t-1}), t = 1, 2..., form an investment strategy (portfolio rule) Λ^i of investor i.

For basic strategies, that is, those for which Λ^i_t depends only on S^t, and not on the market history Igor derived what he called portfolio rules basic thus: $H^{t-1} = (P^{t-1}, X^{t-1}, \lambda^{t-1})$. To determine investor i's demand function, given a vector of investment proportions $\lambda^i_t = (\lambda^i_t, 1..., \lambda^i_t, K)$ of investor i, the i's demand function is$X^i_t, k(P_t, X^i_{t-1}) = \alpha\lambda^i_t, KB^i_t (Pt, X^i_{t-1})$, where α is the investment rate.

Short-run (temporary) equilibrium: for each t, aggregate demand for every asset is equal to supply: $\sum^n_{i=1} = X^i_t, k(P_t, X^i_{t-1}) = V_k$, K = 1...,K.

Igor's argued that portfolio rule is called a survival strategy if the investor using it survives with probability one (irrespective of what portfolio rules are used by the other investors! He further asserted that given a strategy profile (Λ^1,..., Λ^N), it can be said that the portfolio rule Λ^1 (or the investor 1 using it) survives with probability one if Inf $r^1_t \geq 0$ (a.s.),(the market share of investor 1 is bounded away from zero a.s. by a strictly positive random variable).

6. CONCLUSION

Despite its short history compared to other disciplines like economics and traditional finance it has appealed to both intellectuals and practitioners by providing a foundation for evolving theories for a deeper understanding of the psychological processes involved in financial decision-making. No single discipline can explain behaviour in the markets and the interdisciplinary nature of behavioural finance would help in structured guidelines and rule of thumb investment choices for individuals by drawing attention to potential mental mistakes, hopefully leading to increased investment returns. Irrational behaviour is demonstrated not only in security markets but also in property, bullion, and commodities markets. No 'cure' may be arrived for all the biases, but awareness about them enables players to appreciate their existence and their effect,

and help them possibly avoid the major pitfalls. A major component of finance is numeracy and it would be foolhardy for one to believe that when handling decision making about it one can avoid the application mathematical or quantitative models.

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THE NEXUS BETWEEN MIGRATION AND CONFLICT IN NATION BUILDING:

THE NIGERIAN EXPERIENCE

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Abstract

The history of the human race is that of migration and conflicts. Man, by nature, is designed to be mobile. He moves, as the need arises, from one location to another in search of a variety of things. In the same vein, conflict is inherent in human relationship. Whether at the interpersonal or organizational/societal or national or international level, human interactions are laced with issues for conflicts. In Nigeria, like in any other parts of Africa and continents of the world, migration and conflicts have contributed to the making and shaping of the histories of the people. The study, therefore, critically examines different issues in the political and social histories of the Nigerian peoples. Adopting a qualitative method of analysis and "Pull and Push" Migration Theory, the records revealed a large scale of in and out-migration as well as different kinds of conflicts. The study argues that, the various inter-ethnic strife, state wars of expansion, religious conflicts, trade and commercial crises are all indices of the prevalence of conflicts in the country. It interrogates the interface between migration, conflicts and the challenges of state building in Nigeria. It concludes that the scholars of Nigerian politics have established that the numerous political conflicts and series of recurring sub national tension, poses a serious threat to the country's corporate existence and democratic survival in the country. In view of this, the study. recommends that, the government must be responsive and responsible to their constitutional responsibilities to prevent Nigerian from incessant migration, even from one state to another let alone travelling to other countries for survival in search of greener pastures.

Keywords: Conflicts, Ethnicity, Migration, Nation Building, Nigeria.

Introduction

Nigeria as a nation is abundantly endowed both with human and natural resources. The 1970s and 1980s fortunes derived from Nigeria's oil sector increased the number of immigrants from the West African neighbouring countries into the Nigerian State (Adeola & Fayomi, 2012:2). The Nigerian states shares borders with Cameroun located at the eastern part of Nigeria, Chad to the Northern part of Nigeria while the South-West Nigeria region is bordered by Benin Republic. The porous borders which are mostly economical to her fellow West African neighbours keeps Nigeria at disadvantage, as they are majorly unprotected thereby threatening the socio-economic development and security of the nation state (Abiodun, 2015) though the movement is perceived to bring peace and unity to West African as well as to promote trade which would lead to economic growth of the West African states ECOWAS (Nwagwugwu et al, 2015). In all these, the Nigerian Immigration Service (NIS) plays an important role.

There is little doubt that Nigerians have reaped more deficits than dividends of democracy, since the country's return to democratic rule in 1999. Nigeria, like ever before remains grossly politically unstable and economically undeveloped. Political instability in this sense is conceived as the endemic, persistent and seemingly insoluble socio-economic crisis embedded in the political system. Political assassinations extreme poverty, high unemployment rate, general insecurity and other negative indicators of development remained the core features of Nigerian political life. The euphoria, hopes and expectations which accompanied the re-democratization of the country in 1999 have been frustrated by bad governance characterized by lack of performance, policy failures and above all, pandemic systemic corruption (Ogundiya, 2009:149).

More so, due to the lack of socio-economic development among other reasons in the Nigerian state the issue of emigration has been a trend in Nigeria for graduates, experts and hustlers. The hustlers most especially who are in search for a greener pasture most times walk through the porous borders out of the nation state (Akinyemi, 2013). It is disturbing that 23 Nigerians convicted of drug trafficking are said to be on death row in Saudi-Arabia. The news followed the shocking April 1, 2019 execution of a Nigerian woman, Kudirat Adeshola Afolabi, in the kingdom, for drug smuggling. In a memo to the Minister of foreign affairs, Geoffrey Onyeama, the Nigerian Consul-General in Saudi Arabia, Amb. M. S. Yunusa said:

> There are 24 Nigerians who were condemned to death between 2016 and 2018 for drug trafficking in contravention of the kingdom's Narcotic and Psychotropic Substances Control Law. And, 12 Nigerians women were currently serving various jail terms at Dhahban prison for drug smuggling (The Nation, 2019:15).

The increasing surge of migrants who cross the Mediterranean sea from Africa and other parts of the world, mainly into Europe has become a critical issue in not just countries where there migrants emerge, but a global threat that requires urgent global attention. Over the years, hundreds of thousands of migrants have fled their countries seeking asylum as refugees in European countries. About 90% of migrants are usually from countries such as Syria, Afghanistan, Nigeria, Mexico, Iran where there are high security risks, insurgency, humanitarian crisis, war, poverty, human rights abuses, among others. Most Nigerians who brave the stormy seas and unfriendly deserts have lost hope in an economic system that is characterized by poor governance, poor income, unemployment, insecurity, corruption, humanitarian crisis, increasing poverty, which has led to a high surge of migration. Despite the risk involved, there is high patronage of human traffickers (who charge unimaginable amounts) who lure or assist migrants across borders, promising jobs, education and a better living condition. Many of them, mostly women and children are sold into prostitution, raped, child labour, child marriage and other abuses. Many victims of human trafficking never live to tell their story. They are exposed to harsh terrain, terrible in human conditions and denied access to proper life and their fundamental Human Rights (The Nation, December 19, 2016:16).

Relocation abroad is the Nigerian dream. This had materialized for millions. Everywhere in the world, there are Nigerians eking out a living. Nigerians have emigrated to practically all countries in the world. The top country destinations are United States, United Kingdom, Cameroun, Niger, Ghana, Italy, and Benin, followed by Northern Ireland, Europe, Dubai, South Africa, according to an analysis by PwC, a consulting firm. On the contrary, statistics by reliefweb.net show most Nigerians in Diaspora are living in Sudan which has 24%, rather than the United States (14%) or the United Kingdom (9%), confirming the widely held belief that the exact number of Nigerian in Diaspora is not known (Babalobi, 2020:16). The United Nations

Department of Economics and Social Affairs, had stated that since the past six years, a emigrants and migrants, in and out of Nigeria, has shown that a minimum difference of 60,000 leave the shores of the countries yearly. Many of these migrants are sold into prostitution, child labour, and slavery to countries like Libya, Spain, and Italy. In 2016 alone, not less than 162 Nigerians were repatriated in Libya, 41 from USA and 40 from the UK etc. Data from the European Union indicate that an average of 83 Nigerians crossed illegally from Nigeria to Europe daily, while 22,500 illegally, crossed via the Mediterranean in the first nine months of 2016 (The Nation, December 19, 2016:16).

Migration and Conflict: A Conceptual Discourse

Defining conflict, Gurr, for instance, explains it as the overt coercive interactions of contending collectivities (Gurr, 1970).Wallensteen (cited in Hefny) explains conflict as a situation in which a minimum of two parties strive at the same moment in time to acquire the same set of scarce resources (Hefny, 1995). One of the mostquoted traditional definitions of conflict comes from Coser, who defines it as a struggle over values orclaims to scarce status, power, and resources, in which the aims of the conflicting parties are not only to gain the desired values, but also to neutralize, injure or eliminate their rivals (Coser, 1956).Such conflicts, he opined, may take place between individuals, between collectivities or between individuals and collectivities. Jordan (cited in Otite) considers conflict as arising from a difference between two (or more) people necessitating changes in at least one person in order for their engagement to continue and develop, meaning that the differences cannot co-exist without some adjustment (Otite, 1999).

Karl Marx in his sociology of conflict identified two areas of conflict. These are (i) that human societies are wholes or systems of interrelated parts – institutions, beliefs etc, and (ii) that human societies are always changing largely through internal contradictions and conflicts (Bottomore, 1968).In view of the existence of classes, Marx opined that conflict is inherent in the relations between the classes due to the fact that the two classes are not equal as a result of the preponderance of economic resources in the hands of the bourgeoisie over and above the proletariat. Thus, in view of the structure of societies (class based) in which economic resources

are scarce, competition for these between groups and individuals, Marx noted, is an open source of conflict. Benedix on the other hand pointed out that Max Weber dealt with the legitimization of power and how order prevails in society through its use. He situates the sole use of force in the state as a means of commanding obedience and compliance (Benedix, 1965). This implies that a conflict situation will be created when a person or a group attempts to override the order of the state or when such succeeds in carrying out his personal will by overcoming the resistance of other groups or persons and their interests in a situation of scarcity of resources. Accordingly, Otite'sposition that the concept of conflict is validated daily over access to a variety of limited resources which are created and distributed within defined establishments and locations is a valid one. This is made obvious by his description of conflict as a "dynamic and an endemic phenomenon" and "the very essence of most formal and informal social organizations and processes" (Otite, 1999).

However, the literature on migration is equally replete with evidences that the concept is not easy to define. There is however a convergence of opinions that migration usually involves the permanent or semi-permanent change in residence which begins in an area of origin and ends at an area of destination. Migration scholars also agreed as to the determinants of the phenomenon. The determinants, which are used as the basis of theories or models of migration, cut across a wide spectrum of social, economic, ecological and behavioral factors. While unemployment and search for cheap labor and social and political oppression are examples of economic and social factors respectively, droughts and desertification and individual attributes and motivations are examples of environmental and behavioral factors of migration respectively. These factors, Barret argued, act in such a way to *push* and pull migrants. For example, economic factors such as unemployment, may *push* a migrant to seek employment elsewhere, but the destination that is chosen may be determined by social factors, in other words the migrant may be *pulled* to a location by its recreational possibilities, such as a golf club, or the nearness of friends and relatives (Barret, 1993).

Thus, the dominance of economic factor in migration seems to be on the increase in contemporary times. Labo (1999), for example, contended that "migrants tend to get attracted to areas with significant development indicators of economic prosperity. This was informed by his

observation that since the beginning of large oil exports in the early 1970s, Nigeria has been experiencing mass influx of immigrants from all over West Africa and beyond, and that Cote D'Ivoire [during its economic boom] attracted workers from Burkina Faso and Niger for over 30 years.

There are however many theoretical models of migration. Among these are the systems and dependency models. The systems model views migration as a system, in which the effects of changes none part can have impact on the whole system. For example, Mabogunje, in explaining the phenomenon of rural-urban migration, argued that potential migrants in the rural areas are often encouraged to migrate by stimuli from socio-economic and physical environment, which could include land scarcity and the attraction of the city and its opportunities, as well as the need for cash (Mabogunje, n.d). He further argued that once migration takes place, it affects both the home and host communities of the migrants. On the other hand, the dependency model considers migration as the result of unequal development imposed by developed countries of the world on the peripheral third world states. This situation, it is argued, is maintained through the erection and perpetuation of a regime of economic dependence, where the peripheral states depend on the core states for survival. Under this circumstance, migration becomes inevitable from the underprivileged periphery to the privileged centers.

The strength of both systems and dependency models is that they demonstrate that migration is part of an interlocking series of events that occur locally and internationally. More importantly, the systems model of Mabogunje provides a theoretical explanation for the migration within the Nigerian state by individuals and groups, who often are stimulated to migrate by the need for a better socioeconomic environment. However, one common fact deducible in both migration and conflict literature is the wholesome agreement on the interrelatedness of the two phenomena. It is a fact in the literature that migration can engender conflicts and vice versa. Scholars of migration for instance concurred on the two dimensional broad effects of migration namely: impact on the area of origin and impact on the area of destination. Among the identified impacts on both dimensions are the economic consequences in the form of remittances that migrants send to their families at home and the social consequences.

One of the social consequences of migration is the depopulation of the home community. With respect to the host community, the consequences range from overpopulation, over stretching of social amenities, increase in crime rates, cultural pollution, and increased social tension in the form of political, ethnic and sub-ethnic conflicts. Barret (1993) for example, pointed out that when migrants stay for extended periods they become more assertive of their economic, political, and social rights which may evoke are action from the host community. Similarly, Mabogunje in his Systems Approach to the study of rural-urban migration averred that once migration has taken place, adjustments occur in both the areas of origin and destination. These adjustments, he opined, could be positive or negative as in encouraging more flow from the area of origin or conflicts between the migrants and the host community. On the other hand, Dessaint noted that social conflict could be an immediate cause of migration. Using northern Thailand villages, he found that though the pressure of land scarcity was an ever present factor for population flow; social conflicts within the tribes usually trigger the movement (Dessaint, 1971).Fadayomi et al also observed that in pre-colonial times in Nigeria, large-scale movements of communities, clans, and groups of people were mainly the result of social conflict (Fadayomi, 1990). A similar view was held by Shultz with respect to Colombia in the 1950s and 1960s. He found a positive association between the amount of reported violence and out–migration (Shultz, 1971).

Be that as it may, migration engenders conflict, migration alone cannot be a sufficient reason or explanation for conflict generation. This fact is subsumed in Nnoli's position that it is not the contact between groups that in itself breeds inter-group conflicts but rather, the degree of competing claims among the groups (Nnoli, 1978). This degree of competing claim can be in the form of claims to agricultural land, political power distribution, economic resources, social amenities, and the preservation of primordial. Thus, migration, as a cause of conflict can only serve as a variable and not totally sufficient on its own to explain the incidences of conflict arising from inter-group contacts. This position is applicable to the numerous inter-group conflicts in Nigeria, where, though the role of migration in the generation of the conflicts cannot be denied, other issues have over the years acted as adjunct factors. Indeed, confrontations between the groups often start only when claims and counter-claims of various kinds emerge. In most cases, the issues of land acquisition and land rights have more than any other thing made

migration a cause of conflict in Nigeria. The preponderance of land question or territoriality with respect to inter-group conflicts in Nigeria and Africa makes it seems useful to want to explain the conflicts in the country in terms of territorial imperative theory.

According to Ardrey (1967), a territory is an area of space which an animal or group of animals defends as an exclusive preserve. It is within such territory that the basic needs and interests of such animals are satisfied. These needs include security of space and food, identity, prestige etc. The animal(s) therefore defends such an area at all costs and strives to keep out those who undermine their interests and needs. Consequently, to Ardrey (1967), all animals, including human beings have a sense of territoriality, and would patrol, secure and defend the environment that make up their territory. The defending of one's territory encapsulates physical territory (i.e. landmass), wives, families as well as one's nation, states and ethnic community. These animal traits, he opines, apply to man by evolutionary inheritance. Accordingly, "If we defend the title to our land or the sovereignty of our country, we do it for reasons no different, no less innate, and no less ineradicable, than do lower animals (Audrey, 1967). From the foregoing, conflict therefore erupts when the claims of one party to land and territory become incompatible with the desire of others to satisfy their own basic interests and needs within the same territoriality. This theory aptly captures the conflicts for internal self-determination by various groups in Nigeria, which are a response to the need to protect and safeguard their sense of territoriality. The subsequent section of this paper will demonstrate in clear terms the nexus between conflicts and migration in Nigeria.

Rationale for Migration

Understanding migration simply as relocation from one nation to another tends to create a simplified historical narrative whereby home is conflated with the past, and historical change is identified with integration and settlement in the new land. Each network occupies a distinct niche that articulates with many local histories but has its own specific patterns. To be sure, state, international borders, and local social structures are important aspects of migration history but they are also just some of many interwoven factors. The means of recruitment, the institutions established by previous migrants, and the ways in which travel, information, money and

opportunities are channeled and controlled are all aspects of migration not reducible to a single location. These processes and institutions are also inseparable from regulation, legal rights and boundaries. These boundaries erect potential barriers, but they are also a source of opportunity because many migrants make their living precisely by their skills in negotiating these boundaries, managing multiple regulatory regimes, crossing customs and migration obstacles, and operating in spaces that are ultimately subject to no single regulatory regime. Migration itself becomes a source of sustenance and a self-reproducing goal, above and beyond the sending and receiving societies (Mckeown, 1996:49-50).

Migration tends to increase the inequalities between richer and poorer nations. Those who migrate are a valuable resource: they are usually young and vigorous. The society into which they were born has had to pay to maintain them during their childhood when they were not able to contribute to the wealth of their nation. Castles and Kosack (1973) therefore see 'migration as a form of development aid for the migration countries' – these countries are able to take advantage of labour which has cost them little or nothing to produce. Furthermore, migrants may be willing to work for relatively low wages, undercutting other workers and reducing the labour costs of capitalists. Accordingly, Castles and Kosack (1973) regard migration as resulting from the development of the international economic system. According to them, the richer European nations have exploited the poorer nations of the world, causing their underdevelopment. From colonial times onwards, the 'third world' has been used as a source of cheap, easily exploited labour and cheap raw materials. The colonies were not allowed to develop, or in some cases even maintain industries that competent with those of their European masters. The poor in the 'third world' were then used as a reserve army of labour by successful capitalist nations during periods of economic prosperity and high employment. Development has also been uneven in Europe, leaving potential migrants in some of the more impoverished rural areas of Southern Europe.

It is estimated that African used to lose a thousand of professionals to the development countries yearly. Between 1960-1987 about 23,000 academics and 50,000 members of the middle to high level management trained personal left the continent to seek better offer outside the continent. Estimates of about 40,000 Africans with Ph.D Degrees are living outside the continent. In

addition, sub-Saharan African spends 4 billion US Dollars yearly on technical assistance, including the cost of hiring foreign experts in strategic sectors of the economy (ECA, 2002). Indeed, much recent work on the sociology and history of migration has placed migrants in the context of extensive networks that cross nations and regions (Stark, 1992). It is at the level of these transnational networks that expand beyond the boundaries of nation-states that social formations could be perceived which are directly embedded in social processes at a global scale. This is also the level at which global economic patterns are embodied in specific institutions and human activities.

Such networks both create and constrain opportunities. Migration would generally be too expensive and risky without the information assistance, and opportunities provided by friends, relatives, and other resources available through these networks. It would also be a pointless endeavor without the links to home and family maintained within these networks, through which money support, and the other fruits of migration could be channeled. But the very strength of these channels also restricts opportunities. It is very difficult for an established network to access new job opportunities and new destinations, even if only rudimentary new skills are necessary and the economic benefits are high. Many migrants elite even had an interest in controlling and limiting information and opportunities, so as to further profit from their position at the nexus of opportunities (McKeown, 1996:49).

Recent migration scholarship has emphasized the family as fundamental arena of decision making. Families can often be understood as an investment portfolio, sending children and affines to a variety of diversified places and occupations in the hope that one will provide a return on the investment. The specifics of this family economy change in accordance with local family structures, inheritance customs, patterns of land tenure, and changing opportunities to acquire property and status at home and abroad. The experience of migration may also alter the original intensions of the migrant and his family, but few migrants ever make choices only as isolated individuals. Decisions are made in the context of information and assistance obtained from relatives and village members around the world. These networks are also institutionalized as mutual aid societies, labour recruitment enterprises, and dense commercial linkages. These

geographically dispersed communities are the social space within which many migrant decisions and activities take place (Gould, 1993).

What is worse, the mass graduation of young school leavers into a contracted labour market has served to deepen the unemployment crisis. The African youth has probably been most hard hit by the problems associated with unemployment in the continent during the 1980s and 1990s. However, the social consequences of the problem have spread much wider, incorporating the extended family system, the traditional pattern of urban-rural resources flows and fueling a new economy of international remittances that have become central to the survival strategies of many African individuals and households as the migration of both the employed and unemployed to foreign shores has accelerated (Olukoshi, 2004:37). Widespread unemployment that has become an open sore in most African countries since the 1980s, is perhaps, the biggest, visible symbol of the problems associated with inequity on the continent. True, African countries have never really managed to achieve full employment in the first two decades of their independence, but the immediate post-independence years have generally constituted a period of expansion in employment opportunities. Since the early 1980s, however, Africa has experienced severe contraction in employment opportunities as economies have wither stagnated or regressed: state after state have retrenched workers through series of shock therapies allegedly designed to root out neo-patrimonialist networks; and structural adjustment took its heavy toll in industry and agriculture. The real sectors of African economies, that have traditionally been crucial to job creation, have suffered since of the worst consequence of the structural adjustment process. Both in the public and private sectors, the loss of employment by workers and the paucity of new opportunities for employment – creation, have become permanent features of most African economies. As it pertains specifically to the public sector, civil servant have been retrenched as part of the cost-cutting, budget-balancing objectives of the IMF/World Bank market reform project for Africa. It has been suggested that the civil service retrenchments carried out across Africa during the 1980s and 1990s represented perhaps the single most serious phenomenon of job loss in the history of the modern state system on the continent (Olukoshi, 2004:37).

There are about 15million Nigerians in Diaspora according to the United Nations Population Divisions estimates, 2017; Pew Research Centre also reported in 2018 that 60 million Nigerians (or half of the adult population) presently resident in country are planning to leave Nigeria by 2023, if they have their way. The report said 74% of Nigerians surveyed desired to relocate and start a new life in another country within the next five years, if given the chance. A similar study by Afrobarometer 2018, revealed that one out of every three Nigerian has seriously wished to leave Nigeria to start a new life in another country. Former Nigerian Permanent Representative to the United Nations (UN) and former President of the United Nations Human Right Council, Ambassador Martin Uhomoibhi was quoted in 2017 as stating that 602,000 Nigerians migrated to European countries in 2016 through the ill famous Sahara desert/Mediterranean Sea Route, of which 27,000 died on the sea, and 68 percent of the dead immigrants were University and Polytechnic graduates. While this figure may seem exaggerated, it could be true as the Ambassador, once Permanent Secretary of Nigeria's Ministry of Foreign Affairs had privileged information. As a matter of fact, official figures released in 2017 by the Italian Interior Ministry reported an average daily arrival of 109 Nigerians to Italy, about a total 36,000 Nigerians for year 2016 (Babalobi, 2020:16).

Theoretical Perspective

For the theoretical frame work of this study, "Pull and Push" migration theory. Ravenstein (1985) was the individual who revealed the "Pull" and "Push" Migration theory from one of his popularly known writings revealed as "law of migration" (XIangjing, 2009:14) which was derived from a study focusing on Britain in the 19th century, with the use the some information such as birth place of the migrants relating to his study. This theory explains the "how" and "why" of migration within a territory or across borders and also the "importance of international migrations" to nation states (Haas, 2008). According to his writing it is impossible to separate development from migration. The seven (7) laws he listed in the study (laws of migration) are:

> "(1) Migration depends on distance (2) Migration takes place in stages (3) Every successful migration process is endowed with a migrating pattern flow (4) Most times the natives in their territory have less degree (educational qualifications) than the fellow

> counterparts (migrants) (5) Gender of the migrants (6) There is a relationship between the level of technology, number of migrants and distance travelled (7) Migration has always been influenced by economic motives."

According to Hass (2008) other scholars who also made several attempt in applying this theory apart from Ravenstein are: Lee, Donald among others (Hass, 2008:35-36). Sometimes, the forceful desire for opportunities and improvement of one's life most times influences and motivates international migration. Generally, when the "Pull" factors at the destination nation-state outweighs the "Push" factors at the individual's nation state of origin, International Migration often takes place. These "push" and "pull" factors according to Donald is referred to as Negative (Push factors) and Positive (Pull factors). These "Push" and "Pull" factors (determinants of migration) by most scholars are demographic, economic, environmental, and social in nature. Myrdal and Prothero opines that only "Push" factor are responsible for international migration while others (Sovani, Base, Trewartha) oppose the statement revealing that the combination of "Push" and "Pull" factors are responsible for the migrants decision in leaving his/her territory (Haas, 2008:40).

According to Lee, "pull" and "push" migration theory are representatives of either a positive migration or negative migration, since migration is provoked by two (2) factors which happen to be "pull" and "push". Lee also identified some barriers that can hinder international Migration between the two (2) different countries. The barriers he revealed were cultural differences, distance, differences in language communication and most importantly physical border presence (has, 2008:40). Lee's contribution reveals why International Migration takes place and secondly why majority of individuals find it difficult to migrate as explained with the barriers that hinders migration. Lee also revealed some hypothesis that explains the "pull" and "push" migration theory. These hypothesis are:

> (1) The volume of migrants varies in a territory in diverse areas (2) The volume of migration also varies with different migrants (3) Also areas where there is similar characteristics as in the migrants origin (such as: race, ethnicity, traditions, education, income among others) mostly experience less immigration (4) The fluctuation in the display pull factors such as: the boom and increase in the economy and the decrease in the

> economy can also truncate the high increase of immigration bringing it lower than unexpected. (5) Unless the migration (immigration) process are checked and properly managed the migration activity will increase in no time (6) Migration population vary in states for example developed countries have more migrants than in less developed states (Hass, 2008:41).

Also, Lee cited in Haas (2008) also reveals that:

> (1) Migration is selective. This selection cab be positive or negative. It is positive for the wealthy migrant and negative for the opposite individual. (2) Majority migrants who respond to the :"pull" factors, they are selective about their destinations since they are not under any pressure to move, they only want to move because of their desire and perceived opportunities out there. (3) Migrants who respond to push factors are negatively seeking to migrate out to another destination. Some of these people influenced by 'push' factors are obviously more of the illegal and irregular migrants. There are two (2) Types of migrants, the one influenced by the pull factors (influenced by positivity) in the destination nation state and the other influence by the "push" factors (influenced by negativity) at the state of origin. (4) How high the degree of "pull" factors (positive views) at the destination nation state determines the increase in difficult and obstacles faced in getting into the nation-state due to the high immigration policy in those destinations (states) for development, health and security reasons for the state. (5) The most preferred age bracket wanted and mostly welcomed by immigration policies in receiving countries are the young and age working set of individuals, to make up the population of the labour force than aged individuals. (6) The migrants are mostly at the middle of the "pull" factors of the destination nation state and the "push" factors of their nation-state of origin. In all these, they are more of completing the population of the destination states.

Summarizing Lee's model and opinion on this theory ("Pull" and "Push" migration Theory), International migration is influenced by the "Pull" and "Push" factors.

Migration and Conflicts in Nigeria: An Overview

The political history of Nigeria is dotted with series of social conflicts. From ethnic, sub-ethnic, religious to political conflicts, every geopolitical zone of the country has one or more troubled spots. These conflicts are as a result of many fundamental issues. Specifically, the interplay of economic imbalance, political injustices, ethnic chauvinism, religious intolerance, and the nature

of the global economy, may be considered as being responsible for these conflicts. It is however pertinent to state that many of the protracted conflicts in present day Nigeria have their roots in the pre-colonial and colonial histories of the country. Documentary records revealed that incidences of conflicts particularly communal conflicts predate Nigeria even as a colonial state. These are evidenced in the 19th century internecine warfare among the Yoruba people to the southwest, the war of attrition by communities in the deltaic areas over land and claim to resources, and the numerous wars of expansion in the Middle Belt area especially among the Tiv, between the Tiv and the Jukun, the Nupe and the Yoruba to the North, and also the religious wars that followed the Sokoto Jihad of 1804 and which altered the sociopolitical and religious topography of present day northern Nigeria and its neighbors.

Incidentally, these conflicts continued with renewed zeal during the period of colonial rule due tothe nature of the colonial political and economic policies which neglected the specific histories of the various groups in the country. It is not surprising therefore that at independence many of the ethnic and sub-ethnic conflicts continued, and new ones emerged in response to the state structure bequeathed by the colonialists. In fact, the colonially defined and determined plural nature of the Nigerian state has been identified as a reason for the continued susceptibility of the country to political and ethnic conflicts. For instance, Otite observed that, "Nigeria's constitutional, political and administrative developments have created and recreated exclusive interests of regionalism followed by those ofstatism." This he pointed out has made Nigeria to be inherently prone to conflicts arising from the clash of diverse ethnic–cultural interests and goals, and from the political and economic necessities of survival, as individuals and as identifiable autonomous social groups struggle for advantages (Otite, 1999). Thus, the history of the country since independence like the pre-colonial and colonial days is replete with political, religious and communal conflicts among others to such an extent that a culture of violence has been created or what has been succinctly referred to as "…zones of violent confrontations (Dung, 1994).

Notable amongst these zones of violent confrontations are the ethnic and sub-ethnic conflicts between the Aguleri and the Umuleri communities in southeastern part of the country, the conflicts involving the Ife and the Modakeke people in the southwestern part of the country, the

conflict between the Chamba and the Kuteb communities, the Tiv-Jukun conflict, the conflict between the Zango and the Kataf people (involving the Hausas and the Kataf) in the northern part of the country, and also the conflict between the Ugep and Idomi communities in Cross-River state, the Ijaw-Itsekiri conflicts in Delta state, and the Ogoni conflict, all in the south-south geopolitical rim of the country. Alongside all these are many cases of religious and political conflicts. Some examples include the 1953 Kano riots, the 1966 pogrom, the civil war between 1967 and 1970, the Maitatsine religious violence between 1980 and 1985, the uproar generated by the annulment of the June 12 1993 elections, the unending 'oil war' in the Niger Delta region among many others. To a very large extent, the problem of conflicts in Nigeria cannot be divorced from the phenomenon of migration. This is because the accounts of many of the ethnic and sub-ethnic conflicts in the country can be linked to the pre-colonial, colonial and/or post-colonial migratory patterns of movements of people within the country.

In the pre-colonial days, recorded accounts showed that many of the movements were associated with trade, land colonization, drought, epidemics, and community conflicts. For example, the protracted sub-ethnic conflict between the Ife and the Modakeke people in the southwest, which started in 1849, was a product of the migration of the Modakeke people from the collapsed Old Oyo Empire to the Ife area in central Yoruba land (Albert, 1999). Similarly, the age long ethnic conflict between the Tiv and the Jukun, dating back to the 1870s, revolves around the issue of which of the two groups can be considered to be the native/indigene, and which should be regarded as the settler/migrant (Shedrack, Alamijeabee & Zainab, 1999). This distinction is significant since its determines who has prior and thus present rights to landownership, tributes, and other statutory rights and privileges. The same can be said of all the other cases of ethnic/sub-ethnic conflicts in the country.

In the same vein, many of the religious conflicts in the pre-colonial and colonial history of the Nigerian peoples can be linked to the migration of people across ethnic, national and regional boundaries. For example, the 1804 Fulani Jihad, which swept through the entire northern part of the country, was a result of the years of contacts between the Hausa-Fulani to the north of what is now called Nigeria and the Arabs from the Middle East, whose religious teachings influenced

the general religious ideology of the Hausa (Gbadamosi & Ade-Ajayi, 1980). Principally, the Trans-Sahara trade, involving the Muslim Arabs, the Maghrebi states and the Hausa and other ethnic nationalities of the northern rim of West Africa, was a major channel through which Islamic scholars/teachers penetrated into the region, and later orchestrated fundamental changes in the religion of the people of the northern part of Nigeria (Oyeniyi, 2008). Some of the subsequent religious crises that rocked the Nigerian State even after independence can also be ascribed to the influences and activities of migrants from outside Nigeria. For instance, the Maitatsine religious violence that ravaged the northern part of the country between 1980 and 1985 was due to the influences and activities of foreign/external religious zealots (Tamuno, 1991).

However, in the colonial days, the nature of political and community conflicts in the country was influenced by the nature and pattern of the in and out-migrations among the various groups and peoples, but it was also a function of the colonial policies of the British Administration. For instance, the British acquisition of protectorate rights over the various groups in the area now referred to as Nigeria, and the eventual amalgamation of these protectorates as well as the introduction of western social and economic practices, increased the movement of people from one part of the country to the other. Also, the influx of people from the rural areas to the emerging cities of the time was actually in response to the nature of the colonial system, which promoted urban growth and development at the expense of rural development. This was because the most basic infrastructures and amenities provided were mainly in the urban areas. However, over the years and particularly since independence, the centrality of migration in conflicts generation has been eclipsed by some other salient factors. These include contest over land space and resources availability, competition over access to political and economic resources, and population explosion (Suberu, 1996).

Amazingly, the post-colonial government policies, have often exacerbated tension to the point of conflict or ignited it afresh. Of particular importance are such state policies as territorial restructuring in form of local and state government creation, revenue allocation, quota system, and structural adjustment program (SAP), among others. Commenting on state and local

restructuring policy in Nigeria Suberu (1991) once lamented that, "it has not satisfied ethnic demands for equity, but has created more acrimony and increasing demands." Also, he highlighted four reasons for the high rate of ethnic minority discontent under the General Ibrahim Babangida government. These are: one, the inducement and opportunity which the government's programs of democratic transition and economic reconstruction provided for the mobilization, crystallization and articulation of longstanding ethnic minority grievances; two, the accumulated weaknesses, contradictions, inadequacies, or counter-productive consequences of some policies that have been mounted in response to ethnic minority problems; three, the sectionally polarizing impact of some decisions implemented by the military government for example, the enlistment of Nigeria in the Organization of Islamic Countries (OIC), and the arbitrary trials of ethnic minority activists implicated in some of the ethnic or ethno religious disturbances in the federation, and four, the demonstration effects arising from the global resurgence of ethnic nationality and sectarian movements, particularly in Eastern Europe and the former Soviet Union.

Furthermore, the manner in which successive governments have tinkered with the policy of sharing federally collected revenue has been a serious cause of political and ethnic conflicts and has even become a threat to the corporate existence of the country. The practice of sharing revenue among the component units of Nigeria began during the colonial era, particularly between 1951 and 1954, when the country became a federation of three regional governments and a federal government. During the period, the regions enjoyed a measure of fiscal autonomy. For example, the Revenue Order in Council of the 1951 constitution granted the regions the right to, among other things, keep public revenue derived from matters stated in the schedule to the instrument. The Order also mandated the payment to the regions by the central government of annual grants in respect of expenses relating to education and politics, while specifying that the central government could not interfere with revenues derived from or specific to the regions (Aderibigbe, 1998).This colonial fiscal policy laid the basis for fiscal federalism in the country. It equally allowed for the economic development of the regions, because each region had to concentrate its attention on its area(s) of economic strength, such as cocoa in the western region, groundnut and cotton in the northern region, and palm oil and timber in the eastern region, for

survival. After independence, the country continued with a fiscal arrangement that was based partly on the principle of derivation. As a result, half of the revenue from the commercial exploitation of oil, for example, was appropriated by the Eastern regional government (of which the provinces and communities of the Niger Delta were part of) and the rest were appropriated by the federal government between 1958 and 1968.

Since 1969 however, the regional/state fiscal autonomy has changed to one of federal control. A number of factors accounts for this change, including the military government's decree (Decree 13) of 1969, which transferred the bulk of the revenue from oil to the federal government. Thus, as the nation's economy became more oil-dependent, and other sources of income became neglected, the revenue accruing to the federal government increased significantly, while that of the states and local governments dwindled. This created the need for an acceptable formula for distributing federally collected revenue among the component units of the federation. However, since the Second Republic period (1979-1983), the issue of sharing federal revenue has been problematic, owing to the fact that the issue has been over-politicized. For instance, while the federal share of the federally collected revenue has always been large, leaving the other two tiers of government with very little, the oil-producing areas have often demanded that the principle of derivation, which was in place before the Decree 13 of 1969 should be a major determinant in the sharing of the federal revenue. Alongside this, the failure of the federal government to foster equitable and appreciable socio-economic development in the country, inspite of its huge earnings from oil, and the enormous environmental and ecological damages resulting from oil exploration in the Niger Delta communities as well as the official highhandedness of successive governments in the handling of demands by communities in the Niger Delta for restitutive development have further complicated the issue of revenue allocation. As a result, this issue has always pitched the Niger-Delta area (the major oil producing region of the country) against the Federal government on one hand, while generating or encouraging communal hostilities among the various communities in the region on the other hand.

Apart from the revenue sharing policy, some other government policies, particularly the territorial restructuring and structural adjustment programs, meant to bring government closer to the people, enhance grassroots political and socio-economic development, and the general economic well-being of the country have also been purveyors of political and ethnic conflicts. However, as shown above, it is essentially the politicization of government policies that often undermines their effectiveness. Benjamin (1999), commenting on the territorial restructuring policy under the military, for example, averred that military governments in Nigeria used the policy as a way to popularize and legitimize their illegitimate regimes. This is because though the creation of states and local governments by the military was often sequel to agitations by groups demanding for more decentralization, yet successive military regimes used it to whip up political, ethnic and sub-ethnic discontents as exemplified by the 1996 exercise, which sparked off series of inter-group conflicts across the country. Though the territorial restructuring exercises no doubt assuaged the feelings of some groups, and thus engendered their support for the military, the conflicts and emotions generated by the policy nonetheless distracted public attention from the critical problems of political instability and nation al development, which better served the interest of the military governments to prolong and perpetuate their hold on power. In fact, the tensions, emotions and conflicts that the politicization of state policies usually generate in the country between ethnic groups, and also within ethnic groups, has made it one of the banes of the Nigerian state. It is this (the politicization of policies), as will be shown below, that underscores and heightens demands for self-determination right (in its external and internal senses) in the country.

The Nexus Between Migration and Conflict: The Nigerian Experience

A critical that underlies most of the inter-group and intra-group conflicts in Nigeria is the issue of self-determination, construed both in its internal and external senses. This is because, in most cases, contending groups in the country; religious, ethnic or sub-ethnic often clashed in pursuance of their perceived self-determination right i.e. the right, for example, according to article 1(1) of both the International Covenant on Civil and Political Rights (ICCPR) and International Covenant on Economic, Social and Cultural Rights (ICESCR), ‘of all people to

freely determine their political status and freely pursue their economic, social and cultural development.' An analysis of some of the conflicts in the country would reveal their self-determination undertone. However, for ease of analysis and in line with the conception of self-determination under international law, conflicts in the country are categorized in this paper as either conflicts for external self-determination or conflicts for internal self-determination rights. Consequently, the inter-group and intra-group conflicts that can be linked to the quest for territorial autonomy in the form of agitations for independent local and state government status within the Nigerian federation; for separate and distinct identity by one group from another group; for religious tolerance/acceptability; for political inclusion; and for development in the form of agitations for an end to economic exploitations and environmental degradation. All these can be categorized as conflicts underpinned by the quest for internal self-determination. On the other hand, conflicts that are related to secession from the Nigerian federation are conflicts for external self-determination.

Within the context of the conception of external self-determination, the 1967-1970 Civil War was a war for external self-determination by the Igbo people of the eastern part of the country. This can be gleaned from the causes, both remote and immediate, of the war. To a very large extent, it was the perceived marginalization, oppression and suppression of the interests and aspirations of the Igbo by the Nigerian state which provoked the three year war. Specifically, for the Igbos, the events preceding and immediately after the country's independence in 1960 were pointers to the need to assert their external self-determination right. Among these events was the display of ethnic politics at the Western House of Assembly by Yoruba politicians of the Action Group (AG) political party against Dr. Nnamdi Azikiwe (a political figure of Igbo extraction) of the rival National Council of Nigeria and the Cameroon (NCNC) political party in 1951.

Available records revealed that while Dr. Azikiwe got elected to represent Lagos in the Western Region's House of Assembly in 1951 on the platform of the NCNC, his ambition to represent the regional parliament at the Central Legislature, on the basis of the provision of the 1951

Constitution, which allowed for a member of the regional parliament to be selected to the Central parliament, was thwarted by the Yoruba-dominated rival political party, the Action Group (Keay and Thomas 1986). This display of ethnicpolitics was exacerbated by other issues including the controversy surrounding the 1952/53 census, which the Igbo, like the Yoruba, considered as not being a true reflection of the actual demographic composition of the country, particularly as they contested the census figures ascribed to their region (the eastern region). Alongside these was the unprecedented massacre of people of eastern region extraction (the Igbo) in the northern part of the country between May and September 1966. The massacre is known in Nigerian history as the 1966 Pogrom. The genesis of the Pogrom was, first, the coup de tat of January 1966, which was interpreted by the northern oligarchies as being masterminded by Igbo military leaders and targeted at northern political leaders in political power, and second, the perceived inaction or unwillingness of the Head of the military junta that came to power after the January coup to prosecute the perpetrators of the coup. Equally gawling to the Northern political elite was the promulgation of Decree 34, by the Aguiyi Ironsi military government, which abolished regionalism in the country (Oyediran, 1980; Madiebo, 1980).

During the Pogrom, a number of people of Igbo extraction were killed in northern Nigeria. Madiebo (1980) noted that the human cost of the first phase of the Pogrom, which occurred in May 1966, was over three thousand lives (Madiebo, 1980). The significance of these events was that they culminated in the countercoup of July 1966, which removed General Aguiyi Ironsi (an Igbo man from eastern Nigeria) as the Head of State and his replacement by General Yakubu Gowon (a northerner), and the subsequent faceoff between the General Gowon-led federal government and Colonel Odumegwu Ojukwu-led military government of the Eastern region. The inability of both the federal and eastern regional governments to negotiate a peaceful solution to the crisis of confidence between them, despite international mediation as evidenced by the peace meetings at Aburi, Ghana, in 1967, resulted in the civil war. In a way, the above demonstrates that "the civil war was a clash between primordial ethnic forces and state civic structures that inevitably issued from the growth of regionalism (Ekeh, 1989). The aim of the government and people of the eastern region (otherwise called Biafra) during the war was to secede from the Nigerian federation on the ground that their collective aspiration could no longer be met under

the Nigerian state. The civil war was one of the earliest challenges to the Nigerian state. As can be gleaned from the above, it was the politicization of certain issues, including the military coup of January 1966 and the actions and inactions of the military government that eventually resulted in the civil war.

Among the conflicts for internal self-determination rights in Nigeria are the 'oil war' in the Niger Delta region, the rising activities of ethnic militia groups, and a number of community conflicts. The 'oil war' in the Niger Delta region of Nigeria, which started as a quiet agitation by the people of the area in the late 1950s for social and economic development, took on the dimension of quest for right to internal self-determination because the Nigerian state failed to look into the legitimate demands of the people. Right from the 1957/58 agitation by the people of the region for a separate identity within the Nigerian State, in the form of a separate region/state from the dominant Igbo dominated eastern region, to the February 2, 1966 declaration of the Independent Republic of Niger Delta by Isaac Adaka Boro and his colleagues, the story of conflicts in the region has become basically that of internal self-determination. The activities of militants and activists in the area (Niger Delta), particularly the late Ken Saro Wiwa, and many others, were simply to pressurize the Nigerian government to correct the wrongs of many years of environmental degradation and insecurity occasioned by years of oil exploration. It was also a demand for equitable (re)distribution of the nation's wealth, the bulk of which comes from the Niger Delta. Even though the spate of violence, kidnapping, hostage taking, pipeline vandalization, and general acts of terror in the region since 1999 have begun to blur the very essence of the struggle, yet it is still probable that if the factor, the internal self-determination issue, underpinning the agitation is not properly managed, the end might not still be in sight for the problem.

The emergence of ethnic militias, representing and agitating for the cause of the different ethnic groups in the country since the late 1990s, buttresses the fact that internal self-determination is one of the greatest challenges of the Nigerian State. Since the late 1990s, ethnic militias such as the Oodua Peoples Congress (OPC) (representing the interest of the Yoruba people to the southwest), the Arewa Boys (representing the northern peoples' interest, particularly the

mainstream Hausa-Fulani people), the Egbesu Boys (representing the Niger Delta people), Bakassi Boys and the Movement for the Actualisation of the Sovereign State of Biafra (MASSOB) (representing the interest of the Igbo people to the east) have prefaced the political landscape of Nigeria with several incidences of politically motivated ethnic and sub-ethnic conflicts to the extent of threatening the existence of the country. Many more of such groups have since emerged in the Niger Delta area. Indeed, going by the declared goals and activities of these groups before the government outlawed them, it was obvious that internal self-determination, evidenced by demands for political inclusion and right to development, was their prime objective. Firstly and to a certain extent, the emergence of these groups was an indication of State failure. It was primarily an indication that the Nigerian State was no longer relevant in the eyes of the component nationalities, which were willing to, if possible, break away. Between 1999 and 2002, intergroup relations in the country became fragile and extremely precarious owing to the fact that the activities of the ethnic militias whipped up ethnic sentiment over national issues and popularized ethnic agendas.

In actual fact, a number of community conflicts in the country cannot be divorced from the issue of self-determination, particularly the issue of internal self-determination. These include the age long and protracted conflicts between the Ife and the Modakeke people to the southwest, the Aguleri-Umuleri conflicts to the southeast, and the Zango-Kataf conflicts and the Tiv-Jukun conflicts in the north. All these were basically conflicts over identity, resource control and territoriality/land, all of which are components of the self-determination rights. However, for the purpose of this paper, the Ife-Modakeke conflict will provide an excellent case for analysis. This is because of a number of reasons: the fact that Ife-Modakeke conflict is one of the oldest community conflicts in Nigeria, dating back to as far back as 1849; the conflict is a sub-ethnic conflict involving two groups that are dialectally different, although ancestrally linked; the conflict has undergone diverse transformation in nature, scope, and consequences; and that a permanent and lasting resolution of the conflict still remains elusive even after over fifty years of post-colonial rule. One writer has gone as far as to describe this conflict as being unprecedented in the history of the Yoruba people: “there were no conflicts in Yoruba history, whether in pre-

colonial, colonial and post-colonial times which were as dangerous as that of Ife-Modakeke people (Albert, 1999).

Historically speaking, scholars have situated the genesis of the Ife-Modakeke conflict within the context of the political crisis in the old Oyo Empire and the invasion of the empire by the Fulani Jihadists in the late 18th and early 19th centuries, both of which led to the collapse of the empire and the emigration of Oyo people into neighboring towns including Ile-Ife (Johnson,1921; Akinjogbin, 1980; Ajayi J.F.A and Akintoye, 1980). By the mid-19th century, the Oyo migrants in Ile-Ife had become sizeable in number and a force to reckon with as exemplified by the recruitment of some of them into Ife army and the marriage of an Oyo immigrant woman by Ooni Akinmoyero (the monarch of Ife kingdom between 1770 and 1800), which resulted in the birth of Abegunle Abewela who later became an Ooni (king) in 1839.59 However, records show that the political power tussle between the Ife and Oyo refugees in the town of Ibadan in the late eighteenth century, which ended in victory for the Oyo refugees, began to strain the cordial relationship between the Ife and their Oyo refugees back at Ile-Ife (Johnson, 1921).

Similarly, the emergence and ascendancy of Ibadan as a military power in Yoruba politics, which culminated in the balkanization of the entire Yorubaland into two military alliances, namely the Ekiti confederacy (Ekitiparapo) and Ibadan camp (the two camps that fought during the 1878-1894 Yoruba civil war), and its invasion and overrunning of several Ife towns before and during the war further deepened the hostility and dislike of the Ife for the Oyo refugees, who had adopted the name Modakeke after being resettled outside of Ile-Ife by Ooni Abewela Abegunle before the end of his reign in 1849 (Johnson, 1921). However, violent open conflict first broke out between the two communities around 1849 (and has since remained unresolved) after the cordial and peaceful communal relationship was fractured by politically motivated communal distrust, further compounded by issues of claim to separate identity, and land/territoriality. Over the years, the situation was exacerbated by the political elites, who manipulated the fragile communal relationship for sheer political gains. Since 1849 till date, the two communities have had to engage in bloody conflicts several times; the last being between 1997 and 2001. Apart

from open bloody confrontations, the history of the communal relationship has been interspersed with occasional skirmishes.

Generally, there is no doubt in the literature that the Ife-Modakeke conflict was largely about quest for internal self-determination by the two communities involved. First, the nature of the Ife-Modakeke relations on one hand and the origin, nature, causes and implications of the conflicts between them, on the other hand, suggest that the conflict was that of one group or collectivity against another (Akinjogbin & Ayandele, 1980). Second, though, the causes of the communal conflict are diverse, what is clearly established in the literature is that over the years, the conflicts had assumed different dimensions. These include quest for autonomy, quest to maintain group identity, and quest to freely dispose of natural wealth and resources.

Specifically, the history of the conflicts shows a situation where the Modakeke have always being contending to preserve their existence in their present geopolitical location, which is incidentally encompassed by Ife community, and at the same time insisting that they hold a different identity from the Ife. On the other hand, the Ife people have always considered the preservation of the territorial integrity of the entire Ife land area/community non-negotiable. This reveals the internal self-determination undertone of the crisis. Likewise, the Modakeke people's reactions, for example, to the failure of the Oyo state government to accede to their demand for a separate local council in 1981, which would have accorded them (the Modakeke) an autonomous status within Ife equally shows the connection between the conflict and internal self-determination. In response to the denial, the Modakeke staged a demonstration on 31 May 1981, carrying placards that blamed the reigning traditional ruler of Ile Ife, Oba Okunade Sijuawade as well as the national leader of the ruling political party in the state; Chief ObafemiAwolowo of the Unity Party of Nigeria (UPN), for frustrating their ambition.

At one point, the communal conflict assumed the character of a liberation struggle with the traditional chief of the Modakeke community, (the Baale of Modakeke) Chief Animasaun, threatening that if the community was not granted a separate local government status it would struggle to achieve It (Akanji, 2007).Thus, it is evident that the issue of identity encapsulated in requests for separate local government was a major factor in the sustenance and escalation of the

communal conflict. Available evidence shows that the Modakeke people began a systematic and persistence agitation for an autonomous local government council distinct from the Ife, from as early as 1957/58.69 This demand continued through the 1970s, 80s and even till the 1990s. In the same vein, the Ife people did not hide their resolve to resist all attempts to balkanize their land. And this they actually did all through the years each time attempt was made by the government to do so. Above all, the Ife-Modakeke case is an example of a native/settler-related community conflict, where the Ife people are the host or native community and the Modakeke, the settler community. Nonetheless, the politicization of the issue turned the conflict into a protracted conflict, with serious threats to the peace and stability of southwestern Nigeria and the country in general.

Comparatively, the issues that underpinned the Ife-Modakeke conflict are not different from those that underpinned a number of other community conflicts in the country. Like the Ife-Modakeke case, records show that the protracted Tiv-Jukun communal hostility in Taraba state is predicated on the native/settler dichotomy and land ownership among others (Shedrack, Alamijeabee & Zainab, 1999). The *Jukun* have always considered themselves as the landowners (the natives), while the *Tiv* are labeled the settlers, a tag which the *Tiv* never accept. In the same vein, the conflict between the Yoruba in *Share* in Ifelodun Local Government Area and the *Nupe* in Edu Local Government Area (two neighbors) in Kwara state is another example of a conflict underpinned by the quest for internal self-determination in Nigeria. According to records, the two groups have engaged in bloody conflict about four times between 1850 and 2000. The first time was in 1850, followed by 1976, 1978, and 2000 over issues such as the creation of a footpath (land ownership) and each group's historical claimant to the *Share-Tsaragi* territory. Though a major feature of the conflict has been the attempt by each of the communities to lay claim to indigeneship status, while labeling the other the migrant settler, the politicization of the issues has compounded the problem. In 1976, for example, the creation of Ifelodun Local Government with headquarters in *Share* was construed by the Nupe as an attempt by the government to confirm the people of *Share* (a Yoruba community) as the landlords.

Summary, Conclusion and Recommendations

The foregoing analysis has helped to establish the centrality of the issue of the quest for self-determination, particularly in its internal sense, as the major challenge to Nigerian statehood. This issue, created by years of colonial rule and foreign contacts, both of which resulted from migration, and sustained and compounded by competing claims to resources and disillusioned political elites in the corridors of power, has been the force underpinning violent conflicts in Nigeria. Moreover, the migration of people over the years across ethnic, religious and linguistic boundaries within the country, which was supposed to foster national unity, integration and development, has become the source of political, religious, inter-ethnic and sub-ethnic conflicts, due to the politicization of the issue of citizenship and access to political power. The inability of Nigerians to enjoy the full benefit of their citizenship, as evidenced by widespread poverty and unemployment, infrastructural decay and social insecurity, among others, and the marginalization and exclusion of minority groups from political power by the dominant ethnic groups, exacerbated the demands for internal self-determination rights by groups in the country to the point of violent conflicts. However, the right to internal self-determination which the groups in conflicts in Nigeria are entitled to is to be understood as enjoyable, only in a manner consistent with the principles of international law regarding sovereign State. The principles are to the effect that the exercise of the right to self-determination does not have to lead to the disintegration of a sovereign state, but rather to improving the quality of life of the people, ensuring equal rights and nondiscrimination, and avoiding inter-group tensions.

One can safely justify that in Nigeria, there is correlation between poverty, corruption, war and migration. Therefore, to reduce the increasing surge of emigrants out of Nigeria, government must tackle the problems of poverty, unemployment, hunger, corruption, that has threatened the corporate existence of Nigeria.

Also, government should support communities across the country, mostly in areas where irregular migration is rampant by improving economic opportunities and empowerment initiatives to the youth. In fact, a number of measures otherwise called specific measures or affirmative actions are recommended by major international human right instruments, to ensure

the full enjoyment of the internal self-determination rights. These include concrete measures to ensure the adequate development and protection of members of minority groups. Others are political measures such as allocation of power disproportionate to the size of both the majority and minority groups in a state, in order to ensure fair influence and consultation on political issues affecting them, and the granting of appropriate local or autonomous administrations corresponding to the specific historical and territorial circumstances of the various people groups. Legislative recognition of minority laws and customs, guaranteed seats for minorities in legislative and other political organs, the appointment of officials chosen by the group to either specific positions or to a fixed percentage of general posts etc.

In a way, the recognition of these measures in human rights law implies, on the one hand, the global recognition of the right of people to internal self-determination, and on the other hand, the need for national governments, in this case, Nigeria, to actually see how the right can be fully exercised and enjoyed by all groups, whether ethnic, sub-ethnic, religious or linguistic groups in the country. This is a remedy to the continued threats that agitations for self-determination, whether external or internal self-determination, pose to the Nigerian state. Therefore, in line with its obligation under international law, and the conception of internal self-determination rights under international law as the mechanism for promoting the socio-economic development and political inclusion of minorities, the Nigerian government should recognize and accord every ethnic minority group in the country the fundamental right to internal self-determination as contained in international human right laws. This is imperative given the fact that Nigeria is a signatory to a number of international human rights instruments, including the African Charter on Human and Peoples' Rights, which obligate states to recognize and provide for the exercise and enjoyment of group rights, including self-determination, by groups, whether minority or majority groups.

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YOUTH ENTREPRENEURSHIP AND POVERTY REDUCTION IN DAMBATTA LOCAL GOVERNMENT, KANO STATE NIGERIA

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Abstract

The purpose of this study was to assess the impact of youth entrepreneurship on poverty reduction in Dambatta Local Government Kano State, Nigeria. The study was guided by the following objective; to determine the relationship between youth entrepreneurship and poverty reduction in Dambatta Local Government Kano state. The study had a sample size of 255 respondents. However, 198 respondents actually participated in the study. The study employed survey design. The main research instrument is questionnaire. Data was analyzed using Pearson correlation coefficient and regression analysis. The study found that entrepreneurship education is significantly related with poverty reduction ($r= 0.964^{**}$, $P<0.01$); and that management skills also had a positive and significant effect on poverty reduction ($r= 0.907^{*}$, $P< 0.05$). The study recommended continuous training of the beneficiaries to equip them with technical and managerial skills.

Key words: Youth, Entrepreneurship Education, Poverty Reduction.

Introduction

One of the reasons for the under development of African Countries is high level of poverty in the continent. In Kano State of Nigeria, poverty is pervasive, massive and chronic; it has engulfed large proportion of the society. This issue of poverty has become a major concern not only to populace, but to the decision/policy makers, international community and academic as well. Resulting from large-scale poverty, human conditions in Kano State has greatly deteriorated particularly in the last ten years. Disposable income has dwindled while malnutrition, infant mortality and maternal mortality rates were on the increase. The concern for poverty is two-dimensional. A sizeable reduction in poverty level is equally important both in its own right and as a first step to provide means for self-improvement of the most disadvantaged group in the society (Aliyu, 2012).

In Dambatta Local government, efforts towards reducing poverty level have been unsuccessful amongst youth. Some of the factors responsible for this lie in the nature of the socio-political and economic structures, which alienated and excluded the youth from decision affecting their lives and welfare. Politicization of policies aimed at poverty reduction and inter-play of the corrupt practices has often led to the displacement of goals and the objectives of programs aimed at reducing the incidence/level of poverty at Dambatta Local Government. Coupled with this is the problem of political instability, rapid turnover of programs of action/office holders, leading to the truncation of programs midstream and unnecessary duplication and waste. (Aluko, 2013).

Problem Statement

According to Nigerian National Bureau of Statistics (2012), 60.3% of the population leaves in absolute poverty. The same report indicated that in Kano State alone, the poverty rate is much higher constituting of 57%. The demographic house hold survey by NBS indicates in Dambatta alone, the poverty rate stands at 52%. Unfortunately, the same report indicated that the greatest population compositions of Dambatta are youth representing 66%. However, only 35% of these youth are employed, leaving 65% unemployed. Furthermore, Dambatta also register one of the highest illiteracy rates in Kano State, Standing at 40%. This denotes that majority of their youth cannot get better jobs since they are not educated. Unfortunately, if one is not employed, he/she

cannot earn income and that means he/she might end up thinking negatively like joining gang groups or leaving a terrible life because of scourging poverty.

Over the years, across different administration, Nigerian government tried and came-up with various attempts to solve youth unemployment with the intension of fighting poverty. The government came up with schemes such as NEEDS, NAPEP, You-win, SURE-P, N-POWER etc. (Ogundele, Akingbade & Akinlabi, (2012) and Umar, 2016) and some of these schemes registered a large success, however youth unemployment coupled with vicious circle of poverty still remain in Dambatta local Government.

The effect of the poverty includes among others: poor health, lack of balance diet, inadequate housing, social discrimination and higher crime rates as well as poor/ ineffective avenues through which concerns can be voiced (Eseme, 2012). This study therefore aims to find out if youth entrepreneurship through entrepreneurship education and entrepreneurship training can empower the youth and subsequently reduce the level of poverty amongst youths.

Objectives of the Study

- To determine the relationship between youth entrepreneurship and poverty reduction in Dambatta local government, Kano State Nigeria.

Research Question

- What is the relationship between youth entrepreneurship and poverty reduction in Dambatta local government, Kano state Nigeria?

Hypothesis

H_o: There is no significant relationship between youth entrepreneurship and poverty reduction in Dambatta local government, Kano state Nigeria.

H_1: There is a significant relationship between youth entrepreneurship and poverty reduction in Dambatta local government, Kano state Nigeria.

Review of Related Literature

Theoretical Review:

The study is guided by opportunity Nexus theory by Shane (2003). The theory argued that opportunities are objectives, individual are unique and entrepreneurs are risk takers. This theory is based on three assumptions; According to the opportunity Nexus theory, opportunities have an objective component and these opportunities exist whether or not an individual recognizes them. Secondly, the theory also assumes that entrepreneurship requires difference in people and these differences manifest themselves in the ability to recognize opportunities. Individuals in this view are "alert" to existing opportunities. The third assumption of this theory is that "risk-bearing" is a necessary part of the entrepreneurial process (Shane, 2003).

Empirical Review:

Concept of Youth Entrepreneurship

Youth entrepreneurship is a vital and paramount stage in building human capital that allows young and productive people to avoid unemployment and possibly a more fulfilling life (Awogbenle & Iwuamali, 2010). Human capital formed by youth is an important determinant of long-term growth that a nation can invest on. Hence, the promotion of youth entrepreneurship is seen as an important means of creating jobs, employment and ensuring that nations are able to benefit from socio-economic potentials of the youth. Youth entrepreneurship program are increasingly seen as an important means of improving the capacity of the young people and putting them on to the path of economic independence and sustainability, thereby tackling the global unemployment. According to ILO (2006), investment in youth turns necessity entrepreneurship into opportunity entrepreneurship by installing an entrepreneurial culture in young men and women such that young people become entrepreneurs by choice rather than by chance or necessity.

Entrepreneurship Education

According to Nwabuama (2014) entrepreneurship education is the identification of the general characteristics of entrepreneurs and how potential entrepreneurs can be trained in management techniques needed for effective performance of persons for long time survival of an organization

after acquisition of occupational skills. In other words, entrepreneurship education prepares youth to be responsible and entering individuals who become entrepreneurs or entrepreneurial thinkers by exposing them in real life learning experience where they will be required to think, take risks, manage circumstances and incidentally learn from the outcome (Olowolu & Kaegon, 2012). Ememe (2011), argued that entrepreneurship education enable youth to seek for success in ventures through one`s effort.

Concept of Poverty

Poverty is defined as a condition characterized by severe deprivation of basic human needs including food, sanitation, education and information. It includes a lack of income and productive resources to ensure sustainable livelihood (Ilori, 2013). In Nigeria, poverty is attributed to various cases. These includes: structural crises emanating from exogenous factors such as lack of skills, location disadvantage, changes in economic policies etc. (Umar, 2016); it can also be caused by natural calamities such as wars, environmental degradation, negative rapid changes in macro-economic and monetary policies resulting into low economic growth, inflation and continuous devaluation of the nation's currency; dwindling performance of the manufacturing sector of an economy resulting on loss of wage employment (Obadan, 2012).

The Nigerian government developed several programs aimed at the poverty alleviation. These includes among many; establishment of Directorate for food, roads and rural infrastructure, establishment of Agricultural development program, primary healthcare, National Directorate of Employment, national Poverty Eradication Program, National Economic and Empowerment Development Strategy, Small and Medium Enterprise Development Agency, You-win, N-power etc. Despite all these poverty alleviation programs, many youth are still stake below the poverty index line in Nigeria.

Relationship between Youth Entrepreneurship and Poverty Reduction

According to Baghebo and Emmanuel (2015) on the impact of micro and small business entrepreneurship on poverty reduction in Ibadan metropolis, revealed a significant impact on small business entrepreneurship on poverty reduction.

A study by Ogundele et al, (2012) on entrepreneurship training and education as a strategic tool for poverty alleviation in Nigeria confirmed that entrepreneurship training and education were significantly related to youth empowerment and social well-being. Furthermore, youth empowerment was found to be influenced by acquired technical skill. The study recommended that effective technical education, youth empowerment and social welfare services are catalyst to poverty reduction.

In addition, a study by Yakubu (2012) on the effectiveness of public policies in Nigeria; critical assessment of Obasanjo's NEEDs policy recommended that strengthening of youth entrepreneurship, increased publicity of government businesses, development and support services, trade liberalization and usage of local product will lead us to reduction in cost of production, improvement of local production and improvement of social infrastructures among others.

Research Gap

This study aims at filling the contextual gap as no similar study of the same kind that was conducted in Dambatta local government to the best of our knowledge.

Methodology

Model specification

The study adopts Ordinary least square method (OLS). This is a regression model that generalized linear modeling technique that can be used to model single response variable which has been recorded on at least an interval scale (Creswell, 2014).

Mathematically, the model is represented as:

$Y= \alpha + \beta X'$

In this study, poverty reduction (PR) is predicted by youth entrepreneurship (YE)

Thus, $PR=\alpha +\beta YE$---------- (1)

Where; α = the value of PR when YE is zero (intercept)

β = the slope of the line (regression coefficient)

This regression coefficient β describe changes in PR that are associated with a unit change in YE.

Multiple explanatory variables

Equation: $PR=\alpha + YE (\beta_1 EE + \beta_2 MS)$ ---------- (2)

Where:

EE= Entrepreneurship Education

MS= Management Skills

Data Analysis

Data was analyzed using Pearson Correlation Coefficient and regression analysis to determine the relationship between youth entrepreneurship and poverty reduction at 0.01 level of significance.

Findings:

Table 1: Linear Regression Model

Variable	**coefficient(β)**	**P-value**
Constant	**6.478**	**1.000**
Entrepreneurship Education (EE)	**.669**	**0.964****
Management Skill (MS)	**.644**	**0.907***
Prob>f=0.000		
R-square=1.000		

Constant: Poverty Reduction

*. Correlation is significant at the 0.05 level (2-tailed).

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

From the above table, it can be seen that the model certainly fits F value is 0.000 which is less than 0.05 or 0.01 level of significance. This implies that the variable fits the model.

Linearly, the model becomes:

$PR = \alpha + YE\ (\beta_1 EE + \beta_2 MS + \beta_3 TS)$ ---------- (2)

$PR = 6.478 + 1\ (0.699EE + 0.644MS)$ ---------- (3)

The result above clearly shows that entrepreneurship education is significantly related with poverty reduction ($r = 0.964^{**}$, $P<0.01$). This clearly implies that for every youth who undergoes entrepreneurship education, is most likely to reduce poverty in his/her household by up to 69.9% (Beta= 0.699).

Furthermore, the result also show that management skills is significantly associated with poverty reduction ($r = 0.907^{*}$, $P< 0.05$). This deficits that every youth who acquires management skills is most likely to reduce poverty in his/her house hold by up to 64.4% (Beta = 0.644).

Discussion

The study found a strong and positive relationship between youth entrepreneurship and poverty reduction ($r = 0.711^{*}$, $P< 0.01$). This is in consonant with the finding of Ogundele et, al (2012). Similarly, Ibitoye (2015) also confirmed that entrepreneurship training and education were significantly related to youth empowerment and solid welfare. Holmes (2013) also found that there is a strong empirical evidences that employment/job creation generally increases income and reduces poverty in developing countries at both micro and macro levels.

Conclusion

The results of the study revealed a positive and significant relationship between youth entrepreneurship and poverty reduction in Dambatta ($r = 0.711^{*}$, $P< 0.01$).This implies that entrepreneurship training is important in contributing to poverty reduction. This study agrees with that of Muttalib, Mahrani, Hajar & Saenong (2016); Kareem (2015); Shaeikh & Hafiez (2013) who in their studies found positive and significant relationships between entrepreneurship

and poverty reduction. This is true because entrepreneurship training helps in imparting skills and knowledge into the lives of entrepreneurs. Therefore, having technical and management skills attained through entrepreneurship training helps one to establish a business which can strive through bad economic times. In other words, a successful business implies that an entrepreneur's income level will increase. This signifies that when the income level increases, one will be able to afford basic needs such as well dieted food, clothing, shelter, education, medication and access to clean water. In short, it will mean that poverty in his/her household has reduced to a certain extent. However, if people do not participate in entrepreneurial activities, then they will be vulnerable to poverty if they cannot get jobs that can earn them salary or wages.

It is therefore evidently proved that youth involvement in entrepreneurial activities leads to an increase in income, reduction in vulnerability and thus leading to improvement in productivity hence reducing poverty.

Recommendations

1. There is need for the government to encourage continuous training and education on life skills of youth; such skills could include business management skills, technical skills, and marketing skills. Such skills would help the businesses started and operated by the youth to thrive even in bad economic times.
2. Furthermore, the government of Nigeria should emphasize youth participation in entrepreneurship to reduce their level of vulnerability and help them to be more productive in life. This can be done by encouraging the youth to join vocational training institutes that provide hands-on training and life skills. The government can accomplish this by financially supporting students with tuitions and offering bursaries. This will help the youth to be equipped with the necessary skills that can help them to start and manage their own businesses.
3. The government should also strive to put more efforts in curtailing high corruption level, poor programming and poor targeting of beneficiaries for the success of any poverty eradication programs.

4. There is need for the government to keep supporting the youths through grants, loans, entrepreneurial education and training which will enhance their capacity to self-sustenance and eventually reduction in poverty level.
5. The government/policy makers should also improve their effort in providing social amenities such as good road network, proper medical care, education, electricity etc. which is the bedrock through which every entrepreneurial activity will take-off.
6. The local leaders in Dambatta local government should engage the youth in productive business orientation such as participation in youth business forums, business tours and establishment of business projects which will be supported by the local leaders. This will go a long way in fighting unemployment and poverty vulnerability among youth.

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EFFECTS OF SOCIAL MEDIA ON CONSUMERS'PATRONAGE (A STUDY OF DELTA STATE POLYTECHNIC, OZORO, DELTA STATE)

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ABSTRACT

The study examined "The effects of social media on Patronage". The main objective of this study is to ascertain the influence of social media on consumer patronage among Delta State Polytechnic Community. The Survey research design method was employed, the population of the study comprises staff and students of Delta State Polytechnic, Ozoro. Convenience sampling method was adopted and the sample size was 344 users of social media. Questionnaire was the research instrument used and Cronbach's alpha coefficient was used to test the reliability of the instrument. Hypotheses were tested using multiple regression at 0.05 level of significance using SPSS version 23 . It was revealed there is a significant relationship between sociability and patronage, and usability of social media is a significant factor which influences consumers' patronage and this corroborates the model proposed by Liwei and Chen. Based on the findings, it was recommended that business organizations who intend to market their product via social media channels should endeavor to adopt a form of social media that encourages high sociability as this will brighten chances of patronage. Facebook is recommended. Again, usability of social media should be a guide to business owners as it will improve the chances of ensuring effective communication with buyers.

Key words: social media, patronage, consumers' patronage.

Introduction

The technological evolution of marketing has taken a divergent turn in recent times, and many business executives and scholars see this growth and development of marketing from different perspectives, some as a welcomed development and to others a technical setback perhaps because of natural difficulties associated with change. The evolution in the direction of e-marketing and the allied social media has altered the way marketing activities are conducted in recent years. With the passage of time, new methods and trends of digital technological have emerged and encroached into traditional approach to business (Toor, Husnain & Hussain, 2018). Years back, the practice of marketing was done offline and a great percentage of business organizations were successful without internet and social media. Today all of that have changed. Social media plays a significant role in contemporary business organizations both from the perspective of businesses and consumers. What is interesting about social media is that it supports users in several sectors such as marketing, engineering, advertising, medicine, law education etc. (Henning-Thurau, Malthouse, & Frieze, 2010) and (Al-Mukahaini, Al-Dhuhli & Ismael, 2017).

There is no doubt that access to mobile phones, internet and social media has increased significantly especially in Nigeria. In 2015, there were more than 7 billion mobile cellular subscription world-wide (ITU 2015). It is also estimated that, of the world's population of about 7.4 billion, the population covered by a mobile cellular network grew from 58% in 2001 to 95% in 2015 (ITU, 2015). The increased use of smart phones, improved access to computers, and wide spread of mobile network has accelerated the use of social media across the country. This upsurge in access to computers and mobile devices has tremendously affected the practice of marketing. Attitude of consumers has been influenced by the exposure to multiple products and prices. Currently, there are about 2.1 billion adverts served on mobile devices (Kempo 2012) and mobile web users are most impacted by mobile advertisements when making procurement decisions and three-quarter of users feel comfortable with mobile advert through internet advertising (Inmobi, 2012)

There are many firms that have a face book page and it is used to reach out to their target market (Altaf, 2014).

Arising from this transformation in this area of marketing, it has become imperative to understand how social media influence the attitude of buyers, in the areas of advertising, pricing, distribution, product innovation and other similar influences of internet and social media in particular. The expansion, growth and development of social media in Nigeria and extensive use of sites for social and business purposes has created an important global phenomenon, by prompting interest in this paper to discuss the impact social media discuss the impact social media will bring on business organizations and ultimately, the influence on the consumer behavior. It is worthy to note that social media activities have also attracted the attention of scholars and industrial researchers (Boyd & Ellision, 2007).

It is apparent that social media is a very potent avenue through which contemporary business establishments interface with their numerous customers through links provided by face book,

instagram, whattapp, twitter and other forms of social media. This is in line with the position of Kotler (2010) and Amstrong and Kotler (2011) when they posited that the rapid development in the social media application has gained overwhelming majority in the practice of marketing practice.

Statement of Problem

Social media has revolutionized the ways of communication and sharing information and interests and that the rapid growth of social media and social networking sites, especially, in developing country like Nigeria is providing marketer a new avenue to contact customers (Boyd & Ellison, 2007).

The developments of the field of communication in today's world have affected the field of advertising, websites, including social networking sites that spread rapidly with amazing speed, and has begun to clearly affect society and behavior (Boyd & Ellison, 2007).

Evans et al (2009) found out that social media is most widely used in information source for perceived convenience, effectiveness and perceived credibility. Also, the social media reviews and opinions affect the purchase decision process; however tendency of share their experiences post purchase is surprisingly low. Schiffman et al. (2008) observed that the emergence of online social networks influences people in various ways.

Social media advertising, to a reasonable proportion, has attracted a great attention of online communication in recent times. Even if the conventional methods of communication still remains a viable approach to advertising, social media advertising, possesses the capability of changing the contemporary advertising equation as there is a massive drift in this direction. In recent times, many marketing scholar have proposed divergent models in order to explain the determinants of patronage via social media advertising, and this has necessitated a need to carefully examine actual variables that dominate or influence prospective consumer to respond to social media advertising.

One of the most outstanding marketing scholars Liwei and Chen (2014), proposed a model which is made up of four independent variables, (sociability, usability, dependence, and involvement, three intervening variables (perceived risks, perceived value, and trust) and one outcome or dependent variable - patronage. This model has been cited by many contemporary researchers to represent average cause and effects relationship between the variables identified above and patronage. The researcher is worried about incessant citing of this model as there is a need to subject this proposition to empirical investigation in order to ascertain the veracity of this model, especially as it applies to Nigeria. The existence of this lacuna or gap is worthy reason for this investigation as no similar research has been conducted in this part of the world.

Objectives of the Study

The general objective of this study is to ascertain the influence of social media on consumer patronage among Polytechnic Community. The specific objectives are as follows:

(1) To ascertain the effect of sociability on patronage among Polytechnic Community

(2) To find out the influence of usability of social media on patronage among Polytechnic Community

(3) To ascertain effect of social media dependence on patronage among Polytechnic Community.

(4) To find out the effect of level of social media involvement on patronage among Polytechnic Community

Research Questions

The following research questions will guide the study:

(1) To what extent does sociability influence patronage among Polytechnic Community?

(2) To what extent does usability of social media influence patronage among Polytechnic Community?

(3) To what extent does consumers dependence on social media influence patronage among Polytechnic Community?

(4) To what extent does consumers' social media involvement affect patronage among Polytechnic Community?

Research Hypotheses

The following research hypotheses were formulated to guide the study:

(1) There is no significant relationship between sociability and patronage among Polytechnic Community.

(2) There is no significant relationship between usability and patronage among Polytechnic Community.

(3) There is no significant relationship between dependence of social media and patronage among Polytechnic Community.

(4) There is no significant relationship between social media involvement and patronage among Polytechnic Community.

Review of Related Literature

Conceptual Review

Meaning and Nature of Social Media

The term 'Social media' is relatively a new phenomenon and one would probably imagine that everyone knows or understands what it means. Nearly ninety percent (if not more) of all online or internet users use social media in one way or the other (Kietzmann and Kristopher, 2011; Dolwick, 2009).

Meaning of Social Media

With the foregoing definitions, the term '*Social Media'* can now be conceptualized. Agichten, Carlos, Donato and Aristides, (2008) defined it as a form of electronic communication (such as Internet, Websites or Mobile phones usually for social networking and blogging) through which users create online communities to share information, ideas, personal messages, and other content (like videos). Tang and Whinston, (2012) also define social media as the means of interactions among people through which they create, share, and exchange information and ideas in virtual communities (computer-aid) and networks. Social media however can meaningfully be regarded as a group of internet-based applications that build on the ideological and technological foundations of websites, and that allows creation and exchange of user-generated content. Simply put, it depends on mobile and web-based technologies to create highly interactive platforms through which individuals and communities share, co-create, discuss, and modify user-generated content. It introduces substantial and pervasive changes to communication between organizations, communities and individuals (Kietzmann and Kristopher, 2011).

CUSTOMER PATRONAGE THROUGH SOCIAL MEDIA

Customer patronage is commonly known as the consumer's intention to purchase from company (Parsa Gregory, self. & Dutta, 2012). This variable is influenced by many factors including quality, service ambiance, attitude and price. Ultimately, it is what all businesses are looking for.

For consumers to patronize the domestic retailers, the study of Laroche (2005) suggests that a country's image affects consumers product evaluation (attitudes to a product) through their belief about the product's attribute such as quality, reliability and pricing. Attitude theory may explain how countries are seen in the mind of the consumers, what beliefs and emotions towards a country they have , how this information affects their reaction towards a country. (Roth 2009). Attitudes are complex system comprising the person's beliefs about the object, their feelings towards the object, and actions tendency with respect to the object, As such they include cognitive, affective and psychomotor aspects and represent the way people react to a stimulus.

Consumers mentally process objectives information about the product or retailer and form an impression of the benefits they provide. They express the preference or lack of preference for stores, brands and other marketing stimuli by reflecting a favourable or unfavourable attitude, which might affect their purchasing intention and purchases (Dmitroic 2009). Domestic retailers were showed to be better evaluated than foreign retailers on several store attributes, including product quality, product assortment, pricing structure and store layout (Hyllegard 2005).

Theoretical Framework

The following theories were examined in this study:

Liwei Chen Model

Liwei Chen Model is built on the attributes the social media is expected to possess in order to remain attractive to social media user, which ultimately creates marketing value. Liwei Chen(2014), the proponent of this model developed the following pillars on which the model is built.

Social Media Sociability

As indicated by its name, sociability is one of the most significant functions of social media. According to Spannerworks (2008), two characteristics i.e. community and connectedness represent the sociability function of social media best. The emergence of social media quickly allows people to form virtual communities, which consist of people sharing same interests or background. The subsequent effect of these communities is eWOM which is far more influential than offline word-of-mouth. Previous study shows that people who are authorities or experts in the community arouse more attention and discussions as well as trust among community members (Yang, Mai, & Ben-Ur, 2011). Other researchers consider the online community itself as a social proxy for information distribution among user. The credibility of WOM information is ultimately evaluated by consumers based on their trust in the website itself and their own perceptions or perceived value on the information they retrieved (Broderick, Brown, & Lee, 2007). The connectedness characteristic of social media is strongly related to the users' perceptions and the actual usage of the social media platforms. It is a potential source of social capital in which people may realize their network benefits by managing both their strong and weak ties.(Riedl, Köbler, Goswami, & Krcmar, 2013). A study related to online ties or connectedness suggests that product-related risks has moderating effects on the relationship between online tie strengths and perceived diagnosticity. Given the product risks, information provided by strong ties has more trustworthiness and perceived value for consumers than that provided by weak ties (Riedl, Köbler, Goswami, & Krcmar, 2013).

Social Media Usability

The technology acceptance model (TAM) has been continuously studied and expanded by many researchers for measuring user acceptance and usage of technology and thus its influence on their behavioral intentions. One of the conclusions in TAM model after empirically tested is that even if potential users perceive given system or technology is useful, it will be moderated by their belief if they think the system or technology is too difficult to use and performance benefits of usage are outweighed by the effort of using the system or technology (Davis, 1989). In the case of social media, it is reasonable to be inspired by the TAM model and therefore employ some concepts from it. Social media, as a new form of internet technology and communication tool,

does require users to have basic knowledge about internet and computer technology. In the preliminary interview, user experience on accessing the website and the speed of information seeking are mentioned. This corresponds mainly with three characteristics of social media that are speed, accessibility and openness (Taprial & Kanwar, 2012) (Mayfield, 2008). These three characteristics can be categorized under the construct perceived ease of use in the TAM model.

Social Media Dependence

The media dependency theory was developed by Rokeach and Defleur, which aims at exploring the tripartite relationships between audience, media and society. The theory suggests that the more a person depends on media to satisfy individual and social needs, the more important the media will be in a person's life and subsequently there will be cognitive, affective and behavioral changes in people. The theory provides theoretical foundation for study on various types of media as well as relevant Internet products and applications. A study based on Internet Dependency relations (IDR) as a predictor of online consumer activities suggest that individuals who depended on the Internet to meet their action orientation to meet their action orientation goals are more likely to engage in shopping related activities, and thus influence their online shopping experience (Patwardhan & Yang, 2003). Media dependence theory has also been applied in the study of consumer's mobile shopping intentions (Hahn & Kim, 2013)

Social Media Involvement

Even though the sociability is the most apparent characteristics of social media, it will not happen unless people really participate and engage with others in the platform. Empirical study addressed the reasons why some users choose to remain active and participating in web 2.0 websites whilst others choose to stop. One ofthe findings is that users' perceived values from continuance participation on Facebook positively affect continuance participation intentions and behavior (Al-Debei, Al-Lozi, & Papazafeiropoulou, 2013). In fact, the relationship between perceived value and participation may well be reciprocal which means the more one participates, the more perceived value one will gain from participation and thus facilitate him or her in continuance participation. The same situation appears in the study of relationship between intensity of Facebook use and students' life satisfaction and social trust (Valenzuela, PArk, &

Kee, 2009). A conceptual path analytic model proposed by Iwasaki and Havitz (1998) explore the relationships between three constructs involvement, psychological commitment and loyalty. The main structure follows a sequential process that starts with the formation of high levels of involvement in an activity which leads to the next process if developing psychological commitment to various brands. With the enhancement of this psychological commitment over time, strong attitudes toward resistance to change preferences for these committed brands have been maintained and behavioral loyalty takes effect in the action. Even though two additional constructs regarding personal characteristics and social-situational factors are considered as moderating factors in the model, the principal idea is that the level of individual involvement in an activity will influence one's brand loyalty (Iwasaki & Havitz, 1998). An empirical research on influence of consumers' interactive behavior on purchase intention in the SNS environment demonstrates that the more conversations there are between consumers, the more product information they will gain and there will be more senses of trust and higher perceived value. In terms of conversation of social media, one phenomenon also exists offline is the Word-of-Mouth marketing. Kamtarin (2012) argued that compared to traditional word-of-mouth(WOM), the online WOM is more effective in spreading as it is documented in written word and people can find the relevant information based on their own needs. The research showed that online WOM has a positive effect on online purchase intention. In general, people consider conversations and recommendations from online social networks more credible than those from commercial sources.

Trust in Social Media

Trust is an abstract concept and most of the research in psychology focuses on interpersonal trust. In marketing, trust is studied from the perspective of relational marketing. In the present study, trust refers to consumer's trust in social media platforms. As social media relies on Internet for diffusion, it is natural to link previous literature about internet trust with the current discussion on social media trust. Under the context of e-commerce based internet trust, as the main participants are consumers and e-vendors, trust can be interpreted as the trust in web-vendors and businesses. The construct trust is then divided into two sub-constructs: trusting

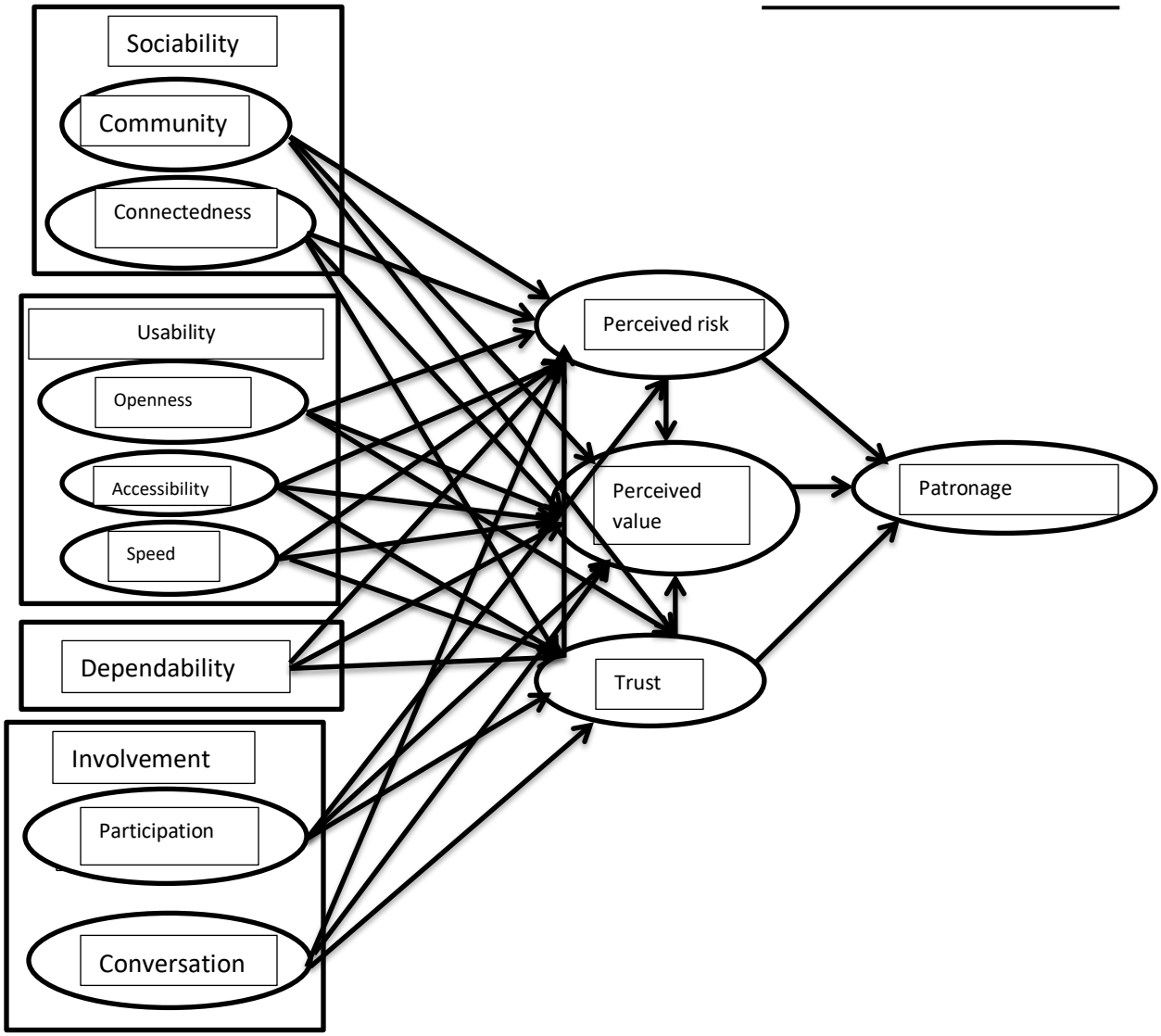
beliefs and trusting intentions. Trusting beliefs mean consumers believe that the suppliers have at least one or more characteristics beneficial to them (McKnight & Chervany, 2002). In terms of characteristics, it includes suppliers' willingness and ability to act in the consumer's interest, being honest in transactions and being capable and predictable at delivering as promised (McKnight & Chervany, 2002). Trusting intentions refers to that consumers are willing to or intend to depend on suppliers even though they cannot control them (McKnight & Chervany, 2002). As part of the e-commerce consumer trust conceptual framework, Mcknight posits a causal relation from trusting beliefs to trusting intentions based on theory of reasoned action that individuals' beliefs will influence their behavioral intentions. Thus, it can be argued that consumers' trust in social media will affect their perceived value and patronage.

Perceived Risk

Like the construct trust, the influence of perceived risk on purchase intention has also been studied empirically by many researchers. Vijayasarathy and Jones (2000) found that consumer's confidence in evaluating the quality of products and making decisions to purchase products will reduce perceived risk. Perceived risk has significant influence on consumers' intention to shop online. Park, Lennon and Stoel (2005) reached the similar conclusion that a negative relationship exists between perceived risk and apparel purchase intention.

Perceived Value

Zeithmal (1998) conducted study on perceived value. Consumers will first evaluate how much they are giving out and how much they will gain when they are buying products and services. Based on utility theory, when consumers gain more benefits than they pay for products or services, the probability of their intention to purchase will increase. As discussed in part two, one of the current views of study on purchase intention is based on consumer perceived value. Empirical findings from different fields concluded that perceived value has a positive effect on purchase intention(Shaharudin, Pani, Mansor, & Elias, 2010)



Independent variables Intervening variables Dependent variable

Liwei Chen Model (2014)

3. 2 Empirical Review

A number of studies have been conducted on effects of social media on consumer patronage. And these studies vary a lot both in approaches and the scopes covered.

Thirushen (2011) in his research paper "The effectiveness of advertising through the social media in Gauteng" has made an attempt to investigate the effectiveness of advertising through the medium of social media and has focused mainly on Facebook. The author states that social media marketing explores and utilizes the social aspect of the web and is therefore able to connect and interact on a much more personalized manner than the traditional marketing. The study reveals brand engagement, brand attitude, brand image and consumer engagement as the factors contributing to the effectiveness of advertising. The paper also talks about brands having strong market presence automatically getting more attention from consumers on Social media. The author concludes that in order to be effective, a brand needs to be established and must have strong brand reputation. The advertisements on Facebook serve to supplement the brand and does not put the brand up the rank in terms of its reputation.

A study has been conducted on social networking sites like Facebook, Twitter and Orkut by authors Sri , Neelamalar and Shakthi (2011) in their research paper "Analysis of social networking strategy in developing brand communication", with the primary objective of determining the effectiveness of brand communication strategy in advertising products and promoting brands on social networking sites. The various reasons for social media being a widely used platform, for advertising compared to the other traditional advertising mediums have been discussed. The various ways that are being provided by social media platform for its users to communicate with each other and interact with the brand are discussed like chat, messaging, video, email, voice chat, file-sharing, blogging and discussion groups. According to the writers views, the marketing communications are becoming personal, interesting, interactive and social. Findings of the study suggest that social media advertising has its impact on 70% of the users

and half of them access these ads i.e. games, quiz, events etc. It was found that the interaction is more in the display banner advertisements in Face book and Orkut. Every Social networking site has a unique communication strategy and user interaction. Face book promote and allows user interactions, Twitter feeds posts relating the brand and Orkut promote through click ads and promotional brand pages. Face shows accessibility because of its huge popularity and Twitter gives more importance to the text. The writers concluded by stating that Social networking sites have the scope to grow big for highly targeted marketing and advertising. Social networking sites presents enormous opportunities to build the brands and have become a branding hub.

The Mass media advertising is coming to an end and its chances of recovery are grim, this has been talked about by Ronald, Richard and Oliver (2013) in their research "The Death of Advertising". In this paper the authors have expressed their opinion about the traditional advertising business being directly hit by direct marketing. The reasons for the diminishing business of traditional advertising has been attributed to the arrival of new technologies that have empowered the consumers. A new market has evolved which is more in capacity, interactive and multimedia in place of the traditional mass media. This new media advertising results in more producer-consumer interactions.

Tan, Kwek, Ling and Li (2013) in paper "The Antecedents of Effectiveness Interactive Advertising in the Social Media", have tried to find out consumer's attitude towards interactive advertising and its impact on purchase intention. Through their study the writers have made an attempt to share some understandings and opinions with advertisers and companies on the measurement of effectiveness, which they can consider when placing an interactive advertising.

In the literature review the writers states the following factors as the determinants of the effectiveness of interactive advertising: Attitude towards Advertising, Attitude towards Advertised Brand, Purchase Intention, Time of exposure to advertisement (Yang, 1996). The result of the study reveals that, there is a positive relation between attitude towards advertisement and purchase intention to effectiveness of interactive advertising. Thus the writers concluded saying traditional advertising could be used, but interactive advertising measures should be an add on.

Similarity, Hajli, (2013), carried out a study of the impact of social media consumer behavior trust. The purpose of this study is to ascertain if social media has a significant effect on consumer trust preparedness to patronize via the internet. The results revealed that social media empower participants to generate content through online communities, reviews and recommendations. Consumers, facilitated by social media, generate online social reports for their peers. Consequently, these interactions establish trust in the networks used, and ultimately influence consumer buying behavior.

Similarity, Kwakye (2016) Sultan (2018) Ali,shabbier,Rauf & Hussain (2016) Toor(2017) equally conducted an investigation to understand the impact of social media on consumer patronage and perception. In their various investigations, survey method was used to elicit the requisite information from the respondent. It was revealed that social media marketing activities could influence significantly influence the consumers perception and patronage among other things.

Methodology

This chapter describes the research methodology that will be applied to investigate the subject matter and it focuses on the research design, source of data, population of the study, sample size determination and sampling procedures, the tools for data analysis and the validity and reliability of the research instruments.

Research Design

The descriptive survey research design will be adopted for this study. This will enable the researchers to generate data for the study and for the test of hypotheses.

Population of the Study

The population of study of this research comprises of all staff and students of Delta State Polytechnic, Ozoro (Staff 600, Students 11,900 =12,500)

Sample Size and Sampling Techniques

In order to determine the sample size, Taro Yamane formula will be used because there is a known population.

Taro Yamane formula is given by:

$$\text{Taro Yamane} = \frac{N}{1 + N(e)^2}$$

$$n = \frac{12500}{1+ 12500(0.05)^2}$$

$$n = \frac{12500}{1 + 12,500(0.0025)}$$

$$n = \frac{12,500}{32.25}$$

$$= 388 \text{ respondents}$$

A stratified (Random) sample was used in this study. Using this method, stratification of the students was strictly based on their department in the school.

Methods of Data Collection

There are two sources of data used in this study namely, Primary and Secondary sources.

Primary Data

These are firsthand information specially collected for the study. The primary data for the study will be collected through the distribution of questionnaire.

Validity and Reliability of the Research Instruments

The validity of an instrument is the degree to which an instrument measures what it purports to measure. Thus, in the design of the questionnaire by the researcher, steps were taken to ensure that the questionnaire elicits the intended responses.

Reliability of the instrument simply means the idea that another researcher would obtain the same findings if the study were repeated. In other words, reliability is the degree to which the instruments are error free and thus yields consistent results. Cronbach's Alpha was used to ascertain the reliability of the research instrument using a pilot study of 20 respondents. Validity was determined using

factor analysis and experts' opinion. The table below shows the outcome of the tests:

Table 3.2: Crobach's Alpha Test and Factor Loading

SNo	Variable	No. of Items	Cronbach's Alpha	Factor Loading
1.	Sociability	8	0.7112	0.822
2.	Usability	5	0.846	0.748
3.	Dependability	3	0.873	0.667
4.	Involvement	2	0.771	0.874
5	Patronage	4		

Source: SPSS Output

The result shows that all the variables met the minimum threshold for acceptance since they are up to 70% (0.70) Conbach's alpha. The validity of the instrument was based on the corrections of the supervisor and other research experts, including the validity results of previous researchers. Also, the values of the factor loading show that the variables are valid for study since they are above 50%.

Methods Data Analysis

For the purpose of analysis of data and interpretation, the researcher intends to use SPSS version 23 multiple regression analysis. The model is of the form:

CP= f(Soc, Usb, Dep, Inv + e)…… (1).

Where:

CP is customer patronage

Soc is sociability

Usb is usability

Dep is dependence

Inv is involvement

The specific model for the study is:

$CP= \alpha + \beta_1 SOC + \beta_2 USB + \beta_3 DEP + \beta_4 INV + e$……. (2)

α and β are metric coefficient and the intercept while e, is the error term that is designed to capture the effect of variables not included in the models.

The composition, direction and relative strength of each of the independent variables on the single dependent variable (CP) would be determined.

Decision Rule:

In order to validate (accept) or nullify (reject) any stated hypothesis tested with the multiple regression, major attention was paid to the P- values of the tested constructs. Therefore, we will reject the null hypotheses where the SPSS p-values are less than alpha (0.05) and the alternative hypotheses accepted.

Data Presentation and Analysis

Collected data were analyzed, presented and interpreted for easy appreciation by readers. These analyses were carried out using such research tools as tables, simple percentages and weighted averages; while the SPSS version 23 was applied with **logistic analytical** tool for the test of hypotheses. The chapter is made up of four sub-sections.

4.2 Questionnaire Distribution and Analysis of Demographic Profile

Table 4.1 below shows how the copies of the questionnaire were distributed, retrieved and used.

Table 4.1: Questionnaire distribution

Number of Copies Distributed	Number of Copies Retrieved	Number of Valid/Used Copies	Percentage of Valid/Used Copies
388	367	344	89.00

Source: Field Survey, 2019

Table 4.1 showed that out of the 388 copies of the questionnaire distributed to respondents, 367 copies were retrieved. This was 95% of the sample size. However, out of this number, only 346 copies were found valid and useful for further analyses. This represents 89% of the sample size

and 94% of the total number of copies retrieved. Further analyses were based on the copies retrieved and found valid.

4.3 Analyses of Major Research variables

In this section of the study, all the questions in the questionnaire that are directly related to the objectives and hypotheses of the study were analyzed using tables and simple percentages.

Table 4.3: Responses to sociability variables

Statement	**SA**	**A**	**UN**	**D**	**SD**	**Total**
I use at least one form of social media.	224	101	8	7	4	344
Social media connectedness influences the chances of making procurement through social media	184	122	28	6	4	344
Social media community influences the possibility of making purchases via social networks	200	113	16	9	6	344
I like to be part of the community or interest groups on social media platforms	156	148	30	4	6	344
I often share emotions and communicate feelings with friends on social media platforms.	203	124	12	3	2	344
I can cultivate more intimate relationship with others on social media platforms, which are not easy to be formed in the physical world	121	201	12	5	5	344
I can find many people of the same interest or background on social media platforms.	203	77	36	17	11	344
Social media is a major tool for conversation with people and I usually get to know product and make purchases through this medium	167	111	25	20	21	344
Total	**1458**	**997**	**167**	**71**	**59**	**2752**
Average	**182**	**125**	**21**	**9**	**7**	**344**
Percentage	**52.98**	**36.23**	**6.068**	**2.58**	**2.144**	**100**

Source: Field survey, 2019

This is further displayed in figure 4.7 below:

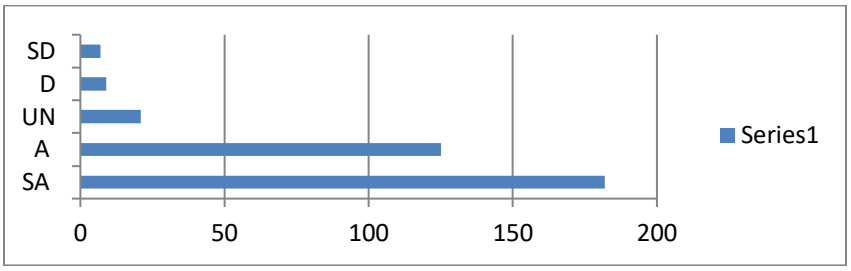


Figure 4.7: Bar chart showing responses to sociability variables.
Source: Field Survey, 2019

Table 4.3 and figure 4.7 show that on the average, 182 (53%) respondents, 125 (36%) respondents, 21 (6%) respondents, 9 respondents (3%) and 7 (2%) respondents strongly agreed, agreed, were indifferent, disagreed and strongly disagreed respectively to the sociability variables.

Table 4.4: Responses to usability variables

Statement	**SA**	**A**	**UN**	**D**	**SD**	**Total**
I find it easy to use social media.	116	167	33	14	14	**344**
I use social media because it is not complicated	141	108	43	32	20	**344**
No special skill is required to use social media, this is one of the reasons why I use it.	153	163	15	8	5	**344**
I can conveniently say that speed associated with social media accounts for one of the reasons why I use social media	204	89	24	14	13	**344**
It takes little or no time to use social media to make purchases.	204	81	30	15	14	**344**
Total	**818**	**608**	**145**	**83**	**66**	**1720**
Average	**164**	**122**	**29**	**17**	**13**	**344**
Percentage	**47.56**	**35.3488372**	**8.43**	**4.82558**	**3.8372093**	**100**

Source: Field Survey, 2019

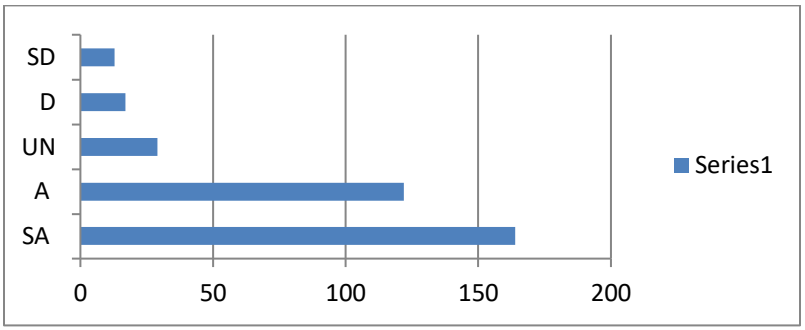


Figure 4.8: Bar chart showing responses to usability variables
Source: Field Survey, 2019

Table 4.4 and figure 4.8 showed that on the average, 164 (48%) respondents, 122 (35%) respondents, 29 (8%) respondents, 17 (5%) respondents and 13 (4%) respondents strongly agreed, agreed, were indifferent, disagreed and strongly disagreed respectively on the usability variables.

Table 4.5: Responses to dependence variables

Statement	**SA**	**A**	**UN**	**D**	**SD**	**Total**
I depend on social media because of its perceived value	116	167	33	14	14	**344**
I depend on social media because of trust and confidence I have in it.	141	108	43	32	20	**344**
The only reason why I may not use social media is because of the perceived risks associated with it.	153	163	15	8	5	**344**
Total	**410**	**438**	**91**	**54**	**39**	**1032**
Average	**137**	**146**	**30**	**18**	**13**	**344**
Percentage	**39.73**	**42.4418605**	**8.818**	**5.23256**	**3.7790698**	**100**

Source: Field Survey, 2019

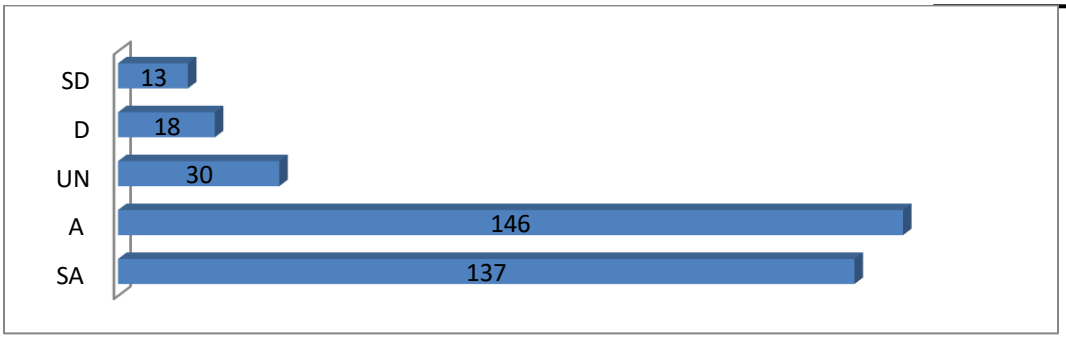


Figure 4.9: Bar chart showing responses to dependence variables
Source: Field Survey, 2019

As shown in Table 4.5 and figure 4.9, on the average, 137 (40%) respondents, 146 (42%) respondents, 30 (9%) respondents, 18 (5%) respondents and 13 (4%) respondents strongly agreed, agreed, were indifferent, disagreed and strongly disagreed respectively to the dependence variables.

Table 4.6: Responses to involvement variables

Statement	**SA**	**A**	**UN**	**D**	**SD**	**Total**
Social media encourages feedback and participation without constraints and no barriers to make use of and share content.	116	167	33	14	14	**344**
Conversations through social media platforms encourage or trigger purchases	141	108	43	32	20	**344**
Total	**257**	**275**	**76**	**46**	**34**	**688**
Average	**129**	**138**	**38**	**23**	**17**	**344**
Percentage	**37**	**40**	**11**	**7**	**4.9**	**100**

Source: Field Survey, 2019

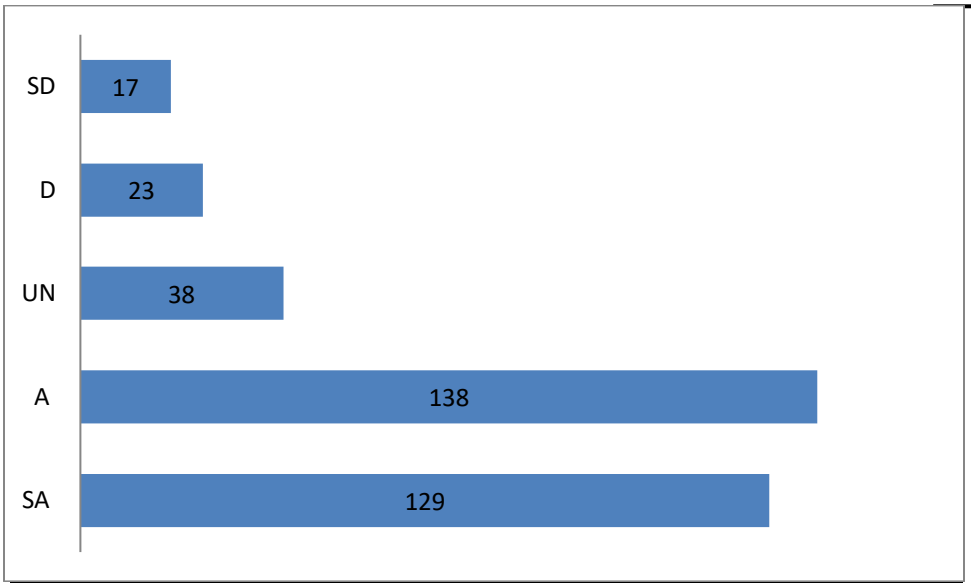


Figure 4.10: Bar chart showing responses to involvement variables
Source: Field Survey, 2019

Information displayed in table 4.6 and figure 4.10, disclosed that an average of 129 (37%) respondents, 138 (40%) respondents, 38 (11%) respondents, 23 (7%) respondents and 17 (5%) respondents strongly agreed, agreed, were indifferent, disagreed and strongly disagreed respectively on involvement variables.

Table 4.7: Responses on patronage variables

S/N	Statement	SA	A	UN	D	SD	Total
1	I have made series of purchases because I use social media	156	153	21	9	5	**344**
2	With or without social media, I will always buy what I want to buy.	100	167	36	23	18	**344**
3	I only place order for products through social media platforms.	131	145	33	19	16	**344**
4	I am more comfortable with placing orders through social media	138	153	28	12	13	**344**
	Total	**525**	**618**	**118**	**63**	**52**	**1376**
	Average	**131**	**155**	**30**	**16**	**13**	**344**
	Percentage	**38**	**45**	**9**	**4.6**	**3.8**	**100**

Source: Field Survey, 2019

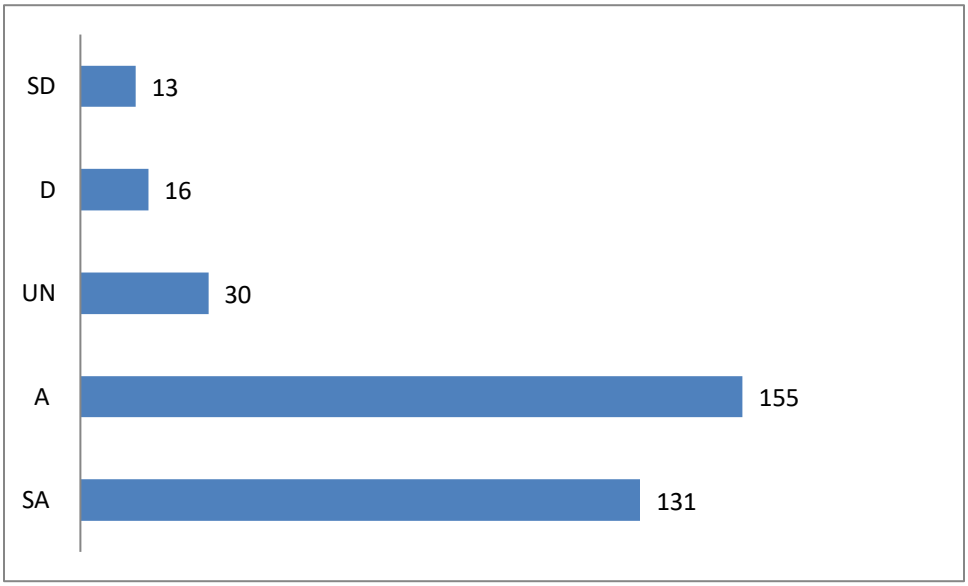


Figure 4.11: Bar chart showing responses to patronage variables

Source: Field Survey, 2019

As presented in table 4.7 and figure 4.11, an average of 131 (38%) respondents, 155 (45%) respondents, 30 (9%) respondents, 16 (5%) respondents and 13 (4%) respondents strongly agreed, agreed, were indifferent, disagreed and strongly disagreed respectively on the patronage variables.

Test of Hypotheses

In testing the four hypotheses, the multiple regression in SPSS version 23 was applied.

Result:

Descriptive Statistics

	Mean	Std. Deviation	N
Patronage	4.0959	.98062	344
Sociability	4.3547	.86852	344
Usability	4.1890	1.01980	344
Dependence	4.0930	1.01451	344
Involvement	3.9913	1.08391	344

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.985[a]	.970	.970	.17005	2.150

a. Predictors: (Constant), involvement , sociability , usability , dependence

b. Dependent Variable: patronage

Interpretation: The R value (0.985) shows a strong, positive and significant relationship exists between social media and consumer patronage. The adjusted R^2 value (0.970) reveals that 97% variation in patronage is predicted by social media. Also, the F value (276) and p value (0.000) which are greater than f critical value at 0.05 level of significance (6.39) and less than alpha (0.05) respectively are positive signs of relationship. The coefficients table shows that sociability (t=2.591; p=0.010), usability (t=5.487; p= 0.000), dependence (t=14.058; p=0.000), and involvement (t=6.677; p=0.000), are significant predictors of customer patronage. This is because their p-values are less than alpha (0.05) and their t-values greater than t-critical.

Decision:

Based on the SPSS output as interpreted, we therefore reject all the null hypotheses and accept the alternate Thus:

- There is a significant relationship between sociability and patronage among Polytechnic Community
- There is a significant relationship between usability and patronage among Polytechnic Community
- There is a significant relationship between dependence of social media and patronage among Polytechnic Community
- There is a significant relationship between social media involvement and patronage among Polytechnic Community.

This implies that the four social media variables are significant predictors of customer patronage.

Discussion of findings

The findings of the study were based on the objectives, research questions and hypotheses of the study.

The first finding of this study was that there is a significant relationship between sociability and patronage among students. This finding supports the position of Liwei Chen (2014) and Spannerwork (2008) whose model was adapted for this study. This finding also agree with the position of yang, mai and ben (2011).

Again, the finding reveals that there is a significant relationship between usability and patronage. The technology acceptance model (TAM) has been studied by different scholars as a means of measuring user acceptance and usage of technology and therefore has an influence on behavioural pattern of the consumers. This finding is in tandem of Tapiral and Kanwwar (2012) and Mayfield 2008.

Media dependence theory has been examined Halin and Kim (2013), and it was revealed that consumers who depend on social media are significantly influenced by it in making purchases. This position is the line with the finding of this work as it has strengthened the out of Halin and Kim (2013) as well as Patwardhan and Yang (2003).

Involvement is also a significant factor where certain revelation has also been made. Even if sociability is one of the most outstanding attributes of social media, it will not happen unless people participate and engage with others within the platform. (Al-debei, Al-logi and Papazafejiropoulou, 2013). This study also corroborate the above assertion: there is a significant relationship between social media involvement patronage among polytechnic community.

Findings, Conclusions and Recommendations

Summary of findings

The following are the summary of the findings.

There is a significant relationship between sociability and patronage.

There is a significant relationship between usability and patronage.

There is a significant relationship between dependence on social media and patronage.

There is a significant relationship between social media involvement and patronage.

Students are more involved in social media usage, hence they are likely to make more purchases via social media.

Marketing efforts directed at younger youths are likely to yield more positive results as they are more involved in social media use.

The above findings are in tandem with the submission of Liwei Chen (2014).

Conclusions

Based on the findings of this, study and empirical evidence available, the researcher came up with the following conclusions:

Sociability, Usability, Dependence and involvement in social media use high level of influencing on patronage among consumers of products. This is in line with the position of Liwei and Chen (2014)

Recommendations

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

1. Business organizations who intend to market their product via social media should endeavor to adopt a form of social media that encourages high sociability as this will brighten chances of patronage. Facebook is recommended.

2. Usability of social media should be a guide to business owners as it will improve the chances of ensuring effective communication.

3. In communicating with the customers, effort should be made to target buyers who depend on social media heavily. This will improve the effect of marketing communications and subsequent patronage.

4. The degree of involvement in social media can be a great source of advertising effectiveness. In advertising therefore, efforts should be made at targeting the relevant age range who are irrevocably involved in social media use .This way patronage will be enhanced.

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SMALL AND MEDIUM SCALE ENTERPRISES ENGAGEMENTS ON ECONOMIC GROWTH IN NIGERIA (1991-2015)

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ABSTRACT

This study investigates the engagements of small and medium scale enterprises on economic development in Nigeria for the period 1991-2015. The broad objective of this study is to examine the engagement of SMEs on economic growth in Nigeria while the specific objectives are to investigate the impact of small and medium scale enterprise output on economic growth and investigate the impact of inflation, gross capital formation and interest rate on the output of small and medium scale enterprises. In order to achieve this objective, unit root test was conducted to determine the stationarity of the variables and the Auto Regressive Distributed Lag model (ADRL) was used to estimate the data collected during the period of this study. The variables used include Gross Domestic Product as the dependent variable and Small and Medium scale Enterprises output, Interest rate, inflation rate, and gross capital formation as the independent variables. The estimation results further suggests that SMEO and GCF are significant in the short run at 5% and they both influence the dependent variable at 11.4% and 10.8% respectively. The long run result shows that SMEO, INF and GCF are very significant in influencing economic growth in the long run. The study recommended that Banks should lower the rate of interest in order to make loan attractive to small and medium scale enterprises which will enhance their productive activities and Banks should encourage savings which will lead to investment and later boost output and Central Bank of Nigeria as the apex financial institution should establish entrepreneurial development centers across the country to encourage and build capacity for business-minded youths.

Keywords: *SMEs, Economic Growth, Inflation, Gross Capital Formation and Interest Rate*

Introduction

Small and Medium Scale enterprises are known to exist all over the country and most of them were established from the mid-1980s, with the inception of the Structural Adjustment Programme (SAP) in Nigeria. As observed by Cook & Nixson (2001), the development of small and medium enterprises should be seen as attempts towards the achievement of a wider economic and socio-economic objective, including poverty alleviation. Kuteyi (2013), stressed that small and medium enterprise drives their country's development as they create employment and contribute to the Gross Domestic Product (GDP). In the opinion of Ariyo (2008), Ayozie & Latinwo (2010), there is the greater likelihood that SMEs will utilize labour-intensive technologies thereby reducing unemployment particularly in developing countries and thus have an immediate impact on employment generation. Small and Medium Enterprises are expected to facilitate the growth and development of human and capital resources towards general economic development in the rural sector in particular. Aremu & Adeyemi (2011), examined that small and medium enterprises have been considered as the engine of economic growth and for promoting equitable development. It was noted that the SME sector is the main driving force behind job creation, poverty reduction, wealth creation, income distribution and reduction in income disparity. However, there are a lot of things in which large companies have been considered as expert while the small and medium enterprises are expected to "dove-tail" after them. Those who believe that the large firms are only responsible for economic growth should keep in mind that the small vendors and small suppliers compliment the effort of the large firms. The reality on ground is that small and medium firms are held responsible for making large firms to attain their target. The impact of Small and Medium Scale enterprises is felt in the following ways: Greater utilization of local raw materials, employment generation, encouragement of rural development, development of entrepreneurship, mobilization of local savings, linkages with bigger enterprises, provision of regional balance by spreading investments more evenly, provision of avenue for self-employment, provision of opportunity for training managers and semi-skilled workers. The Nigerian economy has been in a process of continuous transition, both economically and politically. As regards the economy, it has been in transition from feudal to industrial, from primitive to modern and from a mixed economy to a market led one (Obi, 1988). In all these

stages, small-scale enterprises and entrepreneurs are known to have taken part while the government plays the usual regulatory and facilitating role. Therefore, entrepreneurs and entrepreneurship constitute a vital engine to economic growth and development in Nigeria (Onuoha, 1994). The experience all over the world is that they play a significant role in the linkage of the various sectors of the economy, particularly, inter-industrial and commercial linkages.

Statement of the Problem

A lot of problems have been encountered in the drive towards giving Small and Medium Scale enterprise in Nigeria a firm footing, despite the fact that Small and Medium Scale enterprise has been acclaimed to be the fastest platform for nation building. It is worrisome that despite the favorable policies in encouraging Small and Medium Scale enterprise by successive government in Nigeria, the sector has performed below expectation. Abiodun (2011), identified the problems of Small and Medium Scale enterprises as financial problems, infrastructural facilities, Government unfavorable fiscal policy and policy inconsistencies, poor management, poor accounting standards, shortage of manpower, financial indiscipline and corruption. Beckam (1983), contend that most of the problems of SMEs are external to it, among them are those related to capital shortage, taxation and regulations, product liability patent and franchising abuses. The internal problems of SMEs in Nigeria include: inadequate working capital, stiff competition from larger companies, difficulties in sourcing raw materials, low capacity utilization, lack of management strategies, poor educational background of operators, and huge financial problems. About 80% of Small and Medium Scale enterprises are stifled because of problem of poor financing and other problems associated with it (chukwuemeka, 2006). Despite the importance of Small and Medium Scale enterprise development towards nation building and the various efforts of government to accord Small and Medium Scale enterprise priority of place in its programmes and policies, the sector has performed below expectation It is in the light of the above that this research work attempt to assess the impact of Small and Medium Scale enterprises on economic growth in Nigeria.

Objectives of the Study and formulation of Hypotheses

The broad objective of this study is to examine the engagements of Small and Medium Scale enterprises on economic growth. Specifically, the study seeks to:

- Investigate the impact of inflation, gross capital formation and interest rate on the output of small and medium scale enterprises.

- Investigate the impact of small and medium scale enterprise output on economic growth. While the hypotheses are formulated thus:

H_1: Small and medium scale enterprises output do not have any significant impact on economic growth in Nigeria.

H_2: Inflation, gross capital formation and interest rate do not have impact on the output of small and medium scale enterprises

Scope of the Study

The scope of this study covers the period of 1991 to 2015 within Nigerian economy because of the inability to access adequate data for earlier periods especially on SME output. The variables used; SMEO, GCF, INT and INF are important in the model because they are crucial factors that influence economic growth and as such influence economic output.

Literature Review

Concept of Small and Medium Scale Enterprises

There is hardly any unique and universally accepted definition of SMEs because the classification of business into small or large-scale is a subjective and qualitative in nature, (Ekpenyong & Nyong, 1992). According to Ayyagari (2007), and World Bank (2001), small and medium scale enterprises have been recognized as an instrument of economic growth and development. This growing recognition has led to the commitment of World Bank group to Small and Medium Scale enterprises (SMEs) sector as core element in its strategy to foster economic growth, employment and poverty alleviation. Within a country, the definition changes over time, depending on circumstances and specific objectives of institutions. There are, however, some common indicators in most definitions, namely, the size of capital investment (fixed assets), value of annual turnover (gross output) and number of paid employees. The popularity of the three indicators derives largely from their ease of measurement. SMEs is defined as having a workforce of up to 200 employees (Matthews, 2007). The National Policy on SMEs in Nigeria has also addressed the issue of definition as to what constitutes micro, small

and medium enterprises. They adopted a classification based on dual criteria, employment and assets (excluding land and buildings) as shown below.

Table 1: SMEs Classification

S/N	Size Category	Employment	Assets (million, ₦) excluding Land and building
1.	Micro enterprises	Less than 10	Less than 5
2.	Small enterprises	10 to 49	5 to less than 50
3.	Medium enterprises	50 to 199	50 to less than 500

Source: *National Policy on SMEs, (2012)*

Furthermore, small and medium-scale enterprises as defined by the National Council of Industries (2008) refer to business enterprises whose total costs excluding land is not more than one hundred million naira (100,000,000) only and a workforce of between (11) eleven and seventy full-time staff. A medium scale company is defined as an enterprise with total cost excluding cost of land of not more than 300 million naira and staff strength of between seventy one (71) and two hundred (200) full-time workers.

There is a general belief that SMEs as a result of their characteristics is the main engine of economic growth and development, a major variable for promoting private sector development and partnership. Gunu (2004), posited that desired employment generation in a developing economy like Nigeria can be achieved through the development of SMEs. This is because SMEs are seen as variable engines for the development of entrepreneurial capabilities and indigenous technology which will generate employment in the country.

Measures Designed to Assist SMEs in Nigeria

Many countries have instituted enterprise support networks and structures to fuel the development of these enterprises. Nigeria is no exception because at various times since the 1970s, the government has designed and introduced measures to promote small and medium enterprise development (Yusuf & Schindehutte, 2000). The highlights of these measures as mentioned include:

- Fiscal incentives and protective fiscal policies
- Specialized financial institutions and funding schemes for the SSEs

- Favorable tariff structure
- The SMIEIS funding scheme
- Selective exemption and preferential treatment in excise duties
- Establishment of Export Processing Zones
- Selective reservation of items for exclusive manufacture in the SSE sub-sector
- Government's full weight and support for NEPAD and AGOA activities and operations.

The fiscal incentives included tax holidays and tariff concessions. For instance, small businesses were given a tax holiday for the first six years of their operations. In terms of monetary support, the Central Bank of Nigeria introduced credit guidelines requiring commercial and merchant banks to allocate a portion of their loan portfolio to small businesses. Several developmental financial institutions and schemes were also established to aid small businesses, including the Nigerian Bank of Commerce and Industry (NCBI), the Nigerian Industrial Development Bank (NIDB), and the World Bank SME I and SME II initiatives. There were also export incentives from the Nigerian Export-Import Bank (NEXIM) to stimulate export loan facilities to small businesses as well as export duty exemptions administered by the Nigeria Export Promotion Council (NEPC). Other small business incentive programs included personnel training, repair and maintenance of specialized machines, and extension services. Small-business assistance programs have also been established by local and state governments.

Over the past six years, the government has pursued a policy that should provide fertile ground for small-business including trade liberalization and making the operating environment friendlier to entrepreneurs. The International Monetary Fund (IMF) has agreed to support more economic growth in Nigeria by helping to finance infrastructure improvements (Akwani, 2007). It has however been worrisome that despite the incentives, policies, programmes and support aimed at revamping the SMEs, they have performed rather below expectation in Nigeria.

Concept of Economic Growth

Economists have long been interested in factors which cause different countries to grow at different rates and achieve different levels of wealth. Flammang (1979), discuss economic growth as related processes based on the structure and functions of the political economy. The issue of economic growth received considerable attention particularly after the Second World

War. Contributions from different economic schools presented their own view on what determines economic growth paths and how stable these growth paths are. Economic growth means an increase in the average rate of output produced per person usually measured on a per annum basis.

The classical economic literature emphasized the rate of expansion in physical inputs, such as, capital and labor, as being the prime basis of growth (Rodriguez & Sachs 1999; Sachs & Warner 1995; Toman, Pezzey & Krautkramer, 1995). While the neoclassical growth approach recognizes the worth of technology, it focuses on prices, outputs, and income distributions in markets determined through supply and demand. The prime goal of neoclassical economic theory is to provide efficient allocation of scare resources. Neoclassical literature contends that the particular set of institutions in an economy 'does not matter' in the sense that equilibrium prices and the allocation of resources are unaffected by specific institutional structures. Thus, the traditional growth theory has concentrated on technology, transaction cost, and most importantly property rights instead of highlighting the functional significance of real-world institutions. Then the 'theory of firm' came to predominance as part of a broader movement known as institutional economics, which developed as a response to the perceived inadequacies of neoclassical approach. Coase (1937, 1960) was one of the first to point out that in addition to production cost of the usual sort, one must also consider transaction costs in explaining the institutions like the firm. Economic institutions also matter for economic growth because they shape the incentives of key economic actors in society, in particular, they influence investments in physical, human capital, technology and the organization of production.

Theoretical Review

Small is Beautiful Theory of Small and Medium Scale enterprises

The Small is Beautiful theory is a classic critique of the trends towards centralization, corporation, and globalization of non-sustainability nature. The theory advances the promotion of small-scale economic markets and systems, co-operatives and greater decentralization (Schumacher, 1973). In a similar vein, Paulson (1980), found that the relative size of the small retail firm is associated with horizontal differentiation and levels of complexity. Also, Fullerton (2008), appreciated the observation of Schumacher's lead in his best-selling book, Small is

Beautiful-Economic as if people mattered, with the opinion that the global system is broken not because of the credit crisis; it is broken because it is predicated on perpetual, resources driven with no recognition of scale limitation. It points out very skillfully what is exactly wrong with the modern industrial society, and offers an alternative; appropriate technology, respect for human values, and especially bringing things back to the small scale. Indeed, Schumacher (1973), argues that the phrase "too big to fail" makes people think that big business and big government are the optimum. But when people feel a sense of ownership over their work and lives, when they feel truly included in decision that affects them, they are more likely to take genuine care in making things the best way they can be. It is the difference between the mindset of an owner versus a renter.

The Organizational Life-cycle Theory

This follows the observations of historians and academics that organizations, like living organisms, have life cycles. A firm life cycle has been used to explain specific areas of size, growth and development, among others (Miller & Friesen, 1984). Also the development of firm life-cycle models has evolved over time (Adizes, 1979; Hanks et al, 1993). They are born, they grow and develop, they reach maturity, they begin to decline and age, and finally, in many cases, they die. Scholars hold different views on the number of stage of life cycle theory as some identified as many as ten stages while some flattened it down to as few as three stages. Most models developed by scholars hold the view that organization life cycle is comprised of four or five stages, summarized simply as birth/existence/start-up, survival/early growth, maturity, survival/decline and death/revival.

The Classical Theory of Economic Growth

This is a theory of economics, especially directed towards macroeconomics, based on the unrestricted workings of markets and the pursuit of individual self-interest. Classical economics relies on three key assumptions –flexible prices, Say's law, and saving-investment equality in the analysis of macroeconomics. The primary implications of this theory are that markets automatically achieve equilibrium and in so doing maintain full employment of resources without the need for government intervention. Classical economics emerge from the foundations

laid by Adams Smith and traced to the pioneering of his work in his book. "An Enquiry into the Nature and Courses of the Wealth of Nations", published in 1776. Classical economics dominated the study of economics for 150years after it was introduced. This work did not launch the modern study of economics; it continues to provide the foundation for modern microeconomics. Classical economics principles were also adapted to macroeconomic phenomena and provided a guide for macroeconomic policy until the beginning of the Great Depression in 1929.

David Ricardo considered by many to be the most noted classical economics. Ricardo made a number of contributions to national trade, labour market, and the distribution of income in the early 1800s that remain fundamental to the modern study of economic. Perhaps most important, Ricardo viewed the economy as a complex system of interrelated components and was a strong advocate of the principles laid out by both Adams Smith and Jean-Baptist Say. Jean-Baptist Say opined that "supply creates its own demand" classical law bearing his name. Say was a French economist who helped to popularize the work of Adam Smith in the early 1800s among other contributions, Say emphasized the importance of entrepreneurship as a productive factor and was among the first to observe that value and price depend on both supply (resource cost) and demand (satisfaction). The classical study of macroeconomics emerged from a set of axioms and assumptions that were used for all economic analysis, such as wants, needs are unlimited, resources are limited, people are motivated by self-interest, and more is preferred to less. However, three particular assumptions proved most important to the study of macroeconomics phenomena- flexible prices, Say's law, and saving-investment equality.

Flexible Prices: The first assumption of classical economics is that prices are flexible. With flexible prices, unrestricted by government regulations or market control, markets are able to quickly and efficiently achieve equilibrium. In particular, a market is able to quickly attain or eliminate any shortage and surplus that exists, reaching a balance between the quantity demanded and quantity supplied. This is especially important for resource markets in which equilibrium means that full employment is maintained and unemployment is not a problem.

Say's Law: The second assumption of classical economics is that the aggregate production of good and services in the economy generates enough income to exactly purchase all output. Say's law is commonly summarized by the phrase "supply creates its own demand" and is consistent with the modern circular flow model. With Say's law of markets, a mismatch between aggregate demand and aggregate supply is a rare and temporary occurrence. The economy is most unlikely to experience an aggregate surplus or shortage of production.

Saving-Investment Equality: The last assumption of classical economics is that saving by the household sector exactly matches investment expenditures on capital goods by the business sector. This assumption ensures that Say's law holds because any decrease in consumption demand for output due to saving is replaced by an equal amount of investment demand. The saving-investment equality is assured by applying the notion of flexible prices to interest rates in the financial markets.

Empirical Review

Taiwo, Awolaja & Yusuf (2012), studied the impact of small and medium scale enterprises on economic growth and development. A survey method was used to gather data from 200 SMEs and Managers from five selected local government in Nigeria namely; Ijebu North, Yewa South, Sagamu, Odeda and Ogun Waterside Local government. Data was collected with a structured questionnaire and analyzed with several descriptive statistics to identify the perception of the roles of SMEs in Nigeria. The results of the study therefore revealed that the most common constraints hindering small and medium scale business growth in Nigeria are lack of financial support, poor management, corruption, lack of training and experience, poor infrastructure, insufficient profits, and low demand for product and services.

Etuk & Baghebo (2014), examined the influence of Small and Medium Scale Enterprises (SMEs) on Nigeria's Economic Development. The study revealed that Small and Medium Scaled Enterprises (SMEs) have been identified as being beneficial in alleviating poverty through wealth and job creation. This sector can benefit any government that develops it to the extent that it has the capacity to grow a country's GDP, generate taxes and other revenue, as well as assist in bringing stability in the polity of a country. Rasak (2012), found that the emergence of small and

medium scale enterprises (SMEs) is a major catalyst and a key success factor for the development, growth and sustenance of the Nigerian economy. Study also revealed that most government and business circles have come to recognize the importance of small and medium scale enterprises (SMEs) and have consequently agreed that their growth constitutes one of the corner stones of economic development.

Zacheus, Omoseni, & Adepoju (2014), studied the Impact of Small and Medium Scale Enterprises on Economic Growth of Ekiti State, Nigeria. A survey research design was adopted to obtain data from 150 respondents comprising of traders, artisans, production factories and other small and medium enterprises which were selected using multi stage sampling method across 16 local government areas in Ekiti State. The findings revealed that there is a positive and significant relationship between SMEs and poverty reduction, employment generation and improvement in standard of living of people in Ekiti State. Furthermore, the result revealed that there was a 57% increase in the number of SMEs in the State between the years 2009-2013. The study concluded that access to capital funding by reduction in the interest rate on loan offered by banks can boost the performance of SMEs in Ekiti State and Nigeria at large.

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Eze & Okpala (2015), studied the quantitative analysis of the impact of small and medium scale enterprises on the growth of Nigerian economy (1993-2011).The study adopted econometric method of Ordinary least square methods (OLS), Johanson Co-integration test and error correction model (ECM). The Johansen test conducted showed the evidence of long run equilibrium relationship between small and medium scale enterprises and economic growth. However, in the mean time, output of SMEs (SMEO) does not make any significant contribution to Nigeria's economic growth performance. The study concluded that poor government policies, on tariffs and incentives, bribery and corruption, non-existent entrepreneurial development centers and poor state of infrastructure act as impediments to the growth and development of SMEs in Nigeria.

Imoisi & Ephraim (2015), studied small and medium scale enterprises and economic growth in Nigeria (1975-2012). The study polled 84 SMEs for primary data collection as well as statistical records for years 1975-2012 as secondary data. The ordinary least square, co-integration and error correction model was used to estimate the data collected during the period of this study. The variables used include Gross Domestic Product as the dependent variable and Finance Available to Small and Medium Enterprises, Interest rate and Inflation rate as the independent variables. The result showed that finance available to SMEs has a positive relationship with economic growth while Interest rate and Inflation rate has a negative and positive influence on economic growth respectively. Thus, it was concluded that the independent variables play an important role in determining the impact of Small and Medium Scale enterprises on economic growth in Nigeria.

Methodology

Model specification

In the model specified below, Gross Domestic Product (GDP) is the dependent variable and it is used as proxy for the measure of a nation's economic performance. The explanatory variables to be used in this research work are: SME, INT, INF and GCF.

The Model was adopted from the work of Eze & Okpala (2015), but was modified to include GCF which is as thus:

GDP = F(SMEO, INT,INF,GCF)----------(1)

GDP = a0 + a1SMEO + a2INT + a3INF +a4GCF + μ ----------(2)

Specifying equation 2 in log form, the equation now becomes

Log GDP = Log a0 + a1Log SMEO + a2Log INT + a3Log INF + a4Log GCF + U-----(3)

Equation (3) is therefore transformed into Auto Regressive Distributed Lag Model (ARDL) as follows:

……..(4)

Where: GDP = Gross Domestic Product;
SMEO = Small and Medium Scale Enterprises Output;
INT = Interest Rate;
INF = Inflation Rate;
GCF = Gross Capital Formation;
U = Stochastic or error term.

The following variables: INT, INF and GCF were included in the model on the consideration that they are among the proximate determinants of output in any economy.

Estimation Technique

The study opted for the ARDL estimation technique because of it advantage over Ordinary Least Square method (OLS) to choose appropriate number of lags for each of the independent variable and the most parsimonious model automatically. It estimates Pesaran et al., ARDL model which may include I(1) and I(0) variables.

In addition, tests for co-integration using bound test approach is provided for in the model and it also includes a provision of estimating the error term (co-integrating coefficient) for short run and long run coefficients directly.

Sources of Data

Based on the nature of variables incorporated in the formulated model, secondary data is employed for detailed analysis. The data were obtained from Central Bank of Nigeria Statistical Bulletin and World Development Indicator (WDI).

A priori expectation

Based on economic theory, a rise in the finance available to SMEs will bring about an increase in their productivity. Thus, a rise in their productive activities will enhance higher contribution to GDP and lead to an increase in the GDP position of the country. Hence, the coefficient of SMEO will be positive; i.e. $a1 > 0$. Also, an increase in interest rate will discourage small and medium scale entrepreneurs from borrowing from banks and thus, reduce the level of productive activities in the country. Such reduction in the productive activities in the country will lead to fall in the GDP position in the country. Hence, the coefficient of INT will be negative; $a2 < 0$. Finally, an increase in inflation rate (persistent rise in the general prices of goods and services) will encourage small and medium entrepreneurs to produce more and thus, increase the GDP position of the country. Hence, $a3 > 0$. The coefficient of GCF is also expected to be positive since increase in investment will boost output. Hence $a4 > 0$.

Descriptive Statistical and Correlation Analysis of the Variables

The process of examining the statistical features of series is often referred to as descriptive statistics. The statistics of interest here are the mean, maximum, minimum, standard deviation, Skewness, Kurtosis and the Jarque-Bera Statistic. The Mean for example measures average value of the series summing it up and divide it by the number of observations. The corresponding maximum and minimum statistics measures the maximum and minimum values of the series for the period under consideration. The standard deviation (Std. Dev.) statistic deals with the degree of dispersion or spread in the series. For the Skewness, it measures the asymmetry of the distribution of the series around its mean, while Kurtosis on the other hand measured the peakedness or flatness of the distribution of the series. The Jarque-Bera is a test statistic for normal distribution and the null hypothesis for the test is that the series is normally distributed. There are three conventional chosen levels of significance used to evaluate the null hypothesis of no normality such as significance at 1%, 5%, and 10%. The correlation analysis also suggests that there is a mixture of both positive and negative relationship between all the variables. This is reported in Table 2.

Table 2: Summary Statistics of Variable and Correlation Analysis

DESCRIPTIVE STATISTICS					
	RGDP	**SMEO**	**INF**	**INT**	**GCF**
Mean	10.41894	10.24593	19.3035	19.53554	27.48831
Median	10.25072	10.15478	12.21701	18.36167	27.41483
Maximum	11.17751	11.40952	72.8355	31.65	30.42894
Minimum	9.881181	9.4375	5.382224	15.47983	24.53856
Std. Dev.	0.469277	0.604942	18.33701	3.608518	1.842132
Skewness	0.26448	0.289642	1.803734	1.688767	0.245759
Kurtosis	1.455558	1.776436	4.95267	6.174545	1.814736
Jarque-Bera	2.776145	1.90904	17.52787	22.3807	1.715044
Probability	0.249556	0.384997	0.000156	0.000014	0.424212
Sum	260.4736	256.1482	482.5876	488.3884	687.2076
Sum Sq. Dev.	5.29E+00	8.782912	8069.899	312.5137	81.4428
Observations	25	25	25	25	25
Correlation Analysis					
	RGDP	**SMEO**	**INT**	**INF**	**GCF**
RGDP	1				
SMEO	-0.48446	1			
INT	-0.66764	0.235846	1		
INF	-0.52639	-0.10129	0.561241	1	
GCF	0.97448	-0.40994	-0.64753	-0.54221	1

Source: Computed by the Author using Eview09

Stationarity Test

Rather than the exception, it is the rule in time series analysis to investigate the stationarity of macroeconomic variables before it can be used in regressions because estimation with non-stationary variables results in bias and inconsistent estimates of coefficient standard errors and thus increase the likelihood of drawing false inferences. As a result, Enders (1995), suggested that it is safer to use two unit root test. Therefore, the variables for the study`s analysis are

subjected to two unit root tests to determine their stationary and enable us have confidence in the results if the outcomes of the tests reinforce each other. The two tests employed are the Augmented Dickey –Fuller (ADF) and the Phillips – Perron (PP) and the null hypothesis in both the ADF and PP is the presence of unit root. The results of both tests using Schwarz Information Criteria (SIC) indicate that all the variables are non-stationary at levels. The variables are only stationary at first difference which implies that the variables are integrated of order one {I(1)}. The unit root results are presented below in table 3.

Table 3: Unit Root Test Result Using Augmented Dickey-Fuller and Phillips- Perron

Variable	**ADF**	**Critical Values**			**Prob**	**I(d)**
RGDP	-3.86217	-3.75295*	-2.99806**	-2.63875***	0.0078	I(1)
SMEO	-6.21759	-3.75295*	-2.99806**	-2.63875***	0.0000	I(1)
INT	-5.64149	-3.75295*	-2.99806**	-2.63875**	0.0001	I(1)
INF	-4.7592	-3.75295*	-2.99806**	-2.63875***	0.0010	I(1)
GCF	-4.95142	-3.7696*	-3.00486**	-2.64224***	0.0007	I(1)
Variable	**PP**	**Critical Values**			**Prob**	**I(d)**
RGDP	-3.86217	-3.75295*	-2.99806**	-2.63875***	0.0078	I(1)
SMEO	-6.03832	-3.75295*	-2.99806**	-2.63875***	0.0001	I(1)
INT	-6.3496	-3.75295*	-2.99806**	-2.63875***	0.0000	I(1)
INF	-4.95216	-3.75295*	-2.99806**	-2.63875***	0.0006	I(1)
GCF	-6.61421	-3.75395*	-2.99806**	-2.63875***	0.0000	I(1)

Source: Computed by the Author using Eview09

Note: *The model is with constant but without deterministic trend. Exogenous lags are selected based on Schwarz info criteria. ***, ** and * implies a series is stationary at 1%, 5%, and 10% respectively. The null hypothesis for ADF and PP is that an observable time series is not stationary (i.e. has unit root).*

Impact of Small and Medium Scale Enterprises Output on Economic Growth in Nigeria

From the results of the ARDL estimation, the ecm (-1) must be negative and should be significant. These conditions are important because they ensure that there convergence in the model which implies that there is a significant long run relationship. From the result in table 4.3, it is significant at 1% level and the value is -0.54596 thus implying that the speed of convergence from the initial short run disequilibrium is 54% annually in the long run.

The estimation results further suggests that SMEO and GCF are significant in the short run at 5% and they both influence the dependent variable at 11.4% and 10.8% respectively. However, SMEO does not possess the right sign in the short run.

The long run result shows that SMEO, INF and GCF are very significant in influencing economic growth in the long run.

Table 4: Estimated Results for the ARDL Model

ARDL Cointegrating And Long Run Form				
Short Run Results				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(SMES_OUTPUT)	-0.11423	0.028932	-3.94835	0.0017
D(SMES_OUTPUT(-1))	-0.14416	0.031315	-4.6036	0.0005
D(INTEREST_RATE)	0.000807	0.002854	0.282683	0.7819
D(INFLATION_RATE)	0.001588	0.000793	2.003103	0.0665
D(GROSS_CAPITAL_FORMATION)	0.108238	0.032091	3.37283	0.005
CointEq(-1)	-0.54596	0.125382	-4.35436	0.0008
Long Run Results				
SMES_OUTPUT	0.150815	0.054469	2.768846	0.016
INTEREST_RATE	0.001478	0.005289	0.279347	0.7844
INFLATION_RATE	0.005899	0.001556	3.79028	0.0022
GROSS_CAPITAL_FORMATION	0.31767	0.02285	13.9022	0
C	0.036398	1.198788	0.030362	0.9762

Source: Computed by the Author using Eview09

Discussion of Results

This study is in conformity to the works of Eze & Okpala (2015); Anthony & Ephraim (2015). According to Eze & Okpala, the variables; Bank credit to Small and Medium scale enterprise

(BSCE), interest rate (INT), Small and Medium scale Enterprises output (SMEO), Inflation rate (INF) are significant to GDP. Also, the Johansen co-integration test indicated that the variables are co-integrated at both 5% and 1% level of significance.

According to Imoisi & Ephraim (2015), the variables; Gross Domestic Product (GDP), Finance Available to Small and Medium Scale (FASME), Interest Rate (INT), Inflation (INF) indicated that at 5% level of significance, all the variables were integrated of the order 1. The result showed that finance available to SMEs has a positive relationship with economic growth while Interest rate and Inflation rate has a negative and positive influence on economic growth respectively. Thus, it was concluded that the independent variables play an important role in determining the impact of Small and Medium Scale enterprises on economic growth in Nigeria.
The variables used in this study are only stationary at first difference which implies that the variables are integrated of order one. The estimated result from the ARDL model shows that SMEO, INF and GCF are very significant in influencing economic growth in the long run.

Summary, Conclusion and Recommendations

The study examines the impact of Small and Medium Scale enterprises on economic growth from 1991 to 2015. The broad objective investigate the impact of small and medium scale enterprise output on economic growth while the specific objective investigate the impact of inflation, interest rate and gross capital formation on the output of small and medium scale enterprises. Unit root test was conducted to determine the stationarity of the variables. Auto Regressive Distributed Lag Model (ARDL) was used as a technique of estimation. Variables of interest used are; RGDP, SMEO, INT, INF and GCF. However the findings of the study revealed that, it is significant at 1% level and the value is -0.54596 thus implying that the speed of convergence from the initial short run disequilibrium is 54% annually in the long run. The estimation results further suggests that SMEO and GCF are significant in the short run at 5% and they both influence the dependent variable at 11.4% and 10.8% respectively. The long run result shows that SMEO, INF and GCF are very significant in influencing economic growth in the long run.

Nigerian government need to understand the fact that Small and Medium Scale enterprises are the backbone of any economy because they bring about development of local goods, provision of employment, reduction of poverty among individuals and industrialization in the country. Nigerians are probably one of the entrepreneurial people on earth (Ariyo, 2000). But this is not enough. In order to positively encourage the spirit of enterprise among our young people, universities and other institutions of higher learning must be encouraged to develop more ties with local businesses and hold more business related activities on campus. Students should be encouraged to take up business, and provide the basic understanding of what to expect when doing business. The knowledge gained will help provide students with a variety option when they graduate, rather than wasting their time looking for jobs that are not readily available. This will ultimately help to reduce the pool of unemployed young people in the country. However, Government should take cognizant of interest rate because it has a negative relationship on economic growth, for small and medium scale enterprises to perform their work effectively banks should lower the rate of interest.

Based on the findings made in the course of this study, particularly the results of the ARDL model, the following recommendations are hereby made:

- The Central Bank of Nigeria as the apex financial institution should establish entrepreneurial development centers across the country to encourage and build capacity for business-minded youths.
- They should also lower the rate of interest in order to make loan attractive to small and medium scale enterprises which will enhance their productive activities.
- Central Bank of Nigeria should adopt expansionary monetary policy which will lead to increase in inflation rate and will encourage small and medium entrepreneurs to produce more and thus, increase the GDP position of the country.

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APPENDIX 1: DATA USED FOR ESTIMATION AND ANALYSIS (1991-2015)

Year	RGDP	SMES Output	Interest Rate	Inflation Rate	Gross Capital Formation
1991	9.881181	9.833743	20.04	13.01	24.53856
1992	9.885509	9.92329	24.76	44.59	24.98748
1993	9.906197	9.646199	31.65	57.17	25.30174
1994	9.915254	9.930738	20.48	57.03	25.38546
1995	9.912174	10.38513	20.23	72.84	25.681
1996	9.960905	10.65259	19.84	29.27	26.04351
1997	9.988542	10.61752	17.80	8.53	26.21775
1998	10.01534	10.65161	18.18	10.00	26.21538
1999	10.02007	10.75415	20.29	6.62	26.17104
2000	10.07188	10.70419	21.27	6.93	26.52743
2001	10.11505	10.8672	23.44	18.87	26.64436
2002	10.1522	11.31896	24.77	12.88	26.93872
2003	10.25072	11.40952	20.71	14.03	27.48796
2004	10.54142	10.91475	19.18	15.00	27.48484
2005	10.57528	10.83314	17.95	17.86	27.41483
2006	10.6542	10.15478	16.90	8.24	28.06798
2007	10.72025	10.62377	16.94	5.38	28.29287
2008	10.78106	9.511349	15.48	11.58	28.35109
2009	10.84811	9.702991	18.36	11.54	28.74688
2010	10.92359	9.4375	17.59	13.72	29.89185
2011	10.9713	9.655776	16.02	10.84	29.966
2012	11.01321	9.537012	16.79	12.22	30.01269
2013	11.06574	9.639069	16.72	8.48	30.12205
2014	11.12693	9.684664	16.55	7.98	30.28722
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EMPOWERING WOMEN THROUGH LITERACY FOR SUSTAINABLE DEMOCRACY IN NIGERIA

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Abstract

A lot of concerted and genuine efforts have been made from the 1990s to-date by international organizations and agencies through conferences, conventions, declarations and others on issues pertaining to women's rights. Nevertheless, there still exist gender discriminations and disparities globally in social, economic, political and cultural relations. In Nigeria, women are grossly underrepresented in the judicial, political and executive decision-making and policy formulation processes of government. This is due mainly to the prevailing high level of illiteracy, among others, on the part of women. It thus becomes imperative to intimate and sensitize the stakeholders on the need to empower women through literacy for, inter alia, sustainable democracy. Such knowledge will surely create the necessary awareness and empowerment in women to strive to participate in national activities especially in democratic governance. This paper clarifies the meaning of empowerment, literacy, democracy and sustainable democracy; discusses the global as well as the Nigerian efforts in women empowerment; and contains implications of women empowerment through literacy for sustainable democracy in Nigeria. Data for the study were collected from secondary sources (documents) such as textbooks, journals, magazines, bulletins, government publications and internet materials while analysis was done qualitatively. The paper recommends that Government should provide free and compulsory

education at all levels, especially for women, so that people who are unable to afford the cost of education can avail themselves of the opportunity. Besides, government should intensify efforts to mount women literacy campaigns and enlightenment programmes, using the mass media and local groups and leaders.

Keywords: Women, Empowerment, Literacy, Sustainable Democracy.

1. INTRODUCTION

In the complex and fast-changing contemporary world, literacy is indispensable for sustainable human development. However, a great number of people in developing countries, including Nigeria, still remain illiterate. There are approximately 800 million illiterate adults in the world of which two-thirds are women (Matsuura, 2005). According to Jegede and Jiboye (2009), these figures confirm the necessity to move up the presently low literacy levels in developing countries. Realizing the urgency of investing in Africa's women and youth to ensure they are productive agents of their growing economies, African leaders have articulated the African Union 2017 Roadmap around that theme (Nkombo, 2017). What remains is for governments to work closely with the organized private sector, multilateral organizations and civil societies to make that agenda a reality (i.e. effective empowerment of women through literacy for national development).

The notion of empowerment presupposes that there is dissatisfaction, incapacitation and disempowerment of some sort or that there is absence of security of rights and human dignity. Yet, the 1948 Universal Declaration of Human Rights by the United Nations confers on every citizen (man or woman) of any given country the rights to, inter alia, participate in government. Such government, if good, increases the pace of development in the world and provides immense improvement in the quality of life (Ekere, 2006).

Specifically, the Social Objectives of the Constitution of the Federal Republic of Nigeria (1999) (as amended) state that social order is founded on the ideals of freedom, equality and justice. In pursuance of these ideals, every citizen should have equality of rights, obligations and opportunities before the law. However, there exist gender discriminations and disparities against women globally in social, economic, political and cultural relations. A case in point is the low status ascribed to women in most African, Asian and Arab States, and this is rooted in culture, tradition and religion. Prejudices against women, according to Otaluka (1992), include their alleged incompetence, unstable character or lack of strength of character and unfitness to participate in political, economic and cultural affairs of their community, the state and national level. In Nigeria, women are grossly underrepresented in the judicial, political and executive decision-making and policy formulation processes of government (Eme-Uche, 2006). This is as a result of the prevailing high level of illiteracy, among others, on the part of women.

Most advanced countries rely on the number of good politicians as indices for development, and this number must include women (Ekere, 2006). It thus becomes imperative to intimate and sensitize the stakeholders in Nigeria on the need to empower women through literacy for, among others, sustainable democracy. Such literacy and education will surely create the necessary awareness and empowerment in women to strive to participate in national activities, especially in democratic governance. Denying them of this opportunity is at variance with democratic principles of participation, representation, deliberation and consultation which are paramount to the sustenance of democracy (Eme-Uche, 2006; Ujah, 2012; Shu'aibu, 2016).

This paper clarifies the meaning of empowerment, literacy, democracy and sustainable democracy. It also discusses the global as well as Nigerian efforts in women empowerment. The implications of women empowerment through literacy for sustainable democracy in Nigeria are also examined. Finally, it suggests ways to achieve sustenance of Nigeria's nascent democracy through women literacy empowerment.

2. CONCEPTUAL CLARIFICATIONS

a. Empowerment

This term is socially appealing, as it suggests a means of granting a capacity to effect a change (Jimba, 2007). Empowerment means to facilitate, to foster, and the ability to cause something to happen. The verb "empower" can be interpreted from the prefix "em" which means "cause to be" and "power" which means "ability to do something" (Bamisaiye, 2004). Stressing further, she says empowerment is a process where there is a facilitator "Y" whereby a powerless "X" is made powerful or at least more powerful than before going through a "P". It denotes that empowerment has the seed of making persons assertive, independent and autonomous. This is because it fosters the capacity of the recipient to be reflective and more rational.

Brian (2012) conceptualizes empowerment as an emancipation process in which the disadvantaged are empowered to exercise their rights, obtain access to resources and participate actively in the process of shaping society and making decisions. Thus,

empowerment involves equipping people with the ability to do or act, control or exercise rights or authority in the society. It is synonymous with capability or enablement.

Women empowerment is a genuine struggle to overcome discrimination and injustice based on gender difference. The term is used to give adequate and practical encouragement to women with a view to enhancing their socio-economic and political status. The core of women empowerment lies in the ability of a woman to control her own destiny (Odeh, 2014). This presupposes that, to be empowered, women should have equal capabilities (such as education and health) and equal access to resources and opportunities (such as land and employment). Such women should also use those rights, capabilities, resources and opportunities to make strategic choices and decisions through leadership opportunities and participation in political institutions.

Therefore, as has been seen, empowerment is not an end in itself but a means to an end. It is believed that citizens (in this case, women) who are informed (empowered) through literacy become better managers of themselves and society and amenable to take advantage of opportunities (such as participation in democratic governance) so as to contribute to national development.

b. Literacy

Literacy as a concept is viewed from various perspectives of value. While some see it as an ability to access and respond to messages and ideas in the printed text (Ihebuzor, 1999), others view it as the ability to read, write and compute (Okpe, 1998). Literacy is a human right as well as a fundamental tool for every form of learning in and out of school

(Gathumbi, 2009). These scholars conceptualize the term as an art and a process through which illiterate individuals are liberated from the clutches of ignorance, bondage, superstition, fatalism and backwardness through functional education which endows them with the skills of reading, writing and computing.

Literacy is defined in the mass literacy theory (http://www.tendollarsforliteracy.org/) as a combination of education, earning potential and empowerment. Here, education involves development of knowledge, skill and character; earning potential means education of citizens with a focus on income generation, economic mobility, small business and trade development, life coping skills, cultural and social responsibility; while empowerment denotes equipping individuals and communities with the ability to undertake and organize small trades and to make choices by promoting an understanding of their basic rights and social responsibilities.

Honwana (1999) sees such functional literacy as a term that goes beyond the acquisition of reading and writing skills and that it embraces a variety of tools and skills necessary to access information, create knowledge, promote continuing learning and active participation in society. It helps people to deepen the understanding of their origins, roots, traditions and cultures. Besides, it prepares people to be contributory members in the society. According to Gathumbi (2009), it is a prerequisite for participation in social, economic and political activities in a society. Conversely, illiteracy brings about incapacitation, isolation and loneliness. According to Agada (2007), one who is unable to read and write is confined to the world that barely goes beyond

tradition and is a prisoner of ignorance and, above all, a prey to many fears in a world that he does not understand. In the words of Gathumbi (2009):

> *illiteracy connotes exclusion of the most devastating type… because the individual is figuratively blind as he must not only need someone else who is literate to interpret grapheme for him, but more importantly he cannot function in today's world that demands some form of reading, writing and computing in almost all situations.*

c. Democracy

The concept "democracy" evolved to mean a government structured with a separation of powers, provided basic civil rights, religious freedom and separation of religion from state (Zimmermann, 2012). It has been conceptualized by scholars from various ideological perspectives strictly to suit the existential experiences of one particular situation or the other (Nwagwu, 2014). The concept emanated from two Greek words "demo" which means "people" and "cratein" implying "to rule". Similarly, Aristotle described political leadership by using the term "demos kratos" which emphasized the importance and participatory nature in the act of leadership in politics.

Therefore, democracy can be defined as government by the people in which the supreme power is vested in the people and exercised either directly by them or by their elected representatives under a free and fair electoral system. The most popular definition of democracy using Abraham Lincoln's phrase is "government of the people by the people and for the people." However, the mere fact that people (or nations) choose their leaders

through elections does not automatically translate to democracy. According to Okowa (2015), the tenets upon which democracy can be nurtured and sustained are sovereignty of the people, majority rule and minority rights, the rule of law and good governance, respect for civil and political rights, mass literacy, economic prosperity, social development, free press and independent judiciary.

Writing on the topic, Almond et al (2004) perceive democracy as a political system in which citizens enjoy a number of basic civil and political rights, and in which their most important political leaders are elected in free and fair elections and accountable under a rule of law. These authors assert that the more citizens are involved and the more influential their choices, the more democratic the system. They also opine, like the other writers cited above, that democracy literally means government by the people. It is not gender discriminatory (Gberevbie, 2013).

d. Sustainable Democracy

Sustainable democracy is a system of government whose practice will maintain and improve the quality of life of the citizens of a country. It is about equipping individuals, groups, business entities and governments to live and act sustainably – now and in future – giving them an understanding of environmental, social, economic and political issues. Political scientists have adopted Two Rules of the Thumb approach to identify sustainable democracies: Two-Turnover Rule and Only Game in Town Rule (Eme-Uche, 2006).

- **The Two Turnover Rule Approach**

This approach adjudges a democracy to be consolidated and sustained when a government that is defeated at the polls hands over power to the winner (successor). Therefore, the alternation of power in accordance with constitutional provisions amounts to sustenance of democracy. It happens especially when power is transferred from the government party to the opposition within the ambit of the constitution.

(ii) The Only Game in Town Rule Approach

Democracy, in this approach, is regarded as consolidated when democracy becomes the only game in town. This presupposes that politicians would no longer resort to acts of aggression or violence as means of resolving conflicts; military interventions would no longer be welcomed; religious, cultural and other interest groups would resolve their differences through constitutional means.

Sustainable democracy therefore involves strategic, consultative and deliberative arrangements that give typical citizens the opportunity to actually participate in the decision-making processes at various levels of government, associations or other groups within the state. This is particularly relevant to Nigerian women who need to be empowered basically through literacy to be able to take part in national activities, especially in democratic governance.

3. GLOBAL EFFORTS IN WOMEN EMPOWERMENT

Article 26 of the Universal Declaration of Human Rights (http://www.un.org/en/documents/udhr/index.shtml#a26) adjudges education and literacy

as fundamental human rights (for both sexes). The Article states, inter alia, that everyone has the right to education, which should be directed to the full development of the human personality.

According to Offor (2002), when women begin to enjoy their rights in the society, they are being empowered. Afonja and Pearce (1984) submit that education is the vital tool for emancipation and social justice due to its long effect and its utilization value, which makes it a ready tool in the emancipation and empowering process. Therefore, to educate is to train the mind and character in order to be informed. Unfortunately, the womenfolk are overtly or covertly denied access to education and literacy in some societies, thereby preventing them from reading and writing ability that would have enabled them acquire knowledge and ideas for self-development.

The international community has acknowledged the relegation of women to low status worldwide. This is due to poverty, illiteracy, processes and abysmal low representation of women in government via legislative assemblies. In the words of Odeh (2014), the expected contributions of women to development have been marred with gross gender inequality in Nigeria. She therefore suggests that alternatives or workable solutions be provided to alter the status-quo by bridging the gap.

In view of the prominence of women in development, the United Nations declared 1975-1985 the Decade for Women. The themes of the Decade were equality, development and peace (Eme-Uche, 2006). In 1985, an end-of-decade conference was held in Nairobi, Kenya during which the Nairobi Looking Forward Strategies were developed as a means

of eradicating the remaining barriers to the attainment of the Decade's goals. The barriers identified include acts of discrimination, violation and prejudices against women and the failure to protect the rights of women by government. Other international conferences held in the 1990s under the aegis of the United Nations for the advancement of women include the following:

- 1992 - Rio Conference on Environment and Development,
- 1993 - The Vienna Conference on Human Rights,
- 1994 - Caizo Conference on Population and Development,
- 1995 - Copenhagen World Summit for Social Development,
- 1995 - 4th World National Conference held in Beijing, China.

The major achievement of the Beijing Conference was the laudable adoption of the Mission Statement which declared that the Platform of Action is an agenda for women empowerment. This is aimed at removing all hindrances to women's full, active and equal participation in all spheres of human endeavour; participation in democratic governance is not an exception.

The United Nations General Assembly convened a special session in New York in 2000 to review the actions taken so far and progress made (if any). Apart from the identification of some obstacles hampering the implementation of the Platform Action and devising means of tackling them, the Conference also discovered that, since the

Beijing Conference, new gender issues had emerged and these included the denial of women access to decision making in peace-making and peace-keeping. Besides, according to Annan (2001), they suffered various kinds of violence, especially the impact of armed conflicts and the effects of HIV/AIDS pandemic that had had a devastating impact on women and children globally. All these world conferences gave birth to the United Nations Summit of September 8, 2000 whose focus was the advancement of women's rights to equality as central to progress.

The 2000 (Millennium) Summit pledged to combat all forms of violence against women and to implement the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) (Annan, 2001). The Millennium Declaration gave birth to the Millennium Declaration Goals. There is also the Third Millennium Development Goal on gender equality and empowerment which explicitly focuses on eliminating gender segregation at all levels by 2015.

African leaders have also recognized the imperatives of investing in Africa's women and youth to ensure they become productive agents of their growing economies. Therefore, they have articulated the African Union 2017 Roadmap on the theme. According to Nkombo (2017), governments of these countries need to work closely with the private sector, multilateral organizations and civil societies to scale up the things that will enhance the implementation of that policy.

4. NIGERIAN EFFORTS IN WOMEN EMPOWERMENT SO FAR

The task here is to examine the steps taken by both governmental and non-governmental organizations so far to empower women in Nigeria. Given proper empowerment, women are expected to actively participate in various development programmes of their communities. Unfortunately, the reverse has been the case in the country, and this is due to ignorance and illiteracy on the part of women who are usually relegated to the background and/or discriminated against. At best, according to Ekere (2006), they are permitted to participate in enforcing or implementing decisions made by all-male decision-making bodies. The most organized and far-reaching in relation to targets and focused effort at empowering women for effective participation and contribution to national economic growth via income generating activities was the Better Life Programme (BLP) initiated by Mariam Babangida in 1987. The BLP was a design for women empowerment through skills acquisition and mobilization for effective participation in the decision-making process in their communities. However, it is noteworthy that it is only when such women can read, write and compute and thereby communicate well that they can effectively acquire the skills and be easily mobilized for meaningful activities in society. It is more so as the target population of the programme is rural women who are predominantly unexposed and uninformed. The imperative of the empowerment of such women through literacy cannot therefore be over-emphasized.

There were also the Family Support Programme (FSP) and Family Economic Advancement Programme (FEAP) established in 1993 and 1997 respectively by the

Abacha administration to empower women through the family. Like the Better Life Programme (BLP), the FSP and FEAP did not make much impact due, among others, to the neglect or oversight of the fundamental need of the beneficiaries: literacy.

Women empowerment since Obasanjo administration (1999-2007) to date does not receive the necessary attention from the federal and state governments. There are however isolated cases, such as active advocacy by Non-Governmental Organizations (NGOs) for women's rights and supportive actions on Nigeria's obligations to the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) as well as commitment to the Beijing and other declarations and/or instruments at regional and international levels (Jimba, 2007). Some NGOs mount programmes for poverty alleviation through vocational training for acquisition of income generation skills and micro-credit interventions. Nevertheless, the activities of these NGOs are based mostly in the rural areas whose women are predominantly illiterate. Therefore, there is the urgent need to intensify efforts to raise their levels of literacy which will inevitably empower them, and make them capable of fully knowing and appreciating the other socio-economic and political gestures of empowerment.

A careful observation of women empowerment efforts and strategies in Nigeria shows that a lot more needs to be done. Most of the efforts made so far by governments and non-governmental organizations centre on poverty alleviation activities for rural women and the family.

IMPLICATIONS OF WOMEN EMPOWERMENT THROUGH LITERACY FOR SUSTAINABLE DEMOCRACY IN NIGERIA

What does women empowerment through literacy for sustainable democracy involve? What are the likely effects? These are the issues that the paper will address in this section.

Women empowerment through literacy requires a reorientation of the society towards its womenfolk. The society can successfully and fruitfully work for self-reliance and economic independence only when both sexes are involved. According to Ekere (2006), the poor perception of women as passive and voiceless should be a thing of the past.

In addition, neutral (i.e. non-gender-based) curriculum and instructional materials will become a "sine qua non" in schools. These will replace the status quo whereby boys on the one hand are perceived as having the ability of becoming engineers, medical doctors, pilots, politicians, etc and girls are seen as capable of doing only such vocations as secretarial studies, home economics, fashion designing, nursing, teaching, etc on the other.

Women empowerment is central to the sustenance of Nigeria's nascent democracy. It is more so if their literacy empowerment is given prominence. Women empowerment through literacy serves as a springboard for other benefits including active participation in democratic governance.

According to Sticht (2009), the provision of educational (literacy) opportunities for women can:

- Create an environment where women demand knowledge and information, empowering themselves to change their lives;
- Inculcate in women the confidence that change is possible, if women work collectively;

- Spread the message that education of women is a pre-condition for fighting against their oppression;
- Highlight the plight of the girl-child and stress the need for universalization of elementary education as a way of addressing the issue.

Furthermore, women who are properly empowered through literacy, among others, would be able to participate effectively in government. This can produce adequate (if not equal) representation of women in the legislative houses and the other arms of government. The idea of sustainable democracy in Nigeria would be an illusion if women are denied this opportunity.

Besides, empowered women would be able to understand and appreciate the directions of government policies and programmes. It would be difficult for mischievous politicians and other government officials to manipulate and manoeuvre such women for selfish interests.

In addition, empowered women can participate actively in politics at the national, state and local levels. They can compete with men for elective positions without relying on their male counterparts for patronage (Agboh, 2006).

Moreover, they can contribute immensely to the creation of the nation's wealth through their entrepreneurial initiatives. By so doing, they create job opportunities for Nigerians, thereby contributing to national development.

Empowering women through literacy enhances the achievement of human rights. This is because education and literacy are regarded as fundamental human rights for both sexes by the United Nations Organization. Failure to equip women with education and literacy will therefore amount

to violation of Article 26 of the Universal Declaration of Human Rights (visit http://www.un.org/en/documents/udhr/index.shtml#a26).

Besides, women literacy and education promote gender equality. This is a Millennium Development Goal (MDG) and a goal of the Education For All (EFA) initiative. Both MDG and EFA initiatives abhor discriminatory practices that deny women – especially the girl-child – access to education.

In the words of Ki-moon (2010):

> *Literate women are more likely to send their children, especially their girls, to school. By acquiring literacy, women become more economically self-reliant and more actively engaged in their country's social, political and cultural life. All evidence shows that investment in literacy for women yields high development dividends.*

The above statements buttress the assertion that women, including Nigerian females, who are empowered through literacy will seek to participate in national activities, especially in democratic governance. Their representation and participation in government on a continuous basis henceforth is likely to result in the sustenance of democracy.

6. CONCLUSION

The need to sustain and consolidate democracy in the contemporary society need not be over-stressed. Strengthening democracy and reinforcing democratic governance, especially from within, places a country on the path to sustainable development that meets the aspirations of the people. The role of women in this task is very important. However, many of them remain obscure on the grounds of illiteracy. Therefore,

empowering them through education can trigger productivity and sustainable democracy, growth, peace and good health now and in the future.

Therefore, for Nigeria to be capable of sustaining democratic processes, it is necessary that both sexes are involved. However, a high percentage of the womenfolk in the country is now barred from active participation in government due to illiteracy. It is when women are properly and fully empowered that they can participate actively and efficiently in the democratic process. Thus, human resource (in this case, women) development through relevant education and literacy is apposite for them to take part effectively in all processes of representative government.

Recommendations have been made in this paper on how to empower women through education and literacy in Nigeria.

7. RECOMMENDATIONS

Now that the imperatives of empowering women through literacy for sustainable democracy in Nigeria have been discussed, the next task is to suggest how it can be done. It is the contention of this paper that women literacy and education should precede all other forms of women empowerment. In other words, seek first the empowerment of women through literacy, and all the other types of empowerment will follow. This implies the belief that though literacy or education per se is inadequate for a thorough empowerment, it should be given a top priority. Education or literacy, it should be reiterated, is the process for equipping individuals with the necessary skills for proper living in the society. Below are the specific recommendations.

- Government should provide free and compulsory education at all levels, so that people who are unable to afford the cost of education can avail themselves of the opportunity. Through this means, beneficiaries, especially women and the girl-child, will receive or acquire knowledge that will empower them.
- Government should also endeavour to intensify efforts in mounting women literacy campaign and enlightenment programmes, using the mass media (i.e. television, radio and newspapers) as well as local groups and leaders. This will make it possible for every group of Nigerian women to be reached.
- Teachers at all levels of education should be more sensitive and vigilant so as to eschew all acts of prejudice, hostility or other forms of discrimination against women or girls that they teach. They should give equal attention to both boys and girls or men and women. Teachers will make a nonsense of the proposed women literacy programmes if they do otherwise.
- Husbands, wives, parents, and employers should encourage their illiterate members to become literate. Those who have only the basic education should be made to seek higher education. They should also motivate women to accept challenges and higher responsibilities. Besides, parents should discourage early marriages because this will prevent the progress and education of their children, especially the females.
- The menfolk should be educated to change their orientation and attitudes towards women empowerment and women's involvement in public life. This can also be done through public enlightenment campaigns.

- Government should use the mass media to curb gender inequality being propagated and to promote privileges to both sexes. Women should be encouraged to participate actively in politics (i.e. register as voters, contest for political offices and aspire to leadership positions).
- There is the need for Nigerian government to join the worldwide movement for women empowerment, equality and social justice. This will not only achieve peace but is also germane to sustainable democracy.
- The government of Nigeria should make concerted efforts through legislation to domesticate the Protocol on the Convention on Elimination of All Forms of Discrimination Against Women (CEDAW). Implementation of the provisions of the protocol will reduce (if not eliminate) the perennial problem of gender disparity in the country.
- Non-Governmental Organizations (NGOs) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) should assist in the promotion of women literacy in the country. While NGOs can finance some campaign programmes on women literacy, UNESCO can encourage the independence and autonomy of academic institutions and programmes.

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CHALLENGES AND PROSPECTS OF LOCAL GOVERNMENT ADMINISTRATION IN NIGERIA

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Abstract

Local government administration in Nigeria is classified as the third tier of government while several problems have been its recurring decimal and various reforms since 1976 haven't been able to make the system effective and responsible to developmental challenges. Most responses to the challenges have concentrated on looking inward for respite without much success informed this paper to examine the lessons that could be learnt from comparative local government studies from nations like United States of America, France, India and Britain. It is a descriptive study that relied on secondary data sources. The paper revealed that the challenges inhibiting efficient service delivery range from undue intervention by the state governments, the structure, corruption, over politicization of administration and staffing which were not found to be so in other systems. The study concluded that the challenges are institutional and attitudinal in nature which could be addressed given that there is the political will by the Federal and State governments. It recommended a democratized multilayer local government system, legal framework to checkmate excessive intervention by State government, enhancement of human resources capacity and accountable leadership.

KEYWORDS: Local government, governance, accountability, service delivery

Introduction

Local government administrations (LG) globally vary in size and structure and operate under different arrangements based on the system of government in different nations. However as observed by Mello, (2012) local governments globally strive to meet peoples' demands for goods and services in a cost effective manner particularly at the lowest level of government or government at the grass root. Among the characteristics generally manifested by local government include that it is a subordinate system of government or subunit of a federal/central or state government and charged with powers to perform legislative, administrative and quasi judicial functions as the case may be. It also has the power to formulate policies, prepare budgets and a measure of control over its own staff, with a view that it is rightly position to ensure unhindered and efficient service delivery (Chukwuemeka et al, 2014, Otinche, 2014, Ezeani, 2012 and Tumini 2011).

Among the notable feature of local government in Nigeria is that it operates a unified administrative system and expected to have an elected. The 1976 Local Government Reform fixes the population of a local government not less than 150,000 and not more than 800, 000. In all, there are 774 local governments in Nigeria including the four area councils in Abuja. The Local Government Service Commission has been empowered to handle staff matters particularly those in senior category while the State Assembly has oversight functions on its operation. In addition, Governor's office, the Ministry of Local Government and Finance Ministry exercise authority in respect of establishment matters. The Office of the Auditor General of the state among other performs some regulatory functions over the operations of local government.

Ajayi (2000), Kolawole (1997) and Adewale (1990) argued that among other reasons for the existence of local government are the needs to toy in line with modern administrative practices. This position finds expression in the need for decentralization, democratic participation, speedy socio-economic development at the grassroot, bridging of communication gap and serving as a platform for training of future leaders.

Furthermore, to achieve these goals, for instance, Section 7(6) of the 1999 Constitution provides that:

(a) the National Assembly shall make provisions of statutory allocations of public revenue to local government councils in the federation, and (b) the Houses of Assembly of states shall make provisions for statutory allocation of public revenue to local government councils within the state.

As noted by Ovaga and Onah (1995.40), in spite of the fact that the 1976 local government reforms granted greater autonomy, powers and functions to local governments, they still have a long way to go towards the satisfactory performance of their functions in many areas. The above statement is in consonant with the state of affairs in the local government system in Nigeria.

The basic question central to this paper is why the local governments in other systems where there are no direct constitutional provisions and huge resource base as in Britain and United States of America are democratically run and efficient in service delivery while same is not true of Nigeria. What are the lessons that could be learnt from comparative analysis of local government administration in nations like France, USA, Britain and India?

Among previous related studies is Kyenge (2013) that focused on reasons for poor performance. He listed indiscipline, misplaced priority, unskilled staff, financial challenges and autonomy. On the other hand, Ejike, (2014), Adeyemi, (2012), Aina (2006) and Aluko (2006) partly focused on corruption while Gboyega (2001) among others concentrated on undue interference by the state Government and the personnel challenges. Ibok (2014) argued among other reasons that inadequate funding constituted a huge challenge. The focus of this paper is to examine lessons that could be learnt from comparative study of local government as to be able to overcome the challenges faced by local government administration in Nigeria.

In effect, the paper set as its objectives to examine the challenges of Local Government administration, previous efforts by the governments in Nigeria to address the challenges and lessons that could be learnt from other workable systems. The paper is descriptive while secondary data sources were used such as relevant books, journals, documentary evidences and Internet materials. The paper layout has introduction as section one, while conceptual review featured in section two. Section three discussed theoretical review while section four has historical perspective of local government with reference to previous government efforts to enhance the capacity of Local Government to be efficient and effective in service delivery.

Section seven discussed comparative analysis of local government and the lessons for Nigeria. The last section was devoted to conclusions.

Literature Review

There is a consensus of opinion that the LG is an important and inevitable unit seen as the grass root level of government whether in a federal or unitary arrangement. The form or structure or the tiers within the systems varies. In Nigeria, it operates a single tier, while in Britain, USA, France and India are multi tiers. The United Nations Division of Public Administration cited in Ola and Tonwe (2009) views local government as a political division of a nation which is constituted by law and that has substantial control of local affairs, including the powers to impose taxes or exact labour for prescribed purposes.

Chukwuemeka et al. (2014), Otinche (2014), Ezeani (2012) Tumini (2011) as well as Whalen (1970) note that Local Government has the following characteristics including a given territory and population, an institutional structure. it is separate legal identity, has a range of powers and functions authorized by delegation from the appropriate central or intermediate legislature. lastly within the ambit of such delegation, autonomy is accorded within its sphere of jurisdiction and competence.

In another sense, the Guideline for Local Government Reform (1976:1) in Nigeria goes beyond definition to present local government as:

Government at local level exercised through representative councils established by law to exercise specific powers defined areas. These powers should give the council substantial control over local affairs as well as the staff and institutional and financial power to initiate and direct the provision of services and to determine and implement projects so as to complement the activities of the state and federal government in their areas, and to ensure, through devolution of functions to these councils and through the active participation of the people and their traditional institutes, that local initiative and responses to local head and conditions are maximized.

In addition, Section 7(1) of the1999 constitution that observed that:

The system of local government by democratically elected local government council is under this constitution guaranteed and accordingly the Government of every state shall subject to Section 8

of this constitution ensure their existence under a law which provides for the establishment, structure, composition, finances and functions of such councils.

It is however sad that while these provisions were made in the 1976 Reform and in the 1999 Constitution in Nigeria to enhance the capacity of the system to be a democratic participation institution, effective and efficient in service delivery; such is note the experience as observed by Kyenge (2013) and Aina (2006).

The concept of Local Government particularly in a federal arrangement like in USA and Nigeria is routed in decentralized authority and power from the central/regional government to the lower or grass root level (Youm and Feiock 2015). This in effect is to facilitate efficiency and administrative conveniences. According to Osaghae (1990: 84), it means *a system of dispersal of power from a central government to other units or agencies of government*.

Decentralization could either take the form of deconcentration or devolution of authority. Deconcentration is the delegation of authority adequate for the discharge of specified functions to staff of central departments who are situated outside the headquarters as was found in French arrangement Alderman (1967) opines that it involves the transfer of powers to subordinate authorities, whether offices, individuals or field units.

Devolution in line with Amarasekera (2012) is more of the constitutional or legal instrument of conferring or transferring powers to discharge specified or residual power upon formally constituted local authorities. This explains why L.G. administration can rightly be viewed as a deconcentration or a devolution arrangement as the case may be. For instance, in Nigeria and Kenya, LGs are more of devolution of powers because of constitutional provision for their existence.

By implication, decentralization lessens the burden of responsibilities and functions performed by the higher levels of government in such a way that the needs of each locality within the federating units are given special attention. In addition, the need for social change, taking care of diversity and to pay adequate attention to functions and services that are local in nature constitute the basic reasons for decentralization either by deconcentration or devolution of powers. This explains why Adamalekun (2005) views the decentralization in Mali, Uganda, Tanzania, and Ethiopia as a mechanism for coping with societal demands, though problematic, but directed at modernizing the traditional local institutions without destroying the very basis of their success.

Amarasekera (2012) and Adamalekun (2005) therefore observe that decentralization amounts to the transfer of power from the central government to a local authority, be it a region, a province or a district.

Opalo (2015) in effect demonstrated how the 2010 Kenya Constitution provided for devolution of power leading to the creation of forty-seven sub-national units (counties) with elected assemblies and executives. As a further step to put an end to over centralized governmental system, the Constitution provided that the counties enjoy fiscal allocations of 15 per cent of audited ordinary revenue distributed on the basis of population and poverty level.

However, the French example as embraced by Franco-Phone nations in Africa is that of integrated prefectural system before 1981 and unintegrated prefectural system thereafter that fits into deconcentration arrangement (Adamalekun, 2005). The distinctive feature of deconcentration arrangement is that the officials to whom responsibilities and resources are transferred operate under the superior authority of the central government.

Regardless of the form of power allocation to lower levels of government, Local Government performs variety of functions. For instance in Nigeria, the constitution is very specific on functional relationship between the central/Federal and State governments. The functions of the Local Government are contained in the fourth Schedule of the 1999 Constitution including the consideration and the making of recommendations to a state commission on economic planning on economic development of the state as well as social, educational, environmental and political function.

On the other hand, Local Authorities (LA) performs three broad functions in Britain, classified as environmental, protective and personal. As for the U.S, the functions include management of schools, policing and fire protection, public works, libraries and recreation, public utilities, city planning, public health, airports, harbor and housing. In addition, unlike in other systems, special districts are created to carry out specific functions or projects. Other Acts apart from Local Government Act 2002 in New-Zealand clearly stated the statutory responsibilities of the councils. These Acts include the Resource Management Act 1991, the Building Act 2004, and the Bio security Act 1993. Such functions range from sustainable regional wellbeing, managing freshwater, land, air and coastal waters, transportation and environmental safety among others.

It should be acknowledged that city and district councils perform the same functions while the classification is based only on population size.

In India, the functions of the Panchayati Raj (i.e. local government) are similar functions like in America except for police, harbours and airports but could be classified as be classified as obligatory and discretionary which is a function of the size of the council based on three tier arrangement. However, urban councils could perform obligatory functions like conservation, street lighting, drainage and construction and maintenance of roads. Very large councils engage in water supply, street cleaning refuse and disposal, fire service and primary schools but not gigantic functions like in America.

The primary concern of this paper is why the Local Government systems in other nations are able to cope with development challenges and are accountable to the electorate even without well-defined cheap revenue sources and still bedrock of their democracies and such is not the experience in Nigeria.

Theoretical Orientation

The paper adopt Efficiency Model to underpin the challenges of local government administration in Nigeria and the relevance of comparative study in overcoming the challenges though other theories such as integrate, accountability and Functional models are often applicable.

Efficiency Theory

This theory/model premises the existence of local government as an efficient agent of government for providing services that are local in character. Mackenzie (1954:14) cited in Adeyemo (2010) and Chukwuemeka et al., (2014) noted that one of the notable proponents of the existence of Local Government is *that local government exists to provide services and it must be judged….by its success in providing services up to a standard measured by national inspectorate.* This same line of thought was found in the works of Sharpe (1970:168), that given that there is no local government, a functionally similar body must be in existence to provide services that are local in nature. This explains why Eboh & Diejomaoh (2010) adds that local governments worldwide are considered as strategic institutions for the provision, among others, basic socio-economic needs

This could be understood from the perspective that the size and spread of a nation particularly those that are large and heterogeneous in composition may not be able to rely on the central and

regional government to effective meet up with needs that are local in nature. In effect, local government may effectively and efficiently respond to local need. This theory therefore notes that Local Government may not justify its existence if it fails to provide needed service within its scope of competence effectively.

The model has been criticized by Sharpe (1970:168) in the sense that the value of local government as a bulwark of liberty, or at least as a handmaiden of democracy, has been recognized, its role as an agency for providing services has evoked no comparable enthusiasm. This is particularly relevant to Nigeria situation in which the local government has failed to justify its existence. The nexus between the two theories in respect of challenges of LG in Nigeria and lessons that could be learn from comparative study is anchored on assessing the extent to which it has been able to serve as a agent democratic participation and how efficient it has been able to cope with developmental challenges with specific reference to socio-economic needs that are local in nature. Empirical reference for inclusive governance is found in Parent Commission (2008) proposing changes in the current governance system to provide the necessary accountability and checks & balances and stronger parental input into school management by Mayors in New York State.

Historical perspective and Efforts of Governments in enhancing the Capacity of Local government to Respond to Developmental Challenges in Nigeria

Local administration in Nigeria predated colonial rule as each of the separate entity that make up the nation had a unique but relatively effective system. The Hausa/Fulani North were ruled by their Emirs and adopted emirate system but the territory were divided into districts and villages for ease of administration under the control of district or village head. The Oyo empire was ruled by the Oba/Alafin assisted by council of chief (Oyomesi) that had as its head Bashorun. The *Are Ona Kakanfo* was the military head stationed outside the capital Old Oyo to avoid distraction. Towns and villages were under the control of local Obas and village heads that were subservient to Alafin (Nigeria at 50 Compendium). Kyenge (2013) and Denga (2003:19) alluded to a decentralized administrative system in Ibo societies where there was lack of centralized head but largely based on compound, village and clan administrative system.

British rule came with Lugard introducing indirect rule system with the amalgamation of North and Southern protectorate in1914. The system revolved around recognizing the importance of local participation as a base for grassroot democracy because Europe was just emerging from World War II, the cost of administration would be too much for the home economy, the lack of sufficient man power and the success of indirect rule in India and elsewhere. In this arrangement, there was disproportionate sharing of power between the traditional rulers and the British administrator. This eventually gave birth to Native Authority system of local government Administration that was introduced as contained in the Native ordinance of 1916. The system was very successful in the North, relatively successful in the West but a near total failure in the East (Lugard, 1922).

Reforms were brought to the system through the Local Government Ordinance of 1950 leading to elected councils with a three – tier structure like the British pattern. The structures were the countries, districts and local councils. Apart from national reforms to the system that cut across the country, the respective regional governments also introduced some reforms thereby leading to different paces of development of LG system. For instance, reforms in the Western region did not start until 1952 when it promulgated the Local Government Law of 1952 while in the East, with the enactment of the local Government Law of 1955 it replaced the 1950 ordinance. Both the Eastern and Western authorities had three years tenure while 75% of members of the councils were elected (Aina, 2006 and Ezeani, 2004).

At independence in 1960 through 1966, the East and the West enacted the Local Government Law of 1960 which spelt out distinct structures for the system. In the North, the Native Authority Law No 4 of 1954 continued to be in operation till 1966 when the military took over power. In 1967, the administrative structure of Nigeria changed with the creation of twelve states from the existing four regions. Military Governors dissolved all the existing local government structures; each of the federating States enacted an edict to govern LG administration while some large divisions and districts were created from the old arrangement. In 1971, the conditions of service of local government staff were harmonized with those of civil servants at the state level to attract high caliber of staff Aina (2006).

In 1972, the council-manager model of the United States and Canada was adopted by abolishing advisory committee system, replacing them with standing management committee with an

administrative executive. Inspite of the challenges .associated with the with civil war in the East, French model which emphasis was on development administration for their local government system well as the then Bendel state (Edo and Delta States).

The most fundamental reforms in local government administration came with the 1976 Local Government Reform as Local Government government was accorded the third tier status. In addition, the Guidelines for local Government Reform was released while there was also the establishment of the Local Government Service Commission, Local Government Peace and Security Committee and recognition was accorded the position of the traditional rulers as advisers to councils. This arrangement continued to stabilize Local Government administration but with huge challenges of over head cost and inability to meet up with salaries up to nine months in some states before the Coup d'état of December 1983 due to state government diversion of Local Government fund.

The Buhari regime in 1984 dismantled all democratic structures including the new mushroom local government councils created under Shagari administration by the governors and appointed sole administrators for each local government council. To streamline the administration of the Local Government to enhance efficiency, a 21 member committee headed by Ibrahim Dasuki was set up. The outcome of the committee led to upholding 1976 Reform that was eventually implemented by Babangida administration. The administration increased the number of Local Government from 304 to 453 and finally to 774. Concerted efforts were made to make Local Government serve as a training ground for democratic politicking and governance and a spring board for participation of other levels of government (Babangida in Aina (2006:251). On the other hand, the Political Bureau was set up with the view of making local government a mobilizing force for national development and to fully integrate their voluntary and self-help efforts within the actions of government in national transformation.

The Babangida administration in 1985 introduced the executive presidential system of government into the local government and by the Decree 23 of 1991, each local government was to have and operate an executive cabinet composed of the Chairman, with five Supervisory Councilors and Secretary appointed by the Chairman. In terms of function, the responsibilities associated with primary education and primary health infrastructure were transferred to the Local Government and the statutory allocations to local government was increased from 10 percent to

15 percent and finally to 20 percent from the federation account payable directly to Local Governments. Elections were first conducted to Local Government councils on non-party basis followed later on a multi-party basis.

General Abdulsalam Abubakar Military Regime (1998 – 1999) within its short span successfully conducted local government elections on multi-party basis in December, 1998 as its first step to democratization programme and nothing was done negatively to interfere with the structure, functions and funding of Local Governments.

Between 1999 to date, the local government had witness worst the bastadization of the system from the higher level of governments. The States government hid under Section 7(1) & (6) of the1999 to forcefully impose Joint Allocation Account on Local Governments to siphon the resources of Local Governments and rendered it too weak for performance of its statutory duties. In addition, its internally generated revenue sources that were considered juicy like advertisement, tenement rates, street naming among others were taking over by the state government while the 10 per cent internally revenue generated were not paid to the Local Governments. This partly explains the precarious positions of the Local Governments while the available resources were misappropriated by the council official as demonstrated by Aluko (2006). Such oppressive action on Local Government manifested in Obasanjo's regime unconstitutionally seizing the Lagos State Local Government fund for more than three years till when Yar Adua took over in 2007 on account of creation of additional council. Hence, the local government administrations since 1999 have more or less been paralyzed. The first ray of hope was the announcement by the current Governor of Kaduna State in July, 2015 cancelling Joint Allocation Account thereby allowing statutory allocation to go directly to the Local Governments.

Challenges of Local Government Administration in Nigeria

There is no confusion in respect of the functions/roles of local government administrations globally and with specific reference to Nigeria. These functions among others include that of serving as an agent of decentralization, grass root accelerated development, bridging communication gap and training ground for future leaders (Ajayi, 2000 and Gboyega, 1987).

In Nigeria, the Fourth Schedule of 1999 constitution clearly states the function of Local Governments but regrettably they have been found to be performing far below expectation.

There is no Local Government administration globally without its inherent challenges. For example, The South African Local Government Association (SALGA) has identified the ability to attract and retain skilled staff; the existence of appropriate Information Technology IT, financial and other systems; inculcating a culture of service delivery; and good working relationships between political and administrative leaderships with clear delineation of their respective roles as its operational challenges.

Schlachter, Coleman, and Anway, (2013) demonstrated the inherent challenges associated with running Local administration in Britain and by implication with developed economies. These include managing budgetary demands in the face of revenue decreases and increased service demands, costs of unfunded state and federal mandates as well as meeting the demands of infrastructure and its associated costs. However, the responses to these challenges in each system to a large extent determine the effectiveness of the systems in service delivery.

The challenges of Local Government system in Nigeria include the management of its structure to enhance efficiency. Structure in this sense refers to its single-tier unified system that is official recognized in the 1999 Constitution of Federal Republic of Nigeria. Also, the population of the Local Government according to Local Government Reform of 1976 is between 150,000 - 800,000. The implication is that when a single layer arrangement might work for Local Government with low population like Oke_Ero and Isin Local Governments in Kwara state with population below 40,000 such might be difficult in Somolu or Ajegunle Local Governments in Lagos state with population about 700,000. The ability of the operators of the system to respond to development challenges cannot but be weak and slow even if there was the genuine intention to perform. In addition, a unified administrative system might not be able to accommodate effectively the peculiarity of each of the localities, this may lead to relication of offices to meet up with the approved structure without due consideration for their needs. Also, unlike in developed system with multi-layer system of Local Government like in France, USA and Britain specifically designed to cater for specific local needs, a single layer in Nigeria has been found to be inadequate to cope with developmental challenges.

Furthermore, the Local Government in Nigeria has not been able to perform optimally because of the overbearing nature of the state government rendering the autonomy of the system relatively paralyzed. This manifested largely under democratic dispensations (1979- 1983) and (1999-2015). The resources accruing to the Local Government from the federation account were considered too juicy to be ignored by the state government. Hence, hiding under Section 7 (1) & (6) of the 1999 Constitution, various systems were cynically developed to rub the Local Government of the benefit of appropriating its funds.

These include that all state governments stage managed the election into the council to ensure that their party and their own handpicked candidates won the election so that leadership at the Local Governments are not responsive to the electorates but to the state governors. In addition, the introduction of Joint Allocation Account by the state government and having the Local Government operatives to forceful authored and signed letters in support of this arrangement remove the fear of litigation (Odo, 2003; ALGON, 1999). To reflect that Local Government operatives were participating in the process, they were requested to submit the list of projects intended for execution while the state government award the contracts. Added to this is the unrestrained demand for fund and over ambitious expectations the populace particularly the local political juggernauts by expecting the council official to meet their personal needs at the expense of developmental needs. Such situations constituted distractions for the Local Government administration in balancing the governor's demands and community's' expectation.

In effect, disproportionate fund were often released by the state government to meet the needs of Local Governments which often fell short to pay staff salaries and for efficient administrative management. Hence, the scenario of 1983/84 is repeating itself in 2014/2105 whereby salaries remained unpaid for upward of 5 to 10 months to Local Governent staff in most states of the federation necessitating a bail out from Buhari administration; Ovaga, (2009). Therefore, as observed by Chukwumeka et al, (2014), Ani et al (2013), Ezeani (2012), and Ugwu (2010), the financial resources directly available to Local Governments in Nigeria are grossly inadequate placed side by side the societal expectations and constitutionally assigned responsibilities.

Over reliance on federated fund or statutory allocation constitute a challenge to Local Government administration in Nigeria. Hardly could any LG in Nigeria function effective without receiving monthly allocation. The Fourth schedule of the 1999 constitution clearly stated

the functions of Local Government and sources of revenue which are not effectively tapped to the advantage of the system. These include that the state government have taken over most of the juicy sources of internally generated revenue including large markets, naming of street, and tenement rate among others. In addition, the 10 per cent of the internally generated revenue of the state government were not often remitted to Local Government. All these factors to a large extent strangulated the Local Government form effective service delivery (Ibok, 2014 and Abada, 2007).

Corruption is a household word in Nigeria and it has become a hydra headed monster difficult to tame and endangered service delivery and democratic participation in Nigeria as votes were bought and sold. This explains why Ejike (2014), Kyenge, (2013: 70-76), Aluko (2006) and Aina (2007) located corruption as one of the greatest impediments of effective service delivery at the local government level.

Ottenberg in (Aina 2007) noted that:

Almost every council position, whether of elected council or appointed staff, has its salary and also its additional income through corruptive activities. Corruption and bribery fit into internal and external political conflicts in the council. In fact, they form a major political aspect of local government.

Corruption in Local Governments manifests as outright falsification of financial transaction, inflated contracts, existence of ghost workers, and connivance with states' apparatus that are supposed to perform oversight functions. Gone are the era of 10 per cent in contract award, the dangerous trend is outright payment for jobs not done. The greatest challenge in addressing corrupt practices in the Local Government by the state government is that the search light was not often beamed on identifying culprits but directed largely after political opponents immediately after a change of government to settle political scores. This does not remove the fact that such operatives might be actually corrupt but the effort was not to clean the whole system. Hence, the palliative selective justice could not wipe away institutional corruption in the Local Government system like in the higher levels of government in general. Corruption in effect breeds inefficiency, raises transaction cost and it has become infectious in Nigeria as the institutions like Independent and Corrupt Practices Commission (ICPC) and The Economic and Financial Crimes Commission (EFCC) have not recorded sufficient result in checkmating

corrupt practices. Hence Akanbi (2004) in Aina (2007:427) argues that systemic corruption leads to poor governance, undermines institutions and hinders development which is central to the existence of Local Government. In addition, it erodes social values and lead to ethical decay as observed by Animashaun (2007) in Aina, (2007).

Over politicization of developmental programmes is another challenge in Local Government administration in Nigeria. The maxim that politics ends with election has not found a place in Nigeria's political system. In effect, allocation of projects often may not reflect the needs of the society but for political patronage. All over Nigeria, there had been over concentration of developmental projects in particular communities at the expense of others. Hence, communities with teaching hospitals will still have state hospitals, health centers particularly at the state capital and clinics constructed by the Local Government and none may be functioning effectively while rural communities without leaders with political clout will continue to suffer institutional neglect.

Over bloated personnel structure has to a large extent expanded the financial burden of the Local Government though it may be argued that creation of employment opportunities is an essential attributes of a good government. However, when such employees were not properly engaged, they turned out to be cogs in the wheel of progress. Though all states in Nigeria have Local Government Service Commission among other functions to streamline employment issues, most employments were politically motivated through donation of staff rather undergoing real engagement procedure. A study by the researcher in 2012 in Kwara State Local Government system revealed that there were twelve thousand employees in the system, while Ifelodun LG had a staff strength of 1,009 as at June, 2015 (LGSC, 2015). As at 2010, the staff strength of Okiti Pupa Local Government was 1201 with the population of 234,138, Ondo West had 1123 staff, a population of 288,868 and Akoko South East with staff strength of 1215 and a population of 82,443 (Ondo State Digest of Local Government Statistics, 2010). Such huge staff strength cannot but inimical to effective and efficient service delivery as higher percentage of resources often go for overhead expenditure. This could partly account for inability of staff to get the salaries and allowances paid regularly and for upward of 5 to 10 months in most states in Nigeria that necessitated Federal Government bailout in July, 2015. In such a situation, developmental projects would naturally be of secondary importance.

Recruitment, engagement and deployment of staff have largely become a political consideration rather than actual need for efficient service delivery in the Local Government system in Nigeria. The quality of staff could not but be negatively affected if the right mix of staff could not be engaged and deployed (Kyenge 2013). For instance in Kwara state since 2000, there had been increasing conversion of primary and secondary school teachers into top levels of personnel administration and appointed within one year of conversion as Director of personnel without undergoing examination meant for the cadre. The arrangement was favourable to the Chairmen because they were dealing with heads of administration without cognate experience and they could easily be pushed around.

For such converted staff to secure their positions, Civil Service Rules, Scheme of Service and Financial Instruction were of no importance in order to please the political heads that at the same time played on their ignorance. Unable to articulate a definite position on issues, the best contribution in communication is to minute on their subordinate recommendations, "above for your approval". It needs be understood that there is nothing wrong in such conversion programme if the officer were allowed to acquire rudimentary knowledge in administration, sit and pass prerequisites examination before being appointed to head administrative system. However, political exigencies were considered too important than sustenance of the system. In effect, for civil servants to be relevant, it was more or less mandatory, no matter how efficient they were to identify with the winning party more than administratively required.

The Relevance of Comparative Analysis to Overcoming Challenges Associated with Local Government Administration in Nigeria

In his contribution to comparative study, Tocqueville (1985) noted that without comparisons to make, the mind does not know how to proceed. In effect, it helps us to develop explanations and test theories of the way in which system processes work and in which change occurs. This explains why Aristotle (1831) and Dahl (1995) adopted comparative approach in studying political systems and democracy. In effect, comparative studies enhances ability to describe and understand a system, helps in the development of general theory and so relevant for academic purposes and its practical utility. The paper therefore examine the administration of local government with a view of developing strategies to overcome the challenges inherent in

Nigeria's Local Government system considering the structure, the layers, funding and the degree of autonomy in US., Britain, India and France.

The structure of Local Government in US is based on four types of leadership, namely the strong mayor, the weak mayor, the commission system and the council or city manager system. The American Local Government system like Britain, France and India operates a multi-tier system created to meet specific needs Youm, and Feiock, (2015). In Britain since 1974 the structure of the local authority Local Government (LG) consists of Non-Metropolitan County Council, Metropolitan County Council County Councils (Wales only), Non-Metropolitan County Districts, County Districts Councils (Wales only), and Parish Governments making the three tiers.

Department serves as the main unit of local government in France, multi-tier structure arranged in a descending order consisting of Cantons and Arrondissements and Communes. In 1990, the Nation Encyclopedia (2015) reported that only 235 communes out of 36,551 had more than 30,000 inhabitants; 84% of all communes had fewer than 1,500 inhabitants, and 43% had fewer than 300. However, as of 2002, France had 36,763 communes.

India operates a three-tier system referred to as Panchayati Raj. Locally they are called the Zila Parishad, the Panchayati Samitri (or Kshetra Samitri) and Panchayati respectively. The common element in all the three systems is that the political leadership are democratically elected, relatively autonomous and responsible to the electorate. In India, the Panchayati Samitri (or Kshetra Samitri) has a population of 60000 to 3 million and and the lowest tier, the Panchayat is from 2,000 people and above.

Tocqueville (2000) lauds the American local government system for its democratic values, arguing that towns embodied "local-self-government." and regarded it as the foundation of all free republican government and the protection of the rights of minorities from all great political combinations. This explains why USA was referred to by Alderman (2012) in his comparative study of Local Governments referred to governmental system in "80,000 governments". It is essential to note that some counties or schools districts are with a population of 227 people. In some instances, "Home Rule" which simply means that local units are granted powers of self-government without interference from State Law is allowed. Therefore, Youm and Feiock, (2015) and Tocqueville (2000) lauds the American local government system as applicable to

France and Britain for their democratic values as Councils are democratically constituted. The composition and size of each of the layers within the Local Government tiers is largely a function of their complexity.

The implication of this comparison on Nigeria Local Government system is that each of the layers in others system discussed was designed to be able to effectively provide services that are comparatively local in nature and based on their financial and human resources capabilities. Such is not the case in Nigeria as it operates a unified system irrespective of the size, scope and capability. The manageable population in a multilayer system also allows for grass root democratic development in that reputable and known individual that are with high integrity are elected to run the various tier of Local Government.

Furthermore, when a democratic governmental system contends with low population, inherent advantage such as neighborhood watch enhances human and national security, ensure smooth provision of service peculiar to the environment and enhances the capacity to collate records and statistics required for effective planning while at the same time facilitates the growth of democratic norms through participation in governance.

In Britain, Local Government is a creation of the parliament, while in the USA, the Tenth Amendment to the United States Constitution makes local government a matter of State rather than federal law, with special cases for territories and the District of Columbia. The relevance of Local Government in US leads to government and citizenry to believe that without Local Governments, government would have no vitality. Like in America, in India, the 73rd and the 74th Constitution Amendment Acts, 1992 made all the Local Government tiers to be State affairs and given such powers to enable them function on their own. There are 645,000 local governments in India, self-sufficient and self-enabled units (Encyclopedia of Nations 2012). Other provisions include a democratically constituted council, fixed five-year term and regular elections. A noticeable feature of Local Government in France , USA and Britain is that it serves as the bedrock of democracy while those of Nigeria were only in theory. In effect, the mindset of the governors and political gladiators in Nigeria should be changed from seeing Local Governments as their personal property and make them to be truly democratic rather than through imposition of leaders. Local Government can only be democratic, efficient and

accountable if votes count and the choice of citizenry to leadership position is allowed by over ambitious political leaders.

The sources of revenue in British Local Governments include council tax receipts, income from sales, fees and charges and capital receipts. In addition, National Audit Office (2014) reported that in 2013-14, the government gave local authorities £36.1 billion in funding as this exclude funding passed directly to schools and individuals. Furthermore, the central government fund local authorities through several grant types, which have varying conditions attached including Ringfenced grants, unringed fenced grants,. The National Audit Office (2014) also noted that the central government introduced reforms in 2010 by implementing policy that gave local authorities more autonomy over their funding, thereby allowing them allocate resources to meet local priorities while at the same time trying to reduce the reporting burden.

In America, residents pay taxes to support the governments at all levels consisting of property tax, sales tax and income tax from residents to support corresponding state and local government activities.

Nallathiga (2008) noted that the resource base of the urban local bodies in India consists of their own tax and non-tax revenues, grants as defined by the Central Finance Commission and the State Finance Commissions. The higher level governments also give grants and loans while market borrowing is allowed. The State Finance Commissions that must mandatorily set up exercises its influence on the tax field of the Local Government but state governments provide for the sources of their tax revenue, the methods of their mobilization in the statutes of their urban local bodies. However, there exist wide differences among the local bodies in their tax jurisdiction, the degree of control exercised by the state government in terms of the fixation of tax base, and tax rates and tax exemptions. General and specific grants are made to local government by the states multilateral agencies such as World Bank, Japan Exim Bank, Overseas Development Administration of the Government of UK (Article 280 of Indian Constitution).

Unlike in other system, Nigeria's funding of Local Governments provides a unique example of a direct statutory allocation from the federated account apart from other sources listed in the Fourth Schedule of the 1999 Constitution. In addition, State Government is by law expected to disburse 10 per cent of its internally generated revenue to the Local Governments within its

jurisdiction. Also, the Local Governments are allowed to engage in business activities and to obtain loans among others. Sadly, with all these cheap sources of raising fund, little do they have to show in respect of meeting the yearnings and aspirations of the citizenry as demonstrated under the challenges of Local Government administration in Nigeria. The Nigerian government need to appreciate that without responsible, accountable and efficient Local Government administration, it might a herculean task to achieve meaningful development.

CONCLUSIONS AND RECOMMENDATIONS

The paper concludes that the challenges of local government being an enviable institution for democratic participation, an effective and efficient system for socio-economic development of the grass root and accountable among others are attitudinal and institutional. These challenges are not insurmountable given the sincerity of purpose on the part of the Federal and State government to genuinely allow the spirit of the 1999 Constitution to work by curbing overbearing attitude of the State government, minimize corruption and make the system accountable.

The paper therefore recommends that:

1. Successful decentralization entails Federal and State governments allowing the local government clear mandate as contained in the 1976 Local Government Reform and the spirit of 1999 constitution to be implemented to the letter without unnecessary intervention like is found USA India, US and Britain.

2. The immunity granted the governor in the Constitution has significantly been abused and the paper recommend a constitutional amendment to withdraw it. Governor should be made accountable while still in office and this may checkmate their excesses. The current arrangement while governors are prosecuted after leaving the office amounts to medicine after death as the damage had already been done and the judicial system is equally challenged.

3. The amendment of Section 7 is recommended by expunging Sub Section (6b), that is: The House of Assembly of a State shall make provisions for statutory allocation of public revenue to local Government within the state.

4. Other sub sections under which the state governor hide to divert the resources of the Local Government should be expunged while a provision with penalty be included in the constitution for diversion of Local Government fund and non release of the10 per cent of State's internally generate revenue.

5. The paper further recommend that the Third Schedule, Part II, the establishment of State Independent Electoral Commission be expunged from the constitution and the functions be transferred to Independent National Electoral Commission (INEC) to make Local Government election to the council credible as found in the developed systems. This does not imply that INEC has evolved as a credible institution but it shall minimize governors' imposition of Local Government political operatives.

6. Other state governments should emulate Kaduna State governor that scrapped Joint Allocation Account by allowing Local Government to have direct access to their statutory allocation. In addition, the state governments should hand off from constitutional internally revenue sources of Local Governments as practiced in US, Britain and France

7. The oversight function of the State Assemblies, Office of the Auditor General of Local Government among others should be strengthened to checkmate corrupt practice rather colluding with the operatives of Local Government to perpetuate corruption. Such arrangement might be view as a form of intervention but it is required to ensure compliance with Financial Instructions.

8. Institutional mechanisms to punish corrupt public officials should be strengthened rather than the current arrangement of plea bargaining leaving corrupt to thrive.

9. Finally, through constitutional amendment process, multi-tier Local Government system should be adopted by accommodating district and Community Development Association CDA to make the idea of decentralization truly workable.

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