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## ABOUT THE JOURNAL

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1. Manuscript must be in the English language prepared on a standard A4 size paper setting in microsoft word. It must be prepared in 12-point Times New Roman Font, single line spacing, typed on one side of the paper and single column with 1" margin set for the top, bottom, left and right margins and must not exceed 15 pages except otherwise (including tables, figures, reference and appendices).
2. Manuscript of an article should have a cover page that provides the title of the paper, name(s), address, phone numbers and e-mail address of all authors and acknowledgments, if any.
3. Abstract should be in fully justified setting and on 11point font size. It must not exceed 250 words. A maximum of 6 keywords, listed alphabetically is recommended.
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5. Figures, tables and equations should be simple, centered, separately numbered and self-explanatory, and titles must be above the tables/figures. Sources of data should be mentioned below the table/figure. It should be ensured that tables/figures are referred to from the main text.
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7. If an article is accepted for publication, the corrected version should be resubmitted as an e-mail attachment along with the scanned teller for payment to the Editorial Coordinator at ssmij@brainspecresearch.com

## *EDITORIAL SUIT*

Being the scientific study of human society and social relationships, the social sciences has bequeathed humanity with such benefits that cannot immediately be numbered. But to say that the Social Sciences are the most important aspect of human endeavor is to be too ambitious and asking too much. However, what we can say with certainty is that life as we know it today cannot possibly function properly without the findings and submissions of the Social Sciences, in almost the same way as the fish cannot function properly without its gills. Indeed, without the Social Sciences, man would most likely drown in all the innovations the Pure Sciences have churned out, and humanity in general would descend to the "Hobbesian State of Nature", where *man is wolf to man*, and the life of man is *poor, solitary, nasty, brutish and short.* All these bear testimony to the magnitude of importance that ought to be bestowed on the Social Sciences.

One can go on to establish with a humble firmness that it is the task of the Social Scientist to heal the world by tending to the heart and mind of society. In truth, what the doctor is to a person, the Social Scientist is to society. Hence, we can affirm boldly, and with a quiet stubbornness that it is the task of the Social Scientist to observe society, diagnose its problems, and prescribe possible solutions. Without the Social Scientist, the soul of society would be caught in a tug of war between two brutal and ruthless forces: religion and the pure sciences. Bertrand Russell, the British Philosopher of the 20$^{th}$ century puts it well: "*the fundamental concept in social science is power, in the same way as the fundamental concept in physics is energy."* The Social Scientist ensures therefore that there is a balance in the distribution of power and resources between the forces in society, in order to maintain social harmony, stability and normalcy.

It is for this reason, among other things, that a journal of the Social Sciences is of utmost importance. A journal of this capacity is expected to centre on current issues bordering on the development as well as survival of our society, keeping in mind the many imperfections that accompany every human society. The issues discussed and analysed in this edition of the ***Social Sciences and Management International Journal (SSMIJ)*** are not only timely, they are also relevant to our socio-political and economic milieu. This journal is therefore a must read, not only for social scientists and researchers, but also for students of every field of endeavor, as well as all those who seek the truth with a sincere heart.

***Chikanele Asuru, Ph.D***
*Editor-In-Chief*

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# CROSSING THE BAR WITH FEMALE EDUCATION IN AKWA IBOM STATE: APPRAISAL OF 2009 – 2015

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## Abstract
*Gender bias has been one of the serious issues of concern in matters pertaining to education and human capacity development in Nigeria. It constitutes a major socio-cultural threat to the achievement of equity in male/female child education in some parts of the nation. This descriptive study takes a comparative look at male/female child enrolment in Akwa Ibom State, Nigeria, from primary schools level to tertiary schools level between 2009 - 2015. Secondary data from the state's publications were employed by the researchers for analysis, using simple percentage, charts and line graphs. Functionalist theory on education by Durkheim was considered as a guide for the study. Findings of the study showed that within the period under review, apart from Technical and Vocational Colleges, other educational institutions had more females than males enrolled at various school levels. Socio-cultural factors like formation of women associations and new roles of women within the structure of the society were identified by the researchers as responsible for the remarkable rise in female enrolment in education. Implications of findings were discussed, and researchers concluded that in Akwa Ibom State, the gender barrier has been broken and the disparity bar long crossed in the education sector of the state. The researchers among others recommended that the free and compulsory education should be maintained and properly funded in order to sustain the gender equality feat attained by the state in the education sector.*

**Keywords:** Gender, Female Child, Equity, and School Enrolment

## Introduction
Gender bias is rooted in the culture of most of the African society. The quest toward gender equity has posed a great challenge to the culture of the African people. A call for restructuring the gender position as propagated in the contemporary society especially through the sustainable development goals is a contest with the cultural settings of the people of the continent. According to Dolphyne (2000) cited in Tuwor and Sossou (2008), girls' low enrolment in school is influenced by gender and cultural practices which place lesser value on girls' education and the apparent irrelevance of formal education to economic prosperity, especially as evident by illiterate and semi-illiterate market women in urban centres in West Africa. As Africa is gradually venturing into development programmes, women education is becoming a strong tool for this venture.

According to Pekkarinen (2012), one of the most striking trends in education in the past two or three decades has been the rapid increase in female educational attainment. In his study on "Gender Differences in Education" Perkkarinen posits that it is clear that the growth in the educational attainment of women has not stalled at gender parity. According to him, at the moment, female educational attainment clearly dominates male educational attainment in a majority of industrialized countries. This is true for several measures of attainment as women are in clear majority among secondary school graduates, among students enrolled in tertiary education, and among tertiary graduates (Pekkarinen, 2012). He further stated that judging from recent trends it seems likely that gender gap in educational attainment will keep on widening in favour of women in the future.

Danida (n. d.) reported on Nepal, Bangladesh and Uganda that there has been progress in school enrolment for both girls and boys over recent decades. According to Danida, sixty-five percent of countries reporting on school enrolment in 2004 had reached parity between girls and boys at primary level. Only one third of 171 countries reporting on secondary education enrolment had achieved parity at secondary level. Completion rates are much lower than enrolment rates, and particularly so for girls.

The importance of women education makes the project worthwhile due to the many socio-economic, socio-political and socio-cultural roles performed my women mostly, African women. According to Alagbu, Alagbu, and Agwubuike, (2013), a mothers' level of education is the single most important influence on the survival rate of her children and on their achievement in school, failure to improve women's access to education, limits family income and impedes the well-being of their families. Educating girls is a particularly effective way of eradicating poverty and the positive effects of education for girls are well documented on the health and welfare of families as well as on economic opportunities and social transformation on a larger scale. Girls' education holds the key to a stronger role for women in private sector development (Danida, n. d.).

In Nigeria, gender bias is rooted in the culture of the multi-ethnic groups found within the Nigerian polity. This cultural dimension has posed a great challenge in attaining gender equality in female education overtime despite the many advantages of women education witnessed across the nation and the world at large. In some parts of the nation, the degree of the cultural position on female education is still high and this affects female enrolment in educational institution. Against this backdrop, this study considers the level of gender disparity in female education attainment in Akwa Ibom State, with particular reference to female enrolment between 2009/2010 and 2014/2015 academic sessions. Socio-cultural factors influencing female enrolment in the state are also scientifically considered.

## Theoretical Framework

The researchers adopted Emile Durkheim's Functionalist Theory on education. According to Thompson (2017), Durkheim saw education as performing two major functions in advanced industrial societies which are; transmitting shared values of society and simultaneously teaching the specialised skills for an economy based on a specialised division of labour. According to Durkheim, society can survive only if there exists among its members a sufficient degree of homogeneity: education perpetuates and reinforces this homogeneity by fixing in the child from the beginning the essential similarities which collective life demands (Thompson, 2017). Increase in female education in Akwa Ibom State has the capacity to create a society where by the generality of the polity has a homogeneous culturally shared values toward economic development of the state. On this basis drives the free and compulsory education programme of the state.

## Methodology

Both secondary and primary data were collected and analyzed by the researchers. The researchers adopted descriptive research design and qualitative research design. Under descriptive design, the researchers employed published data from the state's office of the director of statistics, Akwa Ibom State Ministry of Economic Development and Akwa Ibom Demographic Dividend Profile. Simple percentage, bar charts and line graphs were adopted for data analysis. On socio-cultural factors influencing female school enrolment, interview schedule was developed and used. Oral in-depth interview was conducted in Ibibio language. Data collected were coded and translated in English for thematic analysis.

## Study Location

The study was carried out in Akwa Ibom State. Akwa Ibom State has a relatively young history. The state was created on the 23rd of September 1987 by the Military Administration of General Ibrahim Badamosi Babangida. It covers a total land area of 7,249 square kilometres and is located in the coastal and high rain forest belt of South-South geopolitical zone in the Niger Delta Region; lying between latitudes 4°32'N and 5°33'N, and longitudes 7°25'E and 8°25'E. The state is bordered on the east by Cross River State, on the west by Rivers State and Abia State, and on the south by the Atlantic Ocean and the southernmost tip of Cross River State. About 13.4 per cent of the 960km of Nigeria's Atlantic Ocean coastline runs through the State towns which include Eket, Ikot Ekpene, Ikot Abasi, Oron, Abak, Itu, Etinan, Ibeno, etc.

Akwa Ibom has a population of over five million people. It is currently the highest oil and gas producing state in the country. The state's capital is Uyo, with over 500,000 inhabitants. Although majority of the population speak Ibibio, Annang, Eket or Oron languages while English Language is also considered the most widely spoken language in the state. The people of Akwa Ibom State are culturally homogenous with a common identity and are reputed to be the first settlers in the present day South Eastern Nigeria. The three major dialectal groups in the state are Ibibio, Annang and Oron. Other minor dialect groups in the state include Eket, Ibeno, Itu Mbonuso and the Andoni. The people are predominantly Christians. Historical evidence reveals that the people of Akwa Ibom State are economically active with a strong zeal in agriculture and industry. They are equally highly educated and enlightened.

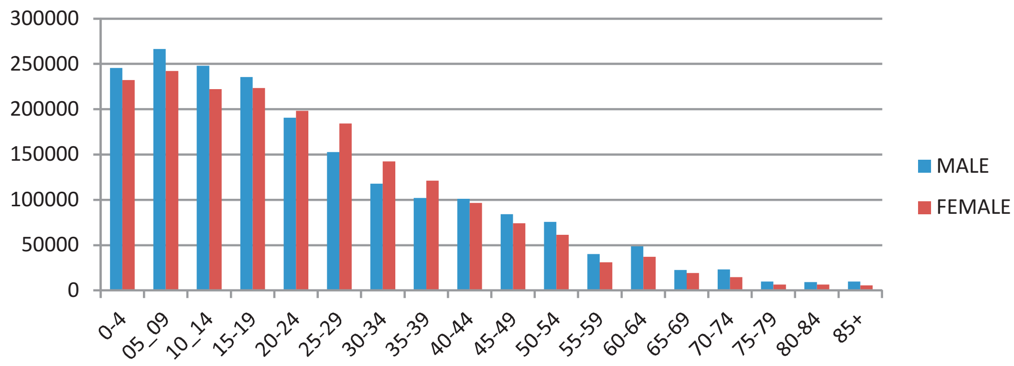
**Table 1:** Summary of Akwa Ibom State Population (Sex Composition)

| Population Both Sexes | Percent | Population Male | Percent | Population For Female | Percent |
|---|---|---|---|---|---|
| 3902051 | 100 | 1983202 | 50.82 | 1918849 | 49.18 |

***Source:*** Akwa Ibom Demographic Profile (2018)

Table 1 shows the summary of population distribution of Akwa Ibom State by sex. The total population according to 2006 population census stands at 3,902,051, with the male population being the highest with 1983202 while the female population stands at 1918849. This implies that the males constitute a total of 50.82% while the females made up a total of 49.18%. Though the males made up 50.82%, the difference between the males and the females is slightly 1.64%.

**Chart 1:** Bar chart showing population distribution of Akwa Ibom State by age cohorts




***Source:*** Akwa Ibom Demographic Dividend Profile (2018)

According to the state's Ministry of Economic Development "AKSMED" (2018), the projected population of Akwa Ibom State with the 2006 census figure used as the base will at 2020 stands at 6,231,326. This is a direct increase in term of male and female percentage and ratio. This implies that at the current growth rate of 3.4%, the state will record an estimated population of 8705343 by 2030, other things being equal or if age-specific fertility rate remains unchanged for most times throughout the period. The implication of this is that the state will continue to experience population problem except there is robust control measures adopted and illegal immigration put under control (AKSMEDLMP, 2018).

**Educational Characteristics of Akwa Ibom State**

- **Primary School Statistics**

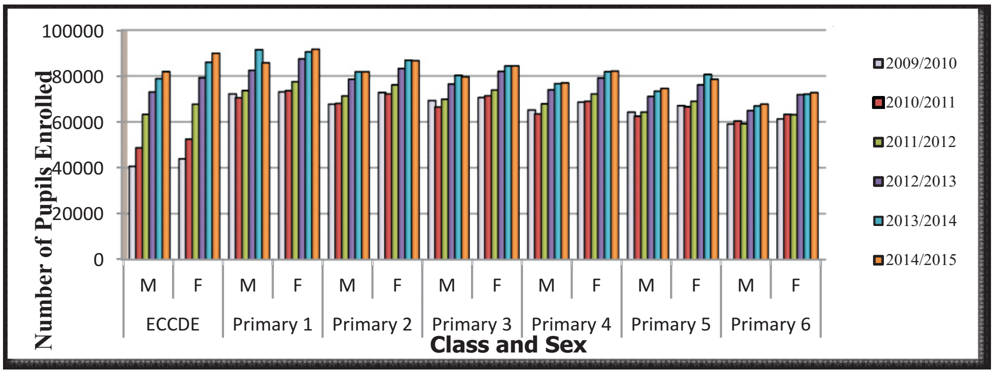
The primary school statistics focuses on the number of Public Primary Schools, pupils' enrolment trend, in the thirty one Local Government Areas of the State from 2009/2010 – 2014/2015 sessions, and the number of Adult and Non-Formal Education Centres, learners' enrolment in Adult and Non-Formal Education Centres by sex for 2009/2010 – 2013/2014 sessions.

**Table 2:** Summary of Enrolment of Pupils in Public Primary Schools in Akwa Ibom State by Academic Session and Sex

| Academic Session | Grand Total | | |
|---|---|---|---|
| | M | F | M/F |
| 2009/2010 | 440632 | 464397 | 905029 |
| 2010/2011 | 439886 | 470707 | 910593 |
| 2011/2012 | 469264 | 499385 | 968649 |
| 2012/2013 | 520356 | 558843 | 1079199 |
| 2013/2014 | 549224 | 582142 | 1131366 |
| 2014/2015 | 548247 | 585900 | 1134147 |

***Source:*** AKSMED (2015)

**Chart 2:** Enrolment of Pupils in Public Primary Schools in Akwa Ibom




***Source:*** AKSMED (2015)

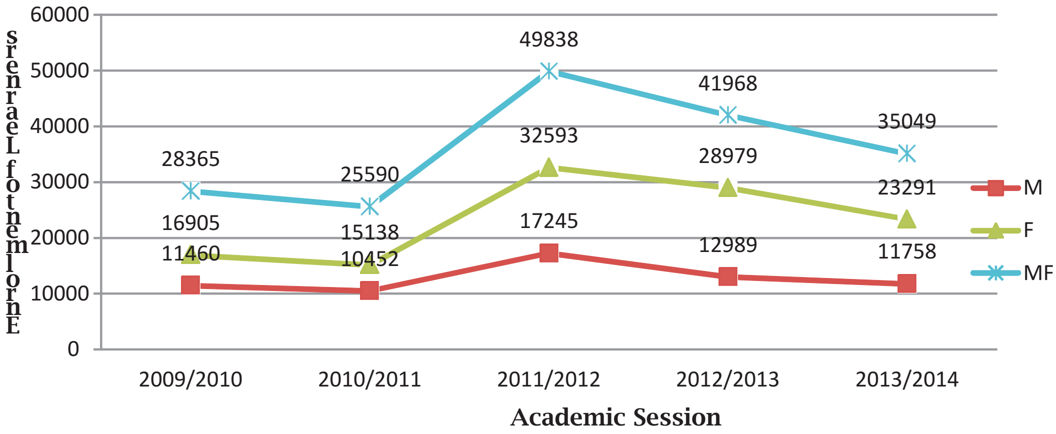
Table 2 shows that as a result of the inclusion of new schools, the enrolment of female pupils rose from 464397 in 2009/2010 session to 585900 in 2014/2015 session giving 25% increase in females' pupils' enrolment within the period as compare to males which increased from 440632 in 2009/2010 to 548247 in 2014/2015 session.

**Table 3:** Summary of Enrolment of Learners in Adult and Non-Formal Education Centres in Akwa Ibom State by Class, Sex and Academic Session

| Academic Session | Basic Literacy | | | Post Literacy | | | Grand Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | M | F | MF | M | F | MF | M | F | MF |
| 2009/2010 | 6751 | 10611 | 17362 | 4709 | 6294 | 11003 | 11460 | 16905 | 28365 |
| 2010/2011 | 5671 | 8605 | 14276 | 4781 | 6533 | 11314 | 10452 | 15138 | 25590 |
| 2011/2012 | 10133 | 20051 | 30184 | 7112 | 12542 | 19654 | 17245 | 32593 | 49838 |
| 2012/2013 | 7998 | 18058 | 26056 | 4991 | 10921 | 15912 | 12989 | 28979 | 41968 |
| 2013/2014 | 6997 | 13737 | 20734 | 4761 | 9554 | 14315 | 11758 | 23291 | 35049 |
| 2014/2015 | 5326 | 10384 | 15710 | 3745 | 7229 | 10974 | 9071 | 17613 | 26684 |

*Source:* AKSMED (2015)

**Graph 1:** Enrolment of Learners in Adult and Non-formal Education Centres in Akwa Ibom State by Academic Session, Class and Sex




*Source:* AKSMED (2015)

Table 3 shows that the number of female learners' enrolment increased from 16905 in 2009/2010 session to 17613 in 2014/2015 session with the highest female learners' enrolment of 32593 recorded in 2011/2012 school year as compare to the males which decreased from 11460 in 2009/2010 to 9071 in 2014/2015 school session. This is also indicated by the line graph.

- ***Post-Primary School Statistics***

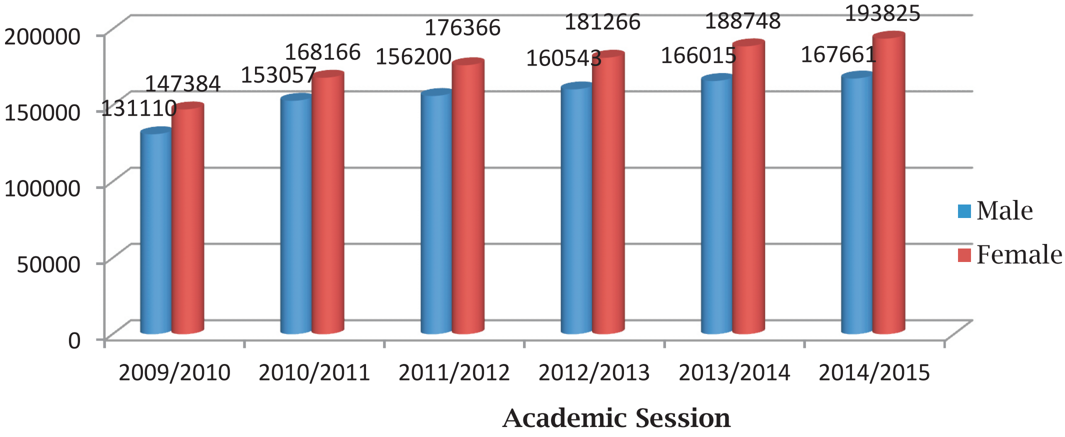
The post-primary school according to AKSMED (2015) shows that the number of State Public Secondary Schools increased from 227 in 2009/2010 session to 234 in 2014/2015 school year, the number of State Vocational Training/Technical Colleges rose from six (6) to seven (7) due to the re-opening of Government Technical College, Mbioto II in Etinan Local Government Area. On the other hand, there are two (2) Federal Secondary Schools and three (3) Federal Government Colleges in the State of which two (2) are girls' colleges.

**Table 4:** Summary of Enrolment of Students in Public Secondary Schools in Akwa Ibom State by Academic Session, Class and Sex

| Academic Session | Total (JSS) | | Total (SSS) | | Grand -Total | | |
|---|---|---|---|---|---|---|---|
| | M | F | M | F | M | F | M/F |
| 2009/2010 | 75400 | 85816 | 55710 | 61568 | 131110 | 147384 | 278494 |
| 2010/2011 | 83108 | 94654 | 69949 | 73512 | 153057 | 168166 | 321223 |
| 2011/2012 | 82976 | 95174 | 73224 | 81192 | 156200 | 176366 | 332566 |
| 2012/2013 | 86853 | 99987 | 73690 | 81279 | 160543 | 181266 | 341809 |
| 2013/2014 | 90381 | 103436 | 75634 | 85312 | 166015 | 188748 | 354763 |
| 2014/2015 | 90998 | 105491 | 76663 | 88334 | 167661 | 193825 | 361486 |

***Source:*** AKSMED (2015)

**Chart 3:** **Bar Chart Showing Enrolment of Students in Public Secondary Schools in Akwa Ibom State by Academic Session and Sex**




***Source:*** AKSMED (2015)

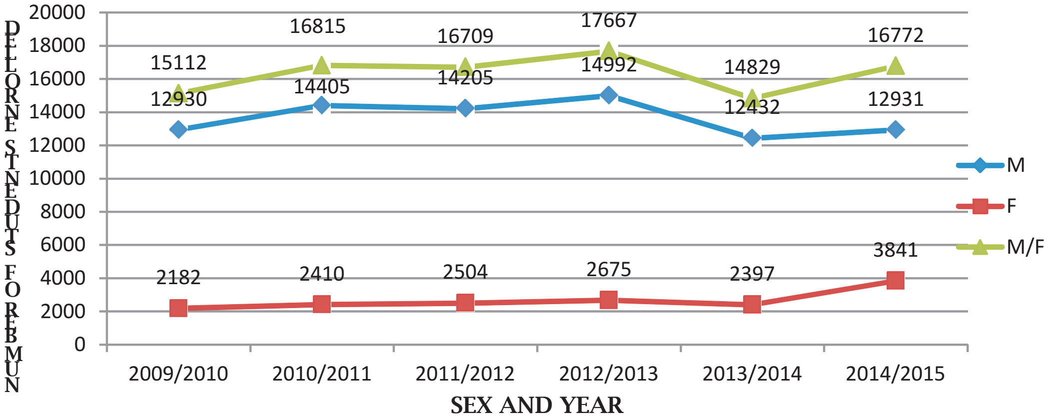
Table 4 shows that female students' enrolment in state public secondary schools rose from 147,384 in 2009/2010 session to 193,825 in 2014/2015 session making 30% increase within the period. On the other hand, the number of male students was 131110 in 2009/2010 session, and stood at 167661 in 2014/2015 academic session. The session with the highest number of female students' enrolment was 2014/2015 with a total of 193825 students (AKSMED, 2015).

**Table 5:** Summary of Enrolment of Students in Vocational Training/Technical Colleges in Akwa Ibom State by Class, Sex and Academic Session

| ACADEMIC SESSION | JUNIOR Total | | SENIOR Total | | GRAND TOTAL | | |
|---|---|---|---|---|---|---|---|
| | M | F | M | F | M | F | M/F |
| 2009/2010 | 7049 | 1400 | 5881 | 782 | 12930 | 2182 | 15112 |
| 2010/2011 | 7647 | 1416 | 6758 | 994 | 14405 | 2410 | 16815 |
| 2011/2012 | 7403 | 1530 | 6802 | 974 | 14205 | 2504 | 16709 |
| 2012/2013 | 7542 | 1750 | 7450 | 925 | 14992 | 2675 | 17667 |
| 2013/2014 | 6952 | 1874 | 5480 | 523 | 12432 | 2397 | 14829 |
| 2014/2015 | 7789 | 2945 | 5142 | 896 | 12931 | 3841 | 16772 |

***Source:*** AKSMED (2015)

**Graph 2:** Enrolment of Students in Vocational Training/technical Colleges in Akwa Ibom State by Class, Sex and Academic Session




***Source:*** AKSMED (2015)

According to Danida (n. d.) the disparity in education between boys and girls is significant especially in vocational colleges. Table 5 shows that female students' enrolment in Vocational Training/Technical Colleges is lower than that of males. Though the male students' enrolment is higher, there exist an increase in the female students enrolment from 2182 in 2009/2010 session to 3841 in 2014/2015 academic session. The highest number of female students' enrolled in Vocational Training/Technical Colleges within the state was 2675 in 2012/2013 school session.

## Tertiary Institution Statistics

Tertiary institution statistics presents information on enrolment of students in Akwa Ibom State College of Arts and Science (CAS), Nung Ukim, Ikono; Akwa Ibom State College of Education (AKSCOE), Afaha Nsit; Akwa Ibom State Polytechnic (AKWAPOLY), Ikot Osurua; Maritime Academy of Nigeria, Oron; Akwa Ibom State University (AKSU), Ikot Akpaden; and a privately owned tertiary institution – Obong University, Obong Ntak.

**Table 6:** Summary of Enrolment in Tertiary Institutions in Akwa Ibom State by Institutions

| ACADEMIC SESSION | 2009/2010 | | 2010/2011 | | 2011/2012 2014/2015 | | 2012/2013 | | 2013/2014 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | F | M | F | M | F | M | F | M | F | M | F | M |
| AKSCOE Afaha Nsit | 2318 | 658 | 1451 | 538 | 1792 | 639 | 2027 | 759 | 2995 | 1089 | 3535 | 1279 |
| Maritime Academy, Oron | 236 | 1016 | 282 | 1039 | 170 | 815 | 2808 | 416 | 475 | 3001 | 298 | 2339 |
| AKS U Ikot Akpaden | | | 81 | 211 | 282 | 537 | 916 | 1331 | | | | |
| AKWAPOLY | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ikot Asurua | 1071 | 951 | 1080 | 989 | 1316 | 1160 | 1420 | 1206 | 1841 | 1769 | | |
| Obong University, Ntak | | | | | | | | | 692 | 610 | 464 | 268 |
| CAS Nunng Ukim | | | | | | | 122 | 121 | 180 | 187 | 195 | 193 |

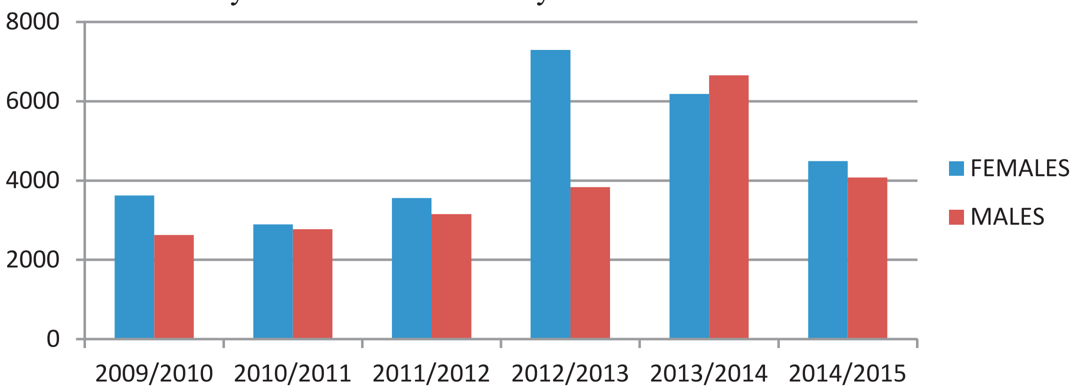
***Source:*** AKSMED (2015)

**Table 7:** Summary of Enrolment in Tertiary Institutions in Akwa Ibom State

| ACADEMIC SESSION | FEMALES | MALES |
|---|---|---|
| 2009/2010 | 3625 | 2625 |
| 2010/2011 | 2894 | 2777 |
| 2011/2012 | 3560 | 3151 |
| 2012/2013 | 7293 | 3833 |
| 2013/2014 | 6183 | 6656 |
| 2014/2015 | 4492 | 4079 |
| **Total** | **28047** | **23121** |

***Source:*** AKSMED (2015)

**Chart 4:** Summary of Enrolment in Tertiary Institutions in Akwa Ibom State




***Source:*** AKSMED (2015)

Table 6 shows that female students' enrolment in Akwa Ibom State College of Arts and Science, Nung Ukim, Ikono rose from 122 in 2012/2013 Academic Session to 195 in 2014/2015 Academic Session. The enrolment of female students in Akwa Ibom State College of Education increased from 2318 in 2009/2010 Session to 3535 in 2014/2015 Session with the least number of 1451 female students enrolled in 2010/2011 Session and the highest number of 3535 female students enrolled in 2014/2015 Session. Female students' enrolment in Akwa Ibom State Polytechnic, Ikot Osurua rose from 1071 in 2009/2010 academic session to 1841 in 2013/2014 Session. The enrolment of female students suffered the least recorded enrolment among the higher institutions in the state. 236 female students were enrolled in

2009/2010 Session but the institution witnessed an increase to 475 in 2013/2014 session, before the drop in numbers of female students in 2014/2015 session at 298. Maritime academy Oron recorded the highest number of female students (475) in 2013/2014 session. In the seven faculties of the Akwa Ibom State University, Ikot Akpaden; students' enrolment of female students rose from 81 in 2010/2011 Academic Session to 916 in 2012/2013 Academic Session. In the two faculties in Obong University, Obong Ntak, female students' enrolment increased from 692 in 2013/2014 Academic session to 464 in 2014/2015 Academic session.

**Analysis**

The educational sector of the state has received serious attention in term of investment, reformation and restructuring over the past decade of governance in the state. The free and compulsory education programme from primary to secondary school level has brought about a striking increase in term of female enrolment in primary, secondary and tertiary schools. According to AKSMED (2018), the increase in the number of school admission request follows the increase in the proportion of young people within the school age. Statistics shows that throughout the academic session between 2009/2010 and 2014/2015 session, from primary to tertiary institutions, there is a continuous increase in the number of enrolled female gender as compared to their male counterpart in the state. This position is an indication that the state has broken the cultural barrier in regards to female gender education.

**Socio-Cultural Factors Influencing the Rise in Female Gender Education in Akwa Ibom State**

***Women Associations:***

From the oral interview, it was gathered by the researchers that, the majority of the study participants agreed that the increasing number of women associations within the cultural settings of the state contribute to the rise in female education. This was attributed to the fact that educated women are needed to lead the associations, and the people have discovered the need to send their daughters to school. One of the participants in her responses stated that:

> Today, there are women groups formed everywhere, in the church, at family level, at business level and at the community level. The political integration of women into politics and other affairs of our people have present us with no other option than to send our daughters to school so that they can come back and lead the women folk successfully.
> (Mrs Ekpa, 2019)

***Economic Supports:***

It was gathered by the researchers that Akwa Ibom people have moved away from the cultural setting that placed women mostly at the backyard. This is as a result of the dynamic nature of culture. Many families today in the state have witnessed the economic supports of working class wives and daughters to their families, and a lot of families are taking a cue. One of the male participants reported that:

> Nobody can be deceived anymore, we have seen a family of all female children; Barrister, doctor and a nurse built houses for their parents, took good care of their parents till death and gave them the most befitting burial at Ikot UdoAbia community in Etinan Local Government Area. They have good, educated and healthy children. So we now want to have more educated daughters than educated troubled loaded sons.
> (Apostle AKpan, 2019)

A lot of socio-cultural factors like women economic independence, meeting the rising demands of daughters amidst the increase number of cultists among the male children, the guest to reduce women abuse and others were found by the researchers to have great positive influence in the striking rise of female gender enrolment in educational institutions within the state. The free and compulsory education programme of the state have only created avenue through which the longing of the people can be satisfied and these opportunities have been greatly utilized by the people of the state.

**Conclusion and Recommendations**

Female education in the past among the Akwa Ibom people. This had formed the cultural pattern of the people and was passed from generation to generations until the emergence of missionary girl schools founded by the early British missionaries within the state. Today what started as a cultural contest has gradually become a new cultural dimension of the people and the state has over the years witnessed a continuous increase in female enrolment in educational institutions at various levels across the state as noted between 2009/2010 to 2014/2015 academic sessions. The free and compulsory education programme of the state government has positioned the state across the gender barrier in education.

The increase in female enrolment against the male counterpart in education is pointing to a new society not only attaining gender equity, but having more educated women than men, women taking over leadership in the nearest future within the state. This calls for government intervention to encourage our young boys to go to school instead of forming bad gangs for politics and election activities. The free and compulsory education should be maintained and properly funded in order to sustain the feat attain in female education in Akwa Ibom State.

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# THE ROLE OF THE MEDIA IN EXPOSING CORRUPTION: A CASE STUDY OF THE NDDC

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**Abstract**
*The objectives of the study are to establish the role of the media in the fight against corruption; investigate and establish the factors influencing media coverage of corruption; investigate and understand the challenges faced by the media in the fight against corruption; and to recommend strategies to strengthen the media to effectively fight corruption. An exploratory research design which involved carrying out a survey of mainstream media houses was adopted. The population of study consisted of reporters and editors in the media industry. A purposive sampling procedure was used in selecting 50 reporters from mainstream media houses. As an institution of checks and balances, free media play a vital role in curbing corruption. In addition, the global rise of internet access and e-government increases the likelihood for corrupt public officials to be exposed.*

**Keyword:** Role of Media, Exposing Corruption, NDDC.

## Introduction
### Background to the Problem
In recent years, crime and corruption have become issues of major economic and political significance in many countries across the globe, especially in developing economies (Salifu, 2008). As Robinson (1998) argues, while corruption is a feature of all societies to varying degrees, it is a particular concern for developing countries because it undermines economic growth, discourages foreign investment and reduces the resources available for infrastructure, public services and anti-poverty programmers. The World Bank defines corruption as the abuse of public power for private benefit (Salifu, 2008).

According to Clarion (2007), corruption is a direct inability of government institutions to ensure adherence to acceptable ethical norms in both the private and public spheres. However for the purpose of this study, corruption is defined as a process (transaction) that involves a subversion of public or professional trust in exchange for inducement. It manifests itself equally in gross grandeur as in petty exchanges. Often but not always, it involves a monopoly of resources and abuse of discretion. Corruption works against good governance by encouraging evasion and bending of laws for personal gain. Corruption clearly exists in both small and large private enterprises, for example, in the procurement or even in hiring (Tanzi, 2002, p. 24). It also exists in private activities regulated by the government. Sometimes, the abuse of public power is not necessarily for one's private benefit but for the benefit of one's party, class, tribe, friends, and family. In many countries, some of the proceeds of corruption go to finance the activities of the political parties (Tanzi, 2002, p. 25).

Corruption has been in the public domain since colonial times. However, its variety and scope has grown steadily to a proportion that can no longer be ignored because of its effects on normal social, economic and political transactions. In the post-independence period, official corruption has persisted as evidenced by public revelation of high-level scandals such as the Goldenberg and Anglo-leasing. The problem appeared to have worsened in the 1980s as a result of entrenchment of political patronage courtesy of the single party politics (Clarion, 2007).

Corruption is undoubtedly the worst social vice confronting Nigeria today and it has eaten deep into the fabric of the society. Of the many unresolved problems in Nigeria, the issue of corruption is the most troubling. Ogoyi (2000) stated that there is hardly any area of our national life that lacks traces of corruption. Corruption is found in almost all societies; however the magnitude differs from one society to another. Some societies are more corrupt than others and Nigeria can be said to be one of those societies that is most corrupt (Isa, 2009). The beginning of corruption in Nigeria can be traced to the pre-independence and first Republic time, where the early leaders were either engaged or investigated for one corrupt practice or the other. Since then, corruption has grown to the point of becoming a lifestyle in the Nigeria society. The first step in fighting corruption is being transparent. As stated by IFLA Government Board (2008). Transparency is the basis of good governance and the first step in fighting corruption. IFLA has on numerous occasions made clear her belief in the positive role librarians and information managers have on any society. It has constantly linked the role to the principle of freedom of information and freedom of expression as set out in Article 19 of the United Nations Universal Declaration of Human Rights of 1948 (IFLA Government Board, 2008).

Dissemination of information can help bring about a less corrupt Nigeria. Despite the numerous provisions made in the constitution of the Federal Republic of Nigeria, to check this practice, fraudulent and corrupt practices still persist at all governmental, societal and business levels. It is against this backdrop that this paper looks at how the dissemination of information can help combat corruption in Nigeria.

**Concept of Corruption**

Corruption has no uniform or universal definition. According to Ogunlana (2007), the social and cultural contexts of different communities make a unique definition difficult. The World Bank (1997), defines corruption as the abuse of public power for private benefit. To the Independent Corrupt Practices Commission (ICPC) Act, (2007), corrupt acts include bribery, fraud, and other related offences, while the Vision 2010 Committee (1997) defines it as all those improper actions or transactions aimed at changing the normal course of events, judgments and position of trust.

Corruption is also defined by Adelowo (2000) as a perversion or a change from good to bad. Specifically, corruption involves the violation of established rules for personal gain and profits. Treisman(1997), sees corruption as the misuse of public office for private gain. To Lip set and Lenz in Dike (2005), corruption is an effort to secure wealth or power through illegal means for private gain at public expense. It can also be seen as a behavior which violates rules against the exercise of certain types of duties for private gains (Dike, 2005). Putting it plainly, Yusuf (2008) sees corruption simply as giving or taking money to give something of a public nature. From the above definitions, it is clear that corruption breeds selfishness and thrives on secrecy.

In effect, the motivation for corruption is to take undue advantage of a position of trust which is not limited to pecuniary issues. It is also not limited to the public sector. The act is criminal when considered along with the existing legislations on the subject in Nigeria (Ogunlana, 2007)

According to Stople (2008), United Nations Convention against corruption recognized corruption as a multi-faceted, dynamic and flexible phenomenon, and therefore does not define, but describe corrupt practices. Corruption may not be easy to define but, according to Tanzi (1998), it is "generally not difficult to recognize when observed". Corrupt acts require a minimum of two individuals from one or more communities, and either exchange or the promise of an exchange of money or services takes place; typically secret, the pact benefits the dyad to the detriment of everyone else. According to Salisu (2000), the simplest definition of corruption is that it is the misapplication of public resources to private ends. For example, public officials may collect bribes for issuing passports or visa, for providing permits and licenses, for authorizing passage of goods at sea/air port, for awarding contracts or for enacting regulations designed to create artificial scarcity. Macrae (1982) defined corruption as an arrangement that involves an exchange between two parties (the demander and the supplier) which (i) has an influence on the allocation of resources either immediately or in the future; and (ii) involves the use or abuse of public or collective responsibility for private ends.

**The Mass Media**

The mass media continue to grow and take different forms in contemporary world. Modern classifications of mass media genres include the print media, the audio-visual media, and the new media. Other thinkers classify them as print and electronic media. There are also traditional media and social media categories. However, in this paper, focus is on the print media and electronic media, which are generally called "traditional" mass media by many contemporary scholars. Perspectives on the role, purpose, and definition of "mass media" cover nearly the entire spectrum of human communication. Chapman (2013) defines the mass media as those "agencies of communication that convey information, education, news, and entertainment to the mass audiences" (p. 779). For instance, British Government outlined the functions of the British Broadcasting Corporation in 1999 as including (1) the provision of quality programming to the viewing public, (2) providing the audience access to the arts, (3) protecting vulnerable program types, (4) reporting news impartially and accurately, (5) educating the audience, (6) ensuring that programming is pluralistic and diverse and consequently caters to all segments of the society, and (7) protecting consumers, especially children from exposure to harmful materials (Chapman, 2013, p. 782).

The media are thus seen as the fourth estate of the realm (ranking with the executive, legislature and the judiciary in governance of the state) performing a kind of surveillance on the political leadership as well as the economic class. These functions borrow largely from the social responsibility media theory. The media, according to some scholars like Chapman (2013) are said to be an instrument used by the political and economic classes to propagate, install, and perpetuate their hegemony. For example, the Marxists think that the media directs or manipulates people to see the world from the perspectives of the ruling elites. Marxists, thus, posit that the media is the means by which the ruling class controls the minds of the ruled. As such, the role of the media as one of society's "superstructures" is to transmit ruling class ideology and perpetuate capitalists' ideological beliefs. It is in light of this manipulation that people are rarely informed about why some people continue to live in poverty and why the economic and political elites continue to enjoy abundant privileges.

The traditional mass media have become so powerful today that they order and structure events through allotment of greater or lesser air time, space, or primacy to socio-political happenings in a polity. They lift issues to the plane of public discourse, downplay issues, and exaggerate issues using their agenda-setting and news judgment powers. Thus, they play a vital role in the life cycle of public agenda. Byrant and Thompson (2002, p. 306) cited in Isola (2010, p. 8) identify eight important functions which the mass media perform in a democratic society, including "surveillance of contemporary events; identification of key socio-political issues; provision of platforms for advocacy; transmission of diverse contents across the various dimensions and functions; scrutiny of government officials, institutions and other agencies; giving of incentives and information to citizens; and provision of principled resistance to external forces attempting to subvert media autonomy." Media providers typically have their own interests in determining which issues to promote in the public sphere. Issues that conform to the interests of the power structures of which they serve get better handling and prominence. While the media are expected to expose and criticize weak political structure, abuse of power, and unwholesome social practices, other considerations may relegate these roles to the background.

**Background of Study**

The Niger Delta Development Commission is a federal government agency established by Nigerian president- Olusegun Obasanjo in the year 2000 with the sole mandate of developing the oil-rich Niger Delta region of Nigeria. In September 2008, President Umaru Yar'Adua announced the formation of Niger Delta Ministry, with the Niger Delta Development Commission to become a parastatal under the ministry. One of the core mandates of the Commission was to train and educate the youths of the oil rich Niger Delta regions to curb hostilities and militancy, while developing key infrastructure to promote diversification and productivity.

Demands of the population of the Niger Delta, a populous area inhabited by a diversity of minority ethnic groups. During the 1990s these ethnic groups, most notably the Ijaw and the Ogoni established organisations to confront the Nigerian government and multinational oil companies such as Shell. The minorities of the Niger Delta have continued to agitate and articulate demands for greater autonomy and control of the area's petroleum resources. They justify their grievances by reference to the extensive environmental degradation and pollution from oil activities that have occurred in the region since the late 1950s. However, the minority communities of oil producing areas have received little or no currency from the oil industry and environmental remediation measures are limited and negligible. The region is highly underdeveloped and is poor even by Nigeria's standards for quality of life.

**Statement of the Problem**

Corruption has been viewed as denigration of ethics, in that it undermines ethical values of a particular society (Clarion^ 2007). These values may include respect, trust, honesty, fairness, accountability, responsibility, good or bad and right or wrong. A link between corruption and poverty is permissible, since empirical evidence exists, showing that the vice contributes to denial of services especially to the poor (Clarion, 2007). Corruption reduces economic growth by lowering incentives to invest (for both domestic and foreign entrepreneurs) and therefore has huge adverse effects on private investment and economic growth (Mauro, 1998).

The 2003 Global Corruption Barometer, a new global opinion survey of perceptions experiences and attitudes towards corruption, found that a majority of respondents in 47 countries thought that corruption had increased, and 42% expected that corruption would increase over the subsequent three years (Transparency International, 2004). The same survey found that 40% of low-income respondents felt disproportionately affected by corruption. The roots of corruption are grounded in a country's social and cultural history, political and economic development, bureaucratic traditions and policies. Corruption tends to flourish when institutions are weak and economic policies distort the market place.

**Objectives of the Study**

The main objective of the study is to establish the role of the media in the fight against corruption with specific objectives as follows:

- Establishes media as tools use in exposing corruption
- Investigates media challenges in exposing corruption

**Literature Review**

**Introduction**

The role played by the media in Nigeria in fighting corruption and improving social justice had been recognized by the government, international community and the general public. Over the years, public trust in the media has been growing due to the role they play in investigating and informing the public about scandals within the government. The print media for example have carried detailed stories on corruption related issues including supplements on commissions of inquiry on corruption cases. The following section reviews concepts on corruption and media's role in fighting the vice.

Media is in a very advantageous position due to its ability to reach the masses. It uses it extensive coverage to expose those involved in corruption by shining light on such activities. It helps the masses to understand the concept of corruption by directing the agenda and debate involving corruption. Media has also been very instrumental in putting those perceived to be corrupt on the spotlight and bringing them to account and explain their actions to the public. A free and assertive media is concomitant with the growth of democracy and openness in society.

Media tools used for anti-corruption crusade, according to United Nations Office on Drugs and Crime (2004)are as follows:

**Internet:** The potential impact of the internet on awareness-raising is huge. It is an inexpensive medium and global in readership. It wide appeal, influence and use is evident. Even though totalitarian governments are aware of it potential to carry news that cannot be censored, have tried to find ways to restrict internet access, their efforts will probably be unsuccessful, as technology seems to outpace such efforts. Governments should post their National Integrity Action Plan (NIAP), together with regular updates on implementation and results to Internet Web Sites. That would not only allow the plan to be widely broadcasted, but it would also allow the public to monitor implementation. Survey and Integrity Workshop (SIW) results should similarly published on web sites. Such data provide the public with information regarding public perceptions about corruption and the training measures used to prevent it. The Internet can be used to facilitate broad participation of interested parties in the dissemination of important and timely information and thereby strengthens awareness globally. In that regard, the Internet can contribute to minimizing duplication and sharing relevant experience. Yet, as much as the Internet can serve as an extremely efficient and cost effective means of raising awareness and fostering discussion around the globe, a huge target audience of key stakeholders has no access. The Internet remains primarily a utility of the North with very few people from the South and from poor developing nations having ready access. There is still the need to use printed media, radio and television to reach those people.

**Media Campaign:** In addition to the internet, Media Campaigns should be used to disseminate anticorruption information. A typical media campaign would include advertisements in newspapers, journals or magazines on posters, radio and TV. Leaflets could be handed out in highly frequented areas, such as pedestrian precincts, mass meetings and sporting events. Just as with any other type of advertising, short sentences and easy-to-remember phrases can help make people more aware of the issues. The Nigerian writers are not left out in the anticorruption crusade. Griswold (2000) revealed that the reading class is painfully aware of how their hopes have been dashed by corruption. Novelists have represented this erosion of confidence especially as the first and second generations give way to the third. Corruption has gone from being a theme to the theme of the novels, regardless of the writer's literary talents or aspirations. Of the 128 novels published before 1980, 48 dealt with corruption, of the 348 novels published later, 169 dealt with corruption.

When it comes to exposing corruption and corrupt individuals, investigative journalism comes in handy as most of the corrupt transactions are done in secret. Investigative journalism is a branch of journalism that concentrates on a very specific topic and typically requires a great deal of work before it yields results (Hopwood. 2007).The media should help define and explain corruption in all its characteristics and effects. Many sections of society understand (or misunderstand) corruption in a very narrow sense. The media is at a very advantageous position because of its capacity to reach the masses to explain corruption and help understand its many manifestations (Matiangi, 2004). This means that investigative journalism remains a crucial component of the work of the media and an integral aspect of the practice. Investigative journalism must involve original research by journalists, must be of importance and interest to readers and views, and must deal with a topic that someone wants to keep secret.

**Factors Affecting Media Performance in Combating Corruption:** How effective media work and report on corruption depends on a number of critical factors such as freedom of media professionals to access, verify and publish accurate information, and independence of media houses and their ability to access independent sources of financing. Competition, outreach and credibility of media are other important factors affecting media performance (Nogara, 2009), each of these are examined accordingly by her as shown below.

**Freedom of Expression:** Media freedom of expression is essential to investigate and report incidences of corruption in a professional, effective and ethical manner. Freedom House, which monitors the free flow of information to and from the public, measures press freedom in terms of the degree to which laws and government regulations influence news content; the degree of political influence or control over the context of the news system; the economic influences on the media exerted either by government or private entrepreneurs, and the degree of oppression of the news media (Brunetti and Weder, 2003). Cross-country data measuring the effects of press freedom on corruption have found that press freedom is positively correlated with lower levels of corruption (Brunetti and Weder, 2003; Ahrend, 2002). Governments use a broad range of laws and actions aside from coercion to censure journalists, close publications, hamstringing finances, or simply encourage a culture of self-censorship. Old colonial laws such as sedition and libel laws are frequently used to limit press freedom and discriminate against journalists in court cases. Under these laws, media often come under fire from government officials allegedly for giving a platform to “terrorists” and “enemies” of the state. Governments also exercise control over the media content through the licensing requirement, existing in many African countries, which imposes conditions on media conduct and can be easily revoked. The fear of being put in jail or the threat of expensive and damaging libel suits, the risk of the license being revoked or of losing advertising revenue and other financial resources all impose a burden on journalists and media houses, encouraging a culture of self-censorship.

**Access to Information:** Access to information is at the heart of transparency and public accountability. Information flows may facilitate public oversight of government and increase the accountability of politicians for bad conduct. In most countries, citizens receive the information they need through the media, which serve as the intermediaries that collect information and make it available to the public. Without reliable access to information, the media are severely limited in their capacity to exercise their public accountability function. Laws and regulations, such as “Official Secret Acts” and similar devices, are often used by governments to limit press access to sensitive information for reason of national security in order to balance the citizens' right to know and the State's right and duty to protect its security. Under these laws and regulations, however, governments often enjoy considerable discretion to define what constitutes national security, which can easily be abused by governments to prevent opponents from expressing views through the media. Criminal defamation and libel laws, justified as necessary safeguards to privacy and security, are other legal instruments often used to provide special immunities and special rights to politicians and senior public servants, which prevent the media from doing their job.

**Ownership:** Private ownership is often associated with higher levels of government accountability and performance. A study carried out by Djankov (2000) in 98 countries, researched the effects of media ownership on a variety of social and economic policy outcomes, including government accountability and corruption. The study found strong correlations between media ownership and a whole range of policy outcomes, with a greater negative correlation between state ownership of newspapers and “good” outcomes. Countries with higher state ownership of the media also exhibit lower quality of regulations, with government media monopolies associated with particularly poor outcomes. The study concludes that government ownership of media restricts information flows to the public with negative effect on citizens' rights, government effectiveness, and corruption; alternatively, increased private ownership of the media-through privatization or encouragement of entry - can advance political and economic goals. Competition from private media assures that alternative views are supplied to voters and prevents state-owned media from distorting the information they supply too heavily so that voters obtain, on the average, unbiased and accurate information. Private ownership of media, however, might not always produce the desired results on corruption, particularly when media privatization takes place in a poor country with small, entrenched business elites and where the state is the only source of advertising revenue. In Nigeria, private radio (Ray Power, Star FM, Brilla FM, Cool FM and Rock City FM among others), television stations (African Independent Television, Silver bird, Galaxy, Channels and MITV) newspapers (Guardian, This Day, The Nation, Nigerian Tribune, Compass) and Magazines (The News, Tell and Newswatch) owners, are often businessmen closely associated with the government, former presidents, ministers, ambassadors, commissioners and other ex-government official, who in one way or the other still maintain their loyalty to the government in power. Among these private ownerships of media houses, private radio and television stations often find it difficult to expose corruption in public offices and perform an accountability role in the country because of their reliance on government patronage for revenue and the closeness of their owners to the government.

Newspapers and magazines, on the other hand, tend to be more financially independent since they can also count on revenue from sales. This often leaves them with more resources to finance investigative research and to survive court battles defending against sedition or libel charges.

**Competition:** Intense competition in the media industry can also be a strong determinant of its effectiveness to combat corruption. An empirical study carried out by (Suphachalasai, 2005), found strong evidence that competition in the media has a significant impact on the reduction of corruption, and competition can even be a stronger determinant than freedom of expression. The assumption of Suphachalasai's model is that profit-maximizing media houses seek to print and sell corruption news. The greater the freedom and competition in the media industry, the more media houses will seek to print corruption news, and the higher the probability that a corrupt bureaucrat will be caught by media. Suphachalasai's study also found that greater freedom and competition in the media industry might also have an indirect effect on corruption by influencing government's behavior and affecting its decisions on the rules and regulations that ultimately determine the level of corruption. Consistent with Suphachalasai's empirical evidence, Tell and The News magazines have been in the forefront of reporting corruption in Nigeria. Many of the daily newspapers are fond of reporting corrupt act perpetrated by those they perceive as enemies while corruption cases involving the close allied of their owner are not reported in the dailies.

**Outreach:** The ability of media to reach out and inform the public is also critical to the effectiveness of media reporting on corruption. In African countries, the outreach of the independent media is generally smaller than that of government-owned media, especially in rural areas. High publication and distribution costs and literacy barriers make it more difficult for private newspapers to circulate up-country. Newspaper readership, in general, is small and confined to the main urban areas. In Uganda, only 10-25% of the population, mainly urban, reads newspapers. Radio has a hundred times wider penetration than newspapers, especially in remote areas, since nearly every home has access to a short wave radio set. Private radio outreach, however, tends to be local. In Uganda, only government-owned Radio Uganda broadcasts nationally through subsidiaries using 19 different frequencies. The outreach of private radio as a news provider is also limited by the type of programming. A majority of private radio programmers in Africa tends to focus on entertainment and religious contents rather than news, which limits the role of radio as instrument of public accountability. Recently in Uganda, as in other African countries, call-in radio talk shows have become very popular. These programmers air discussions on a broad range of issues of public interest, including corruption, and have stirred unprecedented level of public debate in the country. They have the potential to promote greater public accountability, but their format of free-flowing discussion is not conducive to investigative reporting

**Credibility:** People's trust in independent media is essential to compel action against corruption from the authorities or the public. Media reputation in this regard is hard to establish. Journalists need to earn public trust and confidence by demonstrating their independence, objectivity and professionalism each and every day. Private media have an especially hard time to establish their credibility in Africa where people are more reluctant to trust new sources of political information. Government owned media have historically a wider access, especially in remote areas, and a well-established reputation. Private media, on the other hand, struggle to access important and reliable political information and have not always the freedom to publish it. The reluctance of government officials to cooperate with independent journalists makes it difficult for media professionals to check the accuracy of their stories. This is often compounded by limited newsroom budgets and capacity of media houses to carry out thorough investigations. The low pay of journalists often discourages the best qualified professionals to stay in the media or tempts some journalists to accept bribes to supplement their extremely meager salaries, significantly affecting the quality of their reporting (Balikova, 1995; Vogl, 1999). The private media's primary aim to publish and sell news also feeds the public perception of a media bias against the government, especially in cases of corruption.

In Uganda, for example, private media have often been associated with the political opposition. A growing number of policymakers, officials and media practitioners are increasingly concerned that commercial and potentially corrupt media outlets in Africa might become a source of sensationalist, inaccurate and even false reporting, conducive to inflammatory sectarian or political tensions. Afrobarometer (2004) survey carried out in 15 African countries shows that 53% of respondents expressed trust in the government broadcasting service and only 43% in private FM radio or television stations, while public and private newspapers scored 37 and 36% respectively.

**The Tangible Ways in Which Journalism Serves as an Impediment to Corruption:** The tangible ways in which media can serve as obstacle to corruption can take a variety of forms. Most spectacular among them is when corrupt bureaucrats or public office-holders are impeached, prosecuted or forced to resign after their misdeeds are exposed to public light. However, journalism also acts directly to curb corruption in other less spectacular but, arguably, equally important ways. Reporting, for example, may prompt public bodies to launch formal investigations into allegations of corruption. Furthermore, news accounts disseminate the findings of public anti-corruption bodies, thus reinforcing the legitimacy of these bodies and reducing the ease with which interested parties who hold power can meddle in their work. Conversely, when journalism exposes flaws and even corruption within the various bodies of the state (the courts, police and anti-corruption task forces), corruption is put on check. If the resulting public pressure leads to a reform of those bodies, the long-term effectiveness and potential of the media to act as a counterweight against corruption is strengthened. There are cases when reporting on corrupt or ethically questionable behaviour does not result in immediate investigations, prosecutions or resignations, but does arouse the ire of the public, which exercises another form of sanction: electoral defeat at the ballot box for a single elected office holder or an entire government. Hard-hitting journalism can also expose flaws in policy, laws or regulation that foster a climate ripe for corruption, thus creating pressure for reform. And even before anything has been published, mere inquiries by reporters about apparent wrongdoing can elicit pre-emptive responses by authorities eager to protect the public image of their institution before any allegations have been aired. The most obvious examples of media potential for curbing corruption can be seen when politicians or other senior public officials lose their jobs as a consequence of the public outcry or legal proceedings that follow the fearless reporting on corruption. Examples of this kind of outcome are not hard to find-particularly from Nigeria where a surge in media reporting on corruption charges (certificate forgery) has helped to force former speaker of the House of Representative - Ibrahim Salisu and former President of Senate - Evan Ewerem to resign their positions. Sometimes, journalists' stories too can play a critical role in reinforcing the effectiveness of public anticorruption bodies like EFCC and ICPC-even when the stories in question are not, strictly speaking, investigative reports that reveal wrongdoing of some kind. Simply reporting in a regular, detailed way on the works and findings of these bodies can reinforce public scrutiny of them and, hence, the independence of such bodies from vested interests within the power structure that might otherwise be tempted to interfere in their work.

**The Role of Mass Media in Curbing Corruption**

In modern societies, free mass media are an external factor in fighting corruption. They can be an institution of checks and balances. As a fourth estate, the media monitor compliance with democratic laws, values, and norms. However, in contrast to the three institutionalized powers (legislative, executive, and judicial bodies), mass media have no formal means to sanction misconduct by corrupt public officials; therefore, they exert their public control indirectly (Stapenhurst, 2000). They perform this role in six main ways. First, as watchdogs, the media hold political decision makers accountable for their actions (Norris, 2004). By this, media can help "the prosecutorial institutions by investigating and reporting incidences of corruption" (Camaj, 2012, pp. 2–3), leading to investigations by official bodies and convictions of corrupt political actors. When institutionalized control powers fall prey to corruption themselves and cannot effectively enforce penalties, independent and critical media often perform their role as a regulatory body more efficiently than the legislative, executive, and judicial bodies (Stapenhurst, 2000). By exposing corrupt public officials, mass media contribute to vertical accountability, which Schedler (1999) describes as a control mechanism between powerful superior and less powerful inferior actors. For instance, in the immediate aftermath of the Panama Papers revelations, the prime minister of Iceland, Sigmundur Davíð Gunnlaugsson, was forced to resign after public protests. This example shows that the media can have a relevant impact when civil society demands accountability from elected leaders. The media are more likely to affect private-to-public corruption because public outrage puts the reputation of elected officials at stake. Actors in the private sector, however, are far less dependent on public approval, and private-to -private corruption is therefore less likely to be affected by critical media coverage (Argandoña, 2003).

Second, mass media strengthen checks and balances between equally powerful actors (horizontal accountability; Camaj, 2012). By exposing flaws in anticorruption bodies, journalists can call for reform of these institutions and thereby increase the media's effectiveness in fighting corruption (Stapenhurst, 2000). In addition, raising public awareness about the proceedings of control mechanisms through media coverage reinforces the work and legitimacy of the state's anticorruption bodies, strengthening the institutional design of the political system, which is considered “the ultimate determinant of corruption” (Lederman, Loayza, & Soares, 2005, pp. 10–11).

Third, mass media provide a civic forum for voicing complaints and contribute to forming public opinion. By “highlighting policy failures, maladministration by public officials, corruption in the judiciary and scandals in the corporate sector” (Norris, 2004, p. 119). The media can generate public pressure to force corrupt politicians to resign and to lose political power. These naming and shaming campaigns influence the reputation of a corrupt actor and can increase law compliance (Fisman & Miguel, 2008). These measures are especially effective in the fight against extortive corruption, which relates to incidences when “the government official has the discretionary power to refuse or delay a service . . . in order to extract a rent from the private agent in the form of a bribe” (Brunetti & Weder, 2003, p. 1804). In this case, the victim has an interest in exposing the corrupt official. However, when both the bribing and receiving actors profit from the corrupt transaction (collusive corruption; Brunetti & Weder, 2003), no participant is interested in prosecuting the case. This calls for investigative media to actively engage in anticorruption efforts.

Fourth, by providing information about corruption, mass media contribute to general a climate of transparency within the society, which curbs corruption, both the systemic and individual levels (Kolstad & Wiig, 2009; Lindstedt & Naurin, 2010). However, transparency alone is insufficient to reduce corruption. Widespread access to information needs to be accompanied by the "ability to process the information, and the incentives to act on the processed information" (Kolstad & Wiig, 2009, p. 524). Therefore, some scholars take a more critical approach regarding the relationship between the news media and corruption. Vaidya (2005) presents empirical evidence showing that the "government's ability to 'spin' the media allegations can undermine corruption deterrence" (p. 667).

Fifth, watchdog media can have a preventive effect (Stapenhurst, 2000). Deterrence theory identifies three forces that are expected to increase the frequency and magnitude of corruption: (a) high magnitude of external rewards, (b) low probability of detection, and (c) low severity of punishment (Becker, 1974). If the media fulfill their watchdog role, there is an increased likelihood for incumbents' misconduct to be exposed and for them to suffer criminal prosecution or a loss of reputation or power. Thus, the personal benefit of corruption decreases, and potential perpetrators are deterred from engaging in corruption in the first place. However, to successfully deter corruption among public officials, media exposure, strict anticorruption laws, and effective prosecution from strong institutions of justice need to complement one another. If officially sanctioned institutions are weak or even corrupt themselves, potential perpetrators do not have to fear punishment (Persson, Rothstein, & Teorell, 2013).

Sixth, Stapenhurst (2000) also identifies intangible ways in which media can contribute to fighting corruption. These are those checks on corruption which arise from the broader social climate of enhanced political pluralism, enlivened public debate and a heightened sense of accountability among politicians, public bodies and institutions that are inevitably the by-product of a hard-hitting, independent news media. (pp. 2–3).

Empirical studies support this claim by showing that information supply has a positive impact on government responsiveness (Besley & Burgess, 2002) and accountability (Khazaeli & Stockemer, 2013) and that public access to information is a powerful deterrent of local capture (Reinikka & Svensson, 2004). Moreover, journalists can raise awareness of problems associated with corruption and shape social norms about prevalence and moral evaluation of corrupt behavior within societies. Empirical evidence highlights the importance of a general anticorruption culture (Fisman & Miguel, 2008), corruption awareness (Goel, Nelson, & Naretta, 2012), and perceived social norms (Köbis, van Prooijen, Righetti, & van Lange, 2015) as important means to fighting corruption.

However, despite the media's potential to curb corruption, they are often restricted to bolstering government accountability for citizens. The media often "serve to reinforce the control of powerful interests and governing authorities" (Norris, 2004, p. 121). For journalists to expose corruption, media must be free from legal, political, and economic constraints (Freedom House, 2015). However, media freedom is a fragile commodity, often abolished by totalitarian states, and, even in democratic countries, it can be suppressed in times of crisis (Dosenrode, 2010). Restrictions can occur both directly through censorship, prosecutions, or press concentration and indirectly through self-censorship. Physical violence against and intimidation of journalists often have general deterring effects, resulting in self-censorship by investigative journalists (Dosenrode, 2010).

The empirical relationship between press freedom and corruption is well documented (Kalenborn & Lessmann, 2013; Norris, 2004). Several studies indicate that a high level of press freedom leads to a low level of corruption in a country. Freille, Haque, and Kneller (2007) examine the relationship between media freedom and corruption in further detail by distinguishing political, legal, and economic constraints. Their results suggest that political restrictions most strongly affect corruption, whereas legal constraints have weaker impacts. Yet, the existence of freedom of information legislation (FOIL) is also associated with less corruption (Islam, 2006). Furthermore, the relationship between media freedom and corruption is stronger in countries that have adopted FOIL (Nam, 2012). With regard to political constraints, Camaj (2012) finds that “the association between media freedom and corruption is strongest in countries with parliamentary systems than in those with presidential systems” (p. 1). In addition, the media's economic independence and media competition contribute to the fight against corruption (Suphachalasai, 2005). Djankov, McLeish, Nenova, and Shleifer (2003) find a strong correlation between government ownership of media and corruption. However, foreign ownership of the press is associated with lower levels of corruption because it increases transparency and deters political actors from engaging in corrupt activities (Besley & Prat, 2006).

There are many branches or dimensions of corruption in Nigeria, which need stringent measures in practice for effective prevention and control. Auyo (1998) highlights some of them to include: abuse of power; ill-treatment of subordinates and indecent treatment of people's needs; self-award of contract; malicious withdrawal or 'carpeting' of personnel files; unnecessary delay of actions on certain demands; fraudulent distortion of facts and figures; nepotism; embezzlement and other financial misappropriation; ghost worker systems; 10% syndrome; transfer of public funds to private accounts; over invoicing; over-pricing of contracts; and arson, usually to cover-up corrupt practices. The role of the media is critical in promoting good governance and controlling corruption. It not only raises public awareness about corruption, its causes, consequences and possible remedies but also investigates and reports incidences of corruption. The effectiveness of the media, in turn, depends on access to information and freedom of expression, as well as a professional and ethical cadre of investigative journalists (Stapenhurst, 2000). Ayoola (2008) opined that if democracy is to survive and be a fruitful concept, the role of the media in sustaining it through anti-corruption crusade couldn't be overemphasized. He stated further that certain issues must be placed at the forefront of such endeavour. Primary of these is the proper understanding of the concept of democracy by all, and the nature of the media practice that can nurture democracy and create favourable environment for it to thrive. He further noted that the immediate challenges before the media right now was to crave for a conducive environment for democracy to take root and become sustainable through the enthronement of a culture of freedom of speech and freedom of expression; government accountability and qualitative civil society indirect participation in governance. The fight against corruption in Nigeria one must acknowledge, is one of the most daunting and challenging task to embark on, but with political will and commitment by her leaders and the right attitude by all Nigerians there is no doubt that someday, the Transparency International will in her report rank Nigeria as one of the least corrupt countries in the world (Ameh, 2007).

Media and anti-corruption crusade: Stapenhurst (2000) opined that a critical element of a country's anticorruption program is an effective media. The media has a dual role to play: it not only raises public awareness about corruption, its causes, consequences and possible remedies but also investigates and reports incidences of corruption aiding other oversight (and prosecutorial) bodies. According to him, the way in which medial serves as an impediment to corruption can be divided into tangible and intangible effects. Tangible effects is made up of the readily identifiable way in which the news media perform these functions include those in which some sort of visible outcomes can be attributed to particular news story or series of stories on such subjects as: launching of investigation by authorities; scrapping of a law or policy that foster a climate ripe with opportunities for corruption; impeachment or forced resignation of a crooked politician and firing of an official; launching of judicial proceeding and issuing of public recommendation by a watchdog body like transparency international. He referred to intangible effects as those checks on corruption, which are inevitably the bye product of hard hitting independent news and can be characterized by broadened sense of accountability amongst politicians, public bodies and institutions.

Constraints of media in anti-corruption crusade: Although the media in Nigeria are given the constitutional duty of upholding the responsibility and accountability of Government to the people, they lack the power to carry out this function as the Constitution grants the media no specific freedom other than the right to freedom of expression enjoys by every citizen. On the other hand there exist several laws that have negative effect on the functions of the media. Among these are the Official Secrets Act, Sections of the Criminal Code Act and the Defamation Act. Laws establishing many public institutions also provide secrecy clauses that insulate such institutions from public scrutiny. It is in the light of this that the media and Civil Society in Nigeria are demanding enhancement of the information climate and a guarantee of the right to seek information without inhibition and to publish or broadcast news safely and effectively. This right, they believe, can be guaranteed by a Freedom of Information law. It is argued that this will give legal cover to the media's contributions towards the anti-corruption campaign in the country. Reporting corruption involve threats, harassments, injury, even death. High incidence of poverty has made many journalists to seek for financial gratification before they perform their duty. Adesina (2008) reasoned that this group of journalists/media houses often tilt stories to favour those who have compromised them. They deliberately leave out the other side, or give the preferred side more prominence. They do hatchet jobs, writing and reporting deliberate untruth." He urged journalists to be honest and ethical. He also wanted them to learn to have professional detachment in writing a story. Tanzania Guardian (2006) lamented that under pressure of 'envelope' journalism, media houses have found themselves putting under carpet, important stories which would have unearthed and fought against acts of corruption. Owners of media houses most especially the privately owned media often interfere with free reporting of corruption cases where such involve their highly placed friend in public or private sector.

**Methodology**
The research design for this study is descriptive technique. The population of this study is journalist and media practitioners in Akwa Ibom. The institution will not be disclosed to protect their identities and maintain research information ethics. The population number is unknown. However, a purposive sampling technique is used to identify 50 respondents for the study. Open-ended questionnaire is used for data collection and data is analyzed using frequency/percentage method.

**Data Analysis**
The analysis of the study uses the 4-point likert type scale, the cut-off point will be obtained by adding the values in the scale (1+2+3+4=10) and dividing by 4 to obtain a mean of 2.50(10/4).
Any item ranked 2.50 and above will be regarded as accepted while any item below a mean of 2.50 will be regarded as rejected. The scores given to any item will be computed by adding the values of the rating by the respondents. The mean will be computed from the sum of the value points and divided by the number of the respondent.

**Table 1:** Bio Data.

| Gender | Frequency | Percentage |
|---|---|---|
| Male | 19 | 38% |
| Female | 31 | 62% |

**Discussion of Finding**
The demographic characteristics of the respondents which has gender. As shown in table 1, majority of the respondents are female (31 or 62%) whereas the rest are male (19 or 38%).

**Table 2:** Tools Use in Exposing Corruption

| Tool use in exposing corruption | SA | A | D | SD | TOTAL | MEANS |
|---|---|---|---|---|---|---|
| 1.internet | 26<br>52% | 10<br>20% | 10<br>2% | 4<br>8% | 50 | 3.16 |
| 2.media campaign | | | | | | |
| i. newspapers | 42<br>84% | 8<br>16% | 15<br>30% | 14<br>28% | 50 | 3.84 |
| ii. journals | 11<br>22% | 10<br>20% | 15<br>30% | 14<br>28% | 50 | 2.36 |
| iii. posters | 38<br>76% | 12<br>24% | | | 50 | 3.24 |
| iv. radio | 40<br>80% | 10<br>20% | | | 50 | 3.8 |
| v. tv | 43<br>86% | 7<br>14% | | | 50 | 3.86 |
| | | | | Grand mean | | 3.36 |

Table 2 Shows the tools media use in dissemination of information on corruption. With the exception of item (2i) which is journal, having the means scores of 2.36 below the branch mark of 2.50. It can be seen that tools used in the exposing of corruption is highly encouraging. This is justified by the grand mean of 3.36.

**Table 3:** Challenges of Exposing Corruption

| Challenges of exposing corruption | SA | A | D | SD | TOTAL | MEANS |
|---|---|---|---|---|---|---|
| 1.Freed Of Expression | 41<br>82% | 9<br>18% | | | | 3.82 |
| 2.Access To Information | 28<br>56% | 17<br>34% | 4<br>8% | 1<br>2% | | 3.44 |
| 3. Ownership | 22<br>44% | 18<br>36% | 5<br>10% | 5<br>10% | | 3.14 |
| 4.Outreach | 11<br>22% | 9<br>18% | 17<br>34% | 13<br>26% | | 2.36 |
| 5. Competition | 26<br>52% | 16<br>32% | 6<br>12% | 2<br>4% | | 3.28 |
| 6. Credibility | 20<br>40% | 13<br>26% | 15<br>30% | 2<br>4% | | 3.02 |
| 7. Poor Security | 39<br>78% | 11<br>22% | | | | 3.78 |
| | | | | Grand mean | | 3.26 |

Table 3: This table also shows the challenges face by the media practitioners and journalists in exposing corruption .with the exception of item (4) which is outreach, having the mean scores of 2.36 below the bench mark of 2.50. This shows that the challenges face by the media practitioners and journalist are too much. This is determined by the grand mean of 3.26.

**Conclusion and Recommendations**

Although the nation has experimented with different policies and programmes, there is still hope in winning the war against corruption in Nigeria. Whistle blowing is an important and internationally accepted tool in fighting the illegal or immoral acts and the ethical laxity that accompanies the act (Isa, 2009), however, for whistle blowing to be fully effective, there is need for proper organization and dissemination of facts and truths exposed by whistle blowers. The weapons of information provision which are facts and data should be used in every office (government or private) in order to bring about prudency, transparency and accountability in all aspects of our national lives. It is therefore recommended that whistleblowers need to be protected against retaliation and victimization. It is the role of the government to ensure that citizens exercise their right of effective participation in the fight against corruption by offering whistle blowers adequate protection (Isa, 2009). To combat corruption, good record keeping is an activity that librarians and information managers can help to achieve. In an environment where records are poorly kept, proper audit is practically impossible and good governance requires that records are kept efficiently. Librarians and information managers must be up and doing in this aspect so as to ensure proper records management. Also, librarians and information managers must realize their duties to educate users. When information is available there is the need to educate users of their availability so that they can exploit these resources for their benefits. Libraries and information services should extend their missions so as to become more active components in good governance and the struggle against corruption in particular. They can perform a significant role in informing citizens of their rights and entitlements. Librarians and information managers should collect information materials issued by official bodies particularly those that deal with citizens' rights.

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# NIGERIA DIVERSIFICATION AGENDA AND ECONOMIC GROWTH: THE ROLE OF AGRICULTURE

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## Abstract
*The paper examined the role of agriculture in promoting the diversification agenda and economic growth in Nigeria. The study employed annual time series data obtained from Central Bank of Nigeria statistical bulletin and World Bank Data base for the period 1986 to 2018. The study employed the Phillip-Peron unit root test, ARDL Bounds test for cointegration, and the error correction mechanism. The result of the unit root test revealed that the variables were stationary at mixed order of integration (levels and first difference), while the ARDL Bounds test revealed the presence of a long-run relationship. Findings of the study further revealed that all the components of agricultural production – crop production, livestock production, forestry, and fisheries – exerted a positive and significant long-run effect on economic growth, with livestock production exerting the greatest effect within the study period. The error correction mechanism indicated that 71.07% of the short-run disequilibrium is corrected in the long-run. The paper recommended that for the country to strongly diversify, government needs to invest aggressively on the agricultural sector so as to reap its full potentials.*

**Keywords:** Economic Growth, Lewis Model, Agriculture, ARDL, ECM, Diversification

## Introduction
One of the key goals of macroeconomic policies of government is the actualization of economic growth and development. Scholars argue that the Agricultural sector is critical to the attainment of this core macroeconomic goal as espoused in the literature on the subject matter. Agriculture is often regarded as a key driver of

economic growth and development. It was regarded as the mainstay of the Nigerian economy especially in the 1960s and early 1970s before the discovery of crude oil in the country. The performance of an economy especially in terms of growth in per capita income is dependent, among other things, on a well-developed agricultural sector (Olabanji, Adebisi, Ese, and Emmanuel, 2017). This is because the agricultural sector exerts spill over effects on other sectors of the economy and is considered the highest employer of labour in developing countries such as Nigeria. Specifically, the sector employed about two-thirds of the working population with a significant contribution to gross domestic product, and provides a larger proportion of non-oil earnings (CIA, 2013). These spill over effects include inter-sectoral linkages which could be either market-based (direct) or non-market based (indirect). The market-based arguments are of the opinion that the various sectors are linked through the supply of surplus labour to firms in the industrial sector; supply of food for domestic consumption; provision of market for industrial output; supply of domestic savings for industrial investment; and supply of foreign exchange from agricultural export earnings to finance import of intermediate and capital goods (Johnston and Mellor, 1961). The non-market based arguments on the role of agriculture in promoting economic growth arise from governmental learning by doing, increased economic stability, food security, and the relative efficiency of rural household decision-making (Block and Timmer, 1994). Moreover, agriculture indirectly contributes to economic growth through its provision of better caloric nutrient intake by the poor, food availability, food price stability, and poverty reduction (Timmer, 1995).

Despite the many advantages of agriculture, there has been series of fluctuations in the contribution of the sector to national income (GDP). In 1986, the sector contributed about 19.60%, which declined to 17.95% in 1990. The share of agriculture rose to 26.38% as at 2003 with a further increase to 25.56% as at 2006. In 2018, agriculture contributed 25.13% to GDP (Central bank of Nigeria, 2018). Comparing these figures to those of the 1960s where agriculture was a major source of export earnings, it becomes evident that the contribution of agriculture to economic growth in Nigeria has been declining. In the 1960s and 1970s the agricultural sector contributed on the average over 65% of total export, with attendant emphasis on export of cash crops such as cocoa, rubber, hides and skin, groundnut, and palm oil (Kamil, Sevin, and Festus, 2017).

In response to Nigeria quest for agricultural development and diversification of the economy, several schemes and programmes had been formulated and implemented. Such as Agricultural Credit Guarantee Scheme Fund (ACGSF), Agricultural Credit Support Scheme, Commercial Agriculture Credit Scheme, Nigeria Agricultural and Cooperative Bank (now Nigerian Agricultural Cooperative and Rural Development Bank), River Basin Authorities, Agricultural Development Project, and Operation Feed the Nation. These schemes recorded both successes and failures. For instance, the ACGSF value of loans guaranteed as at 1986 stood at N68,417.40, increased to N361,449.00 in 2000, and then to a high record of N7,840,496.63 in 2010. In 2015, the value of loan was N10,857,380.83 and declined drastically to N5,849,388.73 and N4,377,626.29 in 2017 and 2018 (all values in millions) respectively (CBN, 2018). The major problem of this scheme was the increasing incidence of loan defaults which was attributed to factors such as natural disasters; poor farm management, low product prices, and loan diversion ( Njoku, 1986; Ojo, 1986; and Nwosu, 2010).

Nigeria is now at a point where the diversification of the economy seems to be the only panacea to its many economic predicaments. This is especially so in the face of dwindling reserves as a result of falling crude oil prices and mounting debt profile. Currently, the coronavirus (covid-19) pandemic have caused global economic crisis with adverse effects on the African economies including Nigeria. Every economy seems to be locked down in the battle against the virus. The mounting uncertainties in the crude oil market with threats of development in alternative energy such as solar and electricity driven vehicles, and the death-dealing pandemic, indicate gloomy future of oil revenue. Nigeria dependency on oil revenue makes the nation vulnerable in the face of serious threats to its economic growth and development agenda if (of which is likely to be) the demand for oil diminishes which will eventually lead to a fall in oil price. The need for diversification of the economy need not be overemphasized. This information is not new, it is only a restatement of the obvious. Agriculture is an engine of economic growth and the battle for long-term economic growth will be won or lost in the agricultural sector (Myrdal, 1984). Agricultural development could therefore be regarded as the pathway through which Nigeria can strive towards achieving her diversification agenda and attaining sustainable growth. Sadly, it appears that investments in the agricultural sector are not yielding expected results. This is worrisome. This therefore poses some critical questions such as:

i. Does agricultural production significantly affect economic growth in Nigeria?
ii. Which component of agricultural production contributes the greatest to economic growth?
iii. What is the nature of the long-run relationship (if any) between agricultural production and economic growth in Nigeria?

Based on the research questions stated above, this paper aims at examining the role of agriculture in promoting economic growth in Nigeria, especially now that diversification is a burning issue. Specifically, the paper aims at examining:

i. the effects of the various components of agriculture on economic growth,
ii. the component of agricultural production with the greatest contribution to economic growth in Nigeria, and
iii. the existence of a long-run relationship (if any) between agriculture and economic growth in Nigeria.

The paper is divided into five sections: The introduction, literature review, research methodology, empirical findings, conclusion and recommendations.

## Review of Related Literature

### Theoretical Literature

The underutilization of the potentials of the Nigerian agricultural sector necessitates the adoption of the Structural-Change Models of economic growth as the theoretical framework for this study. The Structural-Change Theory opines that an economy's "underdevelopment is due to underutilization of resources arising from structural or institutional factors that have their origin in both domestic and international dualisms, hence, development requires more than just accelerated capital formation" (Torado and Smith, 2011). Two of such theories are the Two-Sector Surplus Labour theoretical model propounded by Nobel laureate W. Arthur Lewis in the 1950s which was later modified, formalized and extended by John Fei and Gustav Ranis (see Lewis, 1954 and Fei and Ranis, 1964), and the Patterns of Development by Hollis B. Chenery and his co-authors. The Lewis theory is adopted for this work.

According to the Lewis Model, the underdeveloped economy is made up of two sectors: a traditional, overpopulated rural subsistence sector characterized by zero marginal productivity of labour – a situation that permits Lewis to classify this as surplus labour in the sense that it can be withdrawn from the traditional agricultural sector without any loss of output – and a high-productivity modern urban industrial sector into which labour from the subsistence sector is gradually transferred (Torado and Smith, 2011). This modern sector could also be regarded as "modern agriculture" but, for the purpose of simplicity, it is regarded as "industrial" sector. Following this, the growth model can simply be put as:

$$Y = f(AGR, INDS) \quad - \quad - \quad - \quad - \quad - \quad - \quad - \quad -(1)$$

Where Y is economic development, AGR is the traditional agricultural sector, and INDS is the modern industrial sector. Equation 1 depicts economic dualism and it is assumed, (of which is true), that these two sectors are interrelated. The agricultural sector employs capital, labour, expertise and is also a final consumer of the output of the industrial sector, while the industrial sector employs labour and inputs of the agricultural sector (Inusa *et al.*, 2018). It is also believed that both labour transfers from the traditional sector to the modern industrial sector and subsequent modern-sector employment growth are brought about by output expansion in the modern sector. The rate of industrial investment and capital accumulation are the catalyst for such output expansion.

In summary, Lewis Two-Sector Model is a theory of development in which surplus labour from the traditional agricultural sector is transferred to the modern industrial sector, the growth of which absorbs the surplus labour, promotes industrialization, and stimulate sustained development (Torado and Smith, 2011). The theory focuses on how an underdeveloped country can transform their economy from a traditional subsistence agriculture to a modern one through heavy financial support (industrial investment and capital accumulation) in order to attain industrial breakthrough. Such structural changes that can promote productivity are bank loans, farm inputs distribution, public credit agencies, mechanization of agriculture, irrigation practices, and other modern methods towards agricultural development. Such practices will boost agricultural production, promotes industrialization hence, economic growth.

The Lewis theory was used in studying the recent growth experience in China and labour markets in other developing countries ( Islam and Yokota, 2008; Zhang, Yang, and Wang, 2010; Fang, 2007; Yiping and Tingsong, 2010; and Fields, 2004).

**Empirical Literature**

The empirical studies on the role of agriculture on economic growth have received attention from many scholars. In their work, Mathew and Adeboye (2010) examined the role of the agricultural sector in economic development of Nigeria. Time series data from 1970 to 2008 were used and the study employed the Johansen co-integration techniques of regression. The result shows that there is no significant impact of agricultural sector on economic development in Nigeria.

Oje-Okoro (2011) carried out an analysis of the contributions of agricultural sector on the Nigeria economic development for the period 1986 to 2007. The multiple regression technique was used to analyse the data collected and the result indicated a positive relationship between Gross Domestic Product (GDP) vis-à-vis domestic savings, government expenditure on agriculture, and Foreign Direct Investment (FDI).

Aminu and Anono (2012) empirically investigated the contribution of agricultural sector and petroleum sector to the economic growth and development (GDP) of the Nigerian economy between 1960 and 2010. The Augmented Dickey-Fuller technique was utilized in testing the unit root property of the series; after which Chow breakpoint test was conducted to test the presence of structural break in the economy. The results of the Augmented Dickey-Fuller unit root test showed that all the variables in the model were stationary at first difference and the results of Chow breakpoint test indicated that there is no structural break in the period under review. Further, the results also revealed that agricultural sector contributed higher than the petroleum sector, though they both possessed a positive impact on the economic growth and development of the economy.

Also, Odetola and Etumnu (2013) investigated the contribution of the agriculture sector to the economic growth of Nigeria for the period 1960 to 2011 using the growth accounting framework and Granger Causality test. The study found that the agricultural sector has contributed positively to the economic growth in Nigeria. The Granger Causality test showed that agricultural growth Granger-causes GDP growth, and not the other way round.

Oyinbo and Rekwot (2014) examined the relationship between agricultural production and the growth of Nigerian economy with focus on poverty reduction. The study employed unit root tests and the bounds (ARDL) testing approach to cointegration. Their findings revealed that agricultural production was significant in influencing the favourable trend of economic growth in Nigeria. However, there is still high poverty and the study identified the need for a shift from monolithic oil-based economy to a more plural one with agriculture being the lead sector.

In their research work, Ideba, Iniobong, Otu and Itoro (2014) investigated the relationship between agricultural public capital expenditure and economic growth in Nigeria over the period 1961 to 2010. The study employed Augmented Dickey-Fuller test, Johansen maximum likelihood test and Granger Causality test. Result from the cointegration test revealed the existence of a long-run relationship. The Error Correction Model result indicated that public expenditure on agriculture had a positive effect on economic growth while the Granger Causality Test revealed the existence of a unidirectional causality flowing from public expenditure on agriculture to economic growth. The study recommended policy adjustment as a factor needed to promote economic growth.

Abula and Ben (2017) researched on the impact of agricultural output on economic development in Nigeria within the period of 1986 to 2014. Augmented Dickey-Fuller unit root test and Vector Autoregressive Model were adopted as test statistics techniques. The result revealed that agriculture played an important role on Nigeria economic development.

Similarly, the study of Kamil, Seving, and Festus (2017) was an attempt to examine the contributions of agricultural sector on economic growth of Nigeria, using time series data from 1981 to 2013. The findings of the study revealed that there was a positive long run equilibrium relationship between agricultural input and economic growth in Nigeria; although the Vector Error Correction Model result showed that the speed of adjustment of the variables towards their long-run equilibrium path was low.

Inusa, Daniel, Dayagal, and Chiya (2018) attempted an empirical examination of the role of agriculture on Nigerian economic growth and recovery. The study employed the unit root and cointgration techniques. The result from the unit root revealed a mixed order of integration – level and first difference and the cointegration result presented an evidence of a long-run relationship. Result from the Ordinary Least Squares (OLS) regression technique revealed that exchange rate positively and significantly impacted agricultural output. Loans and advances, and total savings were also discovered to have significant impact on agricultural output as a component of GDP.

More recently, Kenny (2019) investigated the role of agricultural sector performance on economic growth in Nigeria using the Vector Error Correction Mechanism (VECM). The major findings revealed a significant long-run relationship between agricultural domestic production and its explanatory variables (Agricultural Credit Guarantee Scheme Fund, Federal Government current expenditure on agriculture, total employment and effect of trade liberalisation), with a 35% speed of adjustment.

A review of the empirical works above show that the findings are varied. However, it appears that most studies argue that the agricultural sector contributes positively to economic growth. However, there is need to disaggregate the sector with a view to examining the most productive and economically viable component (s). This way, the individual impacts can be measured and as well as the performance of the different shades of the diversification programmes directed towards agricultural sector.

## Methodology

### Basic Study Design

The paper adopted the econometric research approach. Data were obtained from secondary sources and analysed using Eviews 10 software. The data span through the period 1986 to 2018. Data were subjected to diagnostic tests to ensure their suitability for the analysis.

### Model Specification

The model employed in this study is adopted and adapted from the method of Olabanji, *et al.* (2017). The original model is stated below:

RGDPt = f(AGPO, INTR, INFL, EXR) - - - - - - (3.1)

Where:
RGDP = Economic growth proxy by real Gross Domestic Product (in naira)
AGPO = Agricultural Output
INTR = Interest rate (per cent)
EXR = Exchange rate (naira per US dollar)
INFL = Inflation rate (per cent)

The model, as specified in equation 3.1, is modified for this study to capture the individual components of the Agricultural sector to become:

RGDP = f(AGPR, INTR, INFR, EXCR, GFCF, GEXP) - - - - (3.2)

Where:
RGDP = Economic growth given by real GDP (in naira)
AGPR = Agricultural output
INTR = Interest rate
INFR = Inflation rate
EXCR = Exchange rate
GFCF = Gross fixed capital formation (investment)
GEXP = government expenditure

The index of agricultural production is further disaggregated into crop production, livestock production, forestry, and fishery. This disaggregation is done in accordance with CBN breakdown of the agricultural sector. Equation 3.2 then becomes:

RGDP = f(CRPR, LSPR, FRTY, FSPR, INTR, INFR, EXCR, GFCF, GEXP)-(3.3)

Where:
CRPR = Crop production

LSPR = Livestock production
FRTY = Forestry
FSPR = Fishery production

In its estimable and transformed form, equation 3.3 becomes

$$logRGDP = \beta_0 + \beta_1 logCRPR + \beta_2 logLSPR + \beta_3 logFRTY + \beta_4 logFSPR + \beta_5 INTR + \beta_6 INFR + \beta_7 EXCR + \beta_8 logGFCF + \beta_9 logGEXP + \mu \quad - \quad - \quad - \quad - \quad (3.44)$$

Where log is the natural log, $\beta_0 - \beta_9$ are the parameters to be estimated, and $\mu$ is the random error term. Note that INTR, INFR, and EXCR are not in their log form since they are rates. The essence of the log is to help us in linearizing the variables and in explaining the coefficients of the explanatory variables in elasticities.

**A priori Expectation**
The a priori expectation of the parameters in the model is presented in Table 1.

**Table 1:** A priori expectation of the coefficients

| Variable | Coefficient | A priori expectation |
|---|---|---|
| logCRPR | $\beta_1$ | Positive (+) |
| logLSPR | $\beta_2$ | Positive (+) |
| logFRTy | $\beta_3$ | Positive (+) |
| logFSPR | $\beta_4$ | Positive (+) |
| INTR | $\beta_5$ | Negative (-) |
| INFR | $\beta_6$ | Positive (+) |
| EXCR | $\beta_7$ | Negative (-) |
| logGFCF | $\beta_8$ | Positive (+) |
| logGEXP | $\beta_9$ | Positive (+) |

**Data Sources**
Data for this study were obtained from Central Bank of Nigeria (CBN) statistical bulletin and World Bank data base on World Development Indicators. Specifically, data on RGDP, Agricultural Output (CRPR, LSPR, FRTY, and FSPR), INTR, EXCR, and GEXP were obtained from the 2018 CBN statistical bulletin while data on INFR and GFCF were obtained from the 2018 World Development Indicators.

**Analytical Technique**
The analytical approach for this paper begins with the diagnostic test, cointegration test, and the Vector Error Correction Mechanism (ECM). The unit root diagnostic test was conducted using the Phillip-Peron test technique developed by Phillip and Perron (1988). Also, the cointegration test helps in detecting the existence of a long-run relationship. This was done using the ARDL Bounds test approach. The VECM helps in detecting how the short-run disequilibrium is corrected in the long-run, i.e. the speed of adjustment. It is represented as the one-period lag of the error term. The use of the ARDL approach is utilized as it easily estimates both the short-run and

long-run estimates. Also, the approach can be utilized irrespective of the order in which the variables are integrated.

## Empirical Findings

### Unit Root Test

The Phillip-Peron (PP) unit root test result is presented in Table 3.

**Table 2:** Unit Root Test Result

| Variable | PP Statistic | Bandwidth | Test Critical Value (5%) | Decision |
|---|---|---|---|---|
| | | **Level** | | |
| logRGDP | -0.0824 | 3 | -2.9571 | Non-stationary |
| logCRPR | -0.2246 | 1 | -2.9571 | Non-stationary |
| logLSPR | 0.8331 | 3 | -2.9571 | Non-stationary |
| logFRTY | 1.0030 | 0 | -2.9571 | Non-stationary |
| logFSPR | -0.9638 | 4 | -2.9571 | Non-stationary |
| INTR | -4.7388 | 4 | -2.9571 | Stationary |
| INFR | -2.7751 | 2 | -2.9571 | Non-stationary |
| EXCR | 1.0579 | 2 | -2.9571 | Non-stationary |
| logGFCF | -4.8658 | 0 | -2.9571 | Stationary |
| logGEXP | -4.3472 | 3 | -2.9571 | Stationary |
| | | **First Difference** | | |
| Δ ogRGDP | -3.1144 | 0 | -2.9604 | Stationary |
| Δ ogCRPR | -5.5238 | 0 | -2.9604 | Stationary |
| Δ ogLSPR | -3.7387 | 1 | -2.9604 | Stationary |
| Δ ogFRTY | -5.539 | 2 | -2.9604 | Stationary |
| Δ ogFSPR | -4.5575 | 1 | -2.9604 | Stationary |
| ΔINFR | -6.7218 | 19 | -2.9604 | Stationary |
| ΔEXCR | -3.9316 | 3 | -2.9604 | Stationary |

Source: Researcher computation using Eviews 10

The unit root test result presented in Table 2 indicates that the variables are in mixed order of integration – at level and at first difference and Δ is the difference operator. The variables are integrated of a particular order if the PP statistic is more negative than the 5% critical value. From Table, it is evident that INTR, logGFCF, and logGEXP are stationary at level or order zero. On the other hand, logRGDP, logCRPR, logLSPR, logFRTY, logFSPR, INFR, and EXCR are all integrated at first difference or order one. This mixed order of integration necessitated the use of the ARDL Bounds test for cointegration.

### ARDL Bounds Test for Cointegration

The ARDL Bounds test for long-run (levels) relationship is presented in Table 4.

**Table 3:** Bounds Test Result

| Critical Value | Lower Bound Value | Upper Bound Value |
|---|---|---|
| 5% | 2.04 | 2.08 |
| 2.5% | 2.24 | 3.35 |
| 1% | 2.5 | 3.68 |

Computed F-statistic = 4.7980 k = 9

***Source:*** Researcher computation using Eviews 10

Based on the result of the Bounds test the null hypothesis of no levels relationship is rejected. This is because the 1%, 2.5%, and 5% critical values both at the lower Bound and in the upper Bound are less than the F-statistic. Hence, we conclude that there is a long-run relationship among the variables. This necessitates the estimation of both the short-run and long-run relationships.

**Static (Long-run) Estimates**

The long-run estimates is presented in Table 2.

**Table 4:** Long-run Parameters Estimates

Dependent variable: logRGDP

| Variable | Coefficient | Standard Error | t-statistic | Probability |
|---|---|---|---|---|
| Constant | 2.1592 | 0.4550 | 4.7459 | 0.0001*** |
| *logCRPR* | 0.3118 | 0.0528 | 5.9079 | 0.0000*** |
| *logLSPR* | 0.4936 | 0.2177 | 2.2676 | 0.0331** |
| *logFRTY* | 0.3008 | 0.1541 | 1.9524 | 0.0632* |
| *logFSPR* | 0.1546 | 0.0526 | 2.9404 | 0.0073** |
| *INTR* | -0.0018 | 0.0023 | -0.7619 | 0.4539 |
| *INFR* | 0.0007 | 0.0004 | 1.6780 | 0.1069 |
| *EXCR* | -0.0007 | 0.0002 | -4.0201 | 0.0005*** |
| *logGFCF* | 0.0056 | 0.0155 | 0.35878 | 0.7230 |
| *logGEXP* | 0.0147 | 0.0113 | 1.3012 | 0.2061 |

R-squared = 0.9976 Adjusted R-squared = 0.9967 Durbin Watson = 1.85
F-statistic = 1070.263 Probability of F-statistic = 0.0000***

***Source:*** Researcher Computation using Eviews 10

The result of the long-run relationship, as depicted in Table 4, reveals an interesting role of the agricultural sector in promoting economic growth. All the components are positively and significantly affecting economic growth in the long-run. This means that a unit increase in crop production will lead to a 31.18 units increase in economic growth; a unit increase in livestock production will lead to a 49.36 units increase in economic growth; a unit increase in forestry production will lead to a 30.08 units increase in economic growth; while a unit increase in fishery production will lead to a 15.46 units increase in economic growth. The contributions of the individual components of the agricultural sector reveals that investing in the sector is critical to sustaining economic growth in the long-run.

Interest rate and exchange rate, in the long-run, exert negative effect on economic growth, though only exchange rate is significant at 1% level. The implication is that a unit increase in exchange rate will lead to a 0.07 units decrease in economic growth. Inflation rate, gross fixed capital formation, and government expenditure exert positive and insignificant effect on economic growth in the long-run.

The R-squared (0.9976) indicate that 99.76 of the total variation in the dependent variable is explained by the variation in the explanatory variables while the other 0.24% is explained by other variables not captured in the model. This represents a high goodness of fit. The goodness of fit remains quite high (99.67%) after being adjusted for the degree of freedom. The F-statistic is statistically significant at 1% level and this indicate that the overall model is significant. The Durbin Watson statistic (1.85) is approximately 2.0 and this is a clear indication of an absence of serial correlation. Also, since the DW statistic is greater than the R-squared, the result is not spurious.

**Estimated Short-run Relationship**

The result of the short-run coefficients that is associated with the long-run relationship which is obtained from the error correction mechanism is presented in Table 5.

**Table 5:** ARDL Short-run Error Correction Estimates

Dependent variable: logRGDP

| Variable | Coefficient | Standard Error | t-statistic | Probability |
|---|---|---|---|---|
| Δ*logCRPR* | 0.1796 | 0.0104 | 17.3366 | 0.0004*** |
| Δ*logLSPR* | 0.3829 | 0.0434 | 8.8313 | 0.0031** |
| Δ*logFRTY* | -0.2465 | 0.0465 | -5.2973 | 0.0131** |
| Δ*logFSPR* | -0.2060 | 0.0228 | -9.0496 | 0.0028** |
| Δ*INTR* | -0.0040 | 0.0006 | -6.9888 | 0.0060** |
| Δ*INFR* | -0.0025 | 0.0002 | -11.1748 | 0.0015** |
| Δ*EXCR* | -0.0006 | 4.74E-05 | -12.8631 | 0.0010** |
| Δ*logGFCF* | 0.0196 | 0.0017 | 11.2465 | 0.0015** |
| Δ*logGEXP* | -0.1186 | 0.0085 | -13.9721 | 0.0008*** |
| *ECM(-1)* | -0.7107 | 0.0470 | -15.1230 | 0.0006*** |

R-squared = 0.9950 Adjusted R-squared = 0.9884 Durbin Watson = 2.13

Source: Researcher Computation using Eviews 10

The coefficient of the error term (-0.7107) is rightly signed and statistically significant at the 1% level of significant. Also, the speed of adjustment is quite high. The coefficient implies that 71.07% of the short-run disequilibrium in the previous year is corrected in the long-run. All the components of the agricultural output and other variables in the model are observed to have a short-run significant effect on economic growth. However, in the short-run analysis, forestry and fishery components of agricultural production have a negative effect on economic growth while crop production and livestock production exerted a positive effect on economic growth. Also, interest rate, inflation rate, exchange rate, and government expenditure has a negative effect on economic growth in the short-run while gross fixed capital formation has a positive effect on economic growth. Some of these coefficients deviates from the long-run estimates. Whereas all the coefficient of agricultural output components are positive in the long-run; inflation is positive in the long-run but negative in the short-run; government expenditure is also positive in the long-run but negative in the short-run. The reasons for this could be the time lag for yields on government spending to be actualized. Also, the misappropriation of public funds meant for investment in agriculture could, at least, in the short-run affect national output. The persistent insecurity crisis and the constant farmer-herders crisis in the country have severely cripple agricultural activities. However, continuous investment in the sector and adamant adherence to the target of revamping and modernizing the sector promote production, productivity will increase, resulting in higher prices for inputs; and the high prices will greatly enhance supply in the long-run for profit making firms in the face of inelastic demand for agricultural product.

**Discussion of Findings**

The agricultural sector is a propeller of economic growth both in the long-run and in the short-run. In the long-run, all the four components of agricultural production – crop production, livestock production, forestry, and fishery – are all positive and statistically significant. This is a clear indication that investment in agriculture can set the trajectory for the country's economy to a path of sustainable growth. This is so because investment in agriculture results in spill over effects on other sectors of the economy, especially the industrial sector. It further portrays the fact that agricultural sector can be potent in driving sustainable economic growth if serious investment is channelled to the sector as the drive towards diversification in the country is a necessity. Livestock production is seen to exert a greater effect on economic growth followed by crop production, forestry and fishery. The low contribution of fishery is attributed to the gross negligence to aquaculture and heavy investment in feeds in the sub-sector.

**Conclusion and Recommendations**

The agricultural sector is a critical sector that will promote sustainable economic growth in the country and therefore a crucial sector for the diversification agenda. At a time such as this where the global outlook is bleak due to the corona virus pandemic and falling crude oil prices, a departure from over dependence on oil to a diversified economy with a strong and vibrant agricultural sector is the panacea to maintaining long-term survival and economic resilience. Only then can the Nigeria economy withstand the ugly shocks due to uncertainties in global oil prices and a sudden pandemic. The lacklustre approach towards diversification is to be avoided as plague. This is necessary because Nigeria seems to be reactive instead of proactive in the face of a looming catastrophe. The paper attempt to examine the role of agricultural sector in economic growth of the country with a view to projecting investment in the sector as part of the diversification agenda. The paper revealed that all the components of the agricultural production are growth promoting and exert significant effects. Further, the paper revealed that livestock production contributes mostly to the economic growth of the country while fishery contributed the least. The Bounds test for levels relationship indicated the presence of a long-run relationship between economic growth and the explanatory variables in the model, while the ECM indicated that 71.07% of the short-run disequilibrium is corrected in the long-run.

In line with the findings, the paper recommended that for the country to strongly diversify, government needs to invest aggressively on the agricultural sector so as to reap its full potentials. Concerted efforts should be geared towards promoting livestock production as well as subsidizing fishery so as to unveil the potentials inherent in the component.

There is also the need to develop and strengthen agriculture value chain so as to promote a positive spill over effect on other sectors (e.g the manufacturing sector) and reduce wastages.

There is need to strengthen and ensure exchange rate stability since it is observed that it exert a negative and significant effect on growth. Linking this to the agricultural sector, most of the inputs are imported and a high exchange rate will be detrimental to the growth of the sector and the economy as a whole.

Finally, there is need to fight corruption to the fullest as this is a canker worm that can devour the potentials that the country can reap from the agricultural sector. There is need for proper management and monitoring of funds allocated to the sector, as well as monitoring and supervising policies that are geared towards improving agricultural production in Nigeria.

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# THE ROLE OF ENTREPRENEURSHIP EDUCATION IN IMPROVING HOUSEHOLD ECONOMY FOR SUSTAINABLE DEVELOPMENT IN LOW INCOME SOCIETIES: AKWA IBOM STATE EXPERIENCE.

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## Abstract

*The paper examined the role of entrepreneurship education in improving household economy for sustainable development in low income societies: Akwa Ibom State experience. The potency of natural resources to economic growth and development cannot be overemphasized. Although natural resources can be only a very small part of the answer as witnessed by many countries for example Switzerland and Luxembourg which are nearly devoid of key natural resources, yet decade after decade, the real income of the citizens have grown rapidly, propelling them to greater height. In the same vein, Hong Kong which consists of but a few square miles of rock and hillside is one of the economic miracles of the last century. While in Nigeria, a land richly blessed with vast quantities of virtually every important resource, most people remain mired in economic issues ranging from inflation, recession, high interest rate, poverty and unemployment. Given this stark reality, a vast majority of well-meaning Nigerians have blamed the long years of military rule, ethnicity, bad leadership, endemic corruption, over-dependence on oil and neglect of other sectors as the remote and immediate factors that have contributed to the predicament. This paper reiterates the potency of the entrepreneurship education to Nigeria's growth and development, and avers that a paradigm shift in policy that is critical to effective entrepreneurship development becomes imperative. This is because entrepreneurial activities have been found to be capable of making positive impacts on the economy of a nation and the quality of life of the people.*

**Keywords:** Entrepreneurship Education, Poverty, Sustainable Development

## Introduction

Nigeria is a country with serious economic, political and leadership challenges. These undoubtedly affect the lives of Nigerians both as individuals, families and the society in general (Dode, 2013). The country is endowed with diverse and infinite resources, both human and material that can help create and increase wealth and prosperity, but has failed abysmally to advance economically and technologically owning to the long years of military rule, poor leadership, corruption, over dependent on oil, and neglect of other key sectors, coupled with continuous increase in population and explosion in the labor market.

According to Akinrinade (2019), Nigeria is currently experiencing a high rate of unemployment that has risen from 4.2 percent in 1999 to 23 percent in the third quarter of 2018. The rate is 1.9 percent higher than the 21.1 percent reported by the National Bureau of Statistics in 2010 (NBS, 2010). Consequently, with lack of structural changes in household income due to high rate of unemployment, most Nigerians are poor, living in unhygienic environment, are prone to poor feeding (malnutrition), become susceptible to disease attack and face high mortality rate. As posited by Akinrinade (2019), Nigeria today has the world's largest population of out-of-school children; one of the top five countries with highest mortality rates; one of the three remaining polio-endemic countries in the world, and the world's third most terror-afflicted country. Worst still, the economic agenda of successive governments aimed at altering or addressing this situation in the country so that the citizens will hive a sigh of relief, have always lack the political will for implementation, besides, the policies are always short lived. Yet most Nigerians both educated and otherwise are enthusiastic feigning for income on daily basis to meet their needs.

In many urban and semi-urban locations in Akwa Ibom State, clusters of adult and children (males and females) are found jumping up and down on the streets, selling, begging, hawking, washing windscreen of motor vehicles and that of tricycles, popularly called 'keke' all in the effort to make income that would take care of their families or household needs. These activities are carried out from morning hours till late in the evening. Similarly, an observation of the business outlets in the state indicates that most is small scale, sole enterprising and owned by people of low educational background. The challenge pose by this development is not only economical but also sociological. Economically, most entrepreneurs operate with insufficient capital, make little income and live on 'earn and use syndrome' hence, find it difficult to expand the business.

Sociologically, the pace of entrepreneurship activities in the state adds low to economic growth and significant reduction in poverty, and the individual entrepreneurs experience stifle household economy on account of lack or inadequate knowledge of managing business in order to meet the competition that characterizes today's business world. The unavailability and bottleneck competition in accessing loan facilities in a highly politicized, tribal and corrupt society like Nigeria has made most of them and many households unable to improve their economic status. A lot of those unfortunate to undertake any income yielding venture and even those that make meagre income adopt anti-social behavior such as pickpocket, phone and bag snatching, and stealing, among others. With this in mind, this study primarily examines the role of entrepreneurship education in improving household economy for sustainable development in low income societies: Akwa Ibom State Experience.

## Conceptual Clarification

### The Concept of Entrepreneurship Education

There are many ways of defining the concept of entrepreneurship education. Entrepreneurship itself according to the United Nations Development Programme Evaluation Office (UNDP, 1999) is defined as the process of using private initiative to transform a business concept into a new venture or to grow and diversify an existing venture or enterprise with high growth potential. According to Hisrich (2008) entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risks and receiving the resulting rewards of monetary, personal satisfaction and independence. It involves a dynamic procedure of designing, launching and running an income generating activity or business and obviously making appreciable progress and expansion, which could subsequently yields higher income.

Entrepreneurship education is a vocational course that has the capacity to offer students the much needed practical training and skills relevant to tackle poverty, illiteracy and unemployment among Nigeria youths. According to Olawolu and Kaegon (2012), entrepreneurship education prepares youths to be responsible and makes individuals who become entrepreneurs by exposing them to real life learning experiences where they will be required to think, take risk, manage circumstances and incidentally learn from the outcome.

As observed by Ezeani (2002), entrepreneurship education is the teaching of the learners or would be business men, the essential skills required to build viable enterprises, equipping the trainees with skills needed for taking responsibility and developing initiatives of prospective trainees. Ekong (2008) conceived entrepreneurship education as education that is provided to develop an individual with skills, attitude, competencies and beliefs for self reliance. Thus, from these definitions, it can be deduced that entrepreneurship education focuses on enhancing entrepreneurial competencies and motivations to ensure success in a business enterprise, venture or engagement.

The major objectives of entrepreneurship education according to Ossai and Nwalado (2012) among other things are to:
(1) reduce high rate of poverty
(2) reduce rural –urban migration
(3) offer functional education to the youths that will enable them to be well

employed and self-reliance.

(4) provide the young graduates adequate training that will enable them to be creative and innovative in identifying novel business opportunities.

(5) create employment opportunities

(6) inculcate the spirit of perseverance in the youths and adult, which will enable them to persist in any business venture they embark upon.

(7) serve as a catalyst for economic growth and development

**The Concept of Sustainable Development**

Sustainability and development are two concepts critical and essential to the existence and growth of any nation. Sustainability according to Lawal and Oluwatoyin (2011) refers to a progressive existence of value or quality of something overtime such that the present usage does not endanger the future. On the other hand, development is an attempt to improve the conditions of human existence in all ramifications in society. Development involves improvement in socio-economic growth, political issues, provision of healthcare, education, housing, societal advancement, and other essential services all with the view of improving the individual and collective quality of life of the people (Ukpe, 2016). The major objective of development is that of generating physical and social security as well as expansion of life chances. Sustainable development according to Onisanwan (2014) could simply be defined as the maintenance of a nation's resources for future use. This corroborates the view of James and Nyorere (2017), that sustainable development is the organizing principle for sustaining finite resources necessary to provide for the needs of future state of human societies, in which the living condition of the people improve and resources used continue to meet human needs without undermining the integrity and stability of natural biotic system.

**Characteristics of a Low Income Society**

Low income societies can readily fit into what Frantz Fanon calls “The Wretched of the Earth” because they are so poor economically (Rodney, 2009). They all represent those countries on the surface of the earth that have been exploited by the Americans and Europeans. Rodney (2009) sums up this point by saying that all countries named as underdeveloped are low income societies exploited by others. Societies that are characterized by high birth rate, poor communication network, and meager rate of capital formation, low rate of industrial development and preponderance of mining over industry and trade are all low income societies (Okereke and Ekpe, 2002).

Okereke (1999) added that low income societies are characterized by short life expectancy, high birth rate, malnutrition, high illiteracy rate, low status for women, dominance of agricultural sector, rudimentary middle class as well as political authoritarianism. Another feature that gives an insight into what constitutes a low income society relates to food intake. In the advanced societies, each individual takes at least 3,000 calories of food per day, whereas in the low-income societies, Rodney (2009) observed that citizens consumed below 1,200 calories each day. These citizens suffer from protein famine as a result of consumption of greater percentage of carbohydrate at the expense of protein foods. The crucial determinant of whether or not a country belongs to the fold of the low-income society is the proportion to which the identified features are found.

**Household Poverty and Low Income Status: Akwa Ibom State Experience**

Poverty as a concept has no generally accepted definition. Many scholars have offered varied definitions of the concept based on the condition and social situation. Goddard cited in Shankar Rao (2012) for instance has defined poverty as a condition of insufficient supply of those things which are requisites for an individual to maintain himself and those dependent on him in health and vigour. Another definition put forward by MacPherson and Silburn (1998) portrays poverty fundamentally as the lack of necessary resources that are needed for survival in contrast to the concept of well-being that often incorporates physical, emotional, and mental health and functionality. Yet, Gillin and Gillin cited in Shankar Rao (2012) viewed poverty as that condition in which a person either because of inadequate income or unwise expenditures, does not maintain a scale of living high enough to provide for his physical and mental efficiency and to enable him and his natural dependents to function usefully according to the standards of the society of which he is a member.

Poverty is economically the inability to get what one wants and socially, a condition of inequality and deprivation. It signifies the disparity among the inhabitants (of a society) in ownership of, and access to available resources; a situation that creates a divide between the marginalized and vulnerable (the poor) on the one hand, and the affluent or privileged (the rich) on the other. Poverty level generally, is determined by the availability or non-availability of requisite resources that guarantee good living, maintenance of good health and physical efficiency, namely, food, clothing, shelter, education, security, leisure and recreation (Haralambos and Head, 2006). It measures are based on the level of income or consumption (World Bank, 2001).

The circumstances of the poor are pitiable, more so as poverty is a social malady that constantly threatens the existence and survival of mankind. Poverty jeopardizes access to education, housing, health services and leisure. It limits access to empowerment opportunities as the lack of productive resources stifles initiative, limits productivity, as well as investment potentials and capacity. Poverty arises from low productivity of the households particularly those that face financial constraints and lack of other incentives to entrepreneurship. According to Singer (2006) to cure poverty, the strategy should focus on encouraging more on business activity and the startup of new ventures through entrepreneurship development because entrepreneurship provides the basis for economic change through new knowledge creation and application. Table 1 shows the population size and unemployment rate of Akwa Ibom people which resulted in low income status and hardship.

**Table 1** Akwa Ibom Population Estimates, Growth Rate and Rate of Unemployment

| Year | Population Estimate | Growth Rate | Unemployment Rate |
|---|---|---|---|
| 1988 | - | - | - |
| 1990 | - | - | - |
| 1991 | 2,359,736 | - | 4.1% |
| 1995 | - | - | - |
| 1999 | - | - | - |
| 2001 | - | - | - |
| 2006 | 3,902,051 | - | 5.8% |
| 2010 | 4,460,413 | - | - |
| 2011 | 4,612,067 | - | - |
| 2012 | 4,768,877 | - | - |
| 2013 | 4,931,020 | - | 3.7% |
| 2014 | 5,272,029 | - | 9.7% |
| 2015 | 5,272,029 | - | 9.9% |
| 2016 | 5,451,277 | - | - |
| 2017 | 5,636,621 | - | - |
| 2018 | 5,828,267 | - | 37.7% |
| 2019 | 6,026,428 | - | - |

**Source:** MOED (2018); Online information

Table 1 indicates data on the population size and unemployment rate for Akwa Ibom State in some years that data are available. As shown in the table, the estimates of the state's populations, 2,359,736 in 1991 and 3,902,051 in 2006 were produced in the national census whereas all others are projected information. Although data appear very scanty because of government's attitude to demographic data collection and application in policies and planning, it shows that the state experiences increasingly high population growth every year, and a corresponding increase in the rate of unemployment. The rate of unemployment which is approximately 37.7 percent in both the rural and urban areas has been a driving force that make people take up different kinds of entrepreneurship to help meet their daily needs. It is evident from these data that much is needed to be done by the government in terms of entrepreneurship education both to increase and perhaps double the number of existing entrepreneurs in the study area and state as well as re-orientate individuals already involved in one kind of business or the other to improve on the capacity of such business so as to uplift the living condition of the people.

**Education and Entrepreneurship Development**

Two concepts and the phrase "household economy" are basic and of serious concern in this study. These concepts are education and entrepreneurship. The two concepts are critical to the management of household economy. No household exists where the members have access to the essentials of life such as balanced diet, good clothing, access to good healthcare services, and housing with better facilities, among others without income in a sustainable manner. In paid employment which may be pensionable or otherwise, sustainable income is sometimes uncertain due to many factors. However, savings for entrepreneurship, savings from entrepreneurship and, the combination of savings and entrepreneurship are indispensable in sustaining the household income. Most importantly, level of income, entrepreneurship potentials, and savings, to a large extent are influenced by level of education.

Education has been seen to exhibit strong effect on human capital accumulation. Human capital according to the Organization for Economic Co-operation and Development, (OECD, 2001) refers to 'the knowledge, skills, competences, and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being'. According to Jalilian (2012) human capital represents the investment people make for themselves that enhance their economic productivity. In this study, human capital is also conceptualized as monetary capacity in cash or liquid form possessed by an individual or family. Thus, education (in terms of level of attainment, intervened by type of occupation) is a determinant of such capacity.

Education is also a factor in the acquisition of better skills even as it stimulates productivity. It is both a catalyst of development as it provides knowledge and skills, encourages new behaviour and increases individual and collective empowerment, and can be counted as the center of social and economic development. Education is necessary to foster national economic growth because it increases levels of human capital by strengthening the abilities and knowledge of individuals (Population Action International, 2011).

In a study conducted by Jalilian (2012), the author found that education and training are the most important investments in human capital. Significantly, it creates awareness, enlarges faculty and causes reasoning and conceptualization in many directions. The awareness of the availability of options, conceptualization of procedures to be adopted and the actual pursuit of the options is fundamental to the formation of capital. An explanation of the interplay between education, entrepreneurship and management of household economy can be articulated using the theoretical underpinnings of personality trait and human capital theories, and management and leadership theories.

**Alleviating Poverty in Low Income Household through Entrepreneurship Education for Sustainable Development in Akwa Ibom State**

One of the resilient ways of cutting down poverty level is entrepreneurship. This phenomenon has been recognized the world over as a veritable instrument of economic development. Galbraith (2008) for instance, has argued that the economy of developing nations can be improved through entrepreneurship development. It is a dynamic process of vision, change and creation (Kuratko and Hodgetts, 2004).

Entrepreneurship contributes to poverty reduction when it creates employment through the startup of new business or the expansion of existing ones and increase income which culminates in higher standard of living for the population.

Entrepreneurship is the creation of new business opportunities and the mobilization of economic resources towards the initiation for the purpose of making profits under private ownership using scarce resources. The developed countries such as china, has keyed into this reality by developing its entrepreneurial potentials through engaging her citizens adequately, but the developing countries, Nigeria for instance, is still lagging behind in inculcating the culture of entrepreneurship among her citizenry. The recent introduction of entrepreneurial studies as a general course in the Nigerian Universities is an illustration of the importance of education in entrepreneurship. It is a critical way of inculcating the spirit of entrepreneurial in the future generation especially as lack of job has become a serious challenge to this generation.

Proponents of private sector development maintained that entrepreneurship is a key to economic growth and development (Minniti, 2008). The interest in entrepreneurship is in connection with its role of providing life line to individuals and families during period of economic recession characterized by unfavorable conditions such as lack of jobs or employment vacancies, poverty and high rate of dependency. Entrepreneurship subsequently causes improvements in many dimensions and stimulates growth and development of national economy. In short, if the number of entrepreneurs in the state increases, the level of poverty and its indicators will decrease, and vice versa. In some societies, it is apparent that larger numbers of people are forced into informal, survivalist or necessity self-employment, which constitutes unproductive entrepreneurship (Naude, 2008). For example, most Nigerian parents have compelled their children to undertake certain activities for the purpose of making earns meet without necessarily contributing to the nation's economic growth. The actors in this case are necessity entrepreneurs because they have no choice of work but only decided to engage in anything that could fetch something to survive with. Although this practice raises the level of self-employment, it is very often non-productive because it is like an option without passion.

The inculcation of entrepreneurship into the school curriculum at all levels of education is the only way to promote entrepreneurship development in Nigeria. This is because education seeks to provide students with the knowledge, skills and motivation. According to Minniti (2008) entrepreneurship education is a specialized knowledge that equips the learners with the traits of risk-taking, innovation, arbitrage and co-ordination of factors of production for the purpose of crating new products or services for new and existing users within human communities. Entrepreneurial education is considered central to the economic development of nations, even as it boosts growth, enhances educational attainment and increase the rate of economic growth. The World Economic Forum (2009) claimed that the three relationships are suggestive of productive outcomes emanating from the provision of education. For example, to eradicate extreme hunger and poverty even in the developing countries, there should be focus on innovation, creativity, talent and resources to overcome poverty, availability of infrastructures and the expertise to support such an objectives. Any form of deficiency could be overcome through capacity building masterminded by entrepreneurship education to transform available assets into products and services, thereby creating more jobs, enhancing their global trade opportunities and reducing the incidence of poverty. This could go a long way in helping children discover their talent at a very tender age; therefore, a child acquires skills and business management acumen entrepreneurs to build capacity.

According to Wennkers and Thurik (1999) small and micro businesses are synonymous with entrepreneurship because some do contribute significantly to economic growth and development. Entrepreneurship generally are vital to the economy of a nation with respect to development and poverty reduction. But having knowledge of it through education makes a great difference because some level of education is a success indicator for entrepreneurship. Similarly, Robinson and Malach (2004) suggested that classroom theoretical knowledge should be supported with practical business education and training through internships in small businesses. Ying (2008) on the other hand, emphasized the vital role entrepreneurships play in economic development of a country and postulated that a proper education is necessary in terms of blending theoretical background with practical industrial skills. He (Ying, 2008) also suggested that self-drive, commitment and creativity are needed for business success. In another argument, Lans, Hulsink, Baert and Mulder (2008) were of the view that entrepreneurial competence does not only depend on the skill of writing business plan but also recognizing and acting on new opportunities and that competence is not only acquired by birth but through education, training and work experience.

Through proper entrepreneurship education at both the primary and secondary school levels, and up to a higher level, a child would be able to gain adequate knowledge of a particular entrepreneurship skill before he gets out of schools. If peradventure a child who is from a low-income home cannot afford money to go to higher institution, the knowledge he acquires from either or both the primary and secondary schools would serve as a spring board for the child to start his own business confidently. Entrepreneurship education therefore, is the right and essential motive to succeed as the entrepreneur acquires skills and self-confident to pursue his ambition at a very tender age: he can certainly survive against the odds of poverty. The possession of adequate skills for entrepreneurial success is very crucial. Reavly and Lituchy (2008) supported this fact while arguing that entrepreneurial skills, networking to get market information, customer information, finance and strategic planning were the prerequisites for small business success.

**Conclusion and Recommendations**

Very often, poverty measures are based on level of income or consumption. Generally, poverty level is determined by availability or non-availability of requisite resources that guarantee good living, maintain good health and physical efficiency, namely, food, clothing, shelter, education, security, leisure and recreation. Therefore, individual and the society within which entrepreneurship is embedded should be taken into account. Poverty can effectively be minimized if government and non-governmental organizations (NGOs) help young entrepreneurs to be economically buoyant; reconsider formal education by making education free at all levels (in all states) and by making entrepreneurship studies compulsory like mathematics and English language. In addition, encouraging small and medium enterprises (SMEs) is the key as this can play important role for development of the economic growth of the country as well as alleviating poverty through new job creation and provide income for the people.

Entrepreneurship education remains most vital for rural transformation in Nigeria, surprisingly there are very few schools in Nigeria especially in rural areas that can genuinely claim to have adequate physical facilities for teaching and learning it. Scholarships are not adequate but many students continuously drop out of school because of finance. This is an indication that government alone cannot adequately fund education. This precarious situation of education system especially in the rural communities needs the intervention of NGOs and others. Scholarship should be given to children whose parents cannot afford basic primary education in Nigeria. Adult literacy classes as well as the provision of basic business skills and small business credit access should be encouraged.

Essentially, the government of Nigeria is required to provide the enabling environment for entrepreneurship development in terms of favorable financial, economic, socio-cultural, legal policies and functional infrastructure. However, entrepreneurs themselves have roles to play so as to compliment government's effort in enterprise development education or training, business experience or skills, innovation, market information, social networks, and so on.

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# AN EVALUATION OF THE CONTRIBUTION OF THE INFORMAL SECTOR IN EMPLOYMENT AND INCOME GENERATION IN NIGERIA: THEMATIC APPROACH.

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## Abstract
*This study examined the role of informal sector in income and employment generation besides the contribution of the sector to tax revenue. First, the description of the size and composition of the informal sector was undertaken using relevant literature and survey information by the relevant government agencies. From the description, it was found that the informal sector is expanding in size by the day because of the inability of the formal sector to absorb the expanding labour force. Consequently, informal sector operation comprises activities in the manufacturing, agriculture, forestry and quarrying, wholesale, retail trade and construction among others. Next, an estimation of the contribution of this sector to employment generation, income generation and tax revenue was undertaken with data obtained from World Development Indicators report of 2019 using Ordinary Least Square (OLS) estimation technique. From the result it was found that the informal sector by its various components contributes positively and significantly to employment generation and income generation but has not significantly contributed to tax revenue. Poor contribution of the sector to tax revenue had been linked to such factors as political considerations, cumbersome tax mechanism, lack of incentives, poor record keeping and corruption. In view of the findings, it is recommended that government should show more than just a passive interest in the activities of the informal sector by creating a master list of all the informal sector operators in the economy, fight corruption and review the existing legislation to make ease of registration of businesses possible.*

**Keywords:** Informal Sector, Employment Generation, Income Generation, Unemployment.

## Introduction
In the new global economy, the informal sector of national economies has become a central issue among government and researchers in terms of being an alternative and available source of employment and income opportunities (Tamunomiebi and

Ukachukwu, 2018). According to the International Labour Organization (ILO) (2002), workers still face a concatenation of challenges in the work environment of the informal sector organization due to the fact that the bulk of new employment in recent years, particularly in developing and transition countries, has been in the informal economy. In Africa, for instance, informal work accounted for almost 80 per cent of non-agricultural employment, over 60 per cent of urban employment and over 90 per cent of new jobs over the past decade or so (Tamunomiebi and Ukachukwu, 2018).

The informal economy is described as the sum total of economic activity that happens outside state regulation, which is neither taxed nor represented in a country's GDP. Other description depicts it as economic activities lacking conventional accounting procedures; characterized by high incidences of non-reporting or underreporting and is excluded from social measurement apparatus such as the Gross Domestic Product (GDP).

The sector's activities generally operate without binding official regulations, although it may or may not regulate itself internally. Some components of it operates under official regulations but are not compelled to render official returns on their operations or production process to relevant state institutions. The size of the informal sector in Nigeria is estimated at about 65% and consists of activities that range from agricultural production to mining and quarrying, small-scale building and construction and machine-shop manufacturing. Traditional Nigerian crafts in clothing and furniture, vehicle and mechanical repair, utility services, parallel finance structures operating mostly on unwritten rules and providing credit services, among others.

An unpublished survey in 2008 suggested that, the informal sector in Nigeria accounted for about 90% of new jobs in the country, about 80% of all non-agricultural employment and about 60% of urban jobs created, thereby earning the description of being mammoth, heterogeneous and the backbone of the formal sector. In spite of these however, records indicate that its contribution to the national revenue in the form of tax is minimal. This is due to the unavailability of adequate data on operators, the absence of conventional accounting practices, poor internal record keeping, the cash based nature of most transactions and the absence of necessary records with relevant revenue authorities, hence, it is difficult to assess their levels of tax liability and track compliance with tax regulations. This causes huge revenue leakage and greatly increases the tax gap within the Nigerian tax system.

Admittedly, some of the practitioners in the sector generate such economic activity with negligible taxable items, but the predominantly capitalist nature of the Nigerian economy has overtime created a class of informal sector operators whose activities generate high turnovers and enormous level of taxable items but who successfully evade and avoid tax because of the absence of a robust tax system and administration that effectively captures them into the tax net. Informal sector exist by many names among which are underground economy, shadow economy, unofficial economy, parallel economy, clandestine economy, hidden or black economy (Mughal and Schneider, 2018).

Underground economic activities have remained a prevalent universal economic scenario and are even more predominant in the developing countries where they are regarded as the major means of sustenance for the masses (Omodero, 2019). These activities are not officially registered but contribute immensely to the national income (Ogunc and Yilmaz, 2000). Underground economy emerges where fiscal and structural policies become too burdensome (Mathias, Lux, Crook, Autry and Zaretzki, 2015) especially policies that increase tax liabilities for firms and individuals. Thus, shadow economy provides firms an opportunity to evade government strict regulations and have access to cheap labour and materials (Goel, Saunoris and Schneider, 2017).

Presently, underground economy in Nigeria accounts for about 65 percent of the Nominal GDP with agriculture having almost 92 percent share of the informal sector (IMF, 2017). There are so many economic issues that have left emerging economies such as Nigeria at the mercy of the informal economy, among them are high rate of unemployment, too many government regulations, stringent tax policies as well as corruption. The situation is such that self-employment increases everyday as the level of unemployment rises, and so people easily find employment in the informal sector to be able to earn their living. The government's inability to provide official employment has led to the emergence of several unregistered enterprises in the name of entrepreneurship. Welter, Smallbone and Pobol (2015) confirmed that underground economy gives the enablement, freedom and allows active involvement in private enterprise.

According to Zaman and Goschin (2015), underground economy has potential benefits and could be very visible especially where corruption exists in public administration, in addition to dishonest behavior of the policy makers and constant misuse of public funds. Therefore, informal economy involves all productive economic activities that would have been subject to tax and social contributions but are consciously hidden from the tax authorities due to tax burdens (Buehn, Dell'Anno and Schneider, 2012; Schneider & Williams, 2013). However, whichever way the informal sector is being described, the financial implication is that, the activities are hidden and so the incomes are not disclosed for the government to earn the tax revenues accruing from them while on the other hand it is helping the economy to improve through unofficial job creation and input to a country's nominal gross domestic product.

The objective of this study is to examine the contribution of the informal sector to employment and income generation in Nigeria, besides contribution to tax revenue and to suggest how the informal nature of this sector could be formalized to yield sizeable revenue to the government. Following the introduction is the justification for the study and this is followed by overview and composition of the informal sector activities in Nigeria. Thereafter is the literature review closely followed by the methodology. Next is the presentation and analysis of result. Finally, is the conclusion and recommendations.

**Justification for the Study**

Organizing the informal sector and harnessing its massive potential will significantly enhance government's non-oil revenue drive. With the rising level of unemployment in the formal sector, the number of those seeking for opportunities in the informal sector has continued to swell. The National Bureau of Statistics (NBS) revealed that the country's unemployment rate rose from 14.2 per cent to 18.8 per cent in 2017. According to the NBS, the total number of people in full-time employment (at least 40 hours a week) declined from 52.7 million in the second quarter of 2017 to 51.1 million in the third quarters. Furthermore, the unemployment rate increased from 14.2 per cent in the fourth quarter of 2016 to 16.2 per cent in second quarter of 2017 and 18.8 per cent in the third quarter of 2017. This increases the number of those in the informal sector. The sector, which is also referred to as 'grey economy' is the part of an economy that is neither taxed, nor monitored by any form of government. Unlike the formal economy, activities of the informal economy are not included in the Gross National Product (GNP) and GDP of a country. In 2018, International Monetary Fund (IMF) pointed out that unregistered household enterprises comprise a significant portion of Nigeria's economy, accounting for as high as 65 per cent of the country's Gross Domestic Product (GDP). The IMF noted that by 2035, sub-Saharan Africa will have more working-age people than the rest of the world's regions combined with pressure on government to provide jobs for them. According to the IMF, in sub-Saharan African, up to 90 per cent of jobs outside agriculture are in the informal sector, including household enterprises that are not formally registered; examples are street vendors or domestic workers as well as off-the-book activities by registered firms.

The informal economy in sub-Saharan Africa is the second-largest in the world, after Latin America and the Caribbean. From 2010 to 2014, sub-Saharan Africa's informal economy accounted for 38 percent of GDP to the region. Indeed, the informal sector generally is characterised by absence of official protection and recognition, non-coverage by minimum wage legislation and social security system, predominance of own-account and self-employment work, absence of trade union organisation, low income and wages, little job security as well as the absence of fringe benefits from institutional sources. The informal sector represents an important part of the economy, and particularly of the labour market, in many countries, especially developing countries, and plays a major role in employment creation, production and income generation. Clearly, in countries with high rates of population growth such as Nigeria, the informal sector tends to absorb most of the growing labour force in the urban areas. Informal sector employment is a necessary survival strategy in countries that lack social safety nets such as unemployment insurance, or where wages and pensions are too low to cover the cost of living. According to the Africa Development Bank (AFDB), the prominence of the informal sector stems from the opportunities it offers to the most vulnerable populations such as the poorest, women and youth. Even though the informal sector is an opportunity for generating reasonable incomes for many people, most informal workers are without secure income, employment benefits and social protection. This explains why informality often overlaps with poverty. For instance, in countries where informality is decreasing, the number of working poor is also decreasing and vice versa. Beyond poverty and social issues, the prevalence of informal activities is closely related to an environment characterized by weaknesses in three institutional areas, namely – taxation, regulation and private property rights. Higher taxes and complicated fiscal process may prevent informal sector operators from formalizing their activities. Long requirements for registration as well as licensing and inspection requirements are also barriers faced by the informal sector. Moreover, limited access to capital is an important constraint for operators working in the informal sector. Lack of skills, education and training are also impediments to the formal sector in Africa. Other factors include the limited access to technology and poor infrastructure. Furthermore, the informal sector doesn't seem to be on the development agenda of African countries or their multilateral development partners.

The growth of the informal sector during the economic reform has led to the renewal of the interest in studies of the informal sector with a view to assessing dynamics of this concept in general. The question of whether the informal sector can absorb the large pool of labour force made redundant or economically insecure in the formal sector and provide basis for renewed growth have now become the central issues to be investigated.

However, despite the increasing interest world over on the informal sectors as a tool for actualization of sustainable growth and development among other beneficial effects, there seems to be dearth of research work towards its formalization. In view of the observed lacuna, it is therefore imperative to re-examine the role of this important sector of the economy with an intention to suggesting a proactive re-engineering approach to its statue so as to ensure its optimum performance in income and employment generation. It is on the basis of this that the study is undertaken.

**Overview of the Size and Composition of the Informal Sector in Nigeria**
For most of human history, businesses have always possessed an informal character and the process of formalization only began around the 16th century in Europe and North America – nearly three centuries before Keith Hart's informal sector concept came on board ( Onyebueke & Geyer, 2011). The Nigerian account of urban informality brings this issue to the fore since early research on indigenous/ traditional enterprises and crafts – which constitute informality, pure and simple – actually preceded the 'Informal Sector Paradigm'. These 'Pre-Paradigm Studies' fall into three main thematic groups dealing with: the nature and attributes of indigenous entrepreneurship, and traditional crafts along with other local products (Lloyd, 1953;

Uchendu, 1966; Bray, 1968; Koll, 1969; Nafziger, 1969; Odufalu, 1971); the mechanisms of the traditional apprenticeship system and craft guilds (Callaway, 1964; 1973), and the spatial, economic and socio-cultural significance of the native periodic markets and their consequent amalgamation into the contemporary retail systems (Hill, 1966; Hodder & Ukwu, 1969; Anthonie, 1973; Onyemelukwe, 1974). This early corpus of scholarship provided the stable anchor upon which urban geographers latched to extend the 'urban retail structure' discourse ( Olakanpo, 1963; Mabogunje, 1968; Onokheroye, 1977; Onokerhoraye & Omuta, 1985; Okoye, 1985).

The 'informal sector' nomenclature first entered the Nigerian urban labour market discourse in 1975 with the publication of the ILO Working Paper titled *Urban development, income distribution, and employment in Lagos* undertaken by Olanrewaju J. Fapohunda, Mein Pieter van Dijk, and Jap Reijmerink. This Nigerian version of ILO World Employment Programme (WEP) city-study programme that covered four other capital cities (Calcutta, Abidjan, Jakarta, and São Paulo) aimed to elucidate "the relationship between income distribution and employment, as well as an analysis of different types of income distribution and redistributive measures" in the city of Lagos (Fapohunda, Reijmerink and Van Dijk, 1975). In effect, the document 'superimposed' the newfangled formal-informal dichotomy on the subsisting labour-force categorization, thereby creating for the very first time in the country the set of epistemological constructs that gave both 'face' and 'life' to the informal sector of the city of Lagos (Nigeria). It was at this rate that the report made this ostentatious but emphatic declaration to the effect that:

> *All over the main vehicular arteries of Lagos, over the bridges, along the Marina, people are found selling dusters, cassette recordings, handkerchiefs, even frozen shrimps and live chickens. Along the shores of Lagos Island, particularly around the old native centre, there are hundreds of fishermen, roadside mechanics, petty traders selling foodstuffs, motor parts, etc. In the market places are thousands of petty traders selling foodstuffs, clothing, etc., whose capital outlay is perhaps less than 50 naira. Of the employed women population in Lagos during the 1963 census about 70 per cent were street and market vendors. Thus a substantial proportion of the population of Lagos could be considered as marginal workers; they are working hard and for long hours but are making very low incomes. These are people the ILO mission to Kenya identified as the "working poor" - "... people (who) are working and possibly working very hard and strenuously, but their employment is not productive in the sense of earning them an income which is up to a modest minimum". (Fapohunda et al., 1975).*

The Nigerian informal sector is extremely large and diverse and is said to account for approximately 60-65% of the economy. Its scope of activities span across trading, spare parts, transportation, construction, agriculture, livestock, food preparation, credit facilities, refrigeration, mechanical and electrical work, dressmaking, information technology and communication, footwear, distilleries, gold and silver smiting and traditional healing just to mention a few. The profiles of businesses in this sphere are typically low income one-man businesses with self-employed proprietors operating underneath the regulatory radar, which do not pay taxes (CISLAC).

Nigeria has the largest informal sector in Africa, a predominance that stems from its massive population of 153,9 million, and decades of poor economic performance denoted by a high unemployment rate of 12.9% and soaring poverty incidence of up to 54% (CBN, 2009). An estimate in the year 2000 by Schneider (2002) put the size of Nigeria's informal sector at 57.9% of its Gross National Product (GNP) or an equivalent of US$212. 6 billion. Judging by proportion, Nigeria is only exceeded by Zimbabwe (59.4% or $42,4 billion) and Tanzania (58.3% or $52,4 billion) but factoring in both the market size and population inexorably turns the table in favour of Africa's most populous country and third largest economy – Nigeria. Survey had shown that the net worth of the Nigerian informal sector as a proportion of the GNP exceeds those of Zimbabwe and Tanzania combined. A national survey in 2000 put the number of urban and rural informal (sector) enterprises in the country at 8,604,048 enterprises, comprising a total employment generation of 12,407,3484 (CBN/ FOS/NISER, 2001).

According to Onwe (2013) informal employment comprises both self and wage employment that are usually not recognized, regulated, or protected by legal or regulatory frameworks. Informal economy has been identified according to the following employment categories as *Self-employment*, including own-account workers, heads of family businesses, and unpaid family workers; *Wage workers*, including employees of informal enterprises, casual workers without a fixed employer, home workers, paid domestic workers, temporary and part-time workers, and unregistered workers; and e*mployers*, including owners and owner operators of informal enterprises (Amin, 2002; ILO, 2002, 2003; World bank, 2003):

The composition of the informal sector in Nigeria is basically of two categories: informal manufacturing and non-manufacturing activities. The compositions of non-manufacturing informal sector according to Onwe (2013) are street trading, barbing saloons, restaurants, and other informal sector activities. On the other hand, informal manufacturing activities include Food, Beverages and Tobacco; Textile and Wearing Apparel; Wood and Wood Products; Paper and Paper Products; Chemical, Petroleum; Non-metallic Mineral Products; Basic Metal Industries and Fabricated Metal Products, Machinery and Equipment among others. NBS (2010) reports that at the national level, forty eight million, five hundred and thirty three thousand, three hundred and nineteen (48,533,319) persons were reported to be engaged in one form of economic activity or the other.

The distribution of the total persons working as at the time of the survey showed that agriculture, forestry and fishing sector had the highest number of persons employed with 14,837,693 followed by wholesale and retail trade sector with 12,097,189;

manufacturing (5,337,000) and other Service activities (3,471,702). Mining and Quarrying recorded the least employment figure (146,488) at the household. The 2010 survey of informal activities by the same organization and presented in the table below shows that out of the total of 29,298,123 individuals involved in informal activities, greater percentage (41%) were involved in wholesale and retailing businesses. However, about 18% were involved in the manufacturing informal sector (NBS,2010). This shows that greater informal sector activities are mainly non-manufacturing informal activities.

**Table 1: Distribution of Informal Enterprises in Nigeria by Activity Categories, 2010.**

| Activity/category | No. of persons | % |
|---|---|---|
| Manufacturing | 5,337,000 | 18.22 |
| Water supply | 86,778 | 0.3 |
| Building/construction | 1,142,569 | 3.9 |
| Wholesale/retail trade/repairs | 12,097,189 | 41.3 |
| Information/communication | 469,513 | 1.6 |
| Hotels & restaurant | 3,471,702 | 11.8 |
| Land/water transport | 2,009,183 | 6.9 |
| Financial intermediation | 171,403 | 0.6 |
| Real estate/renting services | 68,697 | 0.2 |
| education | 1,557,665 | 5.3 |
| Health/social work | 739,936 | 2.5 |
| Mining/quarrying | 146,488 | 0.5 |
| Total | 29,298,123 | 100 |

**National Bureau of Statistics, 2010**

Though Nigeria does not at present, have accurate statistics on the proportion of labour force in the informal sector, the NBS survey of 2010 indicates that informal manufacturing enterprises are small. By implication, bulk of the informal employment in Nigeria can be found in non-manufacturing activities such as wholesale and retail trading, transportation, restaurants, and other informal sector activities. The survey of the Nigerian informal sector gives some interesting insights on size of the labour force employed in the informal enterprises in Nigeria. The employment statistics, according to the survey are as presented below.

**Table 2: Household Distribution of Employed Persons by Economic Activity and Sex, 2010 able1: H**

| Economic activity | Male | Female | Total |
|---|---|---|---|
| Manufacturing | **2,099,411** | **3,237,589** | **5,337,000** |
| Water supply | **68,524** | **18,254** | **86,778** |
| Building/construction | **1,041,811** | **100,758** | **1,142,569** |

| | | | |
|---|---|---|---|
| Wholesale/retail trade/repairs | **3,645,017** | **8,452,172** | **12,097,189** |
| Information/communication | **275,782** | **193,731** | **469,513** |
| Hotel/restaurant | **1,844,531** | **1,627,171** | **3,471,702** |
| Land/water transport | **1,877,193** | **131,989** | **2,009,183** |
| Financial intermediation | **133,075** | **38,328** | **171,403** |
| Real estates/renting service | **65,423** | **3,274** | **68,697** |
| education | **891,401** | **666,263** | **1,557,665** |
| Health/social work | **360,537** | **379,399** | **739,936** |
| Mining/quarrying | **116,458** | **30,030** | **146,488** |

***Source:*** **NBS survey, 2010**

From table 2, it is observed that some of the informal activities employ more women than men. For example, the total employ in manufacturing were 5,337,000. Out of this figure, women constituted 3,237,589 representing about 61% of the total employed by that sector. Similarly, wholesale and retail trade and health and social work attracted more women than men. Apart from these, every other sector attracted minimal women participation. Women constitute a major segment of informal economy in Nigeria due to cultural, traditional apathy towards educating women and their dual role in managing the home front. Female workers accounted for about 50.3% of total 54,643,676 workers engaged in informal sector business in Nigeria and correlate with several studies that show that women are active players in the informal sector (National Bureau of Statistics, 2010).

A study by the National Bureau of Statistics (NBS) reveals that the informal sector accounted for 54% of total jobs created in 2013 while the private and public sectors accounted for 37% and 9% respectively.
Factors aiding this are easily traced to the high growth rate of the population, the limited opportunities in the private and public sectors, rural-urban drift and innate desire to survive. The formal sector cannot absorb all the participants of the informal sector, even if government were to create jobs for all. The informal sector will continue to exist because most civil servants and workers in the urban areas engage in one form of informal activity to supplement their income ( Onokala & Banwo, 2016).

The informal sector provides an antidote to unemployment. It is the biggest contributor to employment across Nigeria, the sector in the first quarter of 2014 created 158,894 jobs or 65.97% of the total jobs mostly in agriculture, retail trade trailed by the formal sector 76,018 or 31.56% and public institutions 5,959 jobs or 2.47%, the same trend continued in the second quarter of 2014, informal sector created 175,786 jobs or 65.97%, formal jobs represented 31.56% and public institutions 1.86% of the total jobs created ( Onokala & Banwo, 2016). The failure of public institutions in job creation is a major contributor to the dominance of the informal sector in Nigeria, as most people address the work deficit by engaging in activities to sustain their livelihood.

Furthermore, thirteen million, five hundred and sixty three thousand, four hundred and twenty Seven (13,563,427) persons were reported by NBS (2010) to be owners of Informal sector businesses nationally. Disaggregating into states showed that Kano state had highest record of informal sector owners with I,590,669 persons, followed by Lagos state (837,919), Oyo (752,584) and Borno (687,422) persons. Cross... River State recorded the lowest informal Sector owners with a Figure of 70,569 persons. Gender disaggregation showed that there were more female informal sector owners (7,519,048) than their Male counterparts (6,044,379). Consequently, majority, five million six hundred and twenty three thousand, nine hundred and fifty four (5,623,954) informal sector owners were engaged in wholesale and retail business, followed by those that were engaged in manufacturing (2,284,647), Other social activities (1,478,290); and accommodation and food services activities (1,363,882).

The Least number of owners (3,874) were engaged in activities of extra territorial organizations and bodies. Disaggregation by gender showed that more female informal sector owners were engaged in manufacturing (1,505,868), wholesale and retail trade (3,510,573); and accommodation and food services activities (1,123,693) than their male counterparts (NBS, 2010).

Onwe (2013) observed that majority of the informal sector manufacturing enterprises in Nigeria employ less than 3 employees, and about 82 percent of the unidentified activities sectors are single owner enterprises. By implication, the nature of the informal sector activities in Nigeria does not permit clustering of people. This may also suggest that most informal sector activities are done with high degree of secrecy, making it difficult to account for majority of such activities. It was further observed that, as at 1998, Nigeria had on record over two million informal manufacturing enterprises, with the majority in food, beverages and tobacco production.

In terms of the contributions to national output, it has been observed that, despite an existing low productivity in the informal sector, the sector accounts for a sizable percentage of the Gross Domestic Product (GDP) in developing countries. The CBN/NISER/FOS study of the informal sector in 1998 revealed that the contribution of informal manufacturing sector to GDP in 1998 was 0.3 percent, while its contribution to manufacturing GDP was 4.2 percent. And the share of the manufacturing sector as a whole in GDP was 7 percent during the same period. In addition, according to FOS (1999), inclusive of the agricultural sector, known as the dominant informal sector in Nigeria, the contribution of the informal sector to the GDP was 38 percent. Thus, if accurate statistics on the share of the Nigerian informal sector in the GDP can be obtained, we would discover that the informal sector has great potentials in development of the Nigerian economy. At the released data of the rebased GDP of Nigeria which has projected Nigeria to be the largest economy in

Africa with a revised GDP of N80.2 trillion ($509.9 billion), the informal sector accounted for 57.9% of the new series of Nigerian GDP (Awojobi, Ayakpat and Adisa, 2014). From the rebased result, it was noticed that the agriculture sector contributed N17. 6 trillion, representing 21.97% in 2013 to the GDP. In addition, the industrial sector accounted for N 20,7 trillion to the GDP constituting 25.64% also in 2013. Further to this, the services sector contribution to the GDP in 2013 was N 41.9 trillion comprising 51.89%.

In total, the sum of N80, 2 trillion ($509.9 billion) was the GDP of Nigeria in 2013 surpassing that of South African $384.3 billion placing the Nigerian economy as the largest in Africa. According to the UNDP representative in Nigeria, Dauoda Toure, the informal economy contributed 57.9% to Nigerian rebased GDP in 2013. Hence, if precise indicator on the share of the new rebased GDP of Nigeria can be acquired, one would discover that the informal sector has contributed immensely to the development of the Nigerian economy. However, the NBS (2014) noted that the rising GDP alone may not lead to economic development but is required for development. Similarly, Nigerians have reacted vehemently to the rebased GDP. They argued that if Nigeria is the largest economy in Africa, why poverty, inequality, insecurity and unemployment continue to increase dramatically in Nigeria. In the same vein, President Goodluck Jonathan made a remark on the rebased GDP.
According to him:

> *"Our Gross Domestic Product was rebased to give an accurate picture of where we are as a nation. I am glad to report to you that Nigeria is officially the largest economy in Africa with a Gross Domestic Product of $510 billion which also places us as the 26th largest economy in the world. This feat is a collective achievement of all Nigerians particularly when you take into account the fact that our Per Capita Income had increased by over 60% from $1091 in 2009 to $1700 in 2013, prior to the rebasing. While this calls for celebration, I personally cannot celebrate until Nigerians can feel the positive impact of our growth. There are still too many of our citizens living in poverty."*

The informal economy plays a crucial role in the growth and development of the Nigerian economy. It accommodates a large number of Nigerians through productive outlets who preferred to be self-employed, thus, contributing to the Nigerian economy in terms of output and employment. It also supplements the formal economy. For example, the informal economy in Nigeria contributes 57.9% to Nigerian GDP in 2013, while the formal sector compliments it with 42.1%. Furthermore, the informal sector in Nigeria offers various outlets for professional entrepreneurs from the medium and large scale enterprises who desired to be self-employed using minimal capital resources. According to Fapohunda (2012) "the informal sector stimulates and enhances innovation and adaptation; and also helps in the mobilization of capital and human resources which would otherwise have been laid waste and idle thereby increasing the utilization of virgin re-useable materials."

We can now appreciate the output and employment potentials of the informal sector in Nigeria. We also appreciate the difficulties in keeping track of the size, composition, and activities of the informal sector. But it is becoming clear that Nigeria needs to look into the possibility of emphasizing the informal sector in its development policy options.

**Theoretical Framework**

Generally, most intellectual debate on informal finances has been viewed from two perspectives namely "the residual" and "the dualism" paradigms. The residual paradigm believed that the inefficiencies generated within the formal financial system and the improper way of adaptation of world formal financial condition led to the existences of informal finance. This paradigm originated from the works of McKinnon (1973) and Shaw (1973). They argue that informal finance stems from the excessive regulation of the Formal Financial Institution (FFI) with direct credit policies, interest rate ceilings and preferential allocation of credit which created distortion in the economy. The distortion led to high cost of the fund to the poor, rural dwellers, small-scale entrepreneurs and other disadvantaged groups thereby accentuating the development of the Informal Financial Institutions.

Furthermore, Bouman and Houtman as cited in Fischer (1994) argue that the rural economies of many Asian and African countries require the financial system to generate turnover of small loans with low risk and low transaction cost, but the banks of formal institutions do not have the managerial capacity to small loans since the local lenders (informal institutions) are already involved in providing such services. In line with this position, Ardener and Fitchette (1992) believed that informal institutions are better than the formal institutions in supplying short-term credit/loans to the poor, more closer to their client and are thus in a better position to give recipe to changing financial needs than the formal.

The second perspective, which relates to the Dualism Paradigm, believes that the informal financial institutions exist as a result of other motives beyond purely economic. According to this school of thought, informal financial institution exists due to the subordinate role it plays to the formal financial institution thus creating market segmentation. In their view, the occurrence of market segmentation is not due to regulation but because of the fact that the informal financial institutions serve in redistributing income among community members and provide a form of social security by meeting their fluctuating liquidity needs (Hugon, 1990 as cited in Soyibo, 1996). While it is costly in the formal institution to acquire information about clients, informal utilizes local personal information resulting into a weak legal system which inhibits contract enforcement thereby results in credit rationing of potentials borrower without collateral. The market segmentation can be filled by informal agent as the collateral is replaced by reputation, group responsibility and interlinked transaction.

Ardener and Burman (1995) argued further that informal finance is efficient in responding to the socio-economic conditions of the poor as a result of the availability of resources without depending on market segmentation. Hill as cited by Ardener and Burman (1995) pointed out that rural poor need not to be learned on the saving habit since they have already engaged in the activities among themselves and need not resemble any formal institution using the West African economies experience. He continued his argument in the 1970s and 1980s with the Indian case study and later concluded that informal credit market evolved faster in rural areas especially where agriculture predominate, and there is a concentration of formal finance. In such situation, informal institutions compete with the formal institution and still survive the competitiveness, financial viability and low cost of operation (Bouman, 1995). Informality exist due to inefficiencies caused by market segmentation which prevents the formal institution to enter the market since the informal cannot help but be replaced by formal one which tends to eliminate the segmentation as the informal financial system develops and are less efficient in conducting financial transaction. An increasing body of analytical work has attempted to give an explanation to the functioning of credit markets using the new theoretical developments. Challenging paradigms of competitive equilibrium have tried to explore the implication of incomplete market on market segmentation and imperfect information for the operation of credit market in developing countries thus providing a theoretical foundation for policy intervention.

Dual labour market theory also explains labour practice situation in Nigeria informal sector. Dual labour market theory is also known as Labour Market Segmentation Theory (LMST). Early characterization of the dual labour market described it by the presence of two distinct segments (Cain, 1976; Doeringer & Poire, 1980; Saint-Paul, 1996). These segments have been variously identified as primary labour market and secondary labour markets; formal and informal labour markets; modern and traditional etc. Dual market theorists have maintained that jobs can be roughly divided into two groups: those with low wages, bad working conditions, unstable employment, and little or no opportunity for advancement, which are typical features of the secondary (informal) market; and those with relatively high wages, good working conditions and opportunities for advancement into higher paying jobs, which are typical features of primary (formal) segments (Doeringer & Poire, 1980).

This dichotomy is significant in explaining the situations of labour practices in the Nigerian informal sector. The informal sector in the Nigeria context is unstructured with unregulated activities that create the environment for unfair labour practices due to non-protection of workers within this sector( Ikeije, Akomolafe and Onuba, **2016**). As demonstrated by the segmentation theory which assumes a dual labour market structure consisting of a capital-intensive, secure primary segment and a labour-intensive, insecure but flexible secondary labour market segment (Lillie, Caro, Berntsen, & Wagner, 2013), the employment conditions under which many low-skilled and low-wage workers work are characteristics of the secondary (informal) market segment.

Although human capital theory has tended to emphasize differences among people, rather than among jobs, as a determinant of the distribution of income; workers in low-wage jobs are viewed simply as low-productivity workers who are unwilling or unable to obtain the skills that are necessary for access to higher paying jobs (Dicksens & Lang, 1985). This is in sharp contrast with the situation in Nigeria as many workers with high skills and high degrees found themselves in the informal segment where wages are low due to their inability to secure employment in the high-paying formal (primary) segment of the labour market. Thus, the next particularity of the dualism is that the wage setting in the secondary (informal) market does not depend on the level of accumulated human capital whereas in the primary (formal) market the role of human capital is crucial (Launov, 2004).

**Conceptual Framework**

Nigeria with a population of 160 million people has the highest numbers of workers in the informal sector in Africa. According to (Arosanyin et al. 2011) the informal economy plays a significant role in the Nigerian economy because it creates employment by reducing unemployment and poverty. Although, most of the people who work in the informal economy, work in a precarious situation, with low pay, no social security or safety net, they find the informal sector as a safe haven since the government cannot provide them with suitable jobs and working in the informal sector seem like the last resort to them. The informal economy is associated with microeconomic activities such as furniture making, woodwork, tailoring, carpentry and tax evasion is predominantly in this sector (Agbuabor and Malaolu 2013). Since this sector is unregulated, statistics of activity of those that work in the informal economy has been varied. It is estimated that over 90 percent of workers work in the informal economy in Nigeria, 80 percent of all non-agricultural employment, 60 percent of urban employment, the sector is not taxed but 65 percent of Nigeria GDP comes from the informal sector (Osalor 2011). Despite the contribution of the informal sector to the Nigerian economy in terms of employment creation and GDP growth, the sector has been enmeshed with a lot of challenges such as fighting for space with local government officials, double levies and not being organized by the organized labor (Awojobi, Ayakpat and Adisa, 2014). Eroke (2010) stipulates that government is aware of the problems facing the sector, quoting the Deputy Director, Lagos Office of the Ministry of Labor:

> *"Government is aware of the informal sector contribution to economic development in the area of job creation; however, our concern is to create quality job and not just any job. It is long established that the ambition of people is to live a dignified life and the essence of dignity is work. In realization of this fact of life, our current labor administration in Nigeria has made access to good quality jobs for all workers as a central policy, hence our commitment to the promotion and enforcement of Decent Work Agenda at all workplaces. Decent work is central to effort to reduce poverty and is a means for achieving equitable, inclusive and sustainable development."*

The sophistication in operations and skilled requirement for labour in the formal sector attract higher pay than its informal sector counterparts, that covers all semi-organized and unregulated small scale activities largely undertaken by self-employed or those employing only a few workers, excluding farming and pastoral activities (Odekunle, 2000). This income disparity not only led to high influx of labour into the formal sector but also threatened its labour absorptive capacity resulting into a high rate of unemployment (Farayibi, 2015). The shrinking employment ability of the formal sector was also occasioned by the reduction in economic activities in the main sectors of agricultural and manufacturing due to prolong neglect. The recent restructuring of the public sector and the privatization of some government institutions in the country resulted into a restrictive government employment policy, which further reduced the sector's potentials for employment generation. The small size of the formal labour market also reflects the constraints facing the sector, such as high risks, poor infrastructure and lack of social capital (Engelbrecht, 1987). Due to the forgoing, the formal sector has become increasingly unable to generate employment and this has underscored the informal sector's importance in absorbing the increasing labour force in the country. At the policy level, deliberate government policies directed at employment generation had not lived up to expectation. For instance, the NEEDS strategy, the Millennium Development Goals (MDGs) which was later domesticated in the 7-point agenda of President Yar'Adua in 2007 and President Goodluck's Transformation Agenda involving YouWin, Sure-P, and so on, has not satisfactorily addressed unemployment in the country. The dimension of unemployment in Nigeria transcends the normal inadequate job opportunities and resource underutilization. It includes the gross mismatch between job expectation and the actual job availability. The problem has become exacerbated to the extent that while many household members don't have any stable source of income; others are merely striving for survival. Recent studies have shown that about 70% of the people live below the poverty line (NBS, 2012); it is no doubt that unemployment is contributory to this. Thus many stakeholders in employment issues are worried about this development and have sought for alternative sector with high labour carrying capacity, ostensibly like the informal sector. These trends have contributed to the rapid expansion in the informal sector employment. An increasing number of household are becoming dependent on the informal sector activities as a source of income and employment in both rural and urban areas. However, certain characteristics of the sector still raise questions about this sector's potentials for income and employment generation. Studies on the informal sector have shown that despite the proliferation of informal sector activities, many of them do not grow (Akerele, 2002). Informal sector activities are characterized by small size of activities, few workers (often less than six) and working in make shift structures. All these hamper the potential growth and contribution of the sector's potential in raising income for its participants.

One significant characteristics of the sector is that it has grown; it has also become an employer of labour force in the country. Since the informal sector is the next place people can go to earn some income, many researchers have therefore become interested in the informal sector. The employment generation capacity of informal sector activities is indispensably crucial and cardinal in its contribution to the economy and is especially relevant now that formal sector employment capacity is fast shrinking (Farayibi, 2015). This suggests that the informal sector is a veritable engine of employment generation in Nigeria. In the literature the informal sector activities in Nigeria and West Africa had been categorized succinctly to include trade and commerce, manufacturing, technical work, transportation, farming, and service business. These activities cover the needs of the informal sector and thus absorb a lot of people that do not fit into the formal sector.

The growth rate in the informal sector's employment has remained above that of the formal sector, which declined over the same period. The informal sector has seen its share in total employment rise from 16% in 1980 to 63.6% in 1997 and 70.5% in 2000. Between 2000 and 2001, employment in the sector rose by 11.4%. Its share in GDP has also recorded increase, rising from 13% in 2003 to 18% in 2009. Sectorally, the informal sector is the second largest source of employment after small scale agriculture. Rural-urban employment dichotomy between 2007 and 2010 averaged 55.4% (NBS, 2010). A recent national survey of micro and small enterprises found that 26% of the total households in the country are engaged in some form of SMEs activities. The sector is therefore an important source of livelihood for the majority of the Nigerian populace. Majority of youth are engaged in informal sector activities as shop assistants, farm hands, clerical assistants, typist, stewards, cooks in the hotel and restaurants, in street trading and casual labour (Okojie, 2003).

Also an important area of employment creation is the informal perspective of the telecommunication sector. Information Technology (IT) has become an employment sector in Nigeria and Africa in the recent years. The number of computer shops, cafés, phone and accessory dealers has been on the increase in urban centres in Nigeria since the introduction of Global System of Mobile telecommunication (GSM) in 2002. In the face of unemployment and youth restiveness in form of militancy in the Niger Delta, the Boko Haram in the North and the kidnapping dotted across the country, informal sector activity has continued to increase unabated, the country is continually loosing greater percentage of its potential labour output to wastages. Also, incidence of poverty in the country has continued to increase. Poverty incidence was 69% in year 2010 while the population in poverty was 112.47million, which translated into about 75%. Categorically, rural-poor and urban-poor characterize the dominant poverty dichotomy in the country, with over 70% of the population living below poverty line of $1 per day (NBS, 2012). Thus, the wide coverage of the informal sector activities elucidates its potentiality and underscores the need to fine tune its employment capacity.

**The Empirics**

Omedero (2019) conducted a study on fhe Financial and Economic Implications of Underground Economy: The Nigerian Perspective. The study evaluated the impact of shadow economy using the transaction approach and the MIMIC approach which helped to determine the size of the shadow economy as a percentage of GDP and the tax revenue losses suffered by the government for a period spanning from 1991 - 2018. Ordinary Least Squares Method was used to examine the impact of tax revenue earned and loss on Nigeria's GDP. The regression results indicated that tax revenue earned has a significant positive impact on economic growth, while the tax revenue loss has a significant negative influence on GDP. The study found that underground economy activities do more harm to the government than good and is also detrimental to Nigeria's economic progress. Therefore the suggestion among others was that the legal activities among them should be formalized and taxed while the unlawful ones should be exterminated.

Onwe (2013) adopted output and employment approach in examining the role of the informal sector in the development of the Nigerian economy. The methodology was a survey of available literature on growth, characteristics, and economic significance of the informal sector. The survey was empirically supported by data from the survey of the Nigerian informal sector, carried out by the Central Bank of Nigeria (CBN) in collaboration with the then Federal Office of Statistics (FOS) and the Nigerian Institute of Social and Economic Research (NISER). Analysis indicated that: first, the traditional or informal sector is continuously expanding in developing countries, and has been serving as a 'safety belt' in providing employment and income to the teaming poor. Secondly, informal sector activities, often described as unrecognized, unrecorded, unprotected, and unregulated by the public sector are no longer confined to marginal activities but also included profitable enterprises in manufacturing activities. Third, the informal sector is largely characterized by low entry requirements, small-scale operations, skills acquired outside of formal education, and labour-intensive methods of production. Fourth, the informal sector is defined according to different classifications in terms of activity, employment category, location of actors, and income and employment enhancing potential. Other observations were that, in discussing issues concerning the informal sector, it is necessary to distinguish the traditional view from the current or modern view. In Nigeria, the dominant informal manufacturing activity appears to be in food, beverages, and tobacco. In the on-going economic and financial crisis that characterise the economies of African countries, including Nigeria, the informal sector has the potential to provide the needed impetus for employment generation; and, the existing policy responses to the  growth of the informal sector have not been encouraging. Given these observations, the paper recommended that: (i) emphasis should be placed on the informal sector's role in Nigeria's development policies; (ii) data on the informal sector for in-depth analysis should be made available (iii) policy should be directed in the direction of including the informal sector in national income accounting; (iv) financial and technical support for identifiable informal-sector activities such as, retail trade, small-scale home-based manufacturing activities, and services should be given by the government and well meaning individuals and organizations.

Yusuf (2014) examined the informal sector and employment generation in Nigeria. The study took a quantitative dimension and employed pure descriptive statistics for its analysis. The study found that the informal sector plays significant role not only in employment generation but as well as contributing immensely to economic growth. Ultimately, informal sector employment generation policies measures were highlighted as the way forward.

Fasanya and Onakoya (2012) in a study Informal Sector and Employment Generation in Nigeria: An Error Correction Model examined the impact of informal sector on employment generation in Nigeria during the period 1970 to 2010 making use of annual time series data. The empirical analysis rests on the augmented Solow growth analytical framework. Findings of the study showed that informal sector activities have significant impact on absorbing the large pool of labour force in Nigeria. The study contends that human capital formation is, positively related to unemployment rate, which reflects the dearth of government expenditure on education in the country. Therefore, there is an urgent need for the government to re-examine its policies on informal sector.

Farayibi (2015) examined the employment creation potentials of the informal sector in Nigeria. Primary data were randomly collected for the study via interview and administration of questionnaire to respondents in six randomly selected areas in Ilorin metropolis, Kwara State, Nigeria. The data collected were analyzed using a descriptive analysis. The results from the study showed that the informal sector in the country has the capacity to absorb all categories of workers irrespective of their levels of education, and is a veritable tool for employment creation, income generation and poverty reduction in Nigeria. The study concluded that the informal sector is a veritable tool towards reducing unemployment in Nigeria and recommends the development of an employment strategy that is informal sector based.

Awojobi et al (2014) decided to evaluate the role of the informal sector in the economic development of Nigeria using the output and employment approach with the data from the survey of the informal sector in Nigeria by the National Bureau of Statistics (NBS). The study found that the informal economy is significantly expanding in Nigeria. And also, the informal sector contributed immensely to the economic growth through the rebased GDP of Nigeria. A case in point is that, it contributed 57.9% to the N80.2 trillion ($509.9 billion) new Nigerian GDP. In addition, the sector employed a total of 48 million Nigerians thereby providing income and reducing unemployment in Nigeria. The agriculture, wholesale and the manufacturing sectors are the largest employers of the informal workers. Furthermore, the study identified women's domination of the informal sector, lack of social security and low unionization as the characteristics of the informal sector. While the challenges confronting the sector are lack of access to loans, unsafe working conditions and the harassment by local government officials. With regard to these challenges, the study suggests ways of ameliorating the tasks befalling the informal sector in Nigeria.

Ogunrinola (2010) in the study titled Informal Self-Employment and Poverty Alleviation: Empirical Evidence from Motorcycle Taxi Riders in Nigeria, using the descriptive analysis and OLS technique and has two major cities in Nigeria as the focus of study. The study concluded that the informal sector is a high employer of young school leavers the study analysis showed that 86% of the participants earn above the minimum wage level. The study further confirmed that some graduates of tertiary institutions had to get involved in auto-cycle riding due to lack of desired formal sector employment. The study recommended a more rigorous regulation of the sector to promote safety of participants.

Tshuma and Jari (2013) conducted a study titled the informal sector as a source of household income: The case of Alice Town in the Eastern Cape Province of South Africa. The study pointed out and concluded that the small business (informal) sector can be used as an avenue through which the poverty cycle can be escaped and a faster rate of economic growth and development achieved especially if these small businesses are supported. As a result, enhancing the productivity of informal traders and making them competitive is crucial as it absorbs the job-seeking and able-bodied people who in turn produce thereby increasing national output and speeding up economic development.

Arosanyin, Olowosolu and Oyeyemi (2011) carried out a study on Employment Generation and Earnings in the informal Transport Sector in Nigeria. Using a case study, logistic models and Mincerian equation for the analysis of the study, it was documented that the informal sector is a source of employment for 21.7 % of jobless people and 72.3 percent of those who shift job. The study pointed out that employment and earnings can be improved upon in the informal sector if the government regulates its operation.

**Link between the Formal and Informal Economies**

The relationship between the formal and informal economies has generally been regarded from two opposing viewpoints: Dualism and Structuralism. The dualists believe that both economies operate independently of each other and have very few linkages with the informal economy being the 'lesser' of the two. On the other hand, the structuralists regard the two economies as being fundamentally linked. Indeed, the formal and informal economies are linked, with the informal economy often trading with, and providing goods and services for the formal sector. In fact, many formal establishments hire employees under informal circumstances. For example, large manufacturing firms may subcontract certain parts of a manufacturing process to outside hires, some of whom may be located in other countries. These sub-contractors, although working for a formal organisation, may be operating in the informal economy, due to the fact that these workers may not be afforded the employment benefits that formal employees enjoy. In some cases, this informal connection may even be illegal. This is evidenced by the use of sweatshops by some large corporate organisations, where employees are made to work in socially unacceptable conditions for long hours, and provided with salaries below the minimum wage. However, it is noted that the informal economy is poorly regulated and so workers are often able to increase their take-home earnings by avoiding taxation and social contributions. It is also common for entrepreneurs in the sector to seek to reduce costs associated with wages and social benefits. Due to the non-payment of taxes by some of these enterprises, there are fewer funds available for the government to improve infrastructure, and provide other public goods and services in the sector.

**Methodology and Model Specification**

This study employs quantitative as well as descriptive research approach. Based on the structural and dualist feature of the informal sector, the formal sector depends on the informal sector for cheap inputs of its workers (Demand Side Analysis); the informal sector in turn depends on the growth of the formal sector for a good portion of its income and clientele (Supply Side Analysis). In view of the link between the formal and informal sector, we postulate that total employment within the polity is dependent on informal sector employment and the formal sector employment. Consequently, the national output or income is also the contribution of both the formal and informal sector of the economy. Therefore,

TEG = f(EGf, EGinf) ------------------------ (1)

GDI = f(YGf, YGinf) ------------------------(2)

Equation 1 stipulates that total employment generation in an economy is dependent on employment generation by the formal sector and informal sector respectively. Equation 2 equally postulates that the total or national income in an economy is a function of income generated by both the formal and informal sector. Informal sector employment as earlier mentioned comprises *Self-employment*, *Wage workers* and *Employers*, including owners and owner operators of the informal enterprises. In view of this, we can rewrite (1) as;

TEG = f(EGf, PSETE, ETPE, WSPPT) ---------------------------- (3)

Where;

TEG = total employment generation

EGf = employment generation by the formal sector

PSETE = percentage of self –employed to total employment

EPTE = employer as percentage of total employment

WSPPT = wages and salaries paid workers as percentage of total employment

If we substitute formal sector employment as service employment as percentage of total employment and total employment as employment to population ratio, we could have (3) written as;

ETPR =f(ESPTE, PSETE, ETPE, WSPPT) ------------------------ (4)

Where;

ETPR = employment to population ratio

ESPTE = employment in service as percentage of total employment

Other variables are as earlier explained.
If for reason of multicollinearity, we drop either PSETE or WSPPT in (4) we can have the relationship express as;
ETPR =f (ESPTE, PSETE, ETPE, ) ------------------------ (5) or
ETPR =f (ESPTE, ETPE, WSPPT) ------------------------ (6)
Applying the description of informal sector to (2), we have;
GDI =f (ESPTE, PSETE, ETPE, WSPPT) ------------------------ (7)

Where GDI = gross domestic income. Other variables are as earlier explained.

We further examine the contribution of informal sector activities to tax revenue. On the basis of this, we apply the description of informal sector to tax revenue as follows;
TAX= f (ESPTE, PSETE, ETPE, WSPPT) ------------------------ (8)
Where TAX is the tax revenue.
Expressing (5), (7) and (8) implicitly, we have
$ETPR = \alpha_0 + \beta_1 ESPTE + \beta_2 PSETE + \beta_3 ETPE + ut$ ------------------ (9)
$GDI = \alpha_0 + \beta_1 ESPTE + \beta_2 PSETE + \beta_3 ETPE + ut$------------------- (10)
$TAX = \alpha_0 + \beta_1 ESPTE + \beta_2 PSETE + \beta_3 ETPE + u$---------------------(11)

Where $\alpha_{0=}$ intercept, $\beta_{1,} \beta_{2,} \beta_3$ are parameters. $\beta_{1-} \beta_3 > 0$.

**Data Source and Estimation**
Data for all the variables were obtained from World Development Indicators (WDI) report, 2019. In estimating the models, Ordinary Least Square (OLS) estimation technique was adopted. However, each variable was subjected to test of stationarity using Augmented Dickey Fuller (ADF) statistics.

**Test of Stationarity- Unit Root Test (ADF statistics)**

| variables | ADF | 1% | 5% | 10% | Remark | I(d) |
|---|---|---|---|---|---|---|
| EAPTE | -4.4252 | 4.356068 | 3.595026 | 3.233456 | Constant, linear trend | 1(1)*** |
| EPTE | -4.836974 | -4.356068 | -3.595026 | -3.233456 | Constant, linear trend | 1(1)*** |
| ESPTE | -4.755492 | -4.356068 | -3.595026 | -3.233456 | Constant, linear trend | 1(1)*** |
| ETPR | -3.177408 | -3.711457 | -2.981038 | -2.629906 | constant | 1(1)** |
| GDI | -4.398945 | -4.374307 | -3.603202 | -3.238054 | Constant, linear trend | 1(1)*** |
| TAX | -5.510116 | -4.467895 | -3.644963 | -3.261452 | Constant, linear trend | 1(1)*** |

***- significant at 1%, 5% and 10% respectively
** - significant at 5% and 10% respectively

The stationarity test indicates that all the variables were integrated of order one. That is, they were all stationary at first differencing. The implication is that they can be used at their level of integration without the possibility of spurious regression result.

**Contribution of Informal Sector to Employment Generation**
Dependent Variable: D(ETPR)

**Method:** Least Square

| variables | coefficient | Std. error | t- stat | Prob. |
|---|---|---|---|---|
| C | 6.77E+13 | 6.53E+13 | 1.035807 | 0.3121 |
| D(espte) | 9.00E+13 | 1.80E+13 | 4.999658 | 0.0001 |
| D(epte) | -3.56E+12 | 1.17E+12 | -3.044702 | 0.0062 |
| D(psete) | -2.96E+12 | 8.24E+11 | -3.592184 | 0.0017 |
| ECM(-1) | 0.553453 | 0.195177 | 2.835645 | 0.0099 |

$R^2$ = 0.95: $R^{-2}$ = 0.94: DW = 1.70: F-stat = 118.86

Employment in the formal sector contributes positively and significantly to income generation. Consequently, informal sector activities represented by employer to total employment and percentage of self employment to total employment show negative and significant relationships with income generation. The positive and significant contribution of formal sector to gross domestic income can be attributable to the fact that activities in the formal sector are easily assessable and reflect in the country national account records. On the other hand, activities in the informal sector are not easily assessable and are not sufficiently captured in the national account records despite the fact they contribute significantly to the income accruable to the national economy. This finding has gone in support of Farayibi (2015) that the informal sector in the country has the capacity to absorb all categories of workers irrespective of their levels of education, and is a veritable tool for employment creation, income generation and poverty reduction in Nigeria. From the result it is obvious that 95% of variation in gross domestic income is due to changes in the activities of both the formal and informal sector of the economy. Thus, as pointed out earlier, there is a link between the formal and informal sector of the economy. Hence, one should not be seen as superior to others but as complement.

**Informal Sector contribution to Government revenue**
Dependent Variable: TAX

**Method:** Least Square

| variables | coefficient | Std. error | t- stat | Prob. |
|---|---|---|---|---|
| C | | | - | |
| | -7.39E+11 | 9.48E+11 | 0.779411 | 0.4440 |
| D(espte) | 1.73E+11 | 8.81E+11 | 0.196839 | 0.8458 |
| D(epte) | 1.76E+10 | 3.58E+10 | 0.490400 | 0.6287 |
| D(psete) | | | - | |
| | -3.60E+09 | 3.69E+09 | 0.974161 | 0.3406 |
| ECM(-1) | 0.595932 | 0.178957 | 3.330024 | 0.0030 |

$R^2 = 0.55$: $R^{-2} = 0.47$: DW = 1.62: F-stat = 6.94

The result of the contribution of informal sector activities to government revenue through taxes as shown above indicates that even though informal sector and formal sector contribute to government revenue, the contribution is not significant. Self employment as an aspect of informal sector has a negative non significant relation with the government revenue. The result is not in doubt. This is because even in the formal sector, there is much tax evasion which results in lean revenue to the government. Consequently, over reliance of government on oil revenue has made Proper Avenue for tax administration and collection very elusive. The inability of the informal sector to contribute significantly to tax revenue has been attributed to many factors among which are:

Cash-based economy: the Nigerian informal sector currently conducts business in cash. These enterprises often refuse to accept cheques, thereby enabling them to conceal their turnover and taxable profits. To evade taxes, such businesses manipulate their figures for tax reduction purposes and are able to conceal all the revealing third party information on their transactions. This is one of the primary reasons why the Central Bank of Nigeria recently introduced the “Cashless” system to help tackle this issue in major Nigerian cities. Yet, the workability of this policy is still uncertain.

Poor record keeping: most self-employed people are generally lax about maintaining up to date accounts, thus, ascertaining the correct level of income generated by the business and giving a meaningful assessment of tax liability is rendered impossible.

**Cumbersome tax mechanisms**: One known barrier preventing many businesses in the informal sector from crossing over to the formal sector where they can access much-needed capital is the complicated tax structure. Therefore, without a simplified tax mechanism to cater to these businesses, unable to cope, they simply opt to remain in the informal sector. Furthermore, in general, Nigerian taxation mechanism is known to have a particularly high administrative cost to businesses, with a total of 938 hours per year required for a firm to file all requisite taxes. This is one of the highest rates in the world, compare with Botswana (140 hours), Burkina Faso (140 hours), New Zealand (70 hours), or Ireland (76 hours) (CISLAC).

On the government side, the tax system in Nigeria involves direct and indirect mechanisms to collect tax from the taxpayers. While indirect taxes by their nature have largely been effective since the avenue for avoidance or evasion is quite tight, direct taxing through formal systems of accounting and income calculation and formal payment channels has not worked effectively. Moreover direct tax collection costs tended to be high in relation to the amounts collected and discretionary.

**Capacity Constraints**: Another problem is capacity constraint on the part of tax authorities. The Federal, states and local government tax authorities in Nigeria suffer from capacity constraint in form of lack of adequate manpower and the necessary skills needed to capture the largely untaxed informal sector in Nigeria. In Nigeria where the informal sector makes up over 50% of the economy the number of staff in the relevant tax authorities may not be adequate to cover the large number of potential taxpayers in the informal sector. In addition, the unique nature of the sector requires that officials in the tax authorities acquire special skills to deal with them. Some of the officials lack the requisite skill and capacity to detect, audit or even properly enforce the various applicable tax laws against tax defaulters.

**Lack of Incentive**: many business owners in the informal sector are unwilling to pay taxes because they do not believe in the formal system of governance currently in operation. Rather, they appear disillusioned by the lack of development around the country and the persistent allegations of corruption against public officials. Therefore, such people choose to remain in the informal sector and to evade formal taxation. Thus, there is a linkage between the formal sector tax framework, corruption and the size of the informal sector. In addition, on the part of the government, compounding the dearth of necessary skill, manpower and training is the challenge of lack of incentive on the staff of tax authorities to work on the informal sector. Typically tax authorities' officials try to avoid working on the informal sector due to gap in education, social status and inherent dangers. Compared to virtually all alternatives, including corporate taxation or customs and excise, working on the informal sector is relatively low status, unrewarding, and sometimes even dangerous. Patrolling poorer areas to identify tax evaders and monitor tax payments with resources nowhere near the required level of resources is a thankless task. In particular, educated tax officials dislike interacting with illiterate poor, disenchanted and sometimes violent citizens who resent being harassed for taxes when they are attempting to eke out a meager living. Thus motivation tends to be low among tax officials assigned to work with the informal sector. This may have been one of the reasons why the informal sector is largely left in the hands of touts who levy street taxes on the sector.

**Political Considerations:** oftentimes there appears to be some political calculations at play which propel tax authorities to focus their resources on the pursuit of the fewer, but more lucrative tax payers within the formal sector, while sidelining the widely dispersed low income earners in the informal sector. Furthermore, there is no gainsaying that those in the informal sector constitute the substantial vote bank and foot soldiers of the so called grass root politicians. There are always the unspoken deals between these politicians and the informal sector to the effect that elected politicians are willing to turn blind eye to informal activities in order to retain their support base. The corporatist relationship that existed between the unincorporated unions in the informal sectors and some politicians is a case in point. The process of bargaining with the informal sector over the payment of tax is itself a gesture of concession and accommodative, which is fraught with political overtures and undertones. Even though successive governments made public statements for widening the tax net and taking tough measures to sanction tax defaulters, there was a gap between their intentions and actions, possibly because of the serious consequences, for instance, losing electoral support, in pursuing the actions to the logical conclusion. This probably explains in part why governments often are unable or unwilling to directly tax the informal sector.

## Conclusion and Recommendations

The Nigerian Informal Sector (NIS) is a major contributor to the Nigerian economy, accounting for a significant portion of employment and national income. Due to its flexible nature, the informal sector in some ways is better able to adapt to difficult economic situation like recession, providing some measure of support to those most in need.

Despite its importance, the informal sector is often overlooked and misunderstood, with some viewing it as transient, and expected to eventually be absorbed into the formal economy. Today there is no unanimous perspective with regard to the informal economy. Some take the view that the informal sector encourages fraudulent activities that results in the loss of revenue from taxes, weakens unions, creates unfair competition, leads to a loss of regulatory control, reduces observance of health and safety standards, amongst others. However, a fast growing view is that informal economy offers significant job creation and income generation potential, as well as the capacity to meet the needs of poor consumers by providing cheaper and more accessible goods and services.

With the significant contribution of the informal sector to the Nigerian economy, an undeniable truth is that any notion of economic development in the country is one that hugely depends on the state of affairs of the informal sector. Sustainable and inclusive economic development and job creation are unlikely to be achieved unless the potential and needs of the informal sector are adequately considered. Consequently efforts must be made to understand the dynamics of the sector and how best to tap the latent potential that lies within.

Historically, stakeholder interventions in the informal sector have been focused on how to regulate businesses, and effectively integrate them into the formal economy. Limited emphasis has been given to identifying the drivers of growth in the various sub-sectors within, and the challenges experienced by participants. The Nigerian Informal sector players face a myriad of challenges including inadequacy of technology, education, markets, land and physical infrastructure, limited access to finance, and limited skills development.

Policy interventions to support the sector must therefore be two-fold. Firstly, efforts should be made to create more formal jobs to draw workers out of the informal sector. Secondly, policies should be introduced to address identified challenges in the informal sector towards improving productivity and incomes of informal sector players. From the foregoing, we suggest that to make informal sector unattractive and to make it contribute significantly to government revenue and generate more employment and income in a formalized manner, the following measures should be pursued:

- The government through the relevant tax authorities must embark on nationwide exercise to establish master list of all the informal sector businesses that are easily identifiable. This could be done by employing the services of national service personnel and a large number of unemployed graduates out there. This exercise may be up-dated annually to ensure up -to –date data.
- The government must take active role in building the capacity of the informal sector entrepreneurs in terms of training them to be equipped with basic financial and accounting skills so as to be able to keep the basic accounting and financial records that will enable the relevant tax authorities to make informed and objective assessment of their income tax.
- One of the reasons identified for tax noncompliance, is the fact that some informal sector entrepreneurs complained about incomprehensible and complex filing procedures which has even made some of them who once paid taxes not to pay income tax presently. The various tax authorities should therefore develop very simple income tax return forms for the informal entrepreneurs which will encourage the filing of income tax return. Steps should also be taken to educate the entrepreneurs on how to complete income tax returns which will go a long way to simplify and encourage filing.
- Enforcement of the existing laws and regulation on taxation of incomes in Nigeria.
- Review of the various tax laws in Nigeria particularly the provisions that hamper proper tax administration and encourage tax evasion.
- Review of policies and laws regulating incorporation/registration of business entities or offers the route to formalization of businesses.
- Adoption of political and social schemes aimed at easy integration of the informal sector into the formal economic mainstream of Nigeria.
- Ease access to the formal sector by improving general framework conditions for doing business (incentive to migrate to formal sector).

- Fight corruption, strengthen tax enforcement and make success in fighting tax evasion and corruption more visible to the public
- Improved public service delivery and political integration
- Improve efficiency of government spending and better link tax payments with provision of public services (fiscal federalism)

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# EXCHANGE RATE, INFLATION AND THE NIGERIAN ECONOMY

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## Abstract
*The study analyzed the effect of exchange rate on Nigeria economic growth over the period of 1988- 2018. The main type of data used in this study is secondary; sourced from various publications of Central Bank of Nigeria. The Ordinary Least Square (OLS) statistical technique was employed in this study to determine the impact of the exchange rate and inflation rate on economic growth. The findings revealed that economic growth is directly related to exchange rate and negatively related to inflation rate and it is also statistically significant at 5% level. Although, there is a positive relationship between exchange rate and a negative relationship between inflation and economic growth. The negative relationship between inflation and economic growth was statistically insignificant. The study recommends that the Central Bank of Nigeria should put in place a strict foreign exchange policy control to ensure that the value of Naira against other currency is properly determined.*

**Keywords:** Exchange rate, Inflation rate, Trade Openness, Economic Growth Ordinary Least Square.

## Introduction
Exchange Rate (EXR) is the price of a nation's currency in terms of another country currency. It is also regarded as the value of one country's currency in terms of another country currency. Thus, it has two components, namely; the domestic currency and a foreign currency, and can be quoted either directly or indirectly. In an indirect quotation, the price of a unit of domestic currency is expressed in terms of the foreign currency whereas in a direct quotation, the converse holds. Exchange Rates (EXRs) are determined in the foreign exchange market which is open to a wide range of different type of buyers and sellers where currency trading is continuous. A market-based Exchange Rate changes if the values of either of the two component currencies change. A currency will tend to become more valuable when the demand for it is greater than the available supply and become less valuable each time the demand is less than available supply.

Goldberg and Charles (2015) observed that Exchange Rate can influence both the total amount of Foreign Direct Investment (FDI) that takes place and the allocation of investment spending across a range of countries. When a currency depreciates, it means that its value declines relative to the value of another country's currency. This Exchange Rate movement has two potential implications to Foreign Direct

Investment. First, it reduces that country's wages and production costs relative to those of its foreign counterparts. Other things being equal, the country experiencing real currency depreciation has enhanced “locational advantage” or attractiveness as a location for receiving productive capacity for investment. By this “relative wage” channel, the Exchange Rate depreciation improves the overall rate of return to foreigners contemplating overseas investment project in this country.

Exchange rate is a key variable in external sector because it linked external variables to domestic variables. Fluctuations in exchange rate is a reflection of changes in both foreign and domestic fundamentals such as foreign reserves, terms of trade, oil price, domestic price, government expenditure and interest rate differential. Studies have also shown that past values of exchange rate could explain its variations. the argument is anchored on the fact that exchange rate follows random walk because describe the trends into which non stationary economic variable fit in and can take any value and are affected by time and its past values could better mirror the present and future values of its exchange rather than other economic fundamentals like growth.

The effect of inflation rate in economic development is evidence in the works of (Ajakaiye & Odusola, 2001). To them understanding the sources of fluctuations in output and inflation is an important challenge to empirical macroeconomists. It is an issue taken up in a large number of recent studies in the developed nations, Latin America, and Asian countries. At the core of these issues is whether or not stabilization without recession is possible. While some theoretical models suggest that stabilization could be expansionary particularly for high inflation countries, others argue that stabilization without recession is rather difficult to achieve. The three major explanations of inflation include fiscal, monetary, and balance of payments aspects. While in the monetary aspect inflation is considered to be due to an increase in money supply, in the fiscal aspect, budget deficits are the fundamental cause of inflation in countries with prolonged high inflation. However, the fiscal aspect is closely linked to monetary explanations of inflation since government deficits are often financed by money creation in developing countries.

Several attempts have been made to conduct systematic econometric studies on the movements in output and inflation and their dynamics in Nigeria. However, many of these earlier studies were based on either simulation analysis or regression.
On real exchange rate and GDP, (Edwards, 1989) contended in his study when he regressed the GDP on measure of the nominal and real exchange rates, government spending, the terms of trade and measures of money growth. He observed that devaluation tended to reduce the output in the short term even where other factors

remained constant. This is in line with the view of the researcher that exchange rate policies strengthen economic development.

**Statement of the Problem**

The problem associated with utilization of exchange rate policies and economic growth is dwarf incessant increases inflation rate and harsh business environment with attendance upsurge in Nigeria's political terrain thereby affecting exchange rate policies. It also implies that the performance of the economy is still fluctuating having been affected by variables like the level of exchange rate and investments needed to improve in order to achieve economic goals.

Analysis of Nigeria's exchange rate since the early1960s shows that there has been a continuous increase from one pound to a US dollar in 1960 to a current rate of 360 naira to a US dollar. Due to the poor economic performance and surging debt burden, the exchange rate skyrocketed significantly during the early 1990's. However, at US$5.353 in 1988, it rose marginally to US$7.65 billion in 1989. By 2017 it was 305.5 naira to a US$ dollar. To date, there has not been sufficient research that examines the connection between actual exchange rate and inflation rate on economic growth.

A cursory look into the literature indicates that studies that have examined causality among exchange rate (EXR) and inflation rate (INF) and growth remains mixed as their method of analysis varied. Also, in the context of the dwindling revenue obtained from the main foreign exchange earner (crude oil) of Nigeria, it becomes appropriate to re-examine the form of relationship between exchange rate and economic growth. It is based on this backdrop that this study in particular, will focus on finding the relationship between exchange rate and economic growth from 1988 to 2017.

**Research Question**

The following research questions will be advanced to serve as a guide to this research work

1. What is the effect of exchange rate on economic growth in Nigeria?
2. Does inflation rate has any significant influence on the Nigerian economic growth?
3. What is the relationship between trade openness and Nigeria's economic growth?

**Research Hypotheses**

The following hypotheses expressed in null form will be advanced to give direction to this research work

$H_0$: Exchange rate has no significant effect on economic growth in Nigeria.

$H_0$: Inflation rate does not significantly influence economic growth in Nigeria

$H_0$: There is no significant relationship between trade openness and economic growth in Nigeria.

## Literature Review

### The Effect_of Inflation and Real Exchange Rate Policy on Economic Development

The effect of inflation rate in economic development is evidenced in the works of (Ajakaiye & Odusola, 2001). To them understanding the sources of fluctuations in output and inflation is an important challenge to empirical macroeconomists. It is an issue taken up in a large number of recent studies in the developed nations, Latin America, and Asian countries. At the core of these issues is whether or not stabilization without recession is possible. While some theoretical models suggest that stabilization could be expansionary particularly for high inflation countries, others argue that stabilization without recession is rather difficult to achieve. The three major explanations of inflation include fiscal, monetary, and balance of payments aspects. While in the monetary aspect inflation is considered to be due to an increase in money supply, in the fiscal aspect, budget deficits are the fundamental cause of inflation in countries with prolonged high inflation. However, the fiscal aspect is closely linked to monetary explanations of inflation since government deficits are often financed by money creation in developing countries.

Again Again Ajakaiye & Odusola, 2001, in their study of the balance of payments aspect, emphasizes a placed on the exchange rate.. Simply, the exchange rate collapses bring about inflation either through higher import prices and increase in inflationary expectations which are often accommodated through an accelerated wage indexation mechanism.
Several attempts have been made to conduct systematic econometric studies on the movements in output and inflation and their dynamics in Nigeria. However, many of these earlier studies were based on either simulation analysis or regression.

On real exchange rate and GDP, (Edwards, 1989) contended in his study when he regressed the GDP on measure of the nominal and real exchange rates, government spending, the terms of trade and measures of money growth. He observed that devaluation tended to reduce the output in the short term even where other factors remained constant. This in line with the view of the researcher that exchange rate policies strengthen economic development.

In a related study, Agenor, 1991 using a sample of twenty three (23) developing countries, regressed output growth contemporaneous and lagged levels of the real exchange rate and on deviations of actual changes from expected ones in the real exchange rate, government spending, the money supply, and foreign income. The results showed that surprises in real exchange rate depreciation actually boosted output growth, but that depreciations of the level of the real exchange rate exerted a contractionary effect.

## Theoretical Framework

The neoclassical growth theory and the traditional flow model of exchange rate are used as the framework of analysis in this study.

### The Neoclassical Growth Theory

The growth model of the neoclassicists otherwise known as the Solow-Swan or

Exogenous Growth is a form of long-run economic model designed in the neo-classical economics framework. In analyzing economic growth in relation to long run, the model considered technological progress, population expansion, capital accumulation and productivity in the process of development. The neo-classical proposition was an expansion to the work of Harrod-Domar in 1946 which incorporated productivity into the growth equation. Within the context of Solow-model, recent capital is more important than previous capital in the light of the fact that capital is generated base on recognized innovation. Innovation enhances with time and fresh capital will be more efficient than vintage capital. Growth rate is decided outside the model in the neo-classical growth hypothesis. A typical expectation of this model is that an economy will dependably come together towards stable state that relies just on the pace of technical advancement in addition to the rate of workforce expansion.

The general implication of exchange rate on the Solow growth thesis can be viewed by analyzing the individual effects of exchange rate, trade openness theories on the Solow growth hypothesis. According to the theory, trade will beneficial to a trading country if they engage in the production and exportation of goods in which they have comparative advantage and adopt a proper well guided exchange rate regime.
The traditional flow model of exchange rate postulates that the exchange rate is determined by the forces of supply and demand for foreign exchange. The traditional flow model postulates that increase in domestic prices relative to foreign prices leads to exchange rate depreciation because increase in domestic prices feed into costs thereby making exports costly and highly uncompetitive. The model prescribes that a country that intends to strengthen its exchange rate must raise interest rate, lower prices, and reduces real growth..

**Methodology of the Study**

This study adopted an ex-post facto research design in examining the effect of exchange rate on economic growth in Nigeria from 1988 to 2017.The data applied in this study were secondary in nature and were sourced from the Central Bank of Nigeria (CBN) statistical bulletin of 2017. The dependent variable is Real Gross Domestic Product (RGDP). The independent variable is Real Exchange Rate (REXR). Inflation (INF) and trade openness (TOP) were introduced in the models as control variables capable of influencing economic growth. The Ordinary Least Square (OLS) was adopted to analyze the data collected.

**Model Specification**

The model specify for this study is as follows:
This study adopted an ex-post facto research design in examining the impact of exchange rate policy on economic growth of Nigeria from 1986 to 2015.The data applied in this study were secondary in nature and were sourced from the Central

Bank of Nigeria (CBN) statistical bulletin of 2015. The data were on annual basis as contained in the Central Bank of Nigeria (CBN) statistical bulletin. The dependent variables are Real Gross Domestic Product (RGDP) and Manufacturing Capacity Utilization (MCU). The independent variable is Real Exchange Rate (REXR) and proxy for exchange rate policy. Inflation (INF) and Interest Rate (BLR) were introduced in the models as control variables capable of influencing economic growth indicators.

This study adopted an ex-post facto research design in examining the impact of exchange rate policy on economic growth of Nigeria from 1986 to 2015.The data applied in this study were secondary in nature and were sourced from the Central Bank of Nigeria (CBN) statistical bulletin of 2015. The data were on annual basis as contained in the Central Bank of Nigeria (CBN) statistical bulletin. The dependent variables are Real Gross Domestic Product (RGDP) and Manufacturing Capacity Utilization (MCU). The independent variable is Real Exchange Rate (REXR) and proxy for exchange rate policy. Inflation (INF) and Interest Rate (BLR) were introduced in the models as control variables capable of influencing economic growth indicators.

$$RGDP_t + \beta_0 + \beta_1 \; REXR_t + \beta_2 INF_t + \beta_3 TOP_t + U$$

Where:

$RGDP_t$ = Real Gross domestic product in time t

$REXR_t$ = Real Exchange rate in time t

$INF_t$ = Inflation in time t

$TOP_t$ = Trade openness proxy by export and import in time t

U = error term

$\beta_0$ - $\beta_1$ are the parameter of the exogenous variables

**Apriori expectation**

$\beta_0$ <or> 0, $\beta_3$ >0, and $\beta_2 < 0$

**Data Analysis and Presentation**
**Unit Root Test:**

**Table 1:** Augmented Dickey-Fuller results (1988-2017)

| Variables | t-statistics | 5% critical value | 1% critical value | Remark |
|---|---|---|---|---|
| RGDP | -4.078535 | -3.603202 | -4.374307 | I(2) |
| REXR | -3.064795 | -2.971853 | -3.689194 | I(1) |
| INF | -4.660128 | -2.971853 | -3.689194 | I(1) |
| TOP | -3.886025 | -3.622033 | -4.416345 | I(1) |

***Source:*** Author's computation(E-views9)

The result from table 1 using augmented Dickey Fuller test shows that, REXR, INF, and TOP are stationary at first difference while RGDP is stationary at second difference. At first differencing, the calculated ADF test statistics for REXR, INF & TOP are greater than their critical values at 5% level of significant, so we reject the null hypothesis of unit root and conclude that these variables are stationary at first difference I(1).

**Co-Integration Test:** Cointegration among time series variables suggests that series may behave in different way in the short run but that they will converge towards common equilibrium behavior in the long run. According to Engle and Granger (1987), set of time series are cointegrated when their residual is stationary. The stationarity of residual implies the existence of a long run stable relationship between RGDP and REXR

**Table 2:** Cointegration Test

| | t-statistics | 5% critical value | remark |
|---|---|---|---|
| **ADF** | -1.961004 | -2.967767 | Not Stationary |

***Source:*** Author's compution (Eviews9)

From the results obtained, the ADF test statistic value of -1.961004 for the residuals is lower than the 5% critical ADF value of -2.967767, indicating non-stationarity of the residual value. So, we conclude that there exists no long run relationship among our variables that is to say that our variables are not cointegrated.

**Table 3:** OLS regression

Dependent Variable: RGDP
Method: Least Squares
Date: 08/23/20 Time: 04:34
Sample: 1988 2017
Included observations: 30

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| REXR | 152.5375 | 24.27557 | 6.283579 | 0.0000 |
| INF | -86.07983 | 82.25864 | -1.046453 | 0.3050 |
| TOP | 194.9478 | 48.65839 | 4.006457 | 0.0005 |
| C | 19486.69 | 3567.315 | 5.462566 | 0.0000 |

| | | | |
|---|---|---|---|
| R-squared | 0.872374 | Mean dependent var | 36947.35 |
| Adjusted R-squared | 0.857648 | S.D. dependent var | 18614.54 |
| S.E. of regression | 7023.180 | Akaike info criterion | 20.67539 |
| Sum squared resid | 1.28E+09 | Schwarz criterion | 20.86221 |
| Log likelihood | -306.1308 | Hannan-Quinn criter. | 20.73515 |
| F-statistic | 59.24022 | Durbin-Watson stat | 0.498506 |
| Prob(F-statistic) | 0.000000 | | |

## Discussion of Findings

From table 3, the result of the OLS shows that exchange rate (REXR) and trade openness (TOP) have a significant positive effect on economic growth in Nigeria. A percentage increase in REXR and TOP will increase RGDP by 152.54% and 194.95% respectively. the coefficient of inflation is -86.0798 and this reveals a negative relationship between inflation and Nigeria's economic growth. Although this negative relationship is insignificant because our probability value of 0.3050 is greater than 0.05. These findings are similar to the findings of Anyanwu, F., Ananwude, A., & Okoye, N. (2017), who in their work discovered a positive relationship between exchange rate and economic growth and a negative relationship between inflation and economic growth in Nigeria. However, the findings are not in line with the the result of Imoisi, Uzomba and Olatunji (2010) and Adelowokan, Adesoye and Balogun (2015) who in their various works discovered a negative relationship between real exchange rate and economic growth. The Adjusted R-squared reveals that 85.8% changes in RGDP was attributed to the joint variations in real exchange rate, inflation rate and trade openness. This is statistically significant (5% significance level) judging by the F-statistic of 59.24 which exhibits that the changes in RGDP was significantly explained by the independent variables within the period studied. The Durbin Watson statistic of 0.499 is not quite bad.

## Test of Hypothesis

### Hypothesis One

***Restatement of Research Hypothesis***

$H_0$: Exchange rate has no significant effect on economic growth in Nigeria.

From Table 3, REXR p-value of 0.000 is less than 0.05. In the light of this, the null hypothesis that real exchange rate has no significant effect on Nigeria's economic growth is rejected while the alternate hypothesis accepted.

### Hypothesis Two

***Restatement of Research Hypothesis***

$H_0$: Inflation rate does not significantly influence economic growth in Nigeria

From Table 3, INF p-value of 0.3050 is greater than 0.05. In the light of this, the null hypothesis that Inflation rate does not significantly influence economic growth in Nigeria is accepted.

### Hypothesis Three

***Restatement of Research Hypothesis***

$H_0$: There is no significant relationship between trade openness and economic growth in Nigeria.

From Table 3, TOP p-value of 0.0005 is less than 0.05. In the light of this, the null hypothesis that there is no significant relationship between trade openness and economic growth in Nigeria is rejected while the alternate hypothesis accepted. So, we conclude that there is a significant relationship between trade openness and economic growth in Nigeria.

**Conclusion and Recommendations**

This study examined the effect of exchange rate on Nigeria economic growth. The study sought to find out the relationship between exchange rate, inflation and economic growth. Real gross domestic product was used as a proxy for economic growth which is the dependent variable while exchange rate, trade openness and inflation rate were the independent variables.

The Engle and Granger co-integration test was used to test the existence of a long run relationship between exchange rate and economic growth. The null hypothesis of no-cointegration was accepted as the results showed that there is no long run relationship between exchange rate and economic growth. The OLS regression was used to provide answers to the research questions. The study hypothesis was tested using probability-values of the OLS regressions. From our findings, the study makes the following recommendation.

- The Central Bank of Nigeria should put in place a strict foreign exchange policy control to ensure
  that the value of Naira against other currency is properly determined. Unethical practices by banks
  leading to depreciation of the Naira should be investigated and erring operators sanctioned accordingly.

- Coherency of trade policy (tariffs and non tariff barriers) with trade promotion policies should be properly formulated. In other to achieve this, vigorous export promotion policy of finished and unfinished products should be pursued.

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# INFORMATION MANAGEMENT OF COVID-19 PANDEMIC AND ITS IMPLICATIONS ON PUBLIC HEALTH IN AKWA IBOM STATE

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## Abstract
*The Covid-19 pandemic has generated shocks that has caused economic fluctuations globally, calling for an understanding of the behaviour of macroeconomic and health variables. This study presents an early review of the information management and health impact of the Covid-19 pandemic on the residents of Akwa Ibom state. The aggregate supply and aggregate demand (AS-AD) model provides the theoretical motivation for the study. From the findings, while the number of infected cases reflects significant correlations with economic activity from the perspective of a trend analysis, the estimates from dynamic ordinary least squares (DOLS) shows that the nexus between the number of confirmed cases and attendant macroeconomic outcomes are largely insignificant with the expected signs. The study has therefore shown that the Covid-19 pandemic has insignificant negative impacts on basic macroeconomic variables in Akwa Ibom state and Nigeria in general such as inflation, employment, exchange rate, GDP growth, among others. In other words, time is required before the established correlations withstand empirical scrutiny in terms of causality. As the government has engaged the Economic Sustainable Plan (ESP, 2020), which is a post-Covid-19 recovery plan, it is hoped that the attendant policies would be properly implemented so as to provide the critical mass to repositioning the country's economy on the path towards inclusive and sustained economic development.*

## Introduction
Coronaviruses are potentially single-stranded enveloped viruses with an RNA that measures about 26 to 32kb. All coronaviruses that infect humans are zoonotic,

with bats being a primary reservoir for most of them. The 21st century has witnessed the incidences of three coronavirus outbreaks, with the latest being the coronavirus disease of 2019, also known as the COVID-19. The outbreak of the Severe Acute Respiratory Syndrome coronavirus (SARS-COV) in 2003 resulted in 8096 cases globally with 774 deaths, while the Middle East Respiratory Syndrome Coronavirus (MERS-COV) resulted in 2500 cases with 860 deaths.
On the backdrop of the above phenomenon, the emergence of a new coronavirus disease has raised great Public Health concerns and may prove to have scathing global socioeconomic consequences in the long run, if the pandemonium continued to run it's full cause unhindered by robust Public Health intervention strategies that are dependable and sustainable .

Nonetheless, it is no longer breaking news that COVID-19 has shut down the world everyday activities in all spheres of lives. The highly infectious and very deadly virus has eroded the real meaning of humanity, which revolves around the fact that man is a social animal as espoused by Aristotle.

The relationship which hitherto existed between different people in the society and brings about social bonding has been drastically reduced, as a result of the COVID-19 pandemic and the world remains in constant increasing panic till date. The world is shaking, countries fighting individually and collectively to defeat what could be regarded as one of the greatest challenges, that has ever confronted mankind. It has revolted against social, economic, religious, political, cultural and academic gathering, among others.

The pandemic has fought both powerful and non-powerful countries. It has also killed both the wealthy and the poor masses in significant numbers to the abashed and worry of the rich and poor nations. COVID-19 pandemic was first reported in Wuhan, located in the Hubei province of China in early December, outcome. The origin of COVID-19 outbreak has been linked to a Huanan Seafood market in China that deals with the sale of live animals; this strongly suggests likelihood of zoonotic infection supposedly links to the viral pandemic outcome.

However, several conspiracy theories exist as regards to the origin of the virus, with some speculations of the virus being a biological weapon from China, amid many other unsubstantiated claims especially those linked with the 5G network being developed from China. Despite these speculations and accusations, the world has been gripped by the novel virus which has now caused 989 thousand deaths across 193 countries, regions and territories, while 12 countries are yet to record a single case.

Therefore, the World Health Organisation, regional and local health bodies have adopted measures to stop the further spread of the disease, and has also tasked the public and the leadership of various countries to enforce the measures necessary to limit the spread of the virus such as social distancing, regular hand washing, lockdown and closing of borders. In Nigeria, President Muhammadu Buhari in two successive broadcasts to the nation ordered a lockdown of certain parts of the country such as Abuja, Lagos and Ogun State. Mr Buhari also ordered the restriction of human and vehicular movements across the country. Consequently, several countries are already grappling with the deleterious effects of the measures set up to combat COVID-19 in various spheres of their socio-economic existence of many countries by considerably halting the economic activities in these countries.

According to a study on the impact of COVID-19 lockdown in Sub-Saharan Africa carried out by Teachout, et al. it was reported that 9.1% of the population has fallen into extreme poverty, with 65% of this being due to the lockdown, and about 30% of the total population have exhausted their savings, which incapacitates them from responding to future shocks. In Nigeria, the federal government sent a revised budget to the National Assembly due to constant drop in crude oil prices, and thereby revised the budget proposal revenue projection for the 2020 fiscal period by a difference of N3.3 trillion naira from the initially approved amount of 8.41 trillion naira to 5.08 trillion naira.

Meanwhile, amid the partial lockdown of the country, economic activities at the macro and micro levels have been grounded, while social activities are also halted. The above situations have forced governments, both at the state and federal levels to put in place some palliative measures to cushion the effects on the masses and businesses. At the centre of it all is the increasingly public health risk or concern, which this study seeks to provide answers to.

The novel coronavirus has taken its grip on Nigeria economy and her citizens, forcing the federal government to declare partial lockdown in Lagos, Ogun and Abuja and restriction of vehicular and human movements across the country. These measures are aimed at curtailing the further spread of the virus, even as 36 states of the federation have recorded cases of the virus bringing the number of cases in the country to 58 thousand with over 1thousand+ deaths as at 25th Sept 2020 with Akwa Ibom state having about over 200 cases with 8 deaths. The measures have affected social and economic situations across the country. Consequently, several wedding ceremonies have been cancelled while most economic activities have also been halted. These situations have affected both low and high-income earners in various businesses.

More so, traders and transporters have been affected while religious activities are now being conducted mostly on the internet and only those who can afford to buy data and smart phones are those favoured while the poorest poor in the country could not get involved in online worshipping. The overall impact of these situations is on Public Health wellbeing, hence ban on social gathering and introduction of social distancing approach in human social interaction was very strange in this part of the world. However, governments at the federal, state and the grassroot levels have not provided tangible palliatives to the masses, to cushion the effects on the people which have made most people who live from hand to mouth to ignore the preventive measures in pursuit of food at the detriment of Public Health protection strategies.

The objectives of this study are, therefore, to ascertain (i) the impact of COVID-19 pandemic on the federal government of Nigeria with respect to the trend of governance (ii) To analyse and evaluate the brunt of COVID-19 pandemic on businesses in Nigeria. (iii) To analyse the effect of COVID 19 pandemic on socio-economic activities on the citizens of Akwa Ibom state especially, with those on the daily income earners, across the state.

However, it is strongly believed that information generated from this study would promote government and other relevant health agencies to plan towards providing sustainable and dependable palliative measures to cushion the socio-economic impact of COVID 19 pandemic on the citizens.

**Information management system of Covid19 pandemic**

Given the speed at which the COVID-19 pandemic has emerged and disseminated, we believe that information systems researchers can now play a key role. Who would be better suited to critically appraising the extent to which current technologies and use of those technologies can help overcome this crisis in the short term, and also examine how best we can utilise technology to recover in the long term? As the COVID-19 pandemic affects the very nature of life as we know it, there are many themes and research angles that relate to information systems and present opportunities for our researchers to contribute. To provide some food for thought, let us discuss a few of these.

***The centrality of information in the COVID-19 disaster:*** A review of media coverage reveals that it is information and information systems that are fueling and facilitating our response to the COVID-19 pandemic, affecting a wide range of stakeholders. Data analysis and forecasting underpin government policy and decision making, and it is the ongoing analysis that is providing governments with information as to the efficacy and impact of these policies and decisions. People have seen their lives fundamentally change overnight. The general public has now become amateur data scientists consuming endless analyses, summaries and graphs as a source of solace and comfort. People need to make sense of the unfolding pandemic and to understand the impact it may have on them, their livelihood, their family and friends. Almost everyone is familiar with some variant of infection and death rate visualisation, and the constant strive to “flatten the curve”. Information in various, crude and often rudimentary forms is what businesses and financial institutions are using to make some sense of the new climate and liquid context that each finds themselves in. Information systems can contribute to all of these areas by examining the specific role of information and information systems across and between the various stakeholders.

***Determining what constitutes information systems value and success in the context of the COVID-19 pandemic*:** In order to examine how successful a particular technology is in aiding the fight against COVID-19, it is necessary to understand what constitutes "value". Comprehensively defining and capturing the value of a system is usually very challenging, as it often manifests in many multi-dimensional and polymorphous, ephemeral ways (Schryen, 2013). It manifests in ways that are hard to measure with quantitative indicators, and there is often a significant time lag between the implementation of the system and the resulting value (Schryen, 2013). What constitutes value is often inextricably tied to the context of use and is usually multi-faceted. An analysis of what should constitute value in the case of COVID-19 shows there are many polymorphous and often contradictory measures, most of which have perceived strengths and weaknesses. For example, a directive to lock down a nation will, on the one hand, most likely reduce the number of cases but will have a detrimental impact on measures of the economy and societal issues such as education and mental health. There are several metrics used to assess the COVID-19 situation, including:

the number of COVID-19 infectious patients with symptoms,

the number of COVID-19 infections in patients without symptoms,

COVID-19 hospital admission in the general population,

COVID-19 patients moved to Intensive Care Unit (ICU) (or described as "severe"),

COVID-19 patients progressed from "severe" to "critical", and

COVID-19 deaths or mortality rate.

Certainly, metrics like these raise many questions, such as: How relevant are these metrics concerning information systems value and success? Can digital artefacts and practices contribute to improving these measures and metrics? How can metrics like these be used to inform and evaluate information system designs?

***Examining the behavioural, temporal, societal, and organisational aspects of the pandemic*:** Technology is playing a central role in many if not all aspects of the COVID-19 pandemic. We rely on technology to help find a cure, to keep supply chains functioning and to allow businesses to find new ways of working during the unprecedented upheaval. However, it is often the behavioural, societal and organisational aspects of these technologies and their use that will define ultimate success in this pandemic battle, and it is these aspects rather than the technologies themselves that are often the most challenging. Understanding the role of artificial intelligence and machine learning in COVID-19 related digital practices is a current critical example of this challenge (Ågerfalk, 2020). Temporality is a related timely example. Time is playing a central and pivotal role across many aspects of the COVID-19 pandemic. Our lives are all affected over an unknown period. In terms of interventions implemented by government officials, it is not the interventions themselves that are up for debate but the timing of the introduction and lifting of these interventions. Essentially all of the core metrics used to measure the spread and devastation of the pandemic are time-oriented (e.g., new cases per day, deaths per day, number admitted to ICU per day, three and five-day rolling averages of each, the overall trends by week and month). It is these metrics that each government's actions are judged on, and it is these that each population looks to for reassurance. However, time is an inherently complex, multi-faceted, subtle concept and is, by nature, socially embedded. Failure to acknowledge and address these complex nuances usually renders analysis inaccurate and incomplete. Information systems researchers have traditionally been slow to address the polymorphous, complex and nuanced nature of time in their research (Saunders & Kim, 2007; Shen et al., 2015; Nandhakumar, 2002). Recent research also highlights the specific and exacerbated nature of temporal complexity in the context of big data (Conboy et al., 2018, 2019). This complexity is particularly concerning in the context of COVID-19, where so many are basing their decisions on big data analytics. Researchers can now examine the temporal complexities in a COVID-19 context and can determine how this complexity impacts how we think and judge the use of technologies as a solution.

***The negative role of information systems in the COVID-19 pandemic:*** We must also acknowledge that the role of information systems in the COVID-19 crisis is not always a positive one, and technology and its misuse can have detrimental effects. The efficacy of various COVID-19 screening and testing technology is being questioned. Over-reliance on technology such as face masks and COVID-19 tracing apps can have negative behavioural implications as people let their guard down and reduce adherence to social distancing and other preventative measures. Of particular relevance to information systems research are, for instance, new openings for cybercrime and the spread of misinformation and fake news through social media. Concerns like these have led to the WHO Director-General stating we are fighting an infodemic as much as an epidemic (Zarocostas, 2020).[1] Tackling the COVID-19 infodemic has been established as a research priority in the WHO response strategy (WHO, 2020), which has resulted in WHO's Myth Busters webpage[2] and Stop The Spread campaign.

## Empirical Facts about the Covid-19 Pandemic in Nigeria and Akwa Ibom as the case study

Nigeria recorded its first case of Covid-19 on the 27th of February, 2020 and Akwa Ibom state had its first case in April with 5 cases as the index case. This index cases was imported case by a resident that travelled back from Lagos State. Consequent upon this and in consonance with the measures taken across the world, the state took various measures to contain the spread of the Covid-19 pandemic and these included: full or partial lockdowns, testing, contact tracing, case isolation, among others.

Leveraging on previous disaster management and containment skills such as the handling of the Ebola virus that broke out between 2014 and 2016, the state instituted a proportional response by constituting a Task Force (TF) which was saddled with the responsibility of managing the government response to the pandemic. A summary of the macroeconomic policies undertaken by the government to insulate the economy from the impact of the pandemic is presented in Table 1.

**Table 1: Key Economic policy of the Nigerian and Akwa Ibom state government as at August 2020**

| Policy category | Description |
|---|---|
| **Fiscal** | N984 million contingency fund released to Nigeria's center for disease control (NCDC).<br>N6.5billion released for the purchase of testing kits, opening isolation centers and training medical personnel.<br>Lagos State got a grant of N10billion to increase capacity for containing the outbreak.<br>Review of 2020 Budget and a cut in capital spending by N1.5trillion.<br>Provision of N500billion fiscal stimulus package (styled Covid-19 Intervention Fund) to support healthcare facilities, provide relief for tax payers and incentive to employers.<br>Introduction of Import duty waivers for pharmaceutical firms.<br>Regulated fuel prices have been reduced, and an automatic fuel price formula introduced to ensure fuel subsidies are eliminated.<br>Increase of the social register by 1 million households to 3.6 million to help cushion the effect of the lockdown. |
| **Monetary and macro-financial** | Maintenance of current monetary policy rate (MPR) by the Central Bank of Nigeria (CBN) in March. Additional measures introduced include.<br>Reduction of interest rates on all applicable CBN interventions from 9 to 5 percent.<br>Introduction of one-year moratorium on CBN intervention facilities.<br>Creation of a N50 billion targeted credit facility.<br>Injection of 3.6 trillion liquidity into the banking system; N100 billion to health sector, N2 trillion to the manufacturing sector, and N1.5 trillion to the real sector to impact industries.<br>N1 trillion support to the agriculture sector to prevent food shortages. Introduction of regulatory forbearance to restructure loans in impacted sectors.<br>N120 billion private sector special intervention initiative targeted at fighting Covid-19.<br>Receipt of N42.6 billion in April, including $50 million grant from the European Union .<br>Establishment of Nigeria Solidarity and Support Fund to raise $50 million to support physical infrastructure of healthcare centers in Local Governments and existing Social Investment Program. |
| **Exchange rate and Balance of payment** | Adjustment of the official exchange rate by 15 percent.<br>Ongoing unification of various exchange rates under the investors and exporters (I&E) window, Bureau de Change, and retail and wholesale windows.<br>The authorities committed to let the I&E rate move in line with market forces, and it has so far depreciated by about 4 percent.<br>A few pharmaceutical companies have been identified to ensure they can receive FX and naira funding.<br>The CBN has resumed FX supply in some other windows because I&E window turnover has been low since April |

***Source*: Imf policy tracker(2020)**

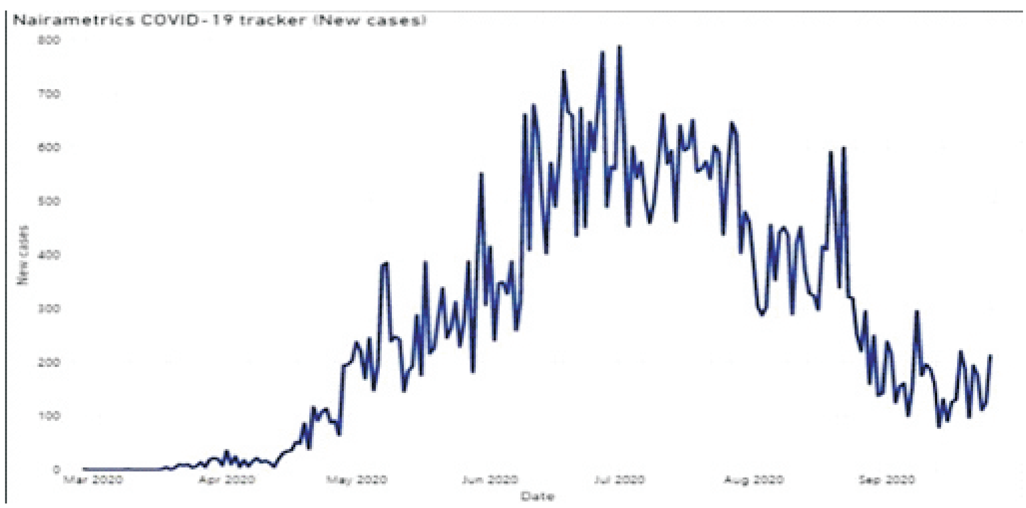
Residents of Akwa Ibom state has been severely affected by the spread of Covid-19 and the associated sharp decline in oil prices. As a commodity-exporting and resource-dependent nation, the pandemic widened the fiscal deficits in the country because of government proportional responses. Government spending and the susceptibility to high public debt vulnerabilities also increased.

Thus, the state demanded for financial assistance from federal government and private donors in order to cushion plausible effects of the pandemic (World Bank, 2020). The major economic damages of the pandemic in Akwa Ibom state are reflected in the falling development index, such as manufacturing index and fixed investment. The aggressive containment measures yielded positive results as the total confirmed cases of Covid-19 in Akwa Ibom state within the first 4months were about 200 cases with just about 0.1% fatality rate.

Nevertheless, it became apparent that Nigeria could no longer afford a total lockdown because the damage caused by the pandemic was already perceptible in most sectors of the Nigerian economy. The most vulnerable sectors are the manufacturing sector and the service sector such as education, distribution, among others. More over in recent times the spread of the virus has decreased drastically with the state recording about 2% cases per day.

**Lock Down and Curfew**

In a move to combat the spread of the pandemic disease, President Muhammadu Buhari directed the cessation of all movements in Lagos and the FCT for an initial period of 14 days, which took effect from 11 pm on Monday, 30th March 2020. which took effect from Saturday, 2nd May 2020, at 9 am.



On Monday, 29th June 2020 the federal government extended the second phase of the eased lockdown by 4 weeks and approved interstate movement outside curfew hours with effect from July 1, 2020. Also, on Monday 27th July 2020, the federal government extended the second phase of eased lockdown by an additional one week.

On Thursday, 6th August 2020 the federal government through the secretary to the Government of the Federation (SGF) and Chairman of the Presidential Task Force (PTF) on COVID-19 announced the extension of the second phase of eased lockdown by another four (4) weeks.

## Literature Review

The literature on the economic effect of Covid19 is no longer scant because from all indications, the cases are decreasing though, some parts of the world still record increase in cases. A good premise to start the review therefore is to glean a similar incidence from a historical perspective. studies on the economic consequences of infectious diseases date back to 1918 the 19 Spanish Influenza. In retrospect, the Great Influenza provides the primordial premise for the study of the macroeconomic consequence of the Covid 19 pandemic.

The past epidemic sheds light on the economic costs especially in the presence or absence of stringent containment policies. Basic macroeconomic consequence of past pandemics such as 1918 Influenza included: (1) low sales due to customers sentiment. (ii) high cost to the service sector since they are most affected by facemask and social economic activities, among others distancing, and (iii) strain on (Boissay and Rungcharoenkitkul, 2020; Barro et al .

Studies also exist on the macroeconomics of recent viruses such as HIV/AIDS (1993), SARS (2003), Avian influenza (200319) and Ebola (2014), among others. For instance, the HIV/AIDS virus has been found to have significant direct and indirect economic consequences on all the economic agents. This correspondingly disrupted livelihood individual households, firms and government s, reduced labour supply, limited the level of labour productivity and output and increased provision for social security, among others. Until the development of the antiretroviral therapies which reduced the vulnerabilities of carriers and their life spans, various countries had to bear the economic costs of this virus, (Cuddington, 1993a; Mckibbin and Fernando, 2020).

Lee and McKibbin, (2004) estimated resulted into about 0. the global economic costs of SARS and found that it 1% loss in global GDP while Hai et al . (2004) assessed the short-term impact of SARS on the Chinese economy and showed that it lowered the GDP growth by percent. Furthermore, Burns et al . (2006) evaluated the economic consequences of 12 avian, influenza and found that it resulted into about 0.1 percent and 4 percent loss in global GDP and Asia respectively. The economic consequence of predominant the Ebola epidemic, a virus in the West African region, was the focus of World Bank Report (2014). The estimates of the computer general equilibrium ( CGE ) model showed that the Ebola virus lowered the GDP in Guinea, Liberia and Sierra Leone by about 2.1 percent, 3.4 percent respectively, within the first year of the pandemic.

Boissay and Rungcharoenkitkul (2020) did an early review of the macroeconomic effect of Covid 19 using the US data, most especially relative to past pandemic macroeconomic consequence s of past epidemic s such as the 1918s . Basic 19 Influenza, SARS (2003), H5N1 avian influenza (2003 pandemic include:19), Ebola (201416) and the present Covid19 fall in GDP growth and decline in manufacturing production activities among others. They found that the economic cost of the Covid19 pandemic can be proxied by GDP foregone, most especially based on the comparison between the current GDP forecast and the Covid19 outlook. In the light of the April 8th U.S data, the study estimated that Covid19 would lead to output loss which ranged between 5-9 percent for the United States and between 4 and 4.5 percent for the global economy. The study recommended that a better understanding of the transmission channel of the Covid19 shock to the economy, the interaction between economic decisions and the pandemic and the policy trade off would assist in reducing the macroeconomic effect of the pandemic.

From a pessimistic perspective, Fornaro and Wolf (2020) modelled the impact of on macroeconomic policy in order to assess the macroeconomic implications of the pandemic. They asserted that Covid19 would cause a negative supply shock to the world economy by forcing factories to shut down and disrupting global supply chain (OECD 2020). The virus also depressed the global demand. They found that corona virus caused a fall in demand and involuntary unemployment. Social distancing impaired the ability of household to spend.

KPMG (2020) examined the economic impact of Covid19 in Nigeria. Findings revealed that the pandemic in Nigeria has a twin shock on the Nigerian oil dependent economy, namely, global and domestic shocks as well as oil price shock.

## COVID-19 as a Public Health concern

Turnock, et al. views Public Health as a collective effort to identify and address the unacceptable realities that result in preventable and avoidable health outcomes, and it is the composite of efforts and activities that are carried out by people committed to these end. Also, the Institute of Medicine, conceptualized Public Health as the science and art of preventing diseases, prolong life, promoting health and efficiency through organised community effort. According to Donald Acheson, Public Health was defined as the science and art of preventing disease, prolonging life and promoting health through the organized efforts of society. This implies that the goal of Public Health in the period of the pandemic is bordered around the prevention of the spread of the disease, as well as how the socio-economic impacts and consequences of the pandemic affect the spread of the virus and the quality of lives.

> The major response in limiting the spread of the COVID-19 pandemic involves methods that enable the application of social distancing such as lockdowns, travel restrictions, quarantine and self-isolation. The restrictions placed on human and vehicular movements by the federal and state governments are aimed at preventing further spread of the coronavirus, which is the one of the ways to eliminate the virus. It shows that the virus has continued to affect Public Health and has raised whole lot of massive concern from the government and the citizens point of view of such an emerging danger are abound in our collective society.

This has greatly affected various sectors of the economy, Public Health and human livelihood. In the healthcare sector, the risk to healthcare workers continue to increase as they have to face the chance of contracting the virus as they carry out their daily routine duty. Factors such as increasing cost of healthcare, lack of protective equipment, low number of intensive care unit beds and ventilators continue to expose the inadequacies of the healthcare sector, especially in the COVID-19 pandemic era.

This call for a great public health concern, as many individuals may not be able to bear the high cost of healthcare in the event of infection. The pharmaceutical sector has also suffered some setbacks due to difficulty in procuring pharmaceutical ingredients by pharmaceutical companies.

## Health implications of Covid19 and it's empirical analysis

The world is no longer buzzing with sports, tourism, orchestra, religious fiesta and other cheering activities. The Public Health measures aimed at limiting the spread of COVID-19 has largely influenced the various aspects of social human interaction, as well as all sectors of the economy such as the primary sectors (responsible for extracting raw materials), secondary sectors (responsible for the production of the finished product) and the tertiary sectors (all service providers). It has also greatly affected social and familial interactions with reduced interactions among friends and social groups. However, more disturbing is the increasing reports of domestic and sexual abuse due to lockdown and quarantine with reports of a 25% increase in calls to help-lines on domestic abuse.

The most affected primary sectors of the COVID-19 pandemic are the Petroleum and oil industry, as well as the agricultural industry. There has been an increased need for agricultural products, due to increased panic buying with a lower yield of products. The petroleum and oil industry as well suffered some major setbacks initially due to trade disagreements between Saudi Arabia and Russia leading to a great fall in the price of oil. The ban on movement and travelling also affected the consumption of petroleum products. In Nigeria, due to the drop in oil price, the budget review proposal has been sent to the Senate for approval, with a 39% slash in the original budget.

The manufacturing sectors were badly hit in the pandemic; due to lockdown and quarantine rules as working from home is not a feasible option for this aspect of the economy and limitations in importation being a barrier, especially in countries like Nigeria whose manufacturing industries are hugely dependent on the importation of raw materials especially from China. A reduction of 1.2% production is predicted in the global chemical industry; their worst growth since the financial crash of 2008.

The tertiary sector such as the education sectors, finance sectors, hospitality and tourism sectors, sports industry, media and information industry, real estate and housing industry and so on continue to feel the brunt of the pandemic outbreak. Closure of all schools including primary, secondary and tertiary institutions is one of the major recommendations advised to limit the spread of COVID-19, as school gathering has been proven to be a major means of disease spread during outbreaks. The United Kingdom was estimated to lose 3% of its gross domestic product due to school closure. This correlates with the model study which showed that closure of schools for four weeks will cost the state of New York in the United State 1.1 billion dollars and a nationwide school closure will cause a loss of 1% of the country's gross domestic product . While most advanced nations are developing the use of new technology such as e-learning platforms, such cannot be fully implemented in Nigeria, due to the divide in the educational system whereby certain services cannot be accessed by people in poor rural settings and some in urban settings.

COVID-19 outbreak has hurt businesses, the financial market and global financial economy generally, due to uncoordinated international governmental responses causing disarray in the international supply chain. Lockdown and self-isolation significantly reduced production, demand and consumption of certain goods and services. According to Olisah, et al., the Nigerian businesses affected most are the start-ups and small scale enterprises, consultancy, hospitality and aviation sectors. The tourism, hospitality and aviation sectors are arguably the biggest losers in the COVID-19 outbreak era.

The World Travel and Tourism Council has estimated that over 50 million jobs may be lost globally due to the COVID-19 pandemic, and the sector faces a great risk in that regard with great consequences as the tourism sector accounts for 10% of the World's gross domestic product. The aviation sector is struggling with unprecedented losses as various travel bans have been placed, with only highly essential travels allowed . Some airlines have asked for bailout funds to enable their sustainability, with UK airlines asking for 7 billion Euros. The Asset Management Corporation of Nigeria (AMCON) has also called out for bailout funds for Nigerian airlines to prevent a shutdown of the aviation sector.

The sports industry as well saw a major halt in activities with postponement and cancellation of major local and international sporting competitions due to COVID-19 pandemic as large gatherings in stadia and other sports facilities could be a potent means for the spread of the virus [50,60]. However, the information and research industry has experienced an upsurge as various research bodies and institutions such as The Coalition for Epidemic Preparedness Innovations (CEPI), are leading various efforts to develop vaccines and treatment regimens against the COVID-19 pandemic, having been backed and sponsored by large companies and corporations such as the Gate's Foundation, Welcome and Master card who have donated several millions of dollars to the efforts being made in the research field.

While religious gatherings may not be classified as a sector of the economy, religious activities play a significant role in the aspect of social, psychological and spiritual wellbeing of those who partake in it. The COVID-19 pandemic has also had a significant impact on religious gatherings, even as gathering of such magnitude tends to be a potent means of the viral spread. Thus guidelines such as regulated numbers of worshippers have been placed on most religious institutions, while those unable to partake due to these regulations can worship online. While the economic impacts of the ban on religious gathering are not determined, the negative social impact has been tremendously enormous on the overall livelihood of existence of the citizens across the globe.

However, a particular factor which is usually important in Public Health discourses, especially in light of the preventative measures and the socio-economic impact of these measures is the mental health of individuals involved. Public Health emergencies affect the people and might lead to fear, insecurity, stigma due to disease, loss of jobs, economic losses and so on and may lead to certain psychiatric conditions such as depression. This agrees with a study carried out by Brooks, et al. in which it was shown that people who have been in quarantine are likely to experience post quarantine stress syndrome . This also agrees with the work carried out by Wu, et al. after the SARS outbreak showed that patients and some hospital employees suffer from post quarantine stress and some lasted for as long as three years after the outbreak. Also, quarantine of health workers usually results in avoidance syndrome, thereby creating a phobia for approaching patients. Some quarantine stressors were outlined as long period of quarantine, fears of cross-infection, frustration and boredom, shortage of supplies and poor flow of information, while post quarantine stressors majorly involves lack or loss of finances and the stigma associated with quarantine .

It is therefore pertinent to set up measures which will mitigate post quarantine stressors. Thus, these critical aspects of Public Health engagement is literally lacking in developing communities like Nigeria, and probably in other Sub-Sahara African countries, even as there are visible lack of functioning health care facilities especially in the rural communities, which has remained a huge source of concern in this period of frustration and high wave of crime in our communities, due to hunger and potential poverty created by COVID 19 pandemic the need to consciously work very hard and diligently by government and other relevant stakeholders in health service delivery to correct the visible lack of clinical infrastructure in Nigeria would help in this direction. These would therefore, improve the overall Public Health wellbeing of the general masses in the country.

## Conclusion

The outbreak of the pandemic has taken its toll on the socio-economic aspect of the world, as well as it has also affected every other aspect of human life. Despite the measures taken, there is continuous increase in the number of cases and deaths associated with COVID-19. The Nigerian government and concerned organizations and individuals are battling to contend these cases. The World Health Organization had been speaking on the need to increase efforts by African Governments to contend the virus due to the poor situation of health care in Africa.

Amidst these efforts, markets, schools, churches and other public places have been shut down and remain so closed. These has increased the sufferings of many Nigerians who are largely poor. But due to the precarious nature of the virus, governments at all levels have appealed to the masses to be patient though without tangible and sustainable palliatives for the most vulnerable Nigerians amidst the country's poverty index. However, because COVID-19 is a Public Health disease, concerns for the safety of individuals and the entire masses remain the revolving point of discourse.

Therefore, based on the objectives for this study and from the various works of literature reviewed, COVID-19 pandemic has impacted negatively on the Akwa Ivom State government, forcing it to review its budget and spending. Meanwhile, the study has ascertained that businesses (large and small, corporate or not) have been greatly affected, making some Organizations to reduce the workforce, while some had threatened to do the same. This may increase the rate of crime and other problems in Akwa Ibom State and Nigeria at large.

On the individual level, COVID-19 has affected income generation and earning, which has impacted negatively on families. The mental health of many individuals are also of immense concern due to the stressors associated with the outbreak of COVID-19 in the country. Therefore, it is pertinent that various short, medium and long term plans should be available as a tool to resuscitate the economy of Akwa Ibom State and Nigerian at large from the impact of the COVID-19 pandemic outbreak.

**Recommendations**

The following recommendations are made based on the findings of this study:

1. All precautionary measures put in place by government and relevant health bodies aimed at tackling COVID-19 should be obeyed and sustained.
2. Due to the fragile economic situation in Nigeria before the coronavirus pandemic, the country should not be subjected to total lockdown for so long. A partial lockdown should be adopted in order not to worsen the economic situation.

   The partial lockdown of states should be reviewed from time to time, while markets and other small and medium scale enterprises should be allowed to open biweekly at least with a controlled influx of consumers. More loan should be given to businesses to help cushion the effects of COVID-19 on business organizations
3. People that stay at home should be sensitized on what to do to avoid developing mental health problem as a result of solitude. While social gatherings (physical contacts) should remain banned, online association and other means that will satisfy the entertainment needs of the people should be encouraged.

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# FUEL SUBSIDY AND ECONOMIC GROWTH IN NIGERIA: AN EMPIRICAL EVIDENCE

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## Abstract
*This paper examined the impact of fuel subsidy on economic growth in Nigeria using a time series data between 1990 and 2018. The paper adopted an economic method, with an Auto Regressive Distributed Lag model in the analyses of data. Gross Domestic Product (GDP) was used as dependent variable to represent economic growth while fuel subsidy, fuel consumption and petroleum pump price were used as independent variables. The result reveals that there is an inverse relationship between fuel subsidy (fs), fuel consumption (fc) and Gross Domestic Product (GDP). However, petroleum pump price has a positive relationship with Economic Growth (GDP). The paper therefore, recommends the removal of fuel subsidy and provision of some palliative to cushion the effect of subsidy removal and enhance growth in Nigeria.*

**Keywords***:* Economic Growth and Fuel Subsidy

## Introduction
Nigeria is predominantly a mono economy with the petroleum sector playing a dominant and strategic role in growth and development of the economy. The petroleum sector contribution account for 80 percent of government revenue, 90 percent of the country foreign exchange and over 20 percent of the country gross domestic product (GDP) (World Bank 2013).

However as magnificent as the contribution of the Petroleum sector sounds, its mode of operations have being shrouded with secrecy and corruption. Thus the sector have not being able to produce to its full capacity and impact effectively on growth and development.

The Federal government of Nigeria have over the years introduce policy reforms in the sector to enhance productivity, one of those reforms is 'Fuel Subsidy'. Fuel subsidy could be defined as those actions of government carried out to cushion the resultant pain which might emanet from the fluctuation of oil price in the world market against the Nigeria populace. It was meant to last for six months only to enable government rehabilitate the existing refineries. Regrettably, the policy lasted for more than twenty five years.

However, as magnificent as this contributions sound different scholars holds different view about the subsidy, while some are in support of the policy others are against. The subsidy the idea to deregulate the downstream sector through the removal of fuel subsidy has not only being met with great scepticism, but also has had tremendous economic and social impacts on the Nigerian populace. The proponents of this idea has suggested the negative economic consequence of price distortion, the “Dutch Disease” syndrome, and energy inefficiency and corruption as some of the principal basis for the removal, with its attendant benefits of price mechanism and competition, fiscal assurance, energy efficiency, reduction in environmental pollution through carbon dioxide emission, (Iba, 2009). For those who are against the subsidy removal, they insist that it is one of the ways the citizens of a country benefit from the natural resources that abound in their country. This way, standard of living is raised because the government directly pays for part of it.

The question the proponents of fuel subsidy removal are still unable to answer is how significant will the fuel subsidy removal be on the socio-economic activities in the country given the fact that it is the main source of energy for all facets of the economy. The Nigerian society depends primarily on the petroleum, especially Petroleum Motor Spirit (PMS) to drive economic activities, especially as the country is not only a monoculture economy in terms of production, but also consumption. Providing alternative sources of energy since has gone beyond the prints and the media. Serious efforts to diversify the economy are still a mirage. Therefore, removing the subsidy on fuel will have grievous economic implications for this entire sector in terms of increasing their cost of production which will ultimately lead to general price increase (Adenikinju, 1998).

Consequently, there has been continuous increase in petroleum prices since the deregulation of the petroleum sector, accompanied with persistent scarcity of petroleum products which the deregulation was expected to halt. It was expected that the deregulation would give room for competition which would ultimately translate to price reductions, with excellent supply and distribution network but reverse has been the case in Nigeria. The petroleum subsidy policy following the oil boom was aimed at reducing the prices of the products thereby minimizing the relative impact the world oil market might have on the masses.

Evidently, the introduction of this policy added significant pressure on both the country's budgetary and fiscal structures. This is more evident as the sum of about 8.97 trillion naira was spent on fuel subsidy alone between 2006 and 2016 (Movement for Economic Emancipation, 2017:10).

In 2011 fiscal year, the Presidency and National Assembly approved 240 billion naira as oil subsidy in the Appropriation Act (Folasade Koyi, 2011:6), and by October 2011, the subsidy scheme has gulped about 1.5 trillion naira showing extra-budgetary spending of 1.2 trillion naira. In reaction to this ugly situation, the Senate

President, David Mark accused "a cabal" in the petroleum industry of being responsible for the mismanagement of oil subsidy (Folasade-Koyi). This goes to prove that the problems of oil wealth mismanagement do not rely solely on the withdrawal of oil subsidy, but how well the oil funds are being managed. That is why many Nigerians remain sceptical about removal of petroleum oil subsidy and to tackle the abnormalities in the mismanagement of oil subsidy, the federal government after having series of consultations with stakeholders, hastily declared the removal of fuel subsidy on January 1, 2012. In some quarters, however, the removal of subsidy of petroleum is totally unnecessary if the refineries were working with full capacity. Government expenditure on subsidies has risen due to the importation of refined crude oil which the country has in abundance, coupled with the various degrees of corruptions and the over-invoicing of import by petroleum importers in an attempt by the government to lessen the burden associated with the international energy market. With this caveats in mind, the key questions however is to know:

- What is the impact of fuel subsidy on economic activities?
- To what extent does the petroleum pump price affect economic growth?

**Statement of the Problem**

Though, several studies have been done recently to test the impact of petroleum subsidies on the Nigerian economy (e.g. Iba, 2009; Maduabuchi, 2011, Oladesu, et al, 2012, Olukayode and Kujenya, 2012), but the review of their studies showed that they have all used discourse analysis and content analysis in their studies by laying emphasis on theoretical discussions, perceptions and interviews of various decision makers in the country. Therefore, this study contributes to the body of literature by adopting an ARDL econometric techniques and modelling to test empirically, the impact of petroleum subsidy on the economic growth in Nigeria. This study therefore differs significantly, because it intends to examine both the long and short run impact of fuel subsidy removal on the socio economic development of Nigeria.

**Objectives of the Study**

The main objective of this study is to investigate the impact of fuel subsidy on economic growth in Nigeria. Specifically the paper examined:

i. The relationship between the petroleum pump price and economic growth in Nigeria
ii. The relationship between consumption and economic growth in Nigeria

**Hypotheses**

$H_{01}$: Fuel subsidy does not significantly impact on economic growth in Nigeria

$H_{02}$: There is no significant relationship between fuel consumption and economic growth in Nigeria

$H_{03}$: Petroleum pump price does not significantly impact on economic growth in Nigeria.

## Literature Reviews

### Overview of the Nigeria Oil and Gas Industry

Nigeria is the largest oil producer in Africa and the sixth largest producer in OPEC with an average of 2.6 million barrels per day (bpd) (2006). Nigeria's economy is heavily dependent on the oil sector, which account for nearly 80% of government revenues and over 90% of total foreign exchange earnings. Estimates of the total crude oil reserves vary, but are generally accepted to be about 36 billion barrels, although new offshore discoveries are likely to push this figure to about 40 billion barrels. (Research Department of ICML).

With a maximum crude oil production capacity of 2.5 million barrels per day, Nigeria ranks as Africa's largest producer of oil and the sixth largest oil producing country in the world. Nigeria appears to have a greater potential for gas than oil. Nigeria's gas production in the year 2000 was approximately 1,681.66 billion scf, 1,3715 billion scf was associated gas and the rest 310.16 billion was non-associated gas. (NNPC Website 2016).

Nigeria produces only high value, low sulphur content, light crude oils - Antan Blend, Bonny Light, Bonny Medium, Brass Blend, Escravos Light, Forcados Blend, IMA, Odudu Blend, Pennington Light, Qua-Iboe Light and Ukpokiti. (NNPC Website 2019).

NNPC, through its subsidiary the Nigerian Petroleum Development Company (NPDC), is directly responsible for four oil and gas fields with a total production of 15,000 bpd. NPDC is committed to expanding its production capacity and has thus entered into strategic alliance with Agip Energy to develop the Okhono offshore field .(NNPC Website 2019).

The Nigerian Gas Company, a subsidiary of NNPC transmits gas to major commercial centres in the country. The Escravos - Lagos pipeline feeds the commercial nerve-centre of the nation, as well as fuelling the main power station at Egbin, near Lagos. (NNPC Website 2019).

### Division of the Nigerian Oil Sector

It is important to distinguish between two activity sectors of the industry in order to appreciate the extent of public sector's involvement and the challenges of institutional change. Conventionally, these are the upstream sector and the downstream sector. The exploration and production of oil and gas make up the upstream sector (Amana and Amana, 2011).

Bafor (2001) states as follows: A company may concentrate on exploration and production only. Such a company is said to have an upstream interest. On the other hand, a company may be involved in only refining and marketing. Such a company is said to be in the downstream sector. Companies which operate in both sectors are said to be fully integrated.

The downstream sector is responsible for refining, storage, marketing, sale and distribution of oil, kerosene, asphalt, lubricating oils and petrochemicals such as plastics, carbon black and solvents (Omoregbe, 2004). The downstream sector is regulated and controlled by the federal government which solely refines petroleum and regulates the prices and distribution of such products. This might account for the bottlenecks in refining, marketing and distribution capacity (Amana and Amana, 2011). The apparent inefficiencies in the domestic production and distribution have made the country to rely on massive importation of petroleum products in order to augment and hence meet local consumption requirements.

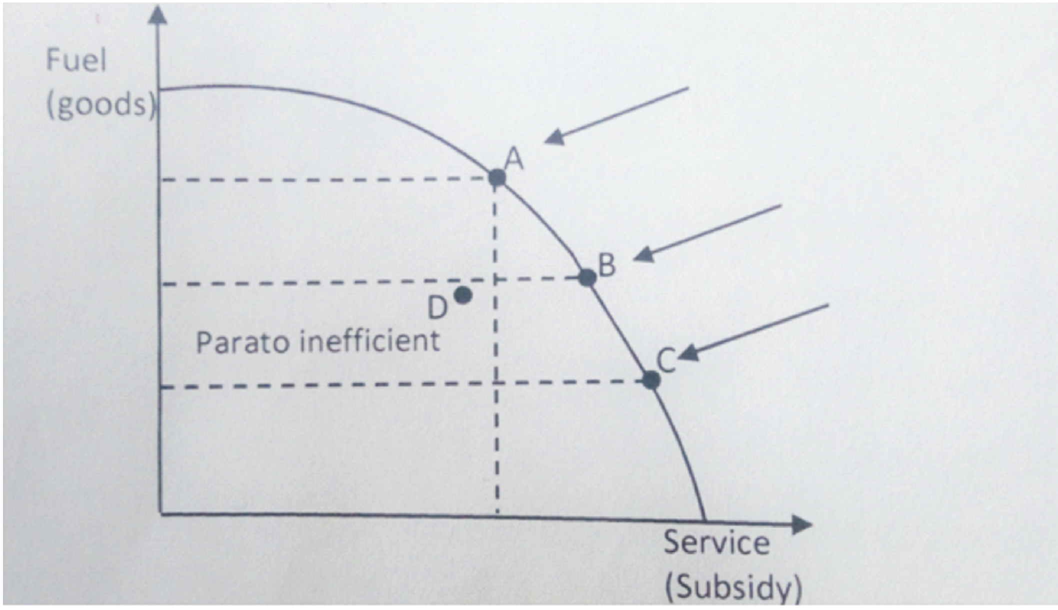
**The Petroleum Products Pricing Regulatory Agency (PPPRA)**

The PPPRA is a regulatory body in-charge of overseeing the full deregulation and liberalization of Nigeria's petroleum downstream sector. The establishment of the PPPRA started in August 2000, with the former President Obasanjo, signing into law the PPPRA Bill on March 27, 2003, and inaugurated the Governing Board of the PPPRA on June 19, 2003. The mission of the PPPRA is to reposition Nigeria's downstream sub-sector for improved efficiency and transparency, and its vision is to attain a strong, vibrant downstream sub-sector of the petroleum industry, where refining, supply, and distribution of petroleum products are self-financing and sustaining. The functions of the PPPRA are to:

a) To determine the pricing policy of petroleum products.
b) To regulate the supply and distribution of petroleum products.
c) To create an information databank through liaison with all relevant agencies so as to facilitate the making of informed and realistic decisions on pricing policies.
d) To oversee the implementation of the relevant recommendations and programmes of the Federal Government as contained in the White Paper on the Report of the Special Committee on the Review of the Petroleum Products Supply and Distribution, taking cognizance of the phasing of specific proposals.
e) To moderate volatility in petroleum products prices, while ensuring reasonable returns to operators.
f) To establish parameters and codes of conduct for all operators in the downstream petroleum sector.
g) To maintain constant surveillance over all key indices relevant to pricing policy and periodically approve benchmark prices for all petroleum products;
h) To identify macro-economic factors with relationship to prices of petroleum products and advice the Federal Government on appropriate strategies for dealing with them.
i) To prevent collusion and restrictive trade practices harmful in the sector.
j) To create firm linkages with key segment of the Nigerian society, and ensure that its decision enjoy the widest possible understanding and support.
k) To exercise mediatory role as necessary for all stakeholders in the sector.
l) To carry out such other activities as appear to it necessary or expedient for the full and efficient discharge of its functions. (PPPRA, 2016).

**Theoretical Framework**

Pareto efficiency or pareto optimality is a state of allocation of resources from which it is impossible to reallocate resources so as to make anyone individual or preference criterion better off without making at least an individual or preference criterion worse off.




**Empirical Literature Review**

Clements, Jung, and Gupta (2003) constructed a CGE model to explore the impact of subsidy removal on petroleum products in Indonesia. Two scenarios were run. The first used a Keynesian scenario in which real output declined, leading to a fall in hoed by the subsidy removal, the overall level of poverty in the economy increased, in part because employment fell among low-income households. The authors suggest that these result point to the need for targeted support to the poor if universal subsidies were to be removed.

Mason, et al. (2006) examined the effects of the removal of petroleum subsidy on poverty in Nigeria. Employing a computable general equilibrium micro-simulation analysis to assess the impacts on poverty, the study concluded that subsidy removal without spending of the associated savings, would increase the national poverty level and that the government's fiscal policy stance following subsidy removal is important in determining the poverty effects. Oktaviani, et al. (2007) used a CGE model to analyze the elimination of fuel subsidies in Indonesia, which occurred in three stages over the period 2000-05 (prices were increased by 12% in 2000, 30% in

2001 and 29% in 2005). They concluded that the short to medium term macroeconomic performance of the economy was impaired by the removal of the subsidies, due to a reduction in household incomes and increase in domestic prices. Furthermore, the reduction of fuel subsidies increased the overall incidence of poverty in the Indonesian economy from 8.9% to 12.9% of the population, with rural areas worst affected. On the other hand, the authors noted that there is little difference in terms of inequality over the period; declines in household incomes were fairly uniform across income groups. The authors concluded that the government should offset the impact of subsidy removal with measures to compensate households, but they question whether the means exist to distribute these funds effectively.

Victor (2009) gives an account of the reasons fossil fuel (petrol) subsidies have arisen and, once having arisen, are so difficult to remove. He points out that political economy analysis often begins with the assumption that the government acts with the goal of staying in power. Policies that provide subsidies channel resources to organized interest groups that can affect government survival, for example by voting. In addition to “populist” subsidies that are aimed at voting consumers, there is also the “populist paradox” where the largest subsidies (cheapest fuels) are often provided by governments that do not face popular referenda. Here, he suggests that the threat of social instability induces such governments to offer highly visible benefits in terms of subsidized fuel prices. It is particularly difficult for oil-producing countries to phase out petroleum product subsidies because many citizens consider cheap oil an entitlement, and also feel that a bird in the hand (today's subsidies) is worth two in the bush (future better economic performance generally).

Kilishi (2012) used positive economic analysis to investigate the implications of subsidy and its removal on the consumers, the fuel market and government spending. He found out that paying subsidy on import was the original error committed by the government. He therefore concluded that subsidy removal without liberalization of the downstream oil sector would not solve the problem of supply shortage rather inflict hardship in terms of higher prices on the consumers

**Methodology**

**Model Specification**

The mathematical and functional specification of the model as well as priori expectations for the study are presented as follows:

Mathematical form:

$GDP = f(FSP, FC, PPP)$ ……………………………………….(3.3)

$GDP = a_0 + a_1 FSP + a_2 FC + a_3 PPP + U_t$...................................(3.4)

Where:

GDP = Gross Domestic Product (proxy for economic growth)
FS = Fuel Subsidy Payments
FC = Fuel Consumption
PPP = Petroleum Pump Price
U = Error term
t = Time trend

On the apriori, the study expects:
$a_1 > 0$, $a_2 > 0$, and $a_3 > 0$

**Data Analysis**
The researcher used the Autoregressive Distributed Lag Model in analysing the data collated. The preference of ARDL is It can be used with a mixture of I(0) and I(1) data and can include Both short and long run behaviours of the variables in a single result table. This makes it better than the other analytical techniques.

**Results Presentation and Interpretations**

| | FC | FSP | GDP | PPP |
|---|---|---|---|---|
| Mean | 19.73621 | 155.5870 | 29237.82 | 56.29828 |
| Median | 13.00000 | 87.20000 | 11411.07 | 49.00000 |
| Maximum | 72.80000 | 667.0000 | 97481.02 | 145.0000 |
| Minimum | 5.400000 | 0.310000 | 472.6487 | 0.700000 |
| Std. Dev. | 16.94896 | 202.4115 | 32882.99 | 51.10080 |
| Skewness | 1.880135 | 1.570922 | 0.840505 | 0.775651 |
| Kurtosis | 5.570130 | 4.342356 | 2.050924 | 2.199559 |
| Jarque-Bera | 25.06712 | 14.10500 | 4.502900 | 3.682082 |
| Probability | 0.000004 | 0.000865 | 0.105246 | 0.158652 |
| Sum | 572.3500 | 4512.023 | 847896.6 | 1632.650 |
| Sum Sq. Dev. | 8043.487 | 1147172. | 3.03E+10 | 73116.16 |
| Observations | 29 | 29 | 29 | 29 |

***Source:* Eviews**

Looking at the descriptive statistic, one can easily determine the type of time series data used. The analysis shows that PPP, GDP are normally distributed while FC and FSP are not as shown by the JB test results.

**Unit Root Tests**

| Coefficients | ADF Values | Critical Values (5%) | I(1) Commeticts |
|---|---|---|---|
| GDP | -4.775648 | -2.976263 | Stationary |
| FC | -4.280259 | -2.976263 | Stationary |
| FSP | -3.584280 | -2.971853 | Stationary |
| PPP | -3.697422 | 0.0101 | Stationary |

***Source:* Eviews**

The ADF results above show that the variables are stationary at 1(1). The stationarity of the variables becomes the basis for the conduct of cointegration test using the bounds test for cointegration.

**Bounds Tests for Cointegration**

| F-Bounds Test | | | Null Hypothesis: No levels | relationship |
|---|---|---|---|---|
| Test Statistic | Value | Signif. | I(0) | I(1) |
| | | | Asymptotic: n=1000 | |
| F-statistic | 22.37112 | 10% | 2.72 | 3.77 |
| K | 3 | 5% | 3.23 | 4.35 |
| | | 2.5% | 3.69 | 4.89 |
| | | 1% | 4.29 | 5.61 |

***Source:* Eviews**

The Bounds tests for cointegration show that there is a long run relationship between the dependent variable and the independent variables as shown by the F-statistic.

**ECM results**

Dependent Variable: D(GDP)
Method: Least Squares
Date: 09/26/19 Time: 13:15
Sample (adjusted): 1993 2018
Included observations: 26 after adjustments

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 1537.617 | 1812.555 | 0.848315 | 0.4074 |
| D(FC(-1)) | -28.19831 | 118.6909 | -0.237578 | 0.8149 |
| D(FC(-2)) | 7.927314 | 118.3617 | 0.066975 | 0.9473 |
| D(FSP(-1)) | -22.44907 | 7.087353 | -3.167483 | 0.0053 |
| D(FSP(-2)) | -9.134583 | 7.871739 | -1.160427 | 0.2610 |
| D(PPP(-1)) | 7.002065 | 167.9311 | 0.041696 | 0.9672 |
| D(PPP(-2)) | 261.2398 | 159.9911 | 1.632839 | 0.1199 |
| ECM(-1) | -0.137916 | 0.148334 | -0.929770 | 0.3648 |

| | | | |
|---|---|---|---|
| R-squared | 0.440394 | Mean dependent var | 2946.849 |
| Adjusted R-squared | 0.222770 | S.D. dependent var | 8572.469 |
| S.E. of regression | 7557.544 | Akaike info criterion | 20.94614 |
| Sum squared resid | 1.03E+09 | Schwarz criterion | 21.33325 |
| Log likelihood | -264.2998 | Hannan-Quinn criter. | 21.05761 |
| F-statistic | 2.023645 | Durbin-Watson stat | 0.812968 |
| Prob(F-statistic) | 0.108116 | | |

***Source:* Eviews**

The ECM shows that the speed of adjustment is 14% periodically as shown by the ECM value. However, it is not statistically significant at 5% level. Moreover, the coefficient of determination shows that 44% of the changes in the dependent variable is explained by the changes in the independent variables.

**Tests of Hypotheses**

$H_{01}$: Fuel subsidy (fs) does not significantly impact on Economic Growth (GDP) in Nigeria. The results showed an inverse relationship between Fuel subsidy and Economic Growth (GDP). A unit increase of fuel subsidies, lead to a fall of the GDP by 22units which means that as the federal government continues to subsidies petroleum product, the Gross Domestic Product(GDP) continue to fall. Because that fraction of resources that were used to pay for consumption of fuel would have been used for investment a provision of infrastructure, which would have brought increase growth and development but the reverse is the case.

$H_{02}$: There is no significant relationship between fuel consumption FC and Economic Growth (GDP) in Nigeria. A unit of fuel consumed (FC) the Gross Domestic Product decreases by 28 units. The implication is that the more people consume fuel, the more the federal government of Nigeria spend more money on subsidy. Hence reducing the total earnings of the government. Although other scholars are of the view that this spending by the federal government has impacted positively on the welfare of the citizens hence increasing savings and reducing poverty.
$H_{03}$: Petroleum pump price does not significantly impact on economy in Nigeria.

The results show that there is a positive relationship between petroleum pump price and GDP. The result shows that as PPP increases by a unit, GDP increases by 7units and vice versa. PPP is also statistically insignificant at 5%. This positive result may be as a result of the importation of fuel by major marketers, who maximise their gains through subsidy payment while the federal government continues to loss. We will therefore reject the alternative hypotheses, accept the null and conclude that there is no significant relationship between PPP and GDP over the period.

**Conclusion**

The impact of fuel subsidy in Nigeria Economic Growth cannot be over emphasised. This paper having used a time series data from 1990 to 2018 on Gross Domestic

Product as dependent variables and fuel subsidy, fuel consumption and petroleum pump price as independent variables. The paper adopted an econometric method with Auto Regressive Distributed Lag model in the analyses of its data. The paper found a hooping negative impact of fuel subsidy on the economic growth in Nigeria. This may be as a result of non-functionality to full capacity of the different refinery as exposed in the literature by some scholars. Hence leading to importation of fuel which resulted to subsidy regime. The paper, however postulates that urgent steps need to be taken to remove fuel subsidy and encourage Domestic and independent production of fuel to enhance efficiency and increase economic growth.

**Recommendations**

1. Fuel subsidy should be removed and allow the mechanism of market forces to operate, i.e. forces of demand and supply.
2. The policy on petroleum refineries must be revisited. The existing refineries must be made to work to full capacity while the government must give private investors the needed support to go into refining of these products. This will reduce the importation of refined products thereby reducing the foreign exchange rate lost through thus channel. More of these products will also be purchased locally and even exported.

Following, there should be gradual but persistent removal of fuel subsidy as this is seen to have serious negative impact on the general condition of the economy. With the complete removal of fuel subsidy, the money saved from it can be reinvested into more viable economic activities and this will help to even generate more income, create jobs, etc.

However, there is room for further study on this subject both in terms of scope and methodology. The use of both qualitative and quantitative techniques in determining relative impacts of the fuel on economic well-being of Nigerians will provide more realistic results.

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# INDUSTRIAL RELATIONS IN THE PRIVATE SECTOR-THE NIGERIAN EXPERIENCE

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## Abstract
*Often, when industrial disputes, industrial actions and strikes are mentioned, attention is immediately drawn to the public sector of the economy, which in most times suggests that those employed in the private sector are operating an industrial relations system that is almost, if not perfect. Industrial relations in the private sector have its own challenges, one of such being the hostility of management towards union activities. This paper sought to determine the major challenges of industrial relations experienced in the private with a view to providing suggestions. In the process of carrying out this study, the simple random sampling method was employed and a total of sixty-four small/medium organisations were surveyed. The data derived indicated that a total of forty-nine organisations do not have the grievance procedures, hence, when there are industrial disputes, the employers are left with all the options to handle the issues as it pleases them. The study also revealed that each organisation within the sector seemed to operate an industrial relations system that suites it, and all of this takes place because the supervising government agencies do not have proper records of these organisations and lack proper oversight function. It is therefore recommended that supervising government agencies must insist on strict compliance with laid labour laws and trade unions should engage management and workers in the private sector to embrace unionism.*

**Keywords:** Private Sector, Industrial Relation

## Introduction
In organizations, employees are governed by individual contracts of service or conditions of service together with rules and regulations unilaterally drawn up by the employer. Industrial Relations evolved to correct these anomalies particularly the imbalance of power between the employer and the employee. Industrial Relations

recognize the fact that with interactions of human beings in organizations, there is bound to be conflicting ideologies and expectations. Therefore, the primary objective of Industrial relations is to ensure industrial peace in an organization. The importance of industrial peace in such an organization cannot be over-emphasized. Yet, in the private sector, there seems to be complaints of inhumane treatment by greedy entrepreneurs who will stop at nothing but to maximize profit, even if it means sharp industrial relations practices. Industrial peace is a sine qua non for an organization's effectiveness and achievement of corporate objectives (Okaka 2005). In some private organisations, the mention of trade unions sends waves of panic to the spin of the management. One method often employed by private organizations is the prohibition of unions and a ban on workers from unionizing. This practice is very common in the education sector, especially among privately owned universities in Nigeria. Holley and Jennings (1994) explained that the practice of prohibiting trade unions and its activities is not new. They claimed that it has been in existence in different forms since the Industrial Revolution. Methods used to achieve this prohibition include: the non-unions status, which is a method of not allowing trade unions within the organization in any form whatsoever and the refusal to engage employees considered unionist, that is, the withholding of employment opportunity to any candidate who is replete with cases of unionism.

Another method employed in the private sector is the zero tolerance method, which is a zero tolerance to all activities of unions in all its ramifications by some organizations via dealing decisively with individuals who may wish to initiate such steps. This zero tolerance approach is executed through outright dismissal of union organizers. This method is affected through the signing of non-unionization clauses by unsuspecting employees on assumption of work. This method makes it most difficult for these employees to later complain as they have already signed their willingness not to unionise at the point of entry.

On the other hand, the argument put forward is that the outright ban of trade unions in an organization is an infringement on the rights of workers as contained in International Labour Organization (ILO) Convention no. 87 of 1948 titled “Freedom of Association and Protection of the Right to Organize”. That convention was ratified by Nigeria on October 17th 1960. According to Ryder (2004), the blanket ban on trade unions actually contravenes ILO Convention 98 of 1949, titled “Right to Organize Collective Bargaining”, which was also ratified by the Nigerian Government on 17th October, 1960. In his words, the decision not to allow workers affiliate to trade unions is an infringement on their rights to freely associate with any trade union.

A large number of Nigerian managers today agree that management-labour policy must be definite and positive, and that unions, if allowed at all, should be encouraged to be more responsible. As one manager puts it, “you can't talk to all workers. It is impracticable, but you can talk to their representatives.” When a firm has a positive attitude towards unionism, it would develop a formal industrial relations policy or working in harmony (Harbison and Coleman 1951). In his own work, Damachi (1982) had argued that in the case of Nigeria, collective bargaining is the only visible form of workers participation in decision-making in the foreseeable future. It can also be industrial democracy because all sides; labour, management, and in some cases government – subscribe to and believe in the workplace as an extension of political democracy in the larger society.

This paper is subdivided into eight sections, with each section handling an aspect of the study. Section one of the work introduces the study and sets the tone for the study of industrial relations practice in the private sector in Nigeria. Section two is the conceptual framework. It explains some concepts used in the course of this work, and also conceptualises some of the terms used. The third section of this study is the methodology, which examines the research methods employed in this research, its sample size and the method of deriving data that are crucial to this paper. Section four traces the history of industrial relations legislation in Nigeria from when the first labour policy was made in 1889 through the colonial period to present day Nigeria. The fifth section is the development of trade unions in Nigeria, and it examined the factors that contributed to the evolution of modern trade unions and the establishment of the first trade union in1880 till the establishment of the last labour centre, Trade Union Congress (TUC) in 2005. It also focuses on their contributions to industrial relations practice in the private sector. Section six is industrial relations practice in the private sector. This part of the work examines the various methods and patterns of industrial relations that are practiced in the sector. It also examined the reasons for the position taken by management of some private organisations. The seventh section of this study is the findings and discussion, which explained the number of organisations surveyed and the results of the survey. The last section of this study is the conclusion, which concludes the entire work.

**Clarification of Concepts**

In the course of this work, some terms and concepts were used that deserve clarifications. These concepts will be thus explained as follows.

***Industrial Relations***: Industrial relations according to Fashoyin (1992) is neither restricted to what happens between management and workers in public and private enterprises, nor to the implementation of labour laws and provision of collective agreements. Fajana (2005) defines industrial relations as encompassing every conceivable feature affecting the management of labour (human resources) including activities of government or its agents in such manpower management. From these definitions, industrial relations include not only labour management/relations, but the term also comprehends an all-embracing approach to resolving and/or reconciling conflicts as well as improving the lot of workers in the relationship between employer and employee. Conceptually, therefore, *industrial relations* refers to the pattern of interaction or relationship between employer and /or management on the one hand, and employee and/or trade unions on the other. These are patterns of relationships that are directly related to such issues as productivity, discipline, employment, conditions of service, wage security, safety and so on.

***Staff Unions* or *Trade Unions:*** This is defined by the Nigerian Trade Union Act 1973 as "any combination of workers or employers whether temporary or permanent, the purpose of which is to regulate the terms and conditions of employment of workers . Also to organize workers to promote, protect and improve through collective action in the interest of its members." Staff or Trade Unions refers to the combination of the efforts of employees, for the purpose of regulating the terms and conditions of service and also to defend workers against sharp practices not in the interest of productivity and the workers in general.

***A Worker* or an *employee:*** is a person rendering his or her services to a public or private employer and earns remuneration for the services rendered. A *worker* can also be anyone who has entered an employment under a work contract with an employer.

***Industrial Disputes****:* The total range of behaviour and attitudes that express opposition and divergent orientations between individual owners and managers on one hand, and working people and their organization on the other (Kornhauser, Dubin and Rose, 1954).

**Literature Review**

According to Braverman (1974), the vast majority of the workforce worldwide is either directly employed by private industry or the state. The majority of workers sell their labour power in order to subsist and therefore becomes increasingly dependent on capital and forced to subsist to its control. This singular reason made many continue to play their trade in the private sector.

According to Odigie (1993:51), rules, regulations and laws are the machines, which governments use to intervene in industrial relations. These are orders or directives intended to achieve effective government of the industrial society. For him, rules mean laws or customs which guide or control behaviour or action, and decision made by a government or an organization about what must or must not be done. Although Nigerian governments, even in colonial era had encouraged the principles of voluntary negotiation and collective bargaining as the means of determining wages and other conditions of services, the employer in the private sector had always dictated the patterns and methods of industrial relations in the country, leaving the employees at their mercies. The first ever recorded attempt of workers in the private sector taking part in collective bargaining with their employers was in 1957 when workers of the Nigerian Tobacco Company (NTC) set up a joint industrial council. This was quickly followed by the workers of United African Company of Nigeria in 1959 when it established bargaining machinery at the African Timber and Plywood factory at Sapele (Ubeku, 1983:98).

Prior to 1997, when wage negotiations were deregulated by the Federal Government, it was the responsibility of the Federal Government to negotiate wage increases with the central labour union of the Nigerian Labour Congress, and whatever was agreed was passed on to states and local government functionaries to implement. The private sector took a clue from whatever agreement reached to negotiate with their workers (Okoh 1998:230). But with the deregulation of wage administration in Nigeria, the law allows individuals and organizations in the private sector to negotiate with their employees the increase they can afford in cases of salary increase, provided the increase in wages and the negotiations process fall within the framework provided by government.

In line with the deregulation of wages, most organizations within the private sector practice industrial relations by adopting the process outlined in the 1970s, which placed industrial relations at two levels: the enterprise and national levels. At the enterprise level, the employer and the house union have interaction through the Joint Consultative Committee (JCC) comprising representatives of management and workers and the bargaining process (Ojo, 1998:143). These committees are peculiar to each organization, as matters such as methods of production, factory safety, work hours, work shifts, quality of health care, staff welfare and disciplinary procedures among others are discussed and conclusions reached with reference to that particular organization (Corbett 1982:156-157). At times, this committee meets to adopt the decisions reached at the national level of collective bargaining. The second aspect of industrial relations is at the national level. At this level, the relation is further subdivided into two. The first is the collective bargaining machinery between each employers' association and the relevant industrial union. Such issues as work hours, allowance entitled to by each employer, maternity leave, pension and gratuity are discussed. The second aspect is when government and the central labour organizations (the Nigerian Labour Congress and Trade Union Congress) come together to discuss important issues pertaining to labour matters.

A large numbers of Nigerian managers today agree that management-labour policy must be definite and positive, and that unions, if allowed at all, should be encouraged to be more responsible. As one manager puts it, “you can't talk to all workers. It is impracticable, but you can talk to their representatives.” When a firm has a positive attitude towards unionism, it would develop a formal industrial relations policy or working in harmony (Harbison and Coleman 1951). In his own work, Damachi (1982) had argued that in the case of Nigeria, collective bargaining is the only visible form of workers participation in decision-making in the foreseeable future. It can also be industrial democracy because all sides; labour, management, and in some cases government – subscribe to and believe in the workplace as an extension of political democracy in the larger society.

According to Blauner (1964), many management experts have carried out several researches to ascertain how workers can feel alienated or powerless, that is, when they lack the control over management policy, immediate work processes, and conditions of employment. This alienation can lead to dissatisfaction which eventually results in low productivity and inability to meet with organizational objectives and goals. On the issue of statutory oversight, the facts clearly show that control and supervision is superficial, such that, the various departments are not aware of certain issues in their jurisdiction. According to Ubeku (1983) the Nigerian government has gone beyond ensuring that disputes are settled in a manner acceptable not only to the parties to the disputes but also to the state. In other words, the state is more concerned with the settlement in the interest of the state. But that should not be the case, as government should take the position of an umpire and not taking sides, as it is currently practiced. This situation has also led to a lot of unrest in the industrial system.

**Theoretical Consideration**

Many management experts have carried out several researches on job satisfaction and have ascertained ways to motivate staff for higher productivity. Among these are Herzberg; Blauner; Vroom and Marx. For the purpose of this paper this researcher will concentrate on Marx`s work on Alienation. Alienation according to Marx refers the detachment of the person from his or her work role. The concept of alienation at work is associated with workers who feel exploited by employers. It is a concept further expanded by Blauner (1964) who stated that workers can feel alienated – a situation he called powerlessness, where workers lack the control over management policy, immediate work processes, and conditions of employment. In his reasoning, unless workers are well taken care by means of industrial relations system that is inclusive, workers will continue to see themselves as tools in the hands of their employers and this can lead to alienation This alienation does lead to dissatisfaction with work and work environment, which eventually results in low productivity and inability to meet with organizational objectives and goals. Carefully examining the work of Blauner shows that is a need for a structure of industrial relations to care the workers in the private sector or else alienation or powerlessness will set in. This situation of alienation has led many in the private sector to always look for jobs in the public even when they pay less. It has also force many to develop the "wait and see attitude" that is whatever the management want to do let them embark. This theory of alienation like most theories have some shortcomings but, its relevance to this study is enormous hence the decision to use it. The theory is chosen because it gives better understanding and clearer view to the challenges those who sale their services to private sector of the economy.

**The Role of Government in the Industrial Relations System and Wage - Related Industrial Unrest in the Public Service in Nigeria.**

interference with trade union organizations in the country (Jiminiwa, 1996). In the current political dispensation, the dominance of retired military officers is obvious and profound. This factor has an enormous impact on the nation's political climate and especially on the attitude and actions of political office holders. The effect on the industrial relations system is the evidence of intolerance of government towards principal actors, especially workers and their unions. Such actions as the enforcement of "no work no pay" clause, refusal of government to implement collective agreements attest to this fact (Sokunbi, Jiminiwa and Onaeko, 1996; Yusuf, 2009). In spite of the obvious similarities in the attitude of military and civilian governments towards industrial relations, it must be stressed that democratic rule provides a healthier environment for the process (Yusuf, 2009). For instance, while the rule of law is completely abolished under the military, the same tenet thrives in democracy. Many industrial relations issues have been resolved by the court in the current political dispensation. Examples include the court resolution of the nationwide strike organized by the Nigeria Labour Congress in December 2004, the reinstatement of sacked university of Ilorin Lecturers, and several other court injunctions restraining government from tampering with the employment conditions of workers (Abu, 2007; Yusif, 2008; Yusuf, 2009) The theoretical thrust of this paper is the labour process theory.

Braverman (1974), the proponent of labour process theory followed Karl Marx in arguing that work within capitalist society was alienating. Braverman examined the nature of class in the United States of America over a period of 100 years from the time he wrote and argued that the process of class formation is largely directed by changes in the nature of work in capitalist society. Capitalism involves the maximization of profit which results in the accumulation of capital. In pursuing this end, the labour process has been transformed over a period of 100 years. This transformation has important consequences for the formation of classes. The relations of production in capitalist society according to Braverman (1974), is that of dominance and subordinacy. Workers are subject to the authority of employers and their work is controlled from above. Braverman sees this as the hallmark of the working class condition and from this point claims that there has been a progressive proletarianization of the workforce in the United States. Tasks are broken down into simple operations and directed and organized from above. As a result, the worker controls less and less of the work process which now requires more and more coordination from management. Again, Skill and initiative are steadily removed from work. This development applies not only to manufacturing industry but to work in general. The gulf between the ruling class and the working class is also widening.

Braverman (1974) further stresses that this development has been accompanied by the transformation of the bulk of the population into employees of capital. The vast majority of the workforce is either directly employed by private industry or by the state, which he regards as agent of capital. The self employed craft man, the farmer who owns his small holding and independent professional in practice are steadily disappearing and entering the ranks of wage earning and salaried employees. The goods and services required for subsistence are increasingly supplied by capitalist enterprises, and the population is less and less able to supply its own needs outside this capitalist market. As a result, the worker must sell his labour power in order to subsist and therefore becomes increasingly dependent on capital and forced to subsist to its control.

## Methods

For the purpose of this work, sixty-four (64) small/medium scale organizations were selected using simple random sampling method. The technique determines the chances or likelihood of drawing organizations from among small and medium scale industries in the country. The researchers also ensured that the organizations surveyed had a national spread, with fifteen of these organizations located in Lagos, south west Nigeria; twenty of the industries in Benin, south-south Nigeria; while eighteen of these organizations were located in Enugu and its environs, south-east Nigeria. And the other twenty-one organizations are scattered in the northern region of the country. Structured questionnaires were administered to members of staff and management of the sample population. The paper also relied on secondary sources of data collection. These include data from books, journals and online libraries. The materials were helpful in generating the required literature and research findings of other researchers on industrial relations in the private sector.

## Findings and Discussion

In a recent survey carried out by these researchers on the practice of industrial relations in the private sector in Nigeria, sixty-four small/medium private business organisations that have between twenty and one hundred workers in their employment were examined. The management of these sixty-four business organisations were asked various questions using structured questionnaire. The responses are shown in the following tables.

The management of these organisations were asked if they do engage their staff in collective bargaining. The responses of the surveyed organisations are showed on table 1 below:

**Table 1: Engagement of Staff in Collective Bargaining in Small Scale Businesses**

| S/N | Responses | Frequency | Percentage |
|---|---|---|---|
| 1 | Non Existence of Collective Bargaining | 53 | 82.81% |
| 2 | Existence of Collective Bargaining | 6 | 9.38% |
| 3 | Not Sure of the Existence of Collective Bargaining | 5 | 7.81% |
| 4 | Total | 64 | 100% |

***Source:*** Researchers Survey, 2019

Table 1 revealed that fifty-three organisations representing eighty-three percent of organisations have never got involved in collective bargaining process with their employers, be it for wage determination or condition of service. This shows that these employees are only instructed regarding wages, without the bargaining process. This is an indication as to some challenges workers in the private sector in Nigeria are facing.

Another question asked was if there is a grievance procedure (Grievance procedure is a well laid procedure or steps to follow, when industrial disputes arise in the workplace) put in place for workers and management. The following data as presented in table 2 was derived from management staff of the surveyed organisations.

**Table 2: The Existence of Grievance Procedure**

| S/N | Responses | Frequency | Percentage |
|---|---|---|---|
| 1 | Grievance Procedure Does Not Exist | 49 | 76.56% |
| 2 | Grievance Procedure Exists Indirectly | 6 | 9.38 |
| 3 | Not sure of The Existence of Grievance Procedure | 9 | 14.06% |
| 4 | Total | 64 | 100% |

***Source:*** Researchers Survey, 2019

Table 2 clearly shows that forty-nine of these organisations representing seventy-seven percent do not have the grievance procedure in place to handle industrial disputes should they arise. Six organisations, representing nine percent does provide grievance procedure indirectly, that is discussed with staff informally of the procedures to take in cases of industrial disputes. The data revealed that not only was the grievance procedure not functional but was not in even in existence. Leaving much to desired in the private sector. On the issue of trade unions, respondents were asked what their organisational policy on trade unions is. The responses of the management staff of these organisations are displayed in table 3

**Table 3: Company's Policy on Trade Unions**

| S/N | Responses | Frequency | Percentage |
|---|---|---|---|
| 1 | Blanket Ban On Trade Union Activities | 51 | 79.69% |
| 2 | No Outright Ban on Trade Union Activities | 9 | 14.06% |
| 3 | Freedom to Unionise | 4 | 6.25% |
| 4 | Total | 64 | 100% |

***Source:*** Researchers Survey , 2019

The data revealed in table 3 shows that of the sixty-four business organisations surveyed, fifty-one has a policy of outright ban on the activities of trade unions, nine organisations do not have outright ban on trade union activities, but do not encourage it either. While only four business organisations representing six percent allows its workers to unionise. This information shows that most workers in the private sector are deprived of their right to unionise. This situation leaves the worker at the mercy of the employer, who in most cases is interested in maximising profits. This policy also does not allow workers to organised and form a united front for their common interest. The result of the survey only revealed one basic fact that industrial relations in small/medium organisations is quite different from what is outlined in labour laws and industrial relations with regards to collective bargaining does not exist in the majority of small companies.

## Conclusion

This paper has clearly revealed that industrial relations in the private sector is not structured, as a result each organisation seems to operate a system it chooses and this scenario leaves the average workers in the private sector at the mercy of the employer. This situation is worrisome as many in this sector are always seeking ways of moving to the public sector. It has also led to powerlessness on the part of the workers who feel exploited by the owners of the means of production. Data derived from the field supports this notion as forty-nine organisations representing seventy-seven percent of the surveyed organisations did say that they do not have grievance procedures to handle industrial issues. Grievance procedure is a procedure laid down to assist in resolving industrial disrupts and actions in the work place. Also of note is the number of organisations that have an outright ban on union activities. This policy is an infringement on the rights of workers to combine efforts for their own good and interest. The industrial relation system leave nothing much to be admired as it is one woe or the other and the employees continue to be in a state of powerlessness.

A careful examination of government intervention shows clearly that there are areas in which the government needs to be commended such as in regulatory activities. This is evidenced by government`s willingness to set minimum wage approval, collective agreement and allow compulsory arbitration. The issue of setting the framework is commendable but the issue of monitoring leaves nothing to cherish. How does one explain the various practices used in various business organisations?

The economic situation in Nigeria has not helped matters as individual worker see these organisations as the only hope in surviving the harsh economic climate hence; they are willing to cope under any method of industrial relations in the private sector. The researchers therefore recommend the following:

I. The supervising agency, which is the Federal Ministry of Labour, should ensure strict compliance with laid labour laws.
ii. There should be a need to educate and encourage employers of labour in the private sector, about usefulness of trade unions in organisations. As one manager puts it, “you can't talk to all workers”. It is impracticable, but you can talk to their representatives.” When a firm has a positive attitude towards unionism, it would develop a formal industrial relations policy or working in harmony (Harbison and Coleman 1951).
iii. Organised labour can also assist by holding regular consultative assemblies with the organised private sector on the need to embrace the dialogue.

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